

DISCLAIMER

Due to uncertainty surrounding the application of recent amendments to the Competition Act (Canada), these documents are provided for historical information purposes only and do not constitute active or current representations of ATCO Ltd. or any of its related parties. The purpose of these documents is to comply with disclosure requirements that were in effect on the date these documents were filed; ATCO undertakes no obligation to update such information except as required by applicable law. ATCO remains committed to taking steps to address climate change and continuing to engage in sustainability initiatives.





ATCO LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2023

February 28, 2024

This Annual Information Form (AIF) is meant to help readers understand the business and operations of ATCO Ltd. (ATCO, our, we, us, or the Company).

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2023.

The Company is controlled by Sentgraf Enterprises Ltd. and its controlling share owner, the Southern family. The Company includes controlling positions in Canadian Utilities Limited (Canadian Utilities or CU) (52.7 per cent ownership), ATCO Structures & Logistics Ltd. (ATCO Structures & Logistics) (100 per cent ownership), ATCO Land and Development Ltd. (ATCO Land and Development) (100 per cent ownership), and ASHCOR Technologies Ltd. (Ashcor) (100 per cent ownership). The Company also has a non-controlling equity investment in Neltume Ports S.A. (Neltume Ports) (40 per cent ownership).

Terms used throughout this AIF are defined in the Glossary at the end of this document.

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CORPORATE STRUCTURE

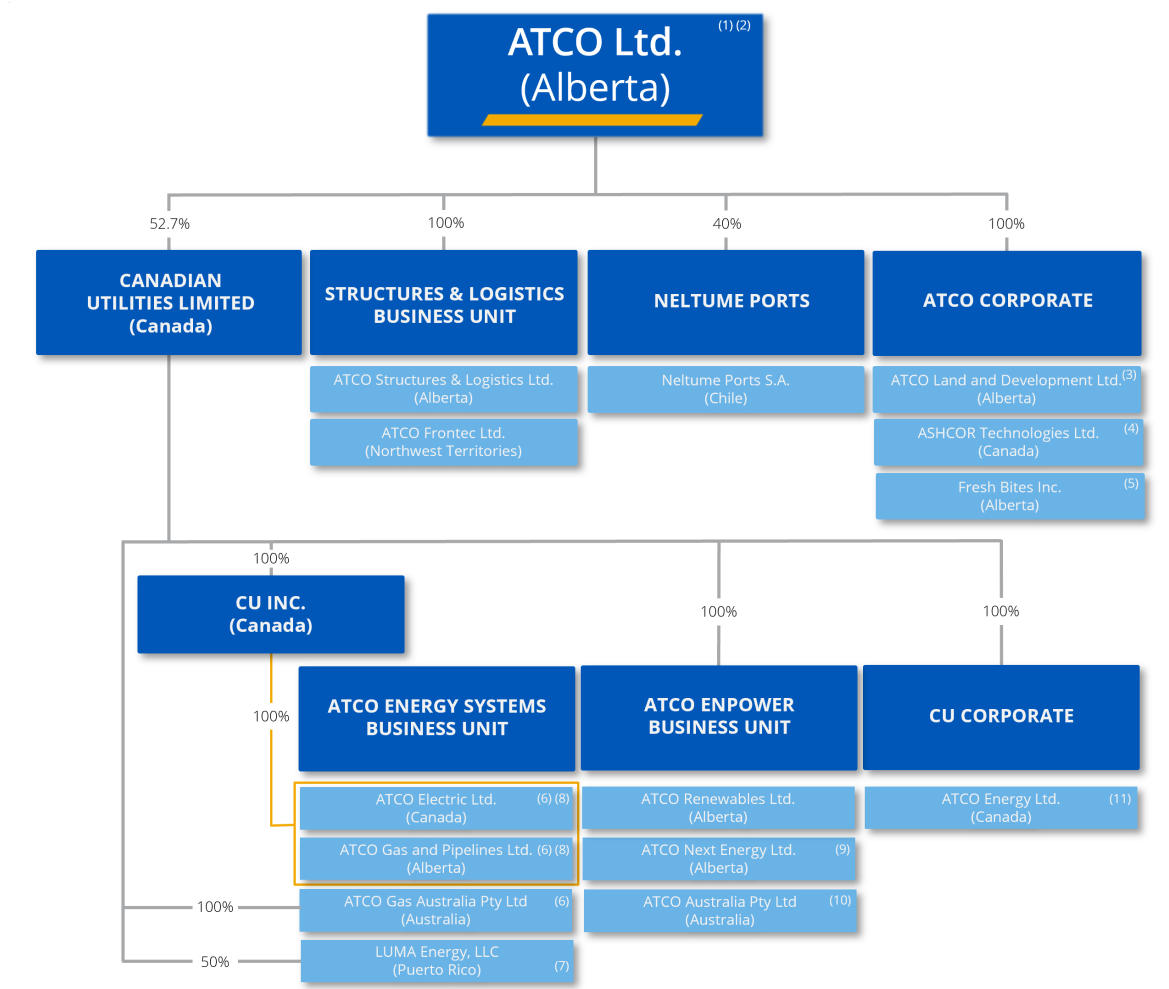
ATCO Ltd. is the successor to the business founded in 1947 by the late S.D. Southern and the late R.D. Southern. It was incorporated under *The Companies Act* (Alberta) by Certificate of Incorporation on August 31, 1962. The Company was continued under the *Business Corporations Act* (Alberta) on March 13, 1984. The address of the head office and registered office of the Company is 4th Floor, West Building, 5302 Forand Street S.W., Calgary, Alberta, T3E 8B4.

A significant change to the Company's corporate structure occurred in June 1980 when ATCO acquired a 58.1 per cent controlling interest in Canadian Utilities Limited (Canadian Utilities) from IU International Corporation of Philadelphia.

In March 1999, Canadian Utilities was reorganized to separate its Alberta-based regulated businesses from its non-regulated businesses. This reorganization was implemented by the transfer of the common shares and debt of the regulated subsidiaries from Canadian Utilities to CU Inc., in return for common shares of CU Inc. As a result of the reorganization, the Company's Alberta Utilities, which had been financed by Canadian Utilities, are now mainly financed by CU Inc.

SIMPLIFIED ORGANIZATIONAL STRUCTURE

The following chart includes the names of the Company's principal business units, as well as the principal subsidiaries comprising the business units, and the jurisdictions in which they are governed. The chart also shows the percentages of such subsidiaries' shares the Company beneficially owns, controls or directs, either directly or indirectly.



- (1) At December 31, 2023, ATCO owned 99.6 per cent of the Canadian Utilities Class B common shares, which are the only voting securities outstanding, and 37.4 per cent of the Class A non-voting shares, for an aggregate ownership of 52.7 per cent.
- (2) The organizational chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2023.
- (3) ATCO Land and Development Ltd. is a commercial real estate business that holds investments for sale, lease or development.
- (4) Ashcor Technologies Ltd. is engaged in the processing and marketing of fly ash predominantly reclaimed from landfills.
- (5) Fresh Bites Inc. is a food service company that incorporates our legacy retail food services brand Blue Flame Kitchen (BFK) acquired by ATCO in 2023.
- (6) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission. ATCO Gas Australia Pty Ltd includes International Natural Gas Distribution.
- (7) Canadian Utilities' 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 30,000-km electricity transmission and distribution system, is included in International Electricity Operations.
- (8) ATCO Gas and Pipelines Ltd. and ATCO Electric Ltd. (Alberta Utilities) are wholly owned subsidiaries of CU Inc., which is 100 per cent owned by Canadian Utilities.
- (9) ATCO Next Energy Ltd. (ATCO Next Energy) includes Storage, Industrial Water and Clean Fuels.
- (10) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia.
- (11) ATCO Energy Ltd. (ATCOenergy) includes Retail Energy and Rūmi, and offers retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta.

ATCO'S PATH TO 2030

CREATING PROSPERITY AND OPPORTUNITY FOR GENERATIONS TO COME

ATCO is committed to a bold and extraordinary future for our companies and our share owners. ATCO is charting a course towards 2030 with an ambitious set of objectives and targets that will build upon the long corporate history of bringing prosperity and opportunity to the communities we serve.

Incorporating our Core Values

Our actions reflect our core values of safety, integrity, agility, caring, and collaboration. These foundational principles guide us as we balance the short- and long-term economic, environmental and social considerations of our businesses.

As a globally diversified holding company, ATCO focuses on investments in the essential services of Energy, Logistics and Transportation, Water, Food and Agriculture, Real Estate and Shelter. We will continue to explore new investments that align with our core capabilities and provide a pathway to the returns and growth profiles that we require for our portfolio.

Committed to the sustainable future

ATCO's sustainability strategy has always been driven by a pragmatic, long-term perspective, one that prioritizes our sustainability objectives and environmental, social and governance (ESG) performance while safely and reliably delivering affordable products and services to our customers, each and every day.

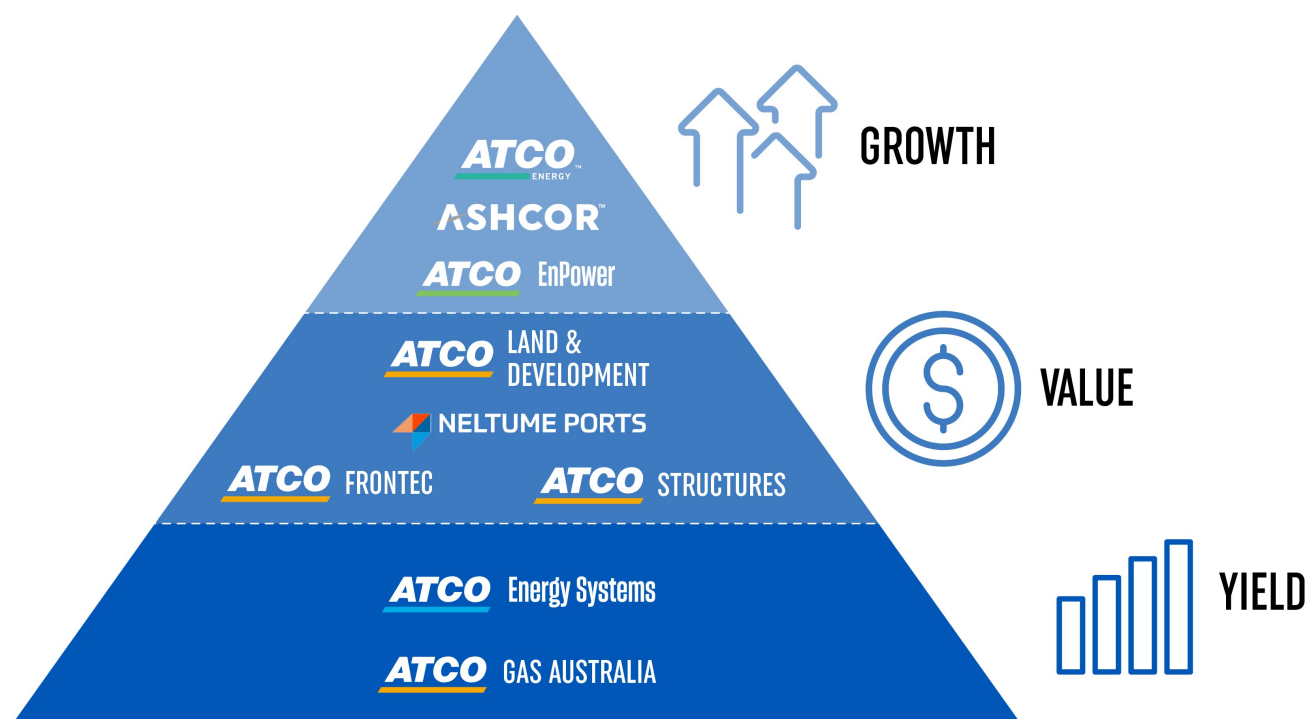
We continue to make strong progress towards our 2030 ESG targets announced in 2022. These 2030 targets include reducing our operational Greenhouse Gas Emissions (GHG) intensity and customer emissions, growing our low carbon energy portfolio and transitional products, increasing economic benefits for Indigenous partners, continuing our focus on safety, and further promoting diversity, equity and inclusion in the workplace. The 2050 net-zero aspiration builds upon the Company's significant progress in recent years in decarbonizing its portfolio.

Details about our progress towards these targets is discussed in the "Sustainability, Climate Change and Energy Transition" section of the Company's 2023 Management Discussion & Analysis (MD&A) and in the Company's annual Sustainability Report, which will be available in May 2024.

ATCO'S STRATEGIES

At the heart of ATCO's strategy is the desire to be a unified provider of essential services for our customers. The essentials for life are an integral part of global growth and prosperity and are key to our strategy. They are by nature resilient to macroeconomic headwinds, geopolitical conflict and natural disasters. Our unique market position, integrated capabilities, and exceptional customer care combine to create a competitive advantage that is difficult to replicate, and one that continues to deliver value to share owners through earnings and dividend growth.

ATCO is a globally-trusted brand, built on our foundation of excellence, which gives us an advantage as we look towards purpose-driven expansion or acquisition opportunities through each of our business units. We know that to continue to enable long-term prosperity, we need to evaluate different avenues for growth that allow us to remain competitive on a global stage.



At the base of our portfolio we look for a stream of stable and reliable earnings and cash flow for ATCO. This supports new investment and provides surety to our dividends.

Value investments provide a balance between yield and growth and while they likely have some cyclicity, they also generally have the ability to outpace overall economic growth and drive better returns. Recent acquisitions such as the 2022 acquisition of Triple M Housing Ltd. (Triple M Housing) by ATCO Structures, and the increase by Neltume Ports in its ownership position in ports, showcase value investments.

We also look for contributions that are more growth focused. They may have less ability to contribute to the current dividend due to the need for growth capital, but will create meaningful growth for our portfolio in the coming years. Examples of this approach are ATCO EnPower's advancements on renewables and clean fuels investments, and Ashcor's reclaimed ash management (RAM) technology.

Our businesses also continue to pursue diversification opportunities and/or expansion of product offerings through the evaluation of new technologies, non-traditional markets, and integrated services.

STRATEGIC TENETS



Valuing a long-term outlook.



Providing affordable solutions for housing and community spaces.



Taking a leadership role in the energy transition.



Building equitable partnerships with Indigenous communities.



Collaborating for the betterment of communities.



Supporting the talent and diversity of the ATCO team.

FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2023 relative to the strategies outlined above are included in the Company's 2023 MD&A and the 2023 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2023 Management Proxy Circular, Business Profile, and Sustainability Report. The 2023 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

ATCO's website, www.atco.com, is a valuable source for the latest news of the Company's activities. Prior years' reports are also available on this website.

BUSINESS DESCRIPTION

PARTNERING AND INVESTING IN LIFE'S ESSENTIALS FOR A CHANGING WORLD

From reliable, sustainable energy for homes and businesses to innovative temporary and permanent structures and everything in between, we build communities, energize industries and deliver customer-focused infrastructure solutions. ATCO is privileged to be providing these innovative, sustainable solutions in sectors that are essential to global growth and prosperity with the dedication and support of our approximately 8,000 ATCO employees and the additional 12,100 employees in our non-controlled interests around the world.



ATCO is committed to future prosperity by working to meet the world’s essential energy, housing, security and transportation challenges. ATCO Structures designs, builds and delivers products to service the essential need for housing and shelter around the globe. ATCO Frontec provides operational support services to government, defence and commercial clients. ATCO Energy Systems delivers essential energy for an evolving world through its electricity and natural gas transmission and distribution, and international operations. ATCO EnPower creates sustainable energy solutions in the areas of renewables, energy storage, industrial water and clean fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. ATCOenergy and Rumi provide retail electricity and natural gas services, home maintenance services and professional home advice that bring exceptional comfort, peace of mind and freedom to homeowners and customers. ATCO also has investments in ports and transportation logistics, the processing and marketing of fly ash, retail food services and commercial real estate.



4M+

Total Customers



\$25B

Total Assets



31

Years of Annual Dividend Increases



100+ Countries

Long History of Global Operations



OVERVIEW

ATCO Structures & Logistics' activities are conducted through two complementary businesses: ATCO Structures and ATCO Frontec. Diversified by geography, product and service offerings, these businesses meet the needs of customers and communities globally. Together we offer workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services.

COMPETITIVE ENVIRONMENT

ATCO Structures & Logistics operates in a competitive market. Our residential housing, permanent modular construction, space rental, workforce housing and camp services peers are fragmented among local markets and range from multi-national companies to local boutique firms. The number of large infrastructure and government projects that our camp management services have traditionally targeted has dropped over the last 5 years and our services have become partially commoditized as a result. We believe our service quality, price, availability, speed of delivery, and our integrated services, put us ahead of many of our peers. Our competitors consist of portable and traditional office space lessors, modular home manufacturers, self-storage providers, facility operations and maintenance, and workforce housing service providers. The key to success and our competitive advantage lies in our ability to provide turn-key bundled services to provide everything from site preparation and workforce housing to scratch-cooked meals and facilities operation and maintenance services. Our growth plan is centered on opportunities in Canada, the US, Australia, Chile, Mexico, Europe. Our ability to meet growing customer demand, along with widening our service offering to include more technical services. Performance may be impacted by factors such as labour shortages, supply chain issues, foreign exchange, and global commodity prices.

LOCATIONS

Locations of Structures & Logistics facilities and operations are shown in the map below.



ATCO STRUCTURES

ATCO Structures aims to generate sustainable earnings growth by increasing our market presence and performance in the regions in which we operate, identifying opportunities to expand into new markets, and delivering exceptional customer service. Our growth strategy in each geography is delivered through continued expansion of our space rentals business line, which provides the infrastructure and skilled personnel to deliver complementary products and services, including workforce housing, residential housing, permanent modular construction, logistics, and site construction services. Our manufacturing capability is a key differentiator in servicing the markets we operate in, affording us the flexibility to build our fleet, offer customized product sales, and provide products and services beyond our core offerings. We continue to grow our business strategically across the globe organically, while supplementing with targeted merger and acquisition opportunities to meet the needs of our growing customer base.

WORKFORCE HOUSING

ATCO Structures manufactures, sells and leases workforce housing products in Canada, the US, Australia, Chile, Mexico and other select international markets. These products include prefabricated standard or custom units designed to be assembled into self-contained accommodation facilities. The units are typically comprised of sleeping quarters, kitchen, dining and recreation facilities. They are constructed to withstand a range of weather conditions and designed to meet appropriate regional building codes and current industry standards. ATCO Structures also purchases used workforce housing units from customers which are then retrofitted as needed and made available for resale or lease in the workforce housing market.

Demand for workforce housing products is directly related to both the capital spending cycle and development activity in various industries, and is primarily in remote locations where workforce accommodation is not readily available.

Major Workforce Housing Contracts

The below tables summarize major contracts which were active or awarded during 2023.

Contract	Customer	Country	Start Date	Completion Date
WORKFORCE HOUSING RENTAL CONTRACTS				
Trans Mountain Expansion Project I	Trans Mountain Pipelines	Canada	Q2 2020	Q2 2023
Trans Mountain Expansion Project II	Trans Mountain Pipelines	Canada	Q3 2020	Q1 2023
Trans Mountain Expansion Project III	Trans Mountain Pipelines	Canada	Q4 2021	Q3 2023
High Level, AB Fire Relief Camp	Dene Tha' First Nation	Canada	Q2 2023	Q4 2023
Valemount, BC Fire Relief Camp	Province of British Columbia	Canada	Q3 2023	Q3 2023
China Lake Military Rebuild Project	Environmental Chemical Corporation	US	Q1 2021	Q3 2023
Florida State Government Support Accommodations	Integrated Modular Solutions	US	Q4 2022	Q4 2023
WORKFORCE HOUSING SALE CONTRACTS				
Bechtel Pluto Train II Construction Accommodation Village	Bechtel Corporation	Australia	Q1 2022	Q3 2023
Mineral Resources' Onslow Iron Ore project	CSI Mining Services	Australia	Q2 2023	Q4 2023

SPACE RENTALS

The space rentals business in Canada, Australia, the US, Chile and Mexico leases and sells relocatable modular structures that can be used for commercial offices, lunchrooms, storage facilities, lavatories, medical facilities, locker rooms and other relocatable temporary structures.

Onsite structures are used mainly by construction and resource companies on urban and rural construction sites. Commercial and community structures, although relocatable, are often used as more permanent facilities by a wide range of private and public sector customers.

Space rental products are generally offered to customers under lease packages that may include options to purchase. Lease terms vary depending on customer requirements. Customers with longer term requirements typically purchase rather than lease units. Sales from the space rentals fleet assist in the process to recycle capital to maintain a modern inventory of these units.

The following table compares ATCO Structures' rental fleet for 2023 and 2022. ATCO Structures increased its space rentals fleet primarily due to continued strategic expansion in targeted regions of Canada, Australia, the US and Chile. ATCO Structures has increased the number of space rental units on rent due to sustained higher demand for space rentals fleet in these regions. This is driven by activity across multiple sectors including mining, construction, education, and healthcare. ATCO Structures decreased the size of the workforce housing fleet in 2022 by selling used and under-utilized fleet assets in Canada, Australia, and the US.

	Year Ended December 31		
	2023	2022	Change
Global Space Rentals			
Number of units	24,074	22,433	7%
Average utilization (%)	75	79	(4%)
Average rental rate (\$ per month)	721	627	15%
Global Workforce Housing			
Number of units	2,747	2,652	4%
Average utilization (%)	69	75	(6%)
Average rental rate (\$ per month)	2,027	1,908	6%

(1) ATCO Structures owns a 70 per cent ownership interest in ATCO Espaciomovil.

PERMANENT MODULAR CONSTRUCTION

Permanent modular construction markets within the health, education, residential, justice and commercial sectors offer new development opportunities for ATCO Structures. There is continued demand to use modular construction as an alternative means to traditional construction due to its inherent ability to be built primarily offsite in a controlled environment. Permanent modular construction projects include classrooms, community centres, hotels, independent apartment complexes, health, and correctional facilities.

ATCO Structures also designs and manufactures permanent building solutions, including a full range of prefabricated, sustainable buildings for customers in remote locations, that can include schools, daycares, healthcare facilities, gas stations, multi-purpose community centres and offices, and single and multi-family housing. The division combines traditional modular construction processes with either pre-engineered steel buildings or soft-wall structures that reduce cost, site work and waste associated with building in remote locations.

RESIDENTIAL HOUSING

In December 2022, ATCO Structures acquired a 100 per cent ownership interest in Triple M Housing Ltd. (Triple M Housing), a leading North American manufacturer of pre-fabricated, modular residential homes headquartered in Lethbridge, Alberta, and primarily servicing Western Canada and segments of the US. Triple M Housing operates as a standalone business and support ATCO Structures' continued growth in the residential housing market sector.

MANUFACTURING

ATCO Structures manufactures products at facilities in Canada, the US, Australia, Mexico and Chile.

Location	sq. ft.
Canada	
Calgary	275,000
Lethbridge	229,000
United States	
Diboll, Texas	90,000
Australia	
Perth, Western Australia	199,000
Brisbane, Queensland	130,000
Mexico	
Guadalajara	35,000
Chile	
Santiago	118,000

ATCO FRONTEC

ATCO Frontec continues to grow its business as an international provider of integrated operational support services to government, defence and commercial clients. With our expertise in workforce housing camp services, facility operations and maintenance services, defense operations services, and disaster and emergency management, we are able to apply our competitive advantages of being a bundled services provider with proven long-term, collaborative partnerships. We enable our customers to focus on their core business.

As a hallmark of our approach to business, ATCO Frontec strives to create equitable partnerships for Indigenous communities and has secured numerous contracts with our Indigenous joint-venture partnerships that are identified in the contract tables in this section.

FACILITY OPERATIONS AND MAINTENANCE

ATCO Frontec provides facility operations and maintenance that serve the resources sector, business and industry, and government and defence, including contracts with the Department of National Defence and North Atlantic Treaty Organization (NATO) in both Canada and through our international operations in Europe. The services we provide are in some of the most remote locations in the world, including the Canadian North where we operate and maintain facilities, bulk fuel and pipeline systems, water treatment, and construction services across the Arctic.

Major Facility Operations And Maintenance Contracts

The below table summarizes major contracts which were active or awarded during 2023.

Contract	Customer	Country	Start Date	Completion Date
Iqaluit Fuel ⁽¹⁾	Government of Nunavut	Canada	Q4 2007	Q4 2031
National Research Council	National Research Council (NRC) of Canada	Canada	Q1 2018	Q1 2026
Real Property North	Defence Construction Canada (DCC)	Canada	Q1 2018	Q1 2026
Department of National Defence	Defense Construction Canada	Canada	Q2 2022	Q4 2026
North Warning System (NWS) ⁽²⁾	Public Services and Procurement Canada (PSPC)	Canada	Q3 2022	Q3 2029
Canadian Forces Station (CFS) Alert ⁽²⁾	PSPC	Canada	Q2 2023	Q4 2031
NATO HQ CIS Support	NATO Support and Procurement Agency (NSPA)	Bosnia & Herzegovina	Q3 2003	Q2 2024
NATO Fire Protection	NSPA	Kosovo	Q1 2015	Q4 2024
PAPA Air Base Facilities Management	NATO Airlift Management Programme (NAMP)	Hungary	Q2 2016	Q2 2025
Alaska Radar System	US Department of the Air Force (USDAF)	US	Q4 2016	Q4 2026

(1) Contract awarded to UQSUQ, a joint venture between ATCO Frontec and Nunavut Petroleum Corporation.

(2) Contract awarded to Nasittuq, an Inuit majority-owned corporation and a partnership between ATCO Frontec and Nunasi Corporation and Pan Arctic Inuit Logistics Corporation.

WORKFORCE LODGING & SUPPORT

ATCO Frontec also specializes in turn-key worker accommodations, offering both modular camp infrastructure and operational services. We provide complete camp solutions that include management and administration, camp catering and food services, housekeeping, janitorial and maintenance services, that cater to the practical side of a customer's operation and the social well-being of their workforce.



ATCO Frontec Employee in Resolute Bay, Canada

Major Workforce Lodging & Support Contracts

The below table summarizes major contracts which were active or awarded during 2023.

Contract	Customer	Country	Start Date	Completion Date
Site C Two Rivers Lodge	BC Hydro	Canada	Q1 2016	Q4 2024
Elkford Lodge	Teck Coal Limited	Canada	Q2 2019	Q4 2024
Coastal GasLink ⁽¹⁾	Coastal GasLink Pipeline Limited Partnership	Canada	Q2 2019	Q3 2024
Trans Mountain Expansion Project I ⁽²⁾	Trans Mountain Pipelines	Canada	Q2 2020	Q2 2023
Trans Mountain Expansion Project II ⁽²⁾	Trans Mountain Pipelines	Canada	Q3 2020	Q1 2023
Trans Mountain Expansion Project III ⁽²⁾	Trans Mountain Pipelines	Canada	Q3 2021	Q3 2023
High Level Fire Relief	Dene Tha' First Nation	Canada	Q2 2023	Q4 2023
BHP Jansen Camp Services ⁽³⁾	BHP Jansen	Canada	Q2 2023	Q3 2026
Valemount Fire Relief ⁽²⁾	Province of British Columbia	Canada	Q3 2023	Q3 2023
Victoria Gold	Victoria Gold Corp.	Canada	Q1 2024	Q4 2026
China Lake Military Rebuild Phase I	Environmental Chemical Corp.	US	Q1 2021	Q4 2024
Pogo Mine	Pogo Gold Operations	US	Q4 2022	Q4 2025

(1) Contract awarded to ATCO Frontec and its joint venture partner, the Haisla Nation.

(2) Contract awarded to ATCO Frontec and its joint venture partner, the Simpcw First Nation.

(3) Contract awarded to Wicehtowak Frontec Services, a joint venture partnership between ATCO Frontec and Gorge Gordon Developments Ltd.(an indigenous owned company).

DISASTER & EMERGENCY MANAGEMENT

ATCO Frontec's disaster and emergency management services include providing disaster planning and response solutions, resilience consulting & training, rapid mobilization of essential support services to first responders, incident facilities and structures. We support communities and organizations through the recovery stage to help plan and rebuild in response to catastrophic events. Our Partnering for Resilience (P4R) program helps Indigenous communities prepare for disasters and build resilience at the local level with custom emergency management programs.



Neltume Ports

OVERVIEW

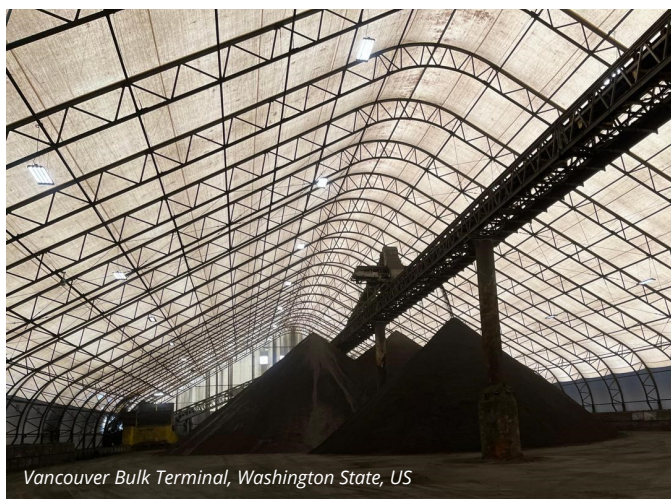
ATCO has a 40 per cent interest in Neltume Ports. Neltume Ports is a port operator and developer with a diversified portfolio of multipurpose, bulk cargo and container terminals located primarily in Chile with additional operations in Uruguay, Argentina, Brazil, and the US. Neltume Ports employs approximately 7,600 people and operates 18 port facilities and 5 port operation services businesses. In 2023, Neltume Ports handled 46 million tonnes of product, including copper, forestry products, consumer goods and agricultural products.

Neltume Ports' growth will be achieved by improving operational efficiency, increasing volumes and ownership at existing ports, and investing in brownfield, greenfield and acquisition opportunities throughout the Americas. Neltume Ports is focused on continuous improvement initiatives to refine operational practices throughout all facets of its business. Most of Neltume's existing ports are underpinned by long-term contracts or concessions and are strategically located near major resource or agriculture hubs, as well as high density areas of economic importance. The business environment is also supported by key partnerships with shipping lines and cargo owners.

COMPETITIVE ENVIRONMENT

Through Neltume Ports' exposure to global trade and transportation, the business is able to capitalize on increasing demand for resources, particularly copper, agriculture and forestry products. Neltume Ports continuously reviews opportunities to increase its ownership position in ports that are jointly owned and continues to actively explore brownfield and greenfield opportunities, as well as acquisition expansion potential.

The ports industry by nature is sensitive to changes in international trade, supply chain constraints, labour shortages, commodity prices and foreign exchange, all of which could impact Neltume Ports. In recent years, Neltume Ports has seen challenges caused by the global pandemic, social unrest, political instability, and economic issues in the regions in which it operates.



Vancouver Bulk Terminal, Washington State, US

LOCATIONS

Locations of ports and port operation services businesses are shown in the map below.



PORTS

Port Name	Neltume Ownership (%)	Country	Terminal Type	Key Cargo	Concession End	Concession Extension Option
Terminal Puerto Arica	50	Chile	Multi	Mixed	2034	N/A
Puerto Angamos	50	Chile	Multi	Copper	2033	2043
Terminal Graneles del Norte	50	Chile	Dry Bulk	Coal	2044	N/A
Puerto Mejillones	50	Chile	Dry Bulk	Copper/Zinc	Private	N/A
Terminal Mejillones	50	Chile	Liquid Bulk	Sulfuric Acid	Private	N/A
Terminal Puerto Coquimbo	70	Chile	Multi	Copper	2032	2042
Terminal Pacifico Sur	60	Chile	Container	Mixed	2029	N/A
Puerto Coronel	25	Chile	Multi	Mixed	Private	N/A
Terminal Puerto Rosario	50	Argentina	Multi	Mixed	2032	N/A
Montecon	100	Uruguay	Container	Mixed	Public	N/A
Terminales Graneleras Uruguayas	54	Uruguay	Dry Bulk	Malt	2042 ⁽¹⁾	N/A
Terminal Ontur	28	Uruguay	Multi	Pulp/ Agriculture	Private	N/A
Sagres - Four Ports (TLRG, TLP, TPP, TLG)	95	Brazil	Multi	Pulp/Wood	Private	N/A
AutoMobile International Terminal	50	United States	Roll-on Roll-off	Vehicles	2030	2050
Vancouver Bulk Terminal	50	United States	Dry Bulk	Copper/Clay	2053	2073

(1) Subsequent to year-end, on January 23, 2024, Terminal Graneleras Uruguayas received notification of the extension of its concession to 2042 from the Ministry of Livestock, Agriculture and Fisheries of Uruguay.



OVERVIEW

ATCO Corporate & Other contains ATCO Land and Development, Ashcor and Fresh Bites Inc., a food service company, including the retail food services brand Blue Flame Kitchen (BFK). ATCO Land and Development is a commercial real estate business that holds investments for sale, lease or development. Ashcor is a company engaged in the processing and marketing of fly ash, predominantly reclaimed from landfills. ATCO Corporate & Other also includes the global corporate head office in Calgary, Canada, ATCO licensing fees received, and financing expenses associated with credit facilities.

ATCO LAND AND DEVELOPMENT

ATCO Land and Development generates revenue from commercial real estate activities. Earnings from this business may come from three avenues: sales of commercial and industrial properties including land, leasing real estate to third parties to generate steady revenue, and, in the longer term, potential development projects. ATCO Land and Development operates in competitive urban and rural real estate markets. Leases within our core lease assets are held by affiliate companies and third party lessees. Our development assets are held within attractive urban markets and key development corridors.

The current portfolio includes 11 commercial real estate properties, including 380,000 square feet of office property, 20,000 square feet of industrial property and 315 acres of land.

ASHCOR

Ashcor is an Alberta-based company with a 26-year history, engaged in the recycling and marketing of ash, a waste byproduct of electricity generation. Ashcor recently engineered the new commercial solution that expands its ability to recycle ash previously stored in the ground. The unique properties of Ashcor's recycled ash product offers many performance and financial benefits across a wide variety of applications including ready mix concrete and oil well cementing. It lowers the carbon dioxide intensity of concrete and also creates a useful product from what would otherwise be industrial waste.

FRESH BITES

Fresh Bites is a food service company that incorporates our legacy retail food services brand BFK. Established in 1997 and acquired by ATCO in 2023, Fresh Bites provides high quality and fresh foods to a variety of customers such as airlines, convenience stores, and quick service chains. The acquisition of Fresh Bites provides meaningful scale in the wholesale pre-packaged fresh and frozen food industry and compliments BFK's 2022 launch of a branded quick serve and grocer program.

BFK has been serving Albertans for more than nine decades. BFK had its start in 1929 with simple natural gas appliance demonstrations and small cooking classes for homemakers and has since evolved into a comprehensive global resource for adults and kids alike. Today BFK provides recipes and 'how-to' guides, online and virtual school programs and cooking classes, and offers events hosted at our home-style kitchen in Edmonton and our state-of-the-art learning centre in Calgary, Alberta.



Canadian Utilities

OVERVIEW

Canadian Utilities is a diversified global energy infrastructure corporation delivering operating and service excellence and innovative business solutions through ATCO Energy Systems and ATCO EnPower. ATCO Energy Systems is comprised of regulated gas and electrical utility services businesses, and ATCO EnPower combines energy and power to deliver advancement in renewables, clean fuels, and energy storage. Canadian Utilities also includes Retail Energy and Rūmi through ATCOenergy, which provides retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta.

ATCO ENERGY SYSTEMS

OVERVIEW

ATCO Energy Systems incorporates our regulated utilities businesses that operate in Canada, Australia and Puerto Rico and certain non-regulated assets held within Alberta, Canada. The four regulated utilities (Electricity Transmission and Distribution, and Natural Gas Transmission and Distribution) in Alberta, Saskatchewan, and the northern regions of Canada have delivered reliable electricity and clean-burning natural gas to customers for many decades. International Operations consists of the regulated natural gas distribution business in Western Australia, and the electricity operations business in Puerto Rico; Canadian Utilities' 50 per cent ownership in LUMA Energy.

Our value proposition is delivering essential energy for an evolving world. We do this through safely delivering reliable and affordable energy, responsibly leading an equitable energy transition, investing to serve the growing and changing needs of our customers, and being a trusted partner committed to long-term mutual prosperity.

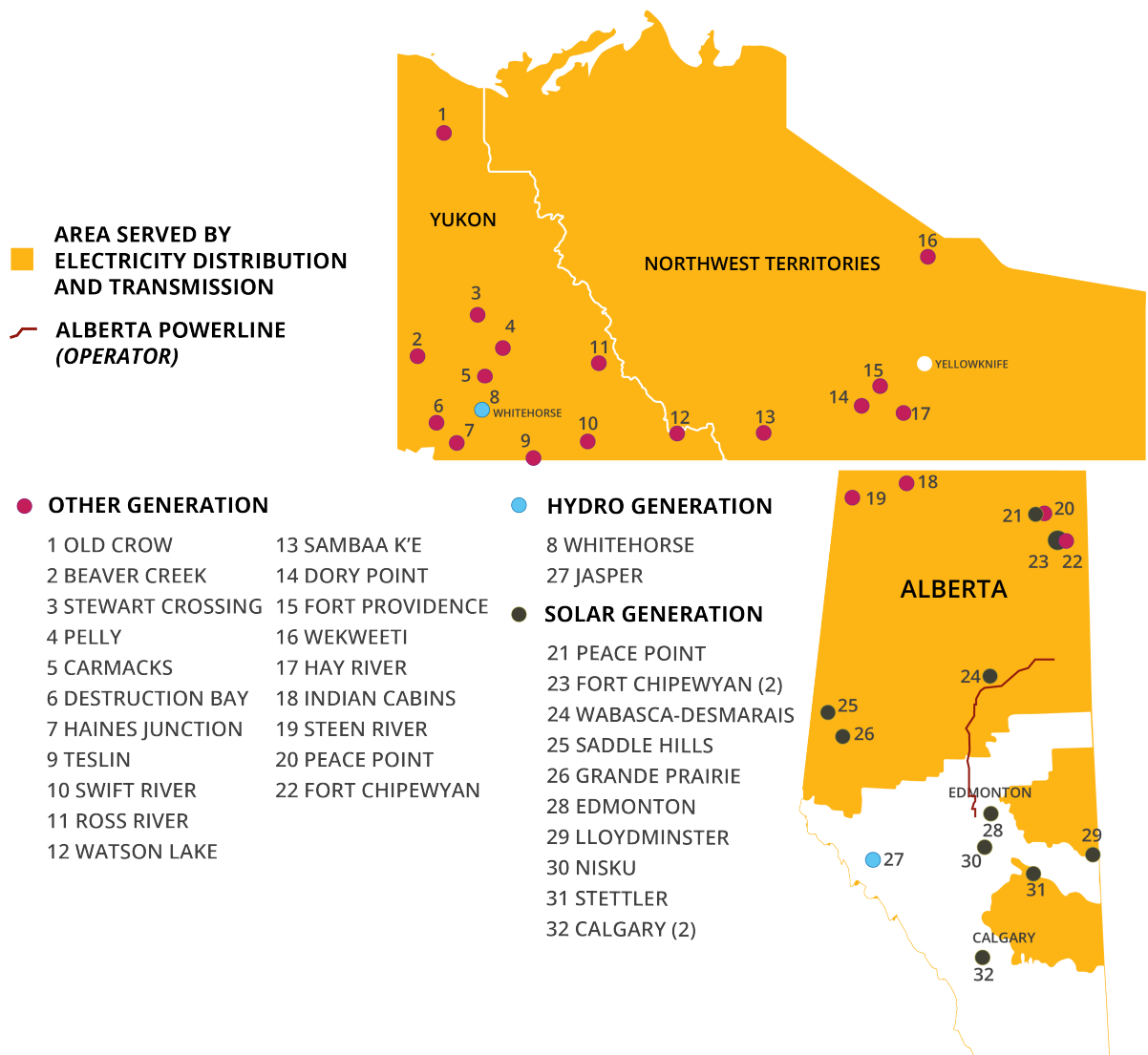
Competitive Environment

The utility industry is evolving with an increasing focus on climate-adaptation, decarbonization, digitalization and decentralization in response to our customers' and other stakeholders' expectations. Evolving regulations, government emissions reduction targets and associated investment incentives present ATCO Energy Systems with opportunities, which it is well positioned to pursue.

The majority of our assets are located in Alberta, Canada, where ATCO Energy Systems' utilities businesses are established and trusted with over 100 years of operations that have involved numerous regulatory and policy changes; this earned experience provides us an advantage over our peers in all of our jurisdictions.

ELECTRICITY DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Electricity Distribution and Electricity Transmission, as well as the locations of electricity generation owned or operated by Electricity Distribution and Transmission, in western and northern Canada.



Electricity Distribution and Transmission transmit and deliver electricity to approximately 240 communities and rural areas in Northern and Central East Alberta. Among those served are the communities of Drumheller, Grande Prairie, and Fort McMurray, as well as areas near Fort McMurray, Cold Lake and Peace River. Electricity utility service is also provided to three communities in Saskatchewan, including Lloydminster. Electricity Distribution and Transmission is headquartered in Edmonton and has 34 offices throughout its service area.

The Yukon Electrical Company Limited (ATCO Electric Yukon (AEY)) serves 19 communities in the Yukon, including the capital city of Whitehorse, and one community in British Columbia. Northland Utilities Enterprises Ltd. (Northland Utilities) is a 50/50 partnership between a subsidiary of the Company and Denendeh Investments Incorporated, which represents the 27 Dene First Nations of the Northwest Territories. Northland Utilities has two operating divisions: Northland Utilities (NWT) Limited (NWT) and Northland Utilities (Yellowknife) Limited (NUY). NUY and NWT serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Approximately 670,800 people live in the principal markets for electric utility serviced by Electricity Distribution and Transmission and its subsidiaries NUY, NWT and AEY. Service is provided to approximately 264,000 customers.

Electricity Distribution and Transmission has been assigned approximately 65 per cent of the designated service area within Alberta. This service area contains approximately 13 per cent of the provincial electrical load and 12 per cent of the population.

The average monthly number of customers served by Electricity Distribution and Transmission, NUY, NWT and AEY in 2023 and 2022 is shown below.

	2023		2022	
	Number	%	Number	%
Residential	187,041	71	185,919	71
Commercial	35,155	13	34,960	13
Industrial	9,264	4	9,299	4
Rural, REA and other	32,420	12	32,400	12
Total	263,880	100	262,578	100

Electricity distributed to the various classes of customers in 2023 and 2022 is shown below.

	2023		2022	
	GWh	%	GWh	%
Residential	1,321	11	1,364	11
Commercial	2,297	19	2,325	19
Industrial	7,822	66	8,266	66
Rural, REA and other	511	4	534	4
Total	11,951	100	12,489	100

Electricity Distribution and Transmission, NUY, NWT and AEY own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,000-km of transmission lines and approximately 60,000-km of distribution lines. In addition, Electricity Distribution and Transmission deliver power to, and operate approximately 3,500-km of distribution lines owned by Rural Electrification Associations (REA).

Electricity Distribution and Transmission, AEY, NUY and NWT distribute electricity to incorporated communities under the authority of franchises or by-laws. In rural areas, electricity is distributed by approvals, permits or orders under applicable statutes.

The franchises under which service is provided in incorporated communities in Alberta and the Northwest Territories have been granted for up to 20 years. These franchises are exclusive to Electricity Distribution and Transmission, NUY or NWT, and are renewable by agreement. If any franchise is not renewed, it remains in effect until either party, with the approval of the regulatory authority, terminates it on six months written notice.

On termination of a franchise, the municipality may purchase the facilities used under that franchise at a price to be agreed on or, failing agreement, to be determined by the regulatory authority. The franchise under which service is provided in the Yukon was granted under the *Public Utilities Act* (Yukon) and has no set expiry date.

Under the *Electric Utilities Act* (Alberta) (EUA), wholesale tariffs for electricity transmission must be approved by the Alberta Utilities Commission (AUC). Transmission tariffs allow any owner of a generating unit to access the Alberta transmission system and thus facilitate the sale of its power. The same transmission tariff is charged to each distribution utility or customer directly connected to the transmission system, regardless of location.

Transmission costs are equalized by having each owner of transmission facilities charge its costs to the Alberta Electric System Operator (AESO). The AESO then aggregates these costs and charges a common transmission rate to all transmission system users.

The Transmission Regulation under the EUA stipulates that new transmission projects will be assigned to transmission facility owners based on the service areas of the distribution companies they have been historically affiliated with. Facilities ownership will change at service area boundaries, except where, in the AESO's opinion, only a small portion of the project is in another service area. This rule applies to all transmission projects except inter-provincial inter-tie projects and those deemed "critical" by the Government of Alberta.

Alberta PowerLine

Canadian Utilities is the operator of Alberta PowerLine (APL) under a 35-year contract ending in 2054. APL owns a 500-km, 500-kV electricity transmission line running from Wabamun, Alberta to Fort McMurray, Alberta. APL is 60 per cent owned by TD Asset Management Inc. for and on behalf of TD Greystone Infrastructure Fund (Global Master) L.P., and IST3 Investment Foundation acting on behalf of its investment group IST3 Infrastruktur Global. The other 40 per cent is owned by seven Indigenous communities in Alberta: Athabasca Chipewyan First Nation, Bigstone Cree Nation, Gunn Metis Local 55, Mikisew Cree First Nation, by way of its business arm, the Mikisew Group of Companies, Paul First Nation, Sawridge First Nation and Sucker Creek First Nation.

Non-Regulated Electricity Transmission

ATCO Energy Systems operates 16-km of transmission lines across four non-regulated electricity transmission assets in Alberta, including Scotford transmission line and substation, Muskeg River transmission line and substation, Grand Rapids substation, and Air Products transmission line.

Electricity Generation

Hydroelectric, Solar Generation and Diesel

Electricity Distribution and Transmission owns or operates 2 hydroelectric plants, 12 solar sites, and 20 diesel-generating plants and 6 mobile generating units, with an aggregate nameplate capacity of 48-MW in Alberta, the Yukon and Northwest Territories.

The hydroelectric assets include one facility in Whitehorse, Yukon, and one in Jasper, Alberta, that each generate 1.4-MW of hydroelectric power. The solar sites in Alberta include rooftop and ground mounted solar sites, including the Fort Chipewyan Solar Project, the largest off-grid solar project in Canada, and Old Crow Solar project, the most northerly off-grid solar project. The diesel sites are spread throughout the Yukon, Northwest Territories and Alberta and serve remote communities that are not connected to the grid.

Canadian Utilities' Electricity Distribution and Transmission continue to advance their strategy to enable renewable energy generation and delivery while supporting their customers' energy needs. In August 2022, the Government of Northwest Territories announced it was providing Northland Utilities up to \$300,000 to support the installation of two public EV fast-charger stations in Yellowknife. In December 2022, ATCO Electric Yukon, a subsidiary of CU Inc., and Copper Niisüü Limited Partnership finalized landmark Electricity Purchase Agreements to underpin the Saa Sè Energy Project in Beaver Creek and the wind facility project in Burwash Landing to enhance energy autonomy for both the White River and Kluane First Nations.

Electric Vehicle Input Charging Stations

Electric vehicle (EV) fast charging stations provide end-users an opportunity to replace liquid fuel with a low-carbon emitting energy. To date, Canadian Utilities has installed a total of 25 public fast EV charging stations.

INTERNATIONAL ELECTRICITY OPERATIONS

LUMA Energy

LUMA Energy provides transmission and distribution services throughout Puerto Rico and serves approximately 1.5 million customers through its joint venture, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc. LUMA Energy operates approximately 30,000-km of transmission and distribution lines and has approximately 3,678 employees.

On June 22, 2020, LUMA Energy was selected by the Puerto Rico Public-Private Partnerships Authority (P3A) to transform, modernize and operate Puerto Rico's electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement.

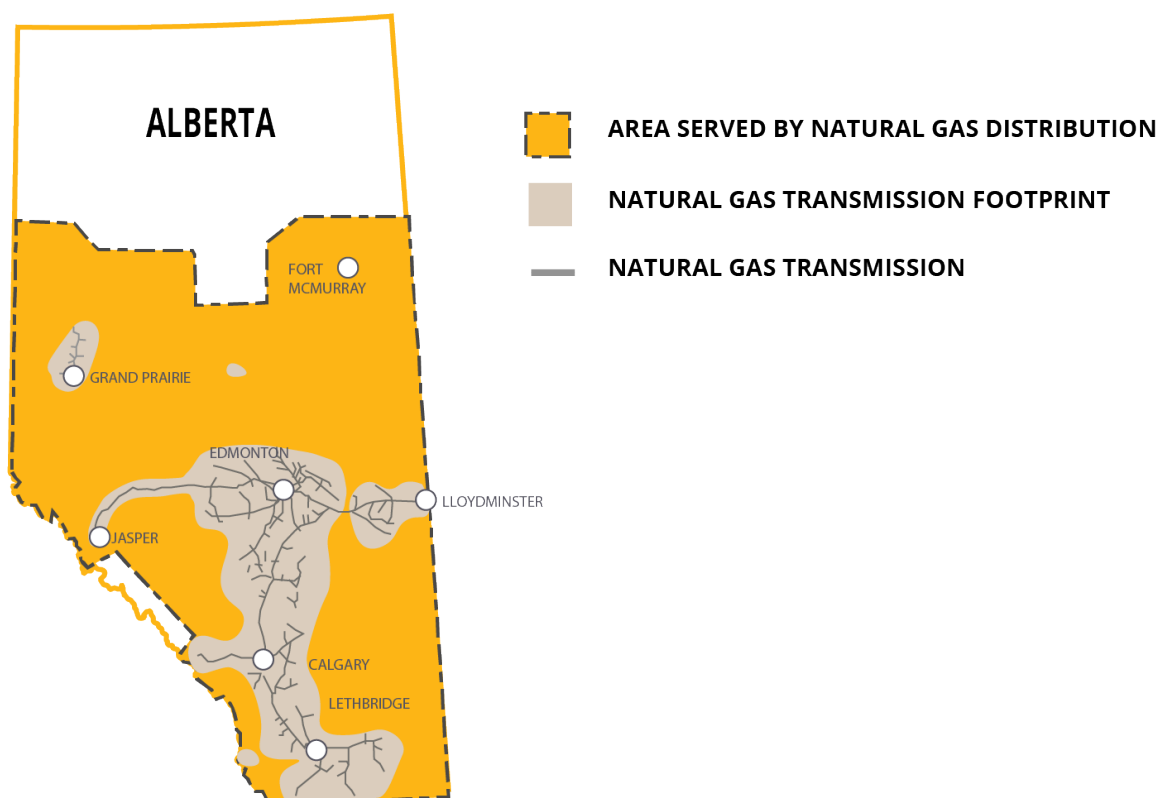
Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. Following the resolution of PREPA's bankruptcy

proceeding, LUMA Energy will transition to year one of the Operations and Maintenance agreement and will receive a fixed fee and the potential to receive additional incentive fees based on performance.

This innovative arrangement allows PREPA to retain ownership of all utility assets while benefiting from the expertise of a qualified operator. LUMA Energy combines Canadian Utilities' world-class utility operations and customer service expertise with Quanta's exceptional utility services and project execution capabilities.

NATURAL GAS DISTRIBUTION AND TRANSMISSION

The following map shows the areas served by Natural Gas Distribution and Natural Gas Transmission in Alberta.



Natural Gas Distribution

Natural Gas Distribution delivers natural gas throughout Alberta and in the Lloydminster area of Saskatchewan and serves approximately 1.3 million customers in 302 Alberta communities.

Natural Gas Distribution's principal markets for distributing natural gas are in the Albertan communities of Edmonton, Calgary, Airdrie, Fort McMurray, Grande Prairie, Lethbridge, Red Deer, Spruce Grove, St. Albert and Sherwood Park, and the Lloydminster area of Saskatchewan. These communities have a combined population of approximately 3.3 million people. Approximately 81 per cent of Natural Gas Distribution's customers were located in these 11 communities in 2023. Also served are 291 smaller communities as well as rural areas with a combined population of approximately 770,000.

The average monthly number of customers served by Natural Gas Distribution in 2023 and 2022 is shown below.

	2023		2022	
	Number	%	Number	%
Residential	1,185,527	92	1,167,506	92
Commercial	103,833	8	102,958	8
Industrial	341	—	340	—
Other	711	—	737	—
Total	1,290,412	100	1,271,541	100

The quantity of natural gas distributed by Natural Gas Distribution in 2023 and 2022 is shown below.

	2023		2022	
	PJ	%	PJ	%
Residential	112.2	45	127.7	46
Commercial	123.1	49	135.5	49
Industrial	14.4	6	13.1	5
Other	0.3	—	0.2	—
Total	250.0	100	276.5	100

Natural Gas Distribution owns and operates approximately 41,700-km of distribution mains. It also owns service and maintenance facilities in major centres in Alberta.

Natural Gas Distribution delivers natural gas in incorporated communities under the authority of franchises or by-laws and in rural areas under approvals, permits or orders issued through applicable statutes. It currently has 169 franchise agreements with communities throughout Alberta. These franchise agreements detail the rights granted to Natural Gas Distribution and its obligations to deliver natural gas services to consumers in the municipality.

All franchises are exclusive to Natural Gas Distribution and are renewable by agreement for additional periods of up to 20 years. If any franchise is not renewed, it remains in effect until either party, with the approval of the prevailing regulatory authority, terminates it on six months written notice. On termination, the municipality may purchase the facilities used in connection with that franchise at a price to be agreed on or, failing agreement, to be determined by the prevailing regulatory authority.

In Edmonton, distribution of natural gas is carried on under the authority of an exclusive franchise. Natural Gas Distribution has a 20-year franchise agreement with Edmonton that will expire on July 21, 2030. The franchises under which service is provided in other incorporated communities in Alberta have been granted for up to 20 years.

In Calgary, the distribution of natural gas operates under a municipal by-law. The rights of Natural Gas Distribution under this by-law, while not exclusive, are unrestricted as to term. The by-law does not confer any right for Calgary to acquire the facilities used in providing the service.

Hydrogen Blending Project

The advancement of hydrogen production in the province creates additional opportunities related to blending within existing natural gas infrastructure. Canadian Utilities has proposed projects that reinforce the safe use of hydrogen with the intent to eventually leverage Alberta's existing carbon capture and sequestration infrastructure to store emissions associated with the production process. These opportunities will contribute to system decarbonization, investment, and help support provincial and federal emissions targets.

Natural Gas Transmission

Natural Gas Transmission owns and operates natural gas transmission pipelines and facilities in Alberta. The business receives natural gas on its pipeline system from various gas processing plants as well as from connections with other natural gas transmission systems. The business transports the gas to end users within the province such as local distribution utilities and industrial customers, or to other transmission pipeline systems, primarily for export out of the province.

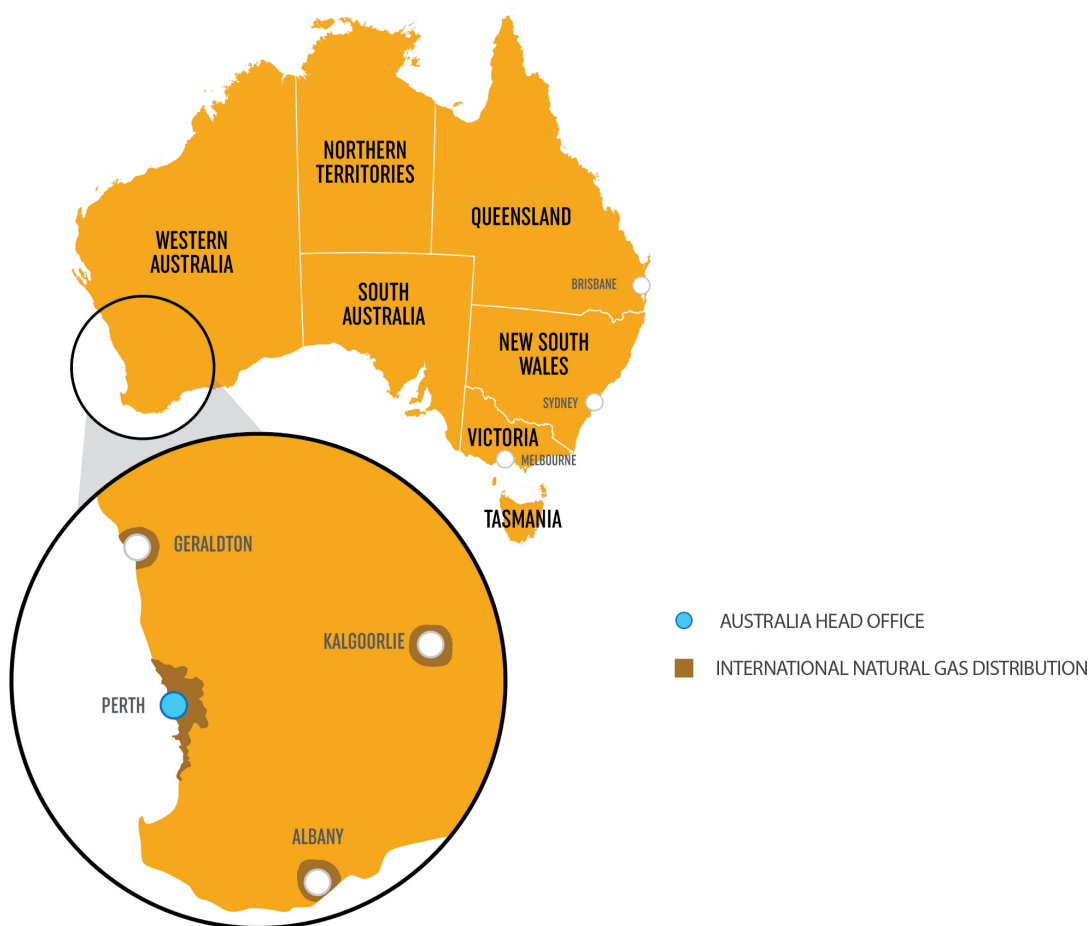
Natural Gas Transmission owns and operates an extensive natural gas transmission system. The system currently consists of approximately 9,100-km of pipelines, 11 compressor sites, approximately 3,600 receipt and delivery points, and a salt cavern natural gas storage peaking facility near Fort Saskatchewan, Alberta. The system has 173 producer receipt points, one interconnection with Alliance Pipeline, and one interconnection with Many Islands Pipelines. Peak delivery capability of the natural gas transmission system is 5.02 billion cubic feet per day.

Non-regulated Natural Gas Transmission

Natural Gas Transmission operates the 116-km Muskeg River non-regulated natural gas pipeline that provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area. Service on the pipeline commenced in June 2002 under a long-term commercial agreement with Canadian Natural Upgrading Limited and other shipper participants.

INTERNATIONAL NATURAL GAS DISTRIBUTION

International Natural Gas Distribution's operations are shown in the following map.



International Natural Gas Distribution provides natural gas distribution services in Western Australia and serves approximately 803,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. International Natural Gas Distribution owns and operates approximately 14,700-km of natural gas pipelines and associated infrastructure and also distributes liquefied petroleum gas (LPG) to the community of Albany.

The average monthly number of customers served by International Natural Gas distribution in 2023 and 2022 is shown below.

	2023		2022	
	Number	%	Number	%
Residential	788,255	98	777,011	98
Commercial	14,627	2	14,369	2
Industrial	175	—	177	—
Total	803,057	100	791,557	100

The quantity of gas distributed by International Natural Gas Distribution in 2023 and 2022 is shown below.

	2023		2022	
	PJ	%	PJ	%
Residential	10.4	37	10.4	37
Commercial	3.6	13	3.5	13
Industrial	14.4	50	13.8	50
Total	28.4	100	27.7	100

Hydrogen Blending

In Australia, Canadian Utilities continues to build on its work at the Clean Energy Innovation Hub, a test bed for hybrid energy solutions integrating natural gas, solar photovoltaic, battery storage, and hydrogen production. In 2020, a 10 per cent hydrogen blend injected into the natural gas supply was successfully tested at the major depot at Jandakot in Perth, Western Australia. In 2021, Canadian Utilities successfully secured milestone based funding of \$2 million from the Western Australian Government for hydrogen blending initiation of 2,700 homes around the Jandakot depot site.

In 2022, Canadian Utilities successfully blended a small percentage of hydrogen into a portion of the natural gas distribution network for around 2,700 homes within the City of Cockburn. In partnership with Fortescue Future Industries (FFI), Canadian Utilities also constructed Western Australia's first Hydrogen Refuelling Station (HRS) that will enable Fortescue, Canadian Utilities and third parties such as the Western Australia Police to support their fleets of hydrogen fuel cell vehicles for emissions-free travel.



Western Australia's first Hydrogen Refuelling Station

REGULATORY FRAMEWORKS

The regulatory framework and recent developments are described in the "ATCO Energy Systems Business Unit Performance" section in ATCO's MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

ATCO ENPOWER

OVERVIEW

ATCO EnPower's energy transition businesses include: hydro, solar, wind, and natural gas electricity generation in Canada, Australia, Mexico, and Chile, as well as natural gas storage, Natural Gas Liquids (NGL) storage, and industrial water solutions in Alberta. ATCO EnPower is also developing its clean fuels business including hydrogen, carbon capture and underground storage projects.

ATCO EnPower has a multifaceted approach to energy transition solutions that involves both innovative technologies and lower carbon energy sources. We focus on delivering reliable, affordable, and clean energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas and Australia. ATCO EnPower continues to actively explore potential opportunities that will complement our growing portfolio and advocate for public policy that will enable a sustainable transition. Additionally, we continue to optimize and drive growth in our energy storage business. Storage is critical to energy stability and to supporting the reliability of the grid as the world transitions to clean, but more intermittent, sources of energy.



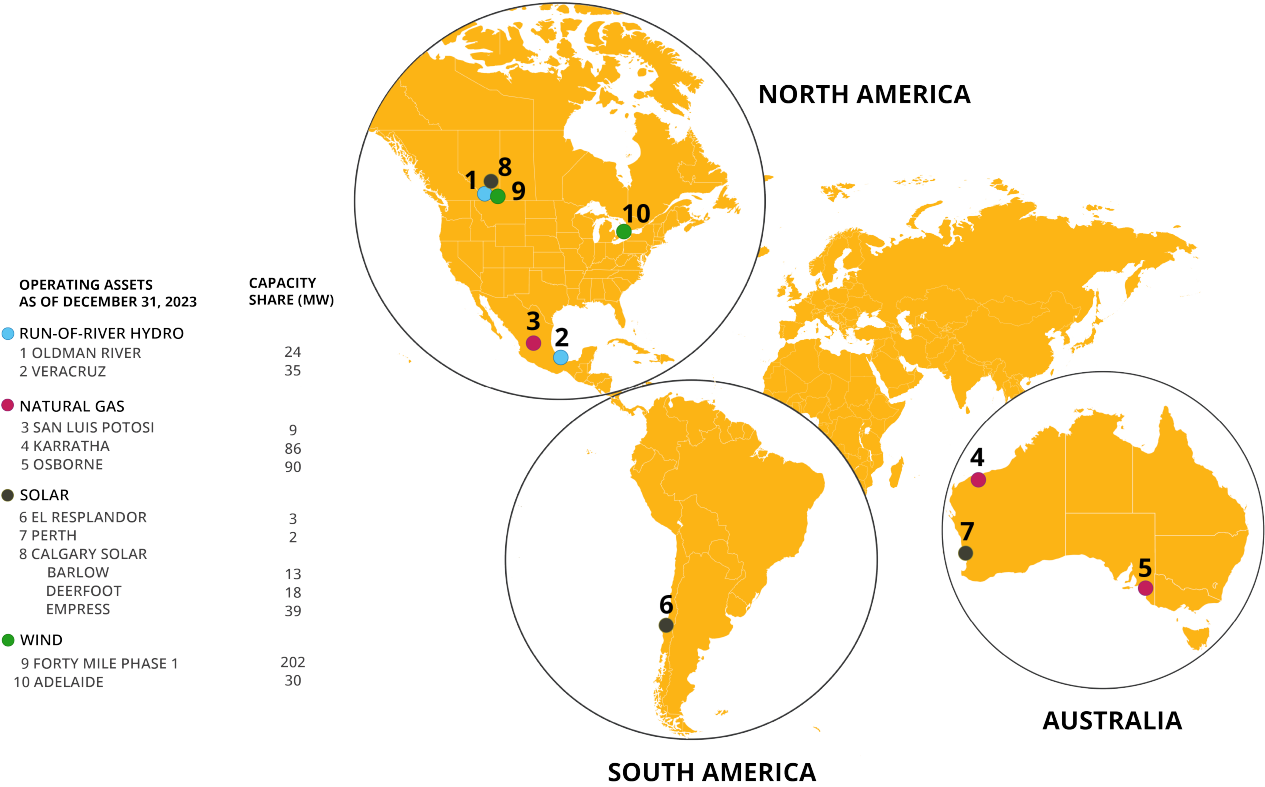
Competitive Environment

The political and societal push to address climate change with decarbonization goals and the energy transition are driving the demand for clean energy, mainly supplied through renewables and clean fuels. Energy markets will be focused on providing firm, reliable and affordable energy supply as the share of renewables and clean fuels grows; this will drive further investment into storage and grid balancing solutions to improve system reliability. However, the competitive landscape we compete in is continually shifting as we see more financial, strategic and traditional energy producers become increasingly interested in renewables and clean fuels as part of the global energy transition.

ATCO EnPower's natural gas storage facilities are exposed to storage price differentials and our renewable electricity business has exposure to merchant power markets. Additionally, our peers are a diverse group, including small independent power providers, large utilities, private equity firms, public investment funds, as well as traditional energy firms. We seek opportunities to enter into long-term offtake agreements with high quality counterparties to underpin our new developments and provide greater stability.

ELECTRICITY GENERATION

Electricity Generation owns 551-MW of non-regulated electricity generation operating assets in Canada, Mexico, Australia, and Chile as of December 31, 2023.



RENEWABLE GENERATION

Asset	Location	Type	Year In Service	Total MW Capacity ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Forty Mile Phase 1 ⁽²⁾	Bow Island, Alberta, Canada	Wind	2022	202	100	202	150 MW Contracted (Microsoft); 52 MW Merchant	2038
Adelaide	Strathroy, Ontario, Canada	Wind	2015	40	75	30	40 MW Contracted (Ontario Power Authority)	2035
Barlow	Calgary, Alberta, Canada	Solar	2023	27	49	13	27 MW Merchant	n/a
Deerfoot	Calgary, Alberta, Canada	Solar	2023	37	49	18	37 MW Contracted (Microsoft)	2038
Empress	Empress, Alberta, Canada	Solar	2023	39	100	39	39 MW Contracted (Lafarge Canada)	2036
Source Solar	Perth & Australind, Australia	Solar	Various	2	100	2	2 MW Merchant	n/a
El Resplendor	Cabrero, Chile	Solar PV	2020	3	95	2.85	3 MW Merchant	n/a
Oldman River	Pincher Creek, Alberta, Canada	Hydro electric	2003	32	75	24	24 MW Merchant	n/a
Electricidad del Golfo	Veracruz, Mexico	Hydro electric	2014	35	100	35	35 MW Contracted (Various)	2028
Total Renewables				417		366		

(1) Nameplate capacity.

(2) Upgrading work in 2024 is expected to increase Forty Mile Wind generation capacity from 202-MW to 225-MW.

Wind

In 2023, Canadian Utilities acquired a portfolio of renewable assets including the 202-MW Forty Mile wind project in Alberta and a majority interest in the 40-MW Adelaide wind facility in Ontario. ATCO EnPower is actively working on developing an additional 825-MW in wind projects.

Forty Mile Wind Phase I

Located in Forty Mile County in southeastern Alberta, this project went into operation in December 2022. It produces 202-MW of energy. Concurrent with the close of the acquisition, Canadian Utilities entered into a 15-year renewable power purchase agreement (PPA) with Microsoft Corporation (Microsoft). Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Forty Mile Wind Phase 1.

Adelaide Wind

Adelaide is a wind facility jointly owned with the Aamjiwnaang First Nation. Located near Strathroy, in the Municipality of Adelaide Metcalfe, Ontario, the project produces 40-MW of energy, and is contracted under a long-term PPA with the Ontario Power Authority.

Solar

In 2021, Canadian Utilities acquired the development rights to build three solar projects, the Deerfoot and Barlow projects in Calgary, Alberta, and the Empress Solar project near Empress, Alberta. ATCO EnPower is also working on developing an additional 340-MW in solar projects.

Deerfoot and Barlow Solar

The Deerfoot and Barlow solar projects make up the largest urban solar installation in Western Canada with 175,000 solar panels in total. Located within the city of Calgary, Alberta, and jointly owned with the Chiniki and Goodstoney First Nations, the projects produce 37-MW and 27-MW of energy, respectively, and has a 15-year PPA with Microsoft Corporation to purchase all renewable energy generated by the Deerfoot project. Both solar projects reached commercial operations in 2023.

The Chiniki and Goodstoney First Nations become the majority owners with a 51 per cent ownership stake in the facilities in September 2023.

Empress Solar

The Empress solar project covers 280 acres south of the village of Empress, Alberta. It has a generating capacity of 39-MW and is contracted under a 12.5-year solar virtual PPA with Lafarge Canada Inc. (Lafarge). Under this agreement, Lafarge's Exshaw cement plant notionally receives 100 per cent of the energy produced by Empress Solar. The site reached full commercial operations in 2023.

Australia's Source Solar

Canadian Utilities acquired Source Energy Co. (Source) in July 2018, a behind the meter retail company in Western Australia with expertise in managing energy needs for high-density apartment buildings, using a mix of rooftop solar panels and energy from the grid, matched with smart metering technology. Source provides customers with advice on how to save energy and money with sustainable energy solutions. In 2023, Source generated approximately 2-MW of solar energy capacity.

Chile's El Resplandor Solar Generation Facility

In 2019, Canadian Utilities entered into a partnership with Impulso Capital, a Chilean developer, to build and operate the El Resplandor solar project. This project is located in Cabrero, Chile, and provides solar energy to the Chilean electricity grid.

Hydroelectric

Oldman River Hydro Plant

The Oldman River Hydro Plant is a 32-MW run-of-river project in southern Alberta, commissioned in 2003. The facility is jointly owned by Canadian Utilities and the Piikani Nation.

Electricidad del Golfo Hydro

Canadian Utilities owns Electricidad del Golfo, a long-term contracted, 35-MW hydroelectric power station based in the state of Veracruz, Mexico. Power generated at the plant supplies more than 200 convenience stores with renewable energy.

OTHER ELECTRICITY GENERATION

Asset	Location	Type	Year In Service	Total MW Capacity ⁽¹⁾	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Distributed Generation	San Luis Potosí, Mexico	Gas-Fired	2016	11	79	9	11 MW Contracted (Various)	2027
Karratha	Pilbara, Australia	Gas-Fired Open-cycle	2010	86	100	86	86 MW Contracted (Horizon Power)	2030
Osborne	Adelaide, Australia	Gas-Fired Combined-cycle	1998	180	50	90	180 MW Contracted (Origin Electricity ⁽²⁾)	2026
Total Other				277		185		

(1) Name plate capacity.

(2) Origin Electricity refers to Origin Energy Electricity Limited.

Mexico Distributed Generation

Canadian Utilities and its Mexican partner, Industrial Proximity Services, own 11-MW of distributed generation located in the World Trade Centre industrial park in San Luis Potosí, Mexico. The project delivers electricity on site through flexible and customized contracts to meet the operational needs of customers in the industrial park consisting of 700 hectares.

Australia Generation

Canadian Utilities maintains ownership in and currently operates two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia. These facilities collectively generate 266-MW of power and provide energy for thousands of public sector, domestic, industrial and commercial clients.

Karratha Power Station

Commissioned in 2010, the 86-MW Karratha Power Station is critical energy infrastructure and a reliable, scheduled electricity generation facility located in the North West Interconnected System in the resource rich region of the Pilbara in Western Australia. The facility supplies electricity to the state owned regional electric utility, Horizon Power, under a 20-year tolling power offtake contract. The facility consists of two online open cycle, dry low emission natural gas turbines and a spare third gas turbine on site.

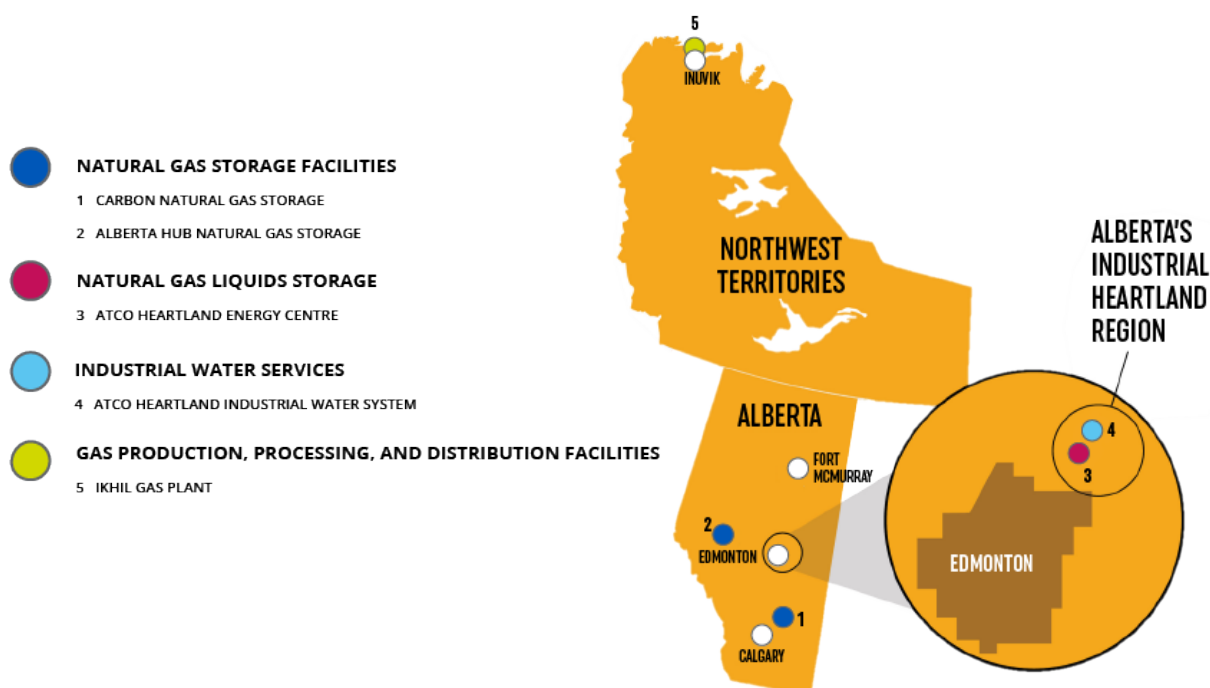
Osborne

Osborne is a 50/50 joint venture between ATCO Power Australia and Origin Energy Limited (Origin Energy) that commenced commercial operation on December 7, 1998. The 180-MW Osborne facility, operated by ATCO Power Australia, is located near Adelaide, South Australia, and is designed to accommodate operation in both cogeneration and combined cycle modes. Prior to July 2015, Osborne sold its electrical output under a long-term (20-year) PPA to Origin Electricity. In July 2015, the PPA was amended to a tolling agreement whereby Origin Electricity (as the electricity off-taker) supplies the natural gas at its own cost and in turn, utilizes the facility for its required electricity output.

In 2018, Canadian Utilities negotiated a five-year extension to the PPA with Origin Electricity for Osborne to December 31, 2023. On February 3, 2023, Canadian Utilities executed an extension to the current PPA. The extension is for a period of three years with a further one year option. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

STORAGE & INDUSTRIAL WATER

Storage & Industrial Water builds, owns and operates non-regulated industrial water, natural gas storage, NGL storage, and natural gas related infrastructure to serve the midstream and petrochemical sector of western Canada's energy industry. It also operates and owns a one-third interest in a regulated natural gas distribution system in the Northwest Territories.



Natural Gas Storage

Storage & Industrial Water provides customized natural gas storage tailored to customers' specific needs. Services range from daily to multi-year terms and are offered to financial institutions, marketing companies, pipeline operators, retail energy providers and producers. Storage & Industrial Water owns and operates two natural gas storage facilities located near Carbon, Alberta and Edson, Alberta.

The natural gas storage facility at Carbon, Alberta is a natural gas reservoir with a seasonal storage capacity of 68 petajoules. The facility is connected to multiple transmission pipeline systems and has been in service for more than 50 years.

The Alberta Hub natural gas storage facility near Edson, Alberta was acquired in December 2021 and is an underground natural gas storage facility that has a capacity of approximately 49 petajoules. This facility is connected to the NOVA Gas Transmission system.

Natural Gas Liquids Storage

The ATCO Heartland Energy Centre near Fort Saskatchewan, Alberta includes assets held in a partnership between ATCO Next Energy (60 per cent ownership share) and Petrogas Energy Corp. (40 per cent ownership share), focused on supporting customers through natural gas liquids and hydrocarbon storage, and the related infrastructure. The facility consists of 5 storage caverns, which have a combined storage capacity of 544,000 cubic metres and operate under long-term contracts. The first two caverns have been in service since the fourth quarter of 2016, two additional caverns came into service in the second quarter of 2018. The fifth cavern came into service in the second quarter of 2022.

Industrial Water

Storage & Industrial Water's multi-user water system is connected to the North Saskatchewan River through our industrial water system. We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers, including a long-term commercial

agreement with Inter Pipeline Ltd. to provide water services to their integrated propane dehydrogenation and polypropylene plant known as the Heartland Petrochemical Complex. This industrial water system also supplies water for the development of salt caverns for our NGL storage facilities in the region. The water infrastructure capacity is 85,200 m³/day.

Gas Production, Processing and Distribution Facilities

Storage & Industrial Water has a non-operating 33.3 per cent ownership interest in one natural gas production, gathering and processing facility, the Ikhil gas plant.

CLEAN FUELS PROJECTS

Canadian Utilities views the development of clean fuels as a critical aspect in the successful decarbonization of the energy system over the longer term and the Company is investing in projects that expand our market reach as global energy transition objectives continue to mature.

Heartland Hydrogen Hub Project

In May 2021, Canadian Utilities began progressing design and engineering of a potential clean hydrogen project. The Design Basis Memorandum phase of the project is complete, and Canadian Utilities plans to sanction front-end engineering design in 2024 to begin working towards an expected final investment decision in mid-2025.

Canadian Utilities is committed to hydrogen development within Alberta's Industrial Heartland and continues to move development of the Heartland Hydrogen Hub forward. The project has significant potential to supply hydrogen to domestic and international markets, including the Alberta gas grid, industrial, municipal, and commercial transport users. Canadian Utilities continues to work with supportive Federal and Provincial governments to establish policy and frameworks that facilitate investment in the Canadian hydrogen economy, along with other parties to further the development and commercial success of the project.

Canadian Pacific Hydrogen Locomotive Project

In May 2022, Canadian Utilities announced an agreement with Canadian Pacific (CP) to provide engineering, procurement and construction services for two hydrogen production and refueling facilities in Calgary and Edmonton. The fuelling stations will be essential in bringing zero-emissions hydrogen locomotive propulsion into reality as part of CP's commitment to sustainable and responsible operations. The construction of these facilities will advance CP's innovative Hydrogen Locomotive Program, which has its sights set on building its first line-haul hydrogen-powered freight locomotive. Early stages of siting and construction has commenced, with production and supply of hydrogen being provided to locomotives in 2024.

Atlas Carbon Sequestration Hub (Atlas Hub)

To support Canadian Utilities' hydrogen strategy and the development of the Heartland Hydrogen Hub, as well as the Province of Alberta's carbon sequestration ambitions, Canadian Utilities and its partner, Shell Canada Limited, are developing the Atlas Carbon Sequestration Hub which has been proposed east of Edmonton.

On March 31, 2022 Atlas Hub was shortlisted for further evaluation by the Government of Alberta. Proponents have been invited to work with the government to further evaluate the suitability of each location for safely storing carbon from industrial emissions. If the evaluation demonstrates that the proposed projects can provide permanent storage, companies can work with the government on a sequestration lease agreement (SLA) that provides them with the right to inject captured carbon dioxide. This SLA will also ensure proponents will provide open access to all emitters and affordable use of the hub. Canadian Utilities and its partner are progressing development of Atlas Hub, with an anticipated final investment decision in 2024.

Hydrogen Development in Australia

ATCO Australia partnering on hydrogen production facility

In October 2023, the South Australian Government announced an Early Contractor Involvement (ECI) agreement with ATCO Australia and our joint venture partner BOC Linde for the South Australian Hydrogen Jobs Plan project, a 250-MW hydrogen production facility, a 200-MW hydrogen-fuelled electricity generation facility and a hydrogen storage facility. Activities under this agreement include developing a contract offer price, and negotiation of

engineering, procurement, construction and operations and maintenance contracts for delivery and operations of the project. The ECI phase of the project is due for completion in the second quarter of 2024.

CANADIAN UTILITIES CORPORATE & OTHER

Canadian Utilities' Corporate & Other segment includes Retail Energy and Rümi through ATCOenergy which provides retail electricity and natural gas services, home products, home maintenance services and professional home advice in Alberta. Corporate & Other also includes the global corporate head office in Calgary, Canada, the Australia corporate head office in Perth, Australia and the Mexico corporate head office in Mexico City, Mexico. In addition, Canadian Utilities Corporate & Other includes CU Inc. and Canadian Utilities preferred share dividend and debt expenses.

RETAIL ENERGY

ATCOenergy is the fourth largest competitive energy retailer in the province of Alberta, offering electricity and natural gas plans to residential and business customers. By the end of 2023, ATCOenergy services a total of 308,000 sites in the residential competitive market which is comprised of 170,000 electricity sites and 138,000 gas sites.

ATCOenergy operates in Alberta's competitive deregulated market. To set itself apart from other retailers, ATCOenergy strives to provide differentiated and competitively priced energy plans in consort with exceptional customer service from its in-house Alberta-based call centre, and by offering digitally enabled self-serve options such as online payment, web chat, and account management.

RÜMI

Rümi is a solutions provider for home and business owners, offering home maintenance services, home system protection plans, and professional home advice for homeowners. Rümi currently offers approximately 80 services in the Albertan communities of Edmonton and Calgary, and approximately 35 services in the Lethbridge, Red Deer, and Grande Prairie communities. Rümi's Home Protection Plans are a monthly subscription based program geared to protect customers' appliances and home systems due to a sudden break down and are available across Alberta.

THREE YEAR HISTORY

Summarized below are the major events, acquisitions, dispositions, and conditions that have influenced the Company's development during the past three years.

REVENUE SUMMARY

Each business unit's contribution to the Company's consolidated revenues is shown in the chart below.

Revenues ⁽¹⁾	2023		2022		2021	
	(\$ millions)	%	(\$ millions)	%	(\$ millions)	%
Structures & Logistics	926	20	929	19	777	18
Neltume Ports ⁽²⁾	—	—	—	—	—	—
ATCO Corporate & Other	19	—	1	—	(3)	—
Canadian Utilities Limited						
ATCO Energy Systems	3,174	67	3,384	68	3,041	71
ATCO EnPower	362	8	312	6	209	5
Canadian Utilities Corporate & Other	260	5	352	7	265	6
Total	4,741	100	4,978	100	4,289	100

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2023 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

(2) Neltume Ports is accounted for as an investment in equity interest in associate company. Additional detail is discussed in Note 25 ("Investment in Associate Company") of the 2023 Consolidated Financial Statements.

STRUCTURES & LOGISTICS

ATCO Structures was awarded a number of significant contracts to manufacture and install workforce housing and permanent modular construction accommodation in North America and Australia during the previous three years. Contributions from these major workforce housing projects have been supplemented by improved rental revenues from a growing space rentals fleet.

Over the past three years, ATCO Frontec has benefited from a base of long-term facility operations and maintenance contracts as well as workforce lodging and support contracts.

For further details on Structures and Logistics contracts see the Business Description section of this AIF.

ATCO STRUCTURES

Alaska Space Rentals Fleet Sale, United States

In the fourth quarter of 2021, ATCO Structures completed the sale of its 42-unit Alaskan space rentals fleet in the US which enables the business to continue to focus on mainland US space rentals fleet expansion.

Triple M Housing Ltd. Acquisition

In December 2022, ATCO Structures acquired a 100 per cent ownership interest in Triple M Housing Ltd. (Triple M Housing) a leading North American manufacturer of pre-fabricated, modular residential homes. Triple M Housing is headquartered in Lethbridge, Alberta, and primarily serves Western Canada and segments of the US. Triple M Housing operates as a specialized housing division for ATCO Structures within Canada. Triple M Housing has contributed earnings accretion to ATCO Structures post-acquisition.

ATCO FRONTEC

Fire Prevention Services 2016 Ltd. (FPS) Acquisition

In December 2023, ATCO Frontec acquired Fire Prevention Services 2016 Ltd., a full-service fire inspection, testing and maintenance company with operations in Northwest Territories, Nunavut and Alberta. The acquisition extends Frontec's offering as an operational support services provider for government, defence and commercial clients and will operate as a new business line for ATCO Frontec within Canada.

NELTUME PORTS

Neltume Ports' financial results have steadily improved over the past three years largely due to the increased ownership at existing ports and strategic acquisitions and developments in the US, improved margins across operation within the portfolio of ports, and favourable exchange rates.

ATCO does not report revenue for Neltume Ports as it is accounted for using the equity accounting method.

Tidal Transport & Trading USA Acquisition

On September 3, 2021, Neltume Ports acquired a 70 per cent interest in Tidal Transport & Trading USA (Tidal). Tidal provides full-scale marine operation services focused primarily on stevedoring, hold cleaning, and port captaincy on the US West Coast, with operations in California, Oregon, and Washington.

AutoMobile International Terminal

AutoMobile International Terminal, a 50/50 joint venture partnership with Terminal Zarate in Mobile, Alabama, is operating under a 10-year concession agreement with two consecutive 10-year extensions at the election of the joint venture partners for a total of up to 30 years. The port started operating in 2021 and primarily serves the import and export requirements of the automotive market in the US.

Vancouver Bulk Terminal Joint Venture

Neltume Ports and its partner, Nautilus International Holding Corporation (Nautilus), entered into a contract during the second quarter of 2023 with the Port Authority of Vancouver in Washington State to operate Terminal 2. The contract is for a 30-year term and allows for the opportunity to renew the contract for two additional terms of 10-

years each. The Port of Vancouver is strategically located on the US Pacific coast for export of mineral and other bulk material.

On October 11, 2023, Vancouver Bulk Terminal, a joint venture between Neltume Ports and Nautilus, announced it is working with Solvay, a global leader in the soda ash market, on the development of Terminal 2, Berth 7 at the Port of Vancouver, in Washington State. The newly designed terminal will have the capability to annually export more than 2.5 million tonnes of soda ash, supporting soda ash volumes from Solvay's Green River, Wyoming operations while providing additional export capacity to the North American soda ash industry. Construction to allow for the transfer of soda ash is set to begin in 2024 and is expected to be completed by early 2026.

Ownership Interest Increases

In 2021, Neltume Ports increased its ownership interest in Sagres from 86 per cent to 90 per cent, in Terminal Ontur from 20 per cent to 28 per cent, and in Puerto Coronel from 17 per cent to 25 per cent.

In 2023, Neltume Ports increased its ownership interest in Sagres from 90 per cent to 95 per cent, in Puerto Angamos from 40 per cent to 50 per cent, and in Terminal Graneles del Norte from 40 per cent to 50 per cent.

ATCO CORPORATE & OTHER

Executive Appointments

On October 6, 2021, the ATCO Board of Directors announced the appointment of Katie Patrick to the position of Executive Vice President, Chief Financial & Investment Officer of ATCO Ltd.

Board of Directors Appointments

Effective September 1, 2021, Norman M. Steinberg was appointed to the Board of Directors of ATCO Ltd.

Effective May 10, 2023, Jason T. Kenney was appointed to the Board of Directors of ATCO Ltd.

Board of Directors Retirements

In 2022, Charles W. Wilson retired from the ATCO Ltd. Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 11, 2022.

In 2023, Denis M. Ellard and Michael R.P. Rayfield retired from the ATCO Ltd. Board of Directors, and did not stand for re-election at the Annual Meeting held May 10, 2023.

Fresh Bites Inc. Acquisition and Transfer of Blue Flame Kitchen

In 2023, ATCO acquired Fresh Bites Inc., a food service company, and subsequently transferred our legacy retail food services brand Blue Flame Kitchen from Canadian Utilities Limited to ATCO Ltd. to create strategic alignment.

CANADIAN UTILITIES

ATCO ENERGY SYSTEMS

Revenues and earnings in ATCO Energy Systems are driven by capital investment. Capital spending is the main contributor to rate base growth. Rate base growth is a primary driver of revenue and earnings growth. ATCO Energy Systems has invested over \$3.4 billion in capital since 2021.

ATCO Energy Systems revenues have been influenced by several regulatory decisions over the last three years. In 2022, higher revenues in the Electricity Distribution and Natural Gas Distribution businesses were a result of rate relief provided to customers in 2021 in light of COVID-19 and the subsequent AUC decision to maximize the collection of 2021 deferred revenues in 2022. 2023 revenues were lower mainly due to cost efficiencies generated by Electricity Distribution and Natural Gas Distribution over the second generation Performance Based Regulation term now being passed onto customers under the 2023 Cost of Service rebasing framework, and Electricity Transmission's settlement of the 2018-2021 Deferral Application and the 2023-2025 General Tariff Application which reflects ceased collection and a refund of previously collected federal deferred income taxes.

Capital Expenditures

Total capital expenditures for the Regulated Utilities in the last three years is provided in the table below.

		Year Ended December 31		
(\$ millions)	Total	2023	2022	2021
Electricity Distribution	903	391	282	230
Electricity Transmission	643	239	284	120
Natural Gas Distribution	978	355	329	294
Natural Gas Transmission	650	145	143	362
International Gas Distribution	273	83	99	91
Total	3,447	1,213	1,137	1,097

Electricity Distribution and Transmission

Capital expenditures in utility infrastructure in Alberta over the past three years have included the replacement of aging infrastructure, grid modernization, new customer connections and off-diesel initiatives.

International Electricity Operations

On June 22, 2020, LUMA Energy, a company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, Inc., was selected by the P3A to transform, modernize and operate Puerto Rico's 30,000-km electricity transmission and distribution system over a term of 15 years after a one-year transition period as set out in the Operations and Maintenance Agreement. The transition period commenced in the second quarter of 2020.

Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remains in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 30, 2022 and will continue until such time that PREPA's bankruptcy is resolved. The agreement allows LUMA Energy to collect an annualized fixed fee equivalent of \$115 million USD indexed to inflation. Following the resolution of PREPA's bankruptcy proceeding, LUMA Energy will transition to year one of the Operations and Maintenance Agreement where the company will receive a fixed fee and the potential to receive additional incentive fees based on performance.

Natural Gas Distribution and Transmission

Capital expenditures in Natural Gas Distribution and Transmission over the past three years have been focused on the replacement of aging infrastructure, installation of new customer connections as well as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal to gas generating conversion of power plants.

Urban Pipelines Replacement (UPR) Program

The UPR program installed 140-km of new high-pressure pipelines within the Transportation Utility Corridor within Edmonton and Calgary to address safety, reliability and future growth. In addition, 200-km of pipelines were transferred from Natural Gas Transmission to Natural Gas Distribution, and 110-km of pipelines were abandoned. Natural Gas Distribution and Natural Gas Transmission has invested over \$900 million over the duration of the UPR program, which had all major components completed in 2022. Final clean up and project close outs were completed throughout 2023.

Mains Replacement Program

Natural Gas Distribution has two mains replacement programs which were approved in 2011, the plastic mains replacement and the steel mains program. The plastic mains replacement includes 8,000-km of polyvinyl chloride (PVC) and early generation polyethylene (PE) pipe that are planned for replacement. Natural Gas Distribution has replaced 2,407-km of PVC and PE pipe since the approval of this program. The steel mains program includes 9,000-km of steel pipe that is monitored and continually evaluated for replacement based on the performance history. Natural Gas Distribution has replaced 365-km of steel pipe since the approval of this program.

Pioneer Pipeline

The transaction to acquire the 131-km Pioneer Pipeline from Tidewater Midstream & Infrastructure Ltd. and its partner TransAlta Corporation for a purchase price of \$265 million closed in 2021. Consistent with the geographic areas defined in the Integration Agreement, Natural Gas Transmission transferred to Nova Gas Transmission Ltd. (NGTL) the 30-km segment of pipeline that is located in the NGTL footprint. The transfer to NGTL received approval from the Canada Energy Regulator on December 22, 2021, and on February 25, 2022, Natural Gas Transmission completed the transfer to NGTL of the 30-km segment of pipeline located in the NGTL footprint for \$63 million.

International Gas Distribution

Over the last 3 years, International Gas Distribution has continued the end of life mains replacement program and growth capital expenditures for the distribution network within the scope of works set out in the approved Access Arrangement. Over the same period, capital expenditures included gas pipeline relocations at the request of the government in Western Australia. These relocations are due to significant infrastructure development programs and are fully funded by the government.

ATCO ENPOWER

Revenue in the ATCO EnPower business has increased steadily over the last 3 years due to the 2021 acquisition of the Alberta Hub, the 2022 expansion of the Carbon natural gas storage facilities, and the renewable assets acquired and energized in 2023.

Electricity Generation

Calgary Solar Development Project Acquisitions

In September 2021, Canadian Utilities announced that it had acquired the development rights to build two solar projects, the Deerfoot and Barlow projects in Calgary Alberta, with a combined capacity of 64-MW. In March 2022, Canadian Utilities entered into a 15-year power purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase all renewable energy generated by the Deerfoot project. The 27-MW Barlow project and 37-MW Deerfoot project reached commercial operations in the second and third quarters, respectively, of 2023.

In September 2023, the Chiniki and Goodstoney First Nations and ATCO announced a partnership agreement for the Deerfoot and Barlow solar projects, the largest solar installation in an urban centre in Western Canada. Under the terms of the agreement, the Chiniki and Goodstoney First Nations have become the majority owners with a 51 per cent ownership stake in the facilities.

Empress Solar Development Project Acquisition

In September 2021, Canadian Utilities announced that it had acquired the rights to the Empress Solar project, a 39-MW solar facility under development near Empress, Alberta.

In September 2023, ATCO, through its investment in Canadian Utilities, entered into a 12.5-year virtual PPA with Lafarge. Under the terms of the agreement, Lafarge's Exshaw cement plant will notionally purchase 100 per cent of the solar power generated from the 39-MW Empress solar project. The Empress solar project achieved commercial operations in the fourth quarter of 2023.

Renewable Energy Portfolio Acquisition

Canadian Utilities closed the acquisition of renewable assets from Suncor for a purchase price of \$691 million, net of cash acquired and working capital adjustments, in early 2023. The acquisition includes a majority interest in the 40-MW Adelaide wind facility in Ontario, the 202-MW Forty Mile wind facility in Alberta, and a development pipeline with more than 1,500-MW of wind and solar projects at various stages of development, including several late-stage projects.

Concurrent with the close of this acquisition, Canadian Utilities entered into a 15-year renewable energy purchase agreement with Microsoft beginning July 1, 2023. Under the terms of the agreement, Microsoft will purchase 150-MW of renewable energy generated by Canadian Utilities' Forty Mile Wind Phase 1 facility in Alberta. The offtake from the Adelaide wind facility is also contracted under a long-term PPA with the Ontario Power Authority until January 2035.

International Electricity Generation

La Laguna - Mexico Cogeneration Facility

In March 2018, Canadian Utilities entered into a commercial agreement with Chemours to build a 26-MW cogeneration facility, known as La Laguna Cogeneration, on the site of the Chemours Company Mexicana S. de R.L. de C.V.'s chemical facility near Gómez Palacio, Mexico. Developed in partnership with RANMAN Energy, the La Laguna Cogeneration facility was expected to provide low-carbon and cost-effective heat and electricity under a long-term agreement. In February 2021, due to ongoing construction permitting delays, Canadian Utilities and Chemours terminated the La Laguna Cogeneration facility contract. Canadian Utilities has since recovered its costs incurred on the project.

Storage & Industrial Water

Natural Gas Storage - Acquisition of Alberta Hub Natural Gas Storage Facility

In December 2021, Canadian Utilities acquired a 100 per cent ownership interest in Alberta Hub, an underground natural gas storage business near Edson, Alberta. The acquisition is reported in the ATCO EnPower segment and the aggregate consideration paid was \$135 million, which is comprised of \$84 million cash paid, net of cash acquired of \$51 million. The Alberta Hub natural gas facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission system. Complementing our existing natural gas storage facility at Carbon, Alberta, the facility provides customized storage solutions tailored to ATCO EnPower's customers' needs.

Commercial Real Estate Transactions

In May 2021, ATCO Land and Development acquired 1,250 acres of land in Strathcona County, Alberta, adjacent to ATCO's Heartland Energy Centre, to support the land requirements of ATCO's energy transition initiatives in the region and subsequently transferred the land to an affiliate company for project development.

CANADIAN UTILITIES CORPORATE & OTHER

Executive Appointments

Effective July 1, 2023, Wayne Stensby was appointed to Chief Operating Officer of ATCO Energy Systems, the newly branded gas and electrical utility services business which also oversees our interests in LUMA Energy; and Bob Myles was appointed to Chief Operating Officer of ATCO EnPower, the newly branded non-regulated energy business, including renewables, clean fuel, and energy storage.

Effective October 1, 2023, John Ivulich was appointed to Chief Executive Officer & Country Chair of ATCO Australia, our regulated gas utility and non-regulated renewables, power, and clean fuels businesses in Australia.

On January 19, 2024, the Company announced the retirement of Executive Vice President and Chief Financial Officer, Brian P. Shkrobot, effective March 1, 2024. Concurrently, it was announced that with the support of the Canadian Utilities' Board of Directors, Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, will broaden her portfolio to include Chief Financial Officer for Canadian Utilities effective March 1, 2024.

Board of Directors Appointments

Effective September 1, 2021, Robert J. Hanf, K.C. was appointed to the Board of Directors of Canadian Utilities Limited.

Effective May 3, 2023, Kelly C. Koss-Brix and Robert J. Routs were appointed to the Board of Directors of Canadian Utilities Limited.

Board of Directors Retirement

In 2022, Charles W. Wilson retired from the Canadian Utilities Limited Board of Directors, and did not stand for re-election at the Annual and Special Meeting held May 4, 2022.

Participation in Canadian Utilities Dividend Reinvestment Plan (DRIP)

On January 13, 2022, Canadian Utilities reinstated its DRIP for eligible owners of Class A shares and Class B shares who are enrolled in the program. The DRIP was previously suspended effective January 10, 2019. The DRIP allows

eligible owners of Class A shares and Class B shares to reinvest all or a portion of their dividends in additional Class A shares.

Plan of Arrangement Transaction

On December 15, 2023, Canadian Utilities completed an exchange proposal (the Arrangement) to holders (Non-Controlling Holders) of Class B common shares other than ATCO and certain of its related parties. The Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business Corporations Act*. Under the terms of the Arrangement, each Class B common share held by a Non-Controlling Holder was exchanged for 1.1 Class A non-voting shares of Canadian Utilities. Following completion of the Arrangement, the only remaining holders of Class B shares are ATCO and certain of its related parties, and the Class B common shares were delisted from the Toronto Stock Exchange on December 19, 2023.

Information Technology (IT) Master Service Agreements

In the fourth quarter of 2020 and first quarter of 2021, Canadian Utilities signed Master Services Agreements (MSAs) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed IT services. These services were previously provided by Wipro Ltd. (Wipro) under ten-year MSAs expiring in December 2024. The transition of the managed IT services from Wipro to IBM commenced on February 1, 2021 and was completed by December 31, 2021.

Rümi Launch

On June 3, 2021, ATCOenergy launched Rümi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional home advice for homeowners. Rümi currently offers approximately 80 services in Edmonton and Calgary.

Branding Initiative

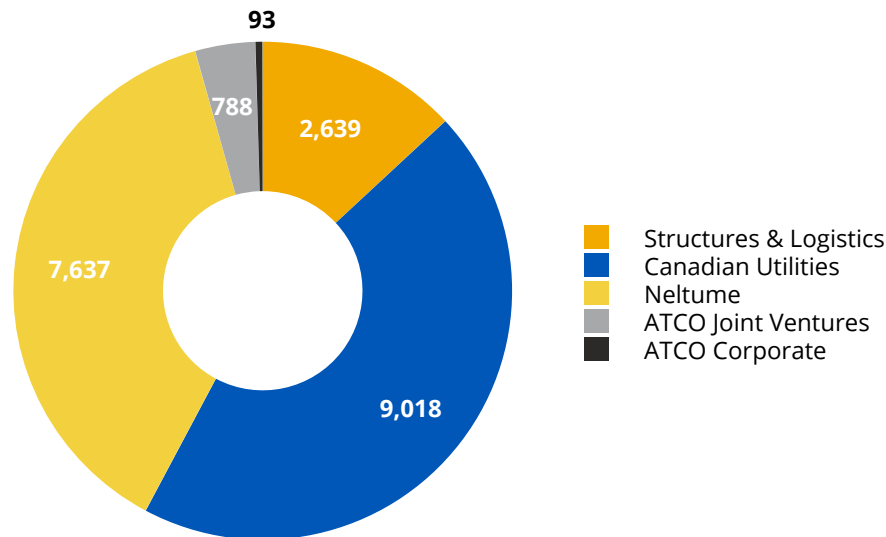
In 2023 we launched two new brands; ATCO Energy Systems is the new global brand for our gas and electrical utility services business and ATCO EnPower is the new global brand for our non-regulated energy business, including renewables, clean fuels, and energy storage.

Transfer of Blue Flame Kitchen

In 2023, the Company transferred its legacy retail food services brand Blue Flame Kitchen from Canadian Utilities Limited to ATCO Ltd. to create strategic alignment with ATCO's acquisition of Fresh Bites Inc., a food service company.

EMPLOYEE INFORMATION

At December 31, 2023, the Company had 20,175 employees. The accompanying chart represents the employee numbers in each segment including the 7,637 employees in the Neltume Ports equity investment, and 788 employees in ATCO joint ventures. Canadian Utilities' employee count includes 3,678 employees related to LUMA Energy, and 34 employees in joint ventures.



SPECIALIZED SKILLS AND KNOWLEDGE

ATCO's diversified investments require a wide range of talent to continue to operate at world-class levels. Each of our business units are required to develop and retain a skilled workforce for their operations. Many of our employees possess specialized skills and training and the Company must compete in the marketplace for these workers. As part of our people resourcing and management strategy, we believe in investing in our people by promoting and supporting their development. We also complete succession and development planning annually with a significant focus on critical roles and skills while providing leadership and individual development programs. Further details about workforce retention are discussed in the "Business Risk and Risk Management" section of the Company's 2023 MD&A.

SUSTAINABILITY, CLIMATE CHANGE AND ENERGY TRANSITION

Sustainability, Climate Change and Energy Transition is described in the "Sustainability, Climate Change and Energy Transition" section in ATCO Ltd.'s MD&A and is incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca. Our 2023 Sustainability Report will be published in May 2024.

BUSINESS RISKS AND RISK MANAGEMENT

Business risks are described in the "Business Risks and Risk Management" section in ATCO Ltd.'s MD&A and are incorporated herein by reference. The MD&A may be found on SEDAR+ at www.sedarplus.ca.

DIVIDENDS

Cash dividends declared during the past three years for all series and classes of shares were as follows.

<i>(Canadian dollars per share)</i>	2023	2022	2021
Class I and Class II Shares	1.90	1.85	1.79

The Company's practice is to pay dividends quarterly on its Class I and Class II Shares. The Company has increased its common share dividend each year since 1993. On January 11, 2024, the Board of Directors declared a first quarter dividend of 48.98 cents per share or \$1.96 on an annualized basis. The payment of any dividend is at the discretion of the Board of Directors and depends on our financial condition and other factors.

CAPITAL STRUCTURE

SHARE CAPITAL

The share capital of the Company at February 27, 2024 is as shown below:

Share Description	Authorized	Outstanding
Preferred Shares issuable in series	20,000,000	—
Junior Preferred Shares issuable in series	8,000,000	—
Class I Shares	300,000,000	99,733,891
Class II Shares	50,000,000	12,424,987

PREFERRED SHARES AND JUNIOR PREFERRED SHARES

The Preferred Shares and Junior Preferred Shares are issuable from time to time in one or more series with rights, restrictions, conditions and limitations as may be determined by the Board of Directors. Both the Preferred Shares and Junior Preferred Shares have priority over the Class I Shares and Class II Shares in the payment of dividends and the distribution of assets on the liquidation, dissolution or winding up of the Company.

CLASS I NON-VOTING SHARES AND CLASS II VOTING SHARES

Each Class II Share may be converted into one Class I Share at any time at the share owner's option. If an offer to purchase all Class II Shares is made, and such offer is accepted and taken up by the owners of a majority of the Class II Shares, and, if at the same time, an offer is not made to the Class I Share owners on the same terms and conditions, then the Class I Shares will be entitled to the same voting rights as the Class II Shares. The two share classes rank equally in all other respects, except for voting rights.

Of the 10,200,000 Class I Shares authorized for grant of options under our stock option plan, 7,829,400 Class I Shares were available for issuance at December 31, 2023. Options may be granted to officers and key employees of the Company and its subsidiaries at an exercise price equal to the weighted average of the trading price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The vesting provisions and exercise period (which cannot exceed 10 years) are determined at the time of grant.

NORMAL COURSE ISSUER BID (NCIB)

We believe that, from time to time, the market price of our Class I Shares may not fully reflect the value of our business, and that purchasing Class I Shares represents a desirable use of available funds. The purchase of Class I Shares, at appropriate prices, will also minimize any dilution resulting from the exercise of stock options.

On March 13, 2023, ATCO Ltd. commenced a NCIB to purchase up to 1,014,881 outstanding Class I Shares. The bid will expire on March 12, 2024. On September 26, 2023, we amended the NCIB to increase the maximum number of Class I Shares that may be repurchased under the bid to 2,214,881 outstanding Class I Shares. No other terms of the bid changed. Between March 13, 2023 and February 27, 2024, 1,758,600 Class I Shares were purchased for \$67 million.

All purchases were made by means of open market transactions through the facilities of the Toronto Stock Exchange (TSX). A copy of the notices filed with the TSX may be obtained by any share owner without charge by contacting the Corporate Secretary at the head office of the Company.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

In May 2023, the Company's mid-term incentive plan (MTIP) was terminated. Following its termination, the Company sold all of the 259,590 Class I Shares that were held in trust for the MTIP for proceeds of \$11 million. In July 2023, the MTIP trust was closed.

After the termination of the MTIP and sale of the Class I Shares held in trust for the MTIP, there are no ATCO securities held, to the knowledge of the Company, in escrow or that are subject to a contractual restriction on transfer, as of December 31, 2023.

LONG-TERM DEBT

The Company and its subsidiaries have issued unsecured debentures and fixed-to-floating rate subordinated notes. Details with respect to the issued and outstanding long-term debt can be found in Note 14 of the 2023 Consolidated Financial Statements. These debentures and subordinated notes are not listed or quoted on any exchange. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT FACILITIES

At December 31, 2023, ATCO and its subsidiaries had the following lines of credit.

(\$ millions)	Total	Used	Available
Long-term committed	3,063	973	2,090
Short-term committed	316	316	—
Uncommitted	692	275	417
Total	4,071	1,564	2,507

Of the \$4,071 million in total lines of credit, \$692 million was in the form of uncommitted credit facilities with no set maturity date. The other \$3,379 million in credit lines was committed with maturities between 2024 and 2027, and may be extended at the option of the lenders.

Of the \$1,564 million in lines of credit used, \$643 million was related to ATCO Gas Australia. Long-term committed credit lines are used to satisfy all of ATCO Gas Australia's term debt financing needs. The majority of the remaining usage is related to the funding of the renewable energy portfolio acquisition in ATCO EnPower, the issuance of Canadian Utilities' letters of credit, and ATCO Structures & Logistics' funding to expand its global rental fleet and working capital needs on workforce housing projects. Details with respect to the credit facilities can be found in Note 14 of the 2023 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at www.sedarplus.ca.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The ratings indicate the likelihood of payment and an issuer's capacity and willingness to meet its financial commitment on an obligation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

As is customary, the Company makes payments to the credit ratings organizations for the assignment of ratings as well as other services. The Company expects to make similar payments in the future.

Credit ratings are important to the Company's financing costs and ability to raise funds. The Company intends to maintain strong investment grade credit ratings in order to provide efficient and cost-effective access to funds required for operations and growth.

The following table shows the current credit ratings assigned to ATCO Ltd., Canadian Utilities, CU Inc., and ATCO Gas Australia Pty Ltd (ATCO Gas Australia).

	DBRS	Fitch
ATCO Ltd.		
Issuer	A (low)	BBB+
Canadian Utilities Limited		
Issuer	A	A-
Senior unsecured debt	A	A-
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2	BBB
CU Inc.		
Issuer	A (high)	A-
Senior unsecured debt	A (high)	A
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2 (high)	BBB+

S&P Global Ratings has assigned Canadian Utilities' subsidiary ATCO Gas Australia ⁽¹⁾ a BBB+ issuer and senior unsecured debt credit rating with a stable outlook.

(1) ATCO Gas Australia is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions.

On March 17, 2023, Fitch Ratings affirmed its 'BBB+' issuer rating and stable outlook on ATCO and its 'A-' issuer rating with a stable outlook on both Canadian Utilities and CU Inc.

On March 27, 2023, S&P Global Ratings affirmed Canadian Utilities' subsidiary ATCO Gas Australia's 'BBB+' issuer credit rating and stable outlook.

At our request, on July 12, 2023, S&P Global Ratings withdrew its 'BBB+' long-term issuer credit ratings and all related debt issue ratings on ATCO and Canadian Utilities, and its 'A-' issuer credit rating and all related debt issue ratings on CU Inc. S&P will continue to rate ATCO Gas Australia on a standalone basis as an insulated subsidiary. Going forward, Fitch and DBRS will continue to rate ATCO, Canadian Utilities and CU Inc.

On July 25, 2023, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities' subsidiary CU Inc.

On August 29, 2023, DBRS Limited affirmed its 'A (low)' long-term corporate credit rating and stable outlook on ATCO and its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities.

ISSUER CREDIT RATINGS AND LONG-TERM DEBT

An 'A' issuer rating by DBRS is the third highest of ten categories. An issuer rated 'A' is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than 'AA'. A-rated issuers may be vulnerable to future events, but qualifying negative factors are considered manageable. Each rating category other than 'AAA' and 'D' contains the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

An 'A' rating by Fitch is the third highest of eleven categories. An 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

A 'BBB' issuer rating by S&P is the fourth highest of ten categories. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

COMMERCIAL PAPER AND SHORT-TERM DEBT CREDIT RATINGS

An 'R-1 (low)' rating by DBRS is the lowest subcategory in the highest of six categories and is granted to short-term debt of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating subcategories and may be vulnerable to future events, but qualifying negative factors are considered manageable. Rating categories 'R-1' and 'R-2' are denoted by the subcategories 'high', 'middle', and 'low'.

An 'F2' rating by Fitch is the second highest of seven categories. 'F2' indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

PREFERRED SHARE CREDIT RATINGS

A 'PFD-2' rating by DBRS is the second highest of six categories granted by DBRS. Preferred shares rated in this category are generally of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as 'PFD-1' rated companies. Each rating category is denoted by the subcategories 'high' and 'low'. The absence of either a 'high' or 'low' designation indicates the rating is in the 'middle' of the category.

A 'BBB' rating by Fitch is the fourth highest of eleven categories. A 'BBB' rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. For ratings 'AA' through 'CCC' levels Fitch may use modifiers, a plus or a minus sign may be appended to a rating to denote relative status within major rating categories, indicating relative differences of probability of default or recovery for issues.

MARKET FOR SECURITIES OF THE COMPANY

The Company's Class I Shares and Class II Shares are listed on the TSX.

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volume of the Company's shares, traded on the TSX under the symbols ACO.X for Class I shares and ACO.Y for Class II shares during 2023 as reported by the TSX:

2023	Class I Shares			Class II Shares		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	44.49	41.75	4,093,004	44.25	40.45	24,735
February	43.59	41.82	6,349,878	44.88	41.97	95,513
March	43.70	39.67	9,409,452	45.96	39.76	65,286
April	45.49	42.94	3,636,939	48.00	45.50	18,072
May	45.59	41.56	4,089,168	46.41	42.99	30,687
June	42.21	38.65	4,779,875	42.22	39.68	2,429
July	39.44	37.39	3,839,799	41.45	38.36	2,698
August	38.38	36.09	4,890,548	38.36	37.22	6,346
September	37.84	34.30	4,982,286	38.01	35.95	29,818
October	36.08	32.90	4,302,019	35.95	33.27	60,537
November	38.72	35.54	4,351,079	40.49	35.60	54,252
December	38.75	36.48	3,657,592	40.27	36.85	7,117

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS ⁽¹⁾



ROBERT T. BOOTH, K.C.

Primary residence	Calgary, Alberta, Canada
Director since	2008
Independent	Until his retirement in December 2022, Mr. Booth was a partner in a law firm that acts as legal counsel to ATCO. Following his retirement from that law firm, Mr. Booth is now considered to be an independent director.

Until his retirement in December 2022, Bob Booth practiced law in Calgary, Alberta for 45 years with Bennett Jones LLP where he was a partner since 1984. Mr. Booth's legal practice covered many areas of the natural resources and energy fields, including oil and gas exploration, production and marketing, pipeline transportation, power generation and transmission, and energy utility businesses. During his legal career Mr. Booth also acted for clients supporting the Canadian military. He served from 2005 until 2023 as the CEO and Chair of the Board of Milit-Air Inc., a federal not-for-profit company having a role in the training of military pilots in Canada.

He is a former President and Honorary Counsel to the Royal Military Colleges alumni associations; a former director and Honorary Counsel to the Canadian Defence Associations Institute; a former director of the Canadian Global Affairs Institute; and a former director of the Canadian Energy Law Foundation. He currently serves on the Boards of the Lord Strathcona's Horse (Royal Canadians) Regimental Society and Foundation. From 2014 to 2023 Mr. Booth also served on the Board of Prospect Human Services, an Alberta not-for-profit society assisting persons who face barriers to entering the workforce.

Mr. Booth obtained a B.Eng. degree from the Royal Military College of Canada in 1974, and an LL.B. from Dalhousie University in 1977. In 2009, he obtained his ICD.D certification from the Director Education Program at the Institute of Corporate Directors.



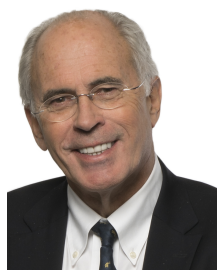
JASON T. KENNEY, PC

Primary residence	Calgary, Alberta, Canada
Director since	2023
Independent	

Mr. Kenney recently completed a distinguished 25-year career in elected public service at both the federal and provincial levels. After serving as a founder and CEO of the Canadian Taxpayers Federation, he was elected to the Parliament of Canada in 1997, going on to serve seven terms. He held senior front bench Opposition positions, and was appointed to several Cabinet roles between 2006-2016, including as Minister of National Defence, Minister of Employment and Social Development, Minister of Citizenship and Immigration, Minister of Multiculturalism, Chair of the Cabinet Operations Committee, and Regional Minister for Alberta.

Mr. Kenney served as the 18th Premier of Alberta from 2019 to 2022, leading Alberta's economic turnaround, leading the creation of Alberta's Recovery Plan, Natural Gas Vision and Strategy, Hydrogen Roadmap and the Alberta Indigenous Opportunities Corporation. He now works in the private sector as an advisor, director and consultant.

He was sworn in as a Privy Councillor in 2007.



ROBERT J. ROUTS, PhD^{(2) (3)}

Primary residence Brunnen, Switzerland

Director since 2012

Independent

Dr. Routs is the Lead Director of ATCO and is a director of ATCO Structures & Logistics Ltd., ATCO Australia Pty Ltd and Neltume Ports S.A. Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. He was responsible for the global refining, chemical, marketing, trading and renewable businesses. During his career, he held various senior management positions in the US, Canada and The Netherlands, including Chairman of Shell Canada prior to the buyout of the public shareholding by Royal Dutch Shell plc. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.

Dr. Routs is an emeritus member of the International Advisory Council to the Economic Development Board of Singapore and received the Distinguished Friend of Singapore medal. Dr. Routs was Chairman of the Board of Aegon NV from 2009 until 2019 and Chairman of the Board of Royal DSM NV from 2011 until May 2021. From 2010 to February 2021, Dr. Routs was a director of AECOM Technology Corporation.

Dr. Routs graduated in Chemical Engineering from the Technical University of Eindhoven in The Netherlands, where he also obtained a PhD in Technical Sciences. He completed the Program for Management Development at Harvard Business School in 1991.



NANCY C. SOUTHERN

Primary residence Calgary, Alberta, Canada

Director since 1989

Not Independent As Chair & Chief Executive Officer, Ms. Southern is not independent because she has a material relationship with ATCO.

Nancy Southern is Chair & Chief Executive Officer of ATCO, as well as Chair & Chief Executive Officer of Canadian Utilities, an ATCO company. Reporting to the Boards of Directors, she is accountable for the strategic direction, vision and governance for both companies, and has full responsibility for their ongoing operations.

After joining the ATCO Board of Directors in 1989, Ms. Southern served as Co-Chair of ATCO for 16 years prior to being elected Chair in December 2012. Ms. Southern was named President & Chief Executive Officer of ATCO in 2003. Ms. Southern also serves as Executive Vice President of Spruce Meadows Ltd. and is a founding director of AKITA Drilling Ltd., a director of Sentgraf Enterprises Ltd., an Honorary Director of the BMO Financial Group and serves on the Rideau Hall Foundation Board of Directors. In addition to her business leadership, Ms. Southern has long played a leading role in advocating on social issues of global importance - most notably, the rights of Indigenous peoples and the role of women in business.

Ms. Southern is a member of The US Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is a member of the Business Council of Canada and the University of Calgary School of Public Policy Advisory Council. In 2020, Ms. Southern joined the Premier's Economic Recovery Council with other policy and industry experts providing insight and strategies to accelerate diversification of Alberta's economy. That same year, Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



LINDA A. SOUTHERN-HEATHCOTT

Primary residence Calgary, Alberta, Canada

Director since 2012

Not Independent Ms. Southern-Heathcott is not independent because she has a material relationship with ATCO. She is an immediate family member of the Chair & Chief Executive Officer.

Ms. Southern-Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. She is also a founding director and currently serves as Executive Chair of AKITA Drilling Ltd., an oil and gas drilling contractor with drilling operations throughout North America. Ms. Southern-Heathcott brings significant management and business experience to the Board and was appointed Vice Chair of the Board of Directors of ATCO in 2016 and of Canadian Utilities and CU Inc. in 2017.

Ms. Southern-Heathcott is also Chair of Travel Alberta and serves on the Boards of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd.

In 2010, Ms. Southern-Heathcott received her ICD.D certification from the Director Education Program of the Institute of Corporate Directors. In 2018, Ms. Southern-Heathcott was named an Honorary Lieutenant Colonel of the King's Own Calgary Regiment. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British equestrian, military and commercial interests in Alberta, Canada.



NORMAN M. STEINBERG ⁽²⁾ (3)

Primary residence Côte Saint-Luc, Québec, Canada

Director since 2021

Independent

Norman M. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee. From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada LLP. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright Canada LLP and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright LLP, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright Canada LLP and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance.

Mr. Steinberg is also Co-Chair of Dorel Industries where he chairs the Governance and Nominating Committee, a Director of Fiera Capital Corporation where he chairs the Nominating and Governance Committee, Senior Advisor to Persistence Capital Partners (private equity), Co-Chair of Women in Governance, Chair of the Board of Governors of The McGill University Health Centre Foundation, Director and member of the Organizing Committee as well as former Canadian Co-Chair of the Australia-Canada Economic Leadership Forum, Strategic Advisor of Voyager Metals Inc., Senior Advisor of Teneo, and Vice-Chair of the Board of Advisors of Alexa Translations.

He served as a director of numerous other boards, including Gildan Activewear, Canadian Marconi Company, Centraide of Montreal and the Foundation of the Montreal Museum of Fine Arts. He was former Vice Chair and Executive Committee member of the Montreal Symphony Orchestra, former president of the Canadian Club of Montreal and former Chairman of the Mount Royal Club of Montreal.

Mr. Steinberg holds a Bachelor of Science and a Bachelor of Civil Law from McGill University in Montreal, Québec.



ROGER J. URWIN, PhD, C.B.E. ⁽³⁾

Primary residence London, England

Director since 2014

Independent

Dr. Urwin is the Lead Director of Canadian Utilities, Chair of the Board of Directors of ATCO Australia Pty Ltd and Vice Chair of LUMA Energy, LLC. He has worked in gas, electric and telecom utilities throughout his career. He retired at the end of 2006 as Group Chief Executive of National Grid plc. He played a key role in establishing National Grid's international strategy and its successful expansion into the US, creating one of the largest investor-owned utility companies in the world. Dr. Urwin was the Managing Director and Chief Executive of London Electricity from 1990 to 1995. He was non-executive Chairman of Utilico Investments Limited until October 2015 and has been a special advisor to Global Infrastructure Partners, an international infrastructure investment fund. He was Chair of Alfred McAlpine plc from 2006 to 2008.

Dr. Urwin is a Commander of the Order of the British Empire.

Dr. Urwin has a Physics degree and a PhD from the University of Southampton, UK.



SUSAN R. WERTH ^{(2) (3)}

Primary residence Calgary, Alberta, Canada

Director since 2014

Independent

Ms. Werth retired as Senior Vice President & Chief Administration Officer, ATCO Ltd. and Canadian Utilities Limited in May 2014. In this role Ms. Werth was responsible for Human Resources, Corporate Secretarial, Marketing and Communications, Security, Real Estate, Aviation and Administration. She was Chair of ATCO's Disclosure, Management Pension, Crisis Management, and Donations & Sponsorship Committees. She was Vice President, Administration, ATCO Group from 1995 to 2000. During her career, Ms. Werth gained a wealth of experience and brings significant insight into all aspects of ATCO's business. Ms. Werth is also on the Board of ATCO Structures & Logistics Ltd. and Sentgraf Enterprises Ltd.

(1) All directors hold office until the close of the annual meeting of share owners of the Company or until their successors are elected or appointed.

(2) Member of the Corporate Governance - Nomination, Compensation and Succession Committee.

(3) Member of the Audit & Risk Committee.

EXECUTIVE OFFICERS (IN ALPHABETICAL ORDER)

Name, Province and Country of Residence	Position Held and Principal Occupation
James D. Armstrong Alberta, Canada	Senior Vice President, Technology & Global Security
Adam M. Beattie Alberta, Canada	President, Structures, ATCO Structures & Logistics Ltd.
Kyle M. Brunner Alberta, Canada	Senior Vice President, General Counsel & Corporate Secretary
M. George Constantinescu Alberta, Canada	Executive Vice President & Chief Transformation Officer
P. Derek Cook Alberta, Canada	Senior Vice President & Controller
Lisa Cooke Alberta, Canada	Senior Vice President & Chief Marketing Officer
G. Dale Friesen Alberta, Canada	Senior Vice President, Corporate Affairs & Chief Government Affairs Officer
Colin R. Jackson Alberta, Canada	Senior Vice President, Finance, Treasury & Sustainability
James Landon Alberta, Canada	President, Frontec, ATCO Structures & Logistics Ltd.
Robert J. Myles Alberta, Canada	Chief Operating Officer, ATCO EnPower
Katherine J. Patrick Alberta, Canada	Executive Vice President, Chief Financial & Investment Officer
Rebecca A. Penrice Alberta, Canada	Executive Vice President, Corporate Services
Christine R. Simpson Alberta, Canada	Senior Vice President, Corporate Real Estate & Facilities
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer
Wayne K. Stensby Alberta, Canada	Chief Operating Officer, ATCO Energy Systems
Marshall F. Wilmot Alberta, Canada	President, Retail and Chief Digital Officer

POSITIONS HELD BY EXECUTIVE OFFICERS WITHIN THE PRECEDING FIVE YEARS

All of the executive officers have been engaged for the last five years in the indicated principal occupations, or in other capacities with the companies or firms referred to, or with their affiliates or predecessors, except for Mr. Armstrong, Mr. Brunner, Ms. Cooke, Mr. Constantinescu, Mr. Myles, and Ms. Penrice:

- Mr. Armstrong was appointed Senior Vice President, Corporate Security in April 2023, and was later promoted to Senior Vice President, Technology & Global Security in May 2023. Prior to joining the Company, he was Chief Security and Chief Data Officer for Shaw Communications from January 2018 to April 2023.
- Mr. Brunner was appointed as Vice President, Corporate Secretary in September 2021 and was later promoted to Senior Vice President, General Counsel & Corporate Secretary in November 2022. Prior to joining the Company, he was Vice President, General Counsel & Corporate Secretary at Seven Generations Energy Ltd. Mr. Brunner was with Seven Generations from February 2015 to April 2021.

- Ms. Cooke joined the Company as Senior Vice President, Chief Marketing Officer in September 2022. Prior to joining the Company, she was employed at Shaw Communications / Freedom Mobile from 2017 to 2022, where her most recent position was that of Vice President, Brand, Advertising & Marketing.
- Mr. Constantinescu was appointed Senior Vice President & Chief Transformation Officer in February 2018 and was later promoted to Executive Vice President & Chief Transformation Officer in May 2023. Prior to joining the Company, he was Chairman and Chief Executive Officer of Orthoshop Geomatics Ltd. from January 2006 through January 2019.
- Mr. Myles was appointed Executive Vice President, Corporate Development in March 2020 and was later promoted to Chief Operating Officer, ATCO EnPower. Prior to joining the Company, Mr. Myles was Chief Operating Officer, Industrial, of Stuart Olson Ltd., from January 2016 through October 2019.
- Ms. Penrice was appointed Executive Vice President, Corporate Services in January 2020. Prior to joining the Company, Ms. Penrice was Interim Chief Executive Officer for Sears Canada Inc. from August 2017 until September 2018, and Executive Vice President & Chief Operations Officer from February 2016 until August 2017.

DIRECTORS' AND EXECUTIVE OFFICERS' INTEREST IN THE COMPANY

At December 31, 2023, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly (via corporate holdings or otherwise), 11,551,650 (93.0 per cent) of the issued and outstanding Class II Shares of the Company. ATCO, Sentgraf and the Margaret E. Southern Spousal Trust collectively hold 66,598,854 (100 per cent) of the issued and outstanding Class B shares of Canadian Utilities. Other than as set forth in preceding sentence, the directors and executive officers of the Company, as a group, do not beneficially own, or control or direct, directly or indirectly (via corporate holdings or otherwise), any of the issued and outstanding Class B common shares of Canadian Utilities.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at February 27, 2024, there were 12,424,987 Class II Shares outstanding. To the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10 per cent or more of the Class II Shares is Sentgraf Enterprises Ltd. (Sentgraf). Sentgraf owns 11,483,120 Class II Shares representing 92.4 per cent of the outstanding Class II Shares. Sentgraf is controlled by the Sentgraf Spousal Trust (the Spousal Trust) and Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust. Sentgraf and the Spousal Trust are collectively referred to as the Majority Share Owner.

No director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, greater than 10 per cent of the Company's Class II voting common shares, nor any associate or affiliate of the foregoing, has, or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES OR SANCTIONS

Corporate Cease Trade Orders

No director or executive officer of the Company is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including ATCO) that:

- was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or
- was subject to an event that resulted, after the person ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to an exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

Corporate Bankruptcies

Except as otherwise disclosed below, no director, executive officer or controlling securityholder of the Company is, as at the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company (including ATCO) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Nancy C. Southern was, until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee was appointed on August 25, 2020. An application for the discharge of the trustee was approved on December 14, 2021.

Ms. Penrice served as Executive Vice President & Chief Operating Officer of Sears Canada Inc. (Sears) when, on June 22, 2017, Sears announced that it and certain of its subsidiaries (Sears Group) had been granted an order from the Ontario Superior Court of Justice (Commercial List) (the Court) that, among other things, granted the Sears Group protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada). On June 29, 2017, Sears received notice that the Continued Listings Committee of the TSX had determined to delist Sears' common shares effective at the close of market on July 28, 2017. Sears did not appeal the decision. On October 16, 2017, Sears announced that it had received approval from the Court to proceed with a liquidation of all of its inventory and furniture, fixtures and equipment located at its remaining stores.

Personal Bankruptcies

No director, executive officer or controlling security holder of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No current director, executive officer or controlling security holder of the Company has:

- i. been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- ii. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by any such member of the Board will be provided to the Company. However, the Company's procedures provide that each director and executive officer must comply with the disclosure requirements of the *Business Corporations Act* (Alberta) regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class I Shares and Class II Shares is TSX Trust Company at its principal offices in Calgary, Toronto, Montreal and Vancouver.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is occasionally named as a party in claims and legal proceedings which arise during the normal course of its business. The Company reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in the Company's favour or that such claim may not have a material adverse effect on the Company. For further information, please refer to Note 30 of the 2023 Consolidated Financial Statements.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Company or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP has prepared the auditor's report for the Company's 2023 Consolidated Financial Statements. PricewaterhouseCoopers LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this AIF includes, but is not limited to, references to: strategic plans and targets, including ESG targets and the commitment to achieve net zero GHG emissions by 2050; expected emissions reductions, and decarbonization to enable customers to transition to lower emitting sources of energy while maintaining safety, reliability and affordability; expected electricity generation capacity and/or productive capacity of assets and projects, including assets and projects that have been acquired or that are expected to be developed in the future; the expected timing of commencement, completion or commercial operations of activities, contracts and projects; the expected term of contracts; the expected impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; expected growth and diversification and expansion opportunities; Canadian Utilities' continuing work at the Clean Energy Innovation Hub in Australia; the expected electricity generation capacity of the Deerfoot, Barlow and Empress solar projects; the Company's Heartland Hydrogen Hub Project, including the project's potential, the Company's continuing commitment to the project, planned design activities, anticipated timing for a final investment decision; the timing and breadth of services being provided by Canadian Utilities to the Canadian Pacific Hydrogen Locomotive Project; the progressing development

of the Atlas Carbon Sequestration Hub project and anticipated timing for a final investment decision; the expected hydrogen production, electricity generation and hydrogen storage capacity of the facilities planned in connection with the South Australian Hydrogen Jobs Plan project and the expected timing of the project; the expected purchase and sale of electricity; the expected timing for the construction of the development of Terminal 2, Berth 7 at the Port of Vancouver and the export capacity expected when construction is complete; and the payment of dividends.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to meet its initial set of 2030 ESG targets and successfully achieve its net-zero GHG target by 2050; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and other ESG targets; continuing collaboration with certain business partners and engagement with new business partners, and regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws, regulations and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing market and economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, infrastructure, and future demand for resources; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; potential termination or breach of contract by contract counterparties; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events, global pandemics; and geopolitical tensions and wars; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see "Business Risks and Risk Management" in this AIF.

This AIF may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this AIF.

Any forward-looking information contained in this AIF represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and named executives officers' remuneration, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's most recent Management Proxy Circular dated March 9, 2023.

Additional financial information is provided in the Company's audited 2023 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2023. Corporate information is also available on the Company's website: www.ATCO.com.

Information relating to Canadian Utilities or CU Inc. may be obtained on request from Investor Relations at 3rd Floor, West Building, 5302 Forand Street SW, Calgary, Alberta, T3E 8B4, or by telephone (403) 292-7500.

GLOSSARY

2023 Consolidated Financial Statements means ATCO Ltd.'s Consolidated Financial Statements for the year ended December 31, 2023.

Alberta Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission.

APL means Alberta PowerLine.

AUC means the Alberta Utilities Commission.

Class I Shares means Class I Non-Voting Shares of the Company.

Class II Shares means Class II Voting Shares of the Company.

Company means ATCO Ltd. and, unless the context otherwise requires, includes its subsidiaries and joint arrangements.

DRIP means Dividend Reinvestment Plan.

ESG means Environmental, Social and Governance.

GHG means greenhouse gas.

Gigawatt hour (GWh) is a measure of electricity consumption equal to the use of 1 billion watts of power over a one-hour period.

IFRS means International Financial Reporting Standards.

LNG means liquefied natural gas.

MD&A means the Company's Management's Discussion and Analysis for the year ended December 31, 2023.

Megawatt (MW) is a measure of electric power equal to 1,000,000 watts.

Merchant means uncontracted generating plant capacity that is offered into the spot electricity market in which the generating plant is located.

NGL means natural gas liquids, such as ethane, propane, butane and pentanes plus, that are extracted from natural gas and sold as distinct products or as a mix.

NGTL means Nova Gas Transmission Ltd.

Petajoule (PJ) is a unit of energy equal to approximately 948.2 billion British thermal units.

PPA means Power Purchase Agreement.

REA means Rural Electrification Association. REAs are constituted under the *Rural Utilities Act* (Alberta) by groups of persons carrying on farming operations. Each REA purchases electric power for distribution to its members through a distribution system owned by that REA.

Regulated Utilities means Electricity Distribution, Electricity Transmission, Natural Gas Distribution, Natural Gas Transmission and International Natural Gas Distribution.

SEDAR+ means The System for Electronic Document Analysis and Retrieval+.

USD means United States dollars.

APPENDIX 1

AUDIT & RISK COMMITTEE INFORMATION

AUDIT & RISK COMMITTEE MANDATE

PURPOSE

The Audit & Risk Committee (the “Committee”) of ATCO Ltd. (the “Corporation”) is responsible for contributing to the effective stewardship of the Corporation by assisting the Board of Directors of the Corporation (“Board”) in fulfilling its oversight of:

- The integrity of the Corporation's financial statements.
- The Corporation's compliance with laws and regulations including applicable legal and regulatory commitments.
- The independence, qualifications and appointment of the Corporation's external auditor.
- The performance of the Corporation's internal audit function and external auditor.
- The accounting and financial reporting processes of the Corporation.
- Audits of the financial statements of the Corporation.
- The risk management processes of the Corporation.

AUTHORITY

The Committee is empowered to:

- Determine the public accounting firm to be recommended to the Board for appointment as external auditors, and be directly responsible for the compensation and oversight of the work of the external auditors. The external auditors will report directly to the Committee.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation's external auditors.
- Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.
- Inspect all the books and records of the Corporation and its subsidiary entities and to discuss such books and records in any manner relating to the financial position and/or risk related issues of the Corporation and its subsidiary entities with the officers, employees and internal and external auditors of the Corporation and its subsidiary entities. All employees are directed to cooperate with the Committee's requests.
- Meet with the Corporation's officers, external auditors or outside counsel, as necessary.
- Delegate authority, to the extent permitted by applicable legislation and regulation, to one or more designated members of the Committee, including the authority to pre-approve all auditing and permitted non-audit services provided by the Corporation's external auditor.

COMPOSITION

The Board shall elect annually from among its members an Audit & Risk Committee comprised of not less than three directors. Each member of the Committee must be:

- a director of the Corporation;
- independent (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110); and
- financially literate (within the meaning of section 1.6 of National Instrument 52-110).

In order to be considered to be independent for the purposes of membership on the Committee, a director must have been determined by the Board to have no direct or indirect material relationship with the Corporation and must satisfy all other applicable legal and regulatory requirements.

The Board will appoint one member of the Committee as Chair. Any member of the Committee may be removed or replaced at any time by the Board, and a member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be independent.

MEETINGS

The Committee shall meet at least four times per year and whenever deemed necessary by the Chair of the Committee or at the request of a Committee member or the Corporation's external or internal auditor. Matters related specifically to Risk Management as described under "DUTIES AND RESPONSIBILITIES" will be on the agenda for two of the Committee meetings each year.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Reasonable notification of meetings, which may be held in person, by telephone or other communication device, shall be sent to the members of the Committee, the external auditor and any additional attendees as determined by the Chair of the Committee.
- The external auditor has the right to appear before and be heard at any meeting of the Committee.
- Meetings will be scheduled to permit timely review of Committee materials.
- A majority of the Committee will constitute a quorum.
- Minutes of each meeting will be prepared by the person designated by the Committee to act as secretary and will be kept by the Corporate Governance & Secretarial Department.

DUTIES AND RESPONSIBILITIES

Public Reporting

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - complex or unusual transactions and highly judgmental areas;
 - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the external auditors, setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of new or revised IFRS methods on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the Corporation's annual and interim financial statements, MD&A, earnings press releases, AIF, and Sustainability Reports before the Corporation publicly discloses this information.

- Review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant items pertaining to year-end financial disclosure documents.
- Recommend to the Board the approval of the Corporation's interim financial statements, interim MD&A and interim earnings press releases, or if delegated by the Board, approve the interim financial statements, interim MD&A and interim earnings press releases before the Corporation publicly discloses this information.
- Recommend to the Board the approval of the Corporation's annual financial statements, AIF and annual MD&A.
- Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- Be satisfied that the Corporation has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.

External Auditor

- Recommend to the Board:
 - the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation; and
 - the compensation of the external auditor.
- Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor of the Corporation (Non-audit Services). The Committee may delegate to one or more of its members the authority to pre-approve Non-audit Services. All Non-audit Services provided by the external auditor shall be summarized and reported to the Audit & Risk Committee on a cumulative basis for the year at each quarterly meeting.
- The Committee shall adopt and periodically review practices and procedures for the engagement of Non-audit Services that are detailed as to the particular service, that do not include delegation of the Committee's responsibilities to management, and that are designed to manage the pre-approval process and comply with all applicable legal and regulatory requirements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

Internal Auditor

- Be satisfied that the internal audit function has been effectively carried out and the internal auditor has adequate resources.
- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.

Risk Management

- Understand the principal risks of the Corporation:
 - review and consider with management the Corporation's risk taking philosophy;
 - review and discuss with management the Corporation's risk inventory and related mitigation plans;
 - receive presentations, reports and other information about extraordinary risks, emerging risks and significant trends that could materially affect the Corporation's ability to achieve its strategic

objectives, including those related to sustainability and environmental, social and governance (ESG) matters;

- review reports prepared by Designated Audit Directors and directors appointed to corporate entities including joint ventures or partnerships (which do not have an appointed Designated Audit Director) regarding any significant risks identified by management; and
 - review and discuss with management the Corporation's performance relative to its sustainability, ESG and safety objectives and/or targets.
- Be satisfied that management has appropriate processes in place to identify, assess, manage and monitor risk.
 - Review the Corporation's insurance programs for adequacy annually.

Other

- Ensure that the Corporation has appropriate procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Provide a means for confidential and anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- Review and reassess annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.
- Review and approve annually the Disclosure Committee, Designated Audit Directors, Internal Audit and Crisis Management Committee mandates.
- The Committee will inquire into any other matters referred to it by the Board.

REPORTING

The Committee shall report to the Board on such matters and questions relating to the financial position or risk management of the Corporation as the Board may from time to time refer to the Committee. A summary of all meetings will be provided to the Board by the Chair of the Committee. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request. The external auditor and the Vice President, Internal Audit of the Corporation shall report directly to the Committee. The Committee is expected to maintain free and open communication with the Corporation's external auditor, internal auditor and management. This communication shall include private sessions, at least annually, with each of these parties.

COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE OF THE AUDIT & RISK COMMITTEE

The following are the members of the Corporation's Audit & Risk Committee, all of whom are independent and financially literate:

- N.M. Steinberg (Chair) - Mr. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee. From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright Canada and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance. Mr. Steinberg holds a Bachelor of Science and a Bachelor of Civil Law from McGill University in Montreal, Québec.
- R.J. Routs - Until his retirement in 2008, Dr. Routs was an Executive Board Member at Royal Dutch Shell plc. Prior to that, he held various senior management positions at Royal Dutch Shell in the US, Canada and The Netherlands. Dr. Routs was a long standing Chairman of two global public AEX listed companies: Royal DSM NV and AEGON NV. Additionally, Dr. Routs has been a member of the Audit and Pension Committees for several public companies. Dr. Routs has substantial experience in the refining and chemical industry with a strong focus on operational safety and sustainable operations to reduce the industry's impact on the environment.

- R.J. Urwin - Dr. Urwin has been the Chief Executive Officer of several major public companies. He was the Group Chief Executive of National Grid plc from 2001 until his retirement in 2006, and was responsible for compliance with the US Sarbanes-Oxley requirements. Dr. Urwin has been a member of the Audit Committee for a number of UK public companies.
- S.R. Werth - Until her retirement as Senior Vice President & Chief Administration Officer of ATCO and Canadian Utilities Limited in 2014, Ms. Werth was responsible for the financial and operating performance of the corporate administrative functions of both companies. She also Chaired numerous committees including the ATCO & Canadian Utilities Disclosure Committees, the ATCO Crisis Management Committee, as well as the Canadian Utilities Management Pension Committee. Membership on these committees required a strong understanding of financial reporting, public reporting requirements and risk management strategies.

PRE-APPROVAL PROCEDURES

The Corporation's Audit & Risk Committee has adopted a procedure for approval of external auditor services. The procedure prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the procedure has been pre-approved by the Audit & Risk Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit & Risk Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit & Risk Committee.

Services provided by the external auditor are subject to an engagement letter. The procedure mandates that the Audit & Risk Committee receive regular reports of all new pre-approved engagements of the external auditor.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees incurred by the Corporation and its subsidiaries for professional services provided by PricewaterhouseCoopers LLP for each of the past two years were as follows:

(\$ Millions)	2023	2022
Audit fees ⁽¹⁾	5.8	5.1
Audit-related fees ⁽²⁾	0.1	0.3
Tax fees ⁽³⁾	0.2	0.4
All other fees ⁽⁴⁾	—	0.2
Total	6.1	6.0

(1) Audit fees are the aggregate professional fees paid to the external auditor for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) Audit related fees are the aggregate fees paid to the external auditor for services related to special purpose audits and audit services including consultations regarding IFRS.

(3) Tax fees are the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.

(4) Other fees include aggregate fees paid to the external auditor for consulting services related to diversity engagement and the Company's finance and accounting function.