



# ATCO LTD.

## ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2024

February 26, 2025

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

Unless otherwise noted, the information contained within this AIF is presented as at December 31, 2024.

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) (52.5 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), ASHCOR Technologies Ltd. (Ashcor) (100 per cent ownership), ATCO Energy Ltd. (100 per cent ownership), and Fresh Bites Inc. (Fresh Bites) (100 per cent ownership). The Company also has an 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

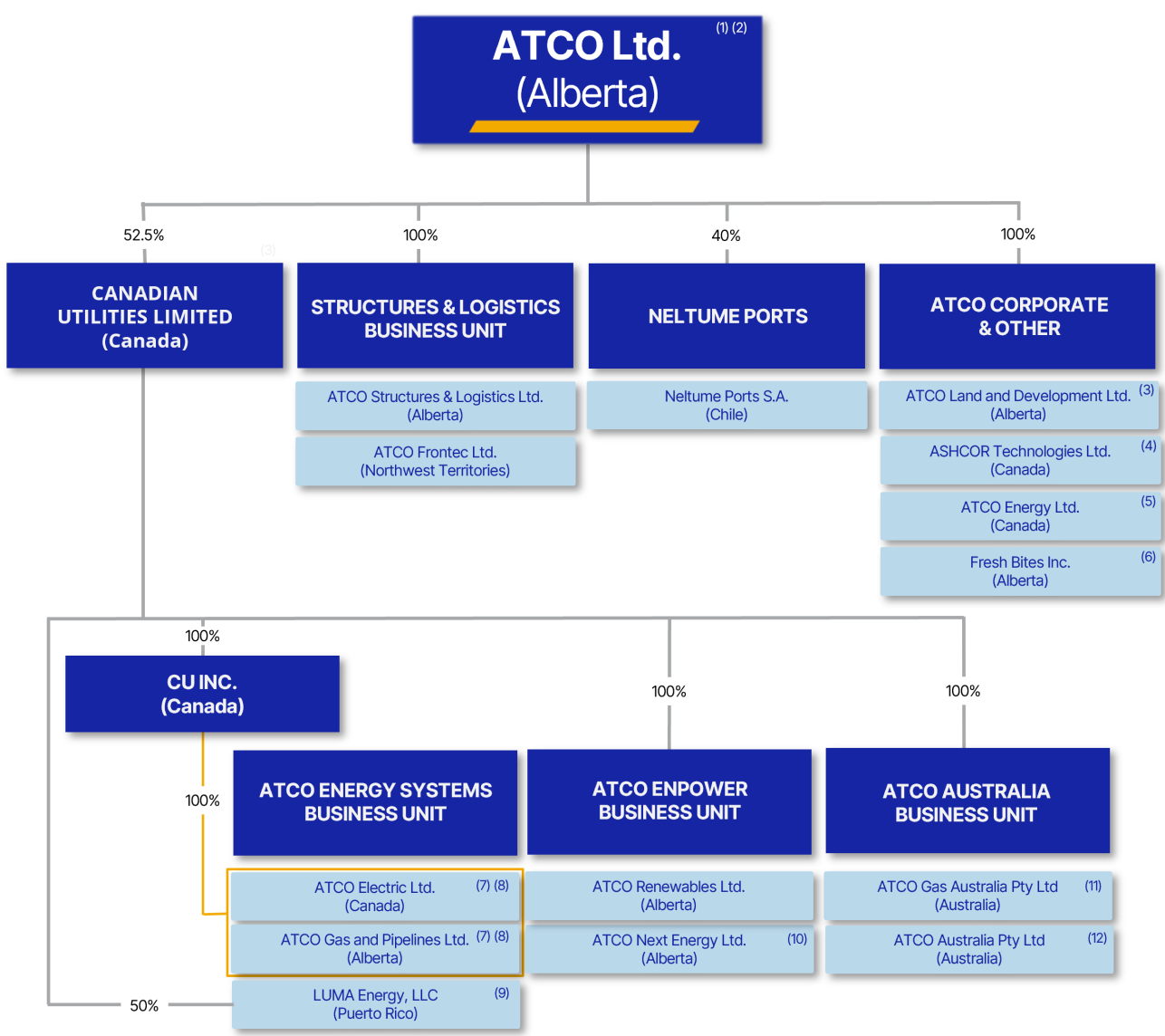
ATCO Ltd. is the successor to the business founded in 1947 by the late S.D. Southern and the late R.D. Southern. It was incorporated under *The Companies Act* (Alberta) by Certificate of Incorporation on August 31, 1962. The Company was continued under the *Business Corporations Act* (Alberta) on March 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, 2024, ATCO owned 99.6 per cent of the Canadian Utilities Class B common shares, which are the only voting securities outstanding, and 37.3 per cent of the Class A non-voting shares, for an aggregate ownership of 52.5 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, 2024.
- (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 recycling and marketing of ash, a waste byproduct of electricity generation.
- (5) ATCO Energy Ltd. (ATCOenergy) includes ATCOenergy and Rūmi, and offers retail electricity and natural gas services, home products, home maintenance services, and professional home advice in Alberta.
- (6) Fresh Bites Inc. (Fresh Bites) is a food service company that incorporates our legacy retail food services brand Blue Flame Kitchen (BFK) acquired by ATCO in 2023.
- (7) ATCO Electric Ltd. includes Electricity Distribution and Electricity Transmission. ATCO Gas and Pipelines Ltd. includes Natural Gas Distribution and Natural Gas Transmission.
- (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) Canadian Utilities' 50 per cent ownership in LUMA Energy, LLC (LUMA Energy), a company which is transforming, modernizing and operating Puerto Rico's 31,000-km electricity transmission and distribution system, is included in International Electricity Operations.
- (10) ATCO Next Energy Ltd. (ATCO Next Energy) includes Storage & Industrial Water and Cleaner Fuels.
- (11) ATCO Gas Australia Pty Ltd (ATCO Gas Australia) is a regulated provider of natural gas distribution services in Western Australia, serving Metropolitan Perth and surrounding regions.
- (12) ATCO Australia Pty Ltd includes non-regulated electricity generation assets in Australia.

# SHAPING THE FUTURE: ATCO'S AMBITIONS

## CREATING PROSPERITY AND OPPORTUNITY FOR GENERATIONS TO COME

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

## OUR STRATEGIC IMPERATIVES

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

Innovation, growth and financial strength provide the foundation from which we built our Company. Our long-term success depends on our ability to continue offering our customers premier, comprehensive and integrated solutions to meet their evolving needs and expand into new markets. Our strategic imperatives, as noted below, are supported by our unwavering commitment to financial strength, operational excellence, our customers, our people and the communities we are privileged to serve around the world.



**Valuing a long-term outlook.**



**Providing solutions for shelter and community spaces.**



**Taking a leadership role in the energy transition.**



**Advancing equitable partnerships with Indigenous communities.**



Collaborating for the betterment of communities.



Supporting the talent and diversity of the ATCO team.

## ATCO'S INVESTMENT STRATEGY

At the heart of ATCO's investment strategy is the desire to be a unified provider of essential services for our customers. These essential services underpin our portfolio and our continued investment in the Energy, Logistics and Transportation, Shelter, and Real Estate industries. They are tied to infrastructure, providing us a source of recurring cash flows and earnings that have proven to be resilient to changes in global macro-economic cycles, geopolitical conflict and extreme weather. 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.

As a globally diversified investment company, ATCO's portfolio provides customers with integrated and sustainable solutions. To maintain our exceptional dividend resiliency, our portfolio has been constructed to provide a balance between yield and long-term growth.

### Growth

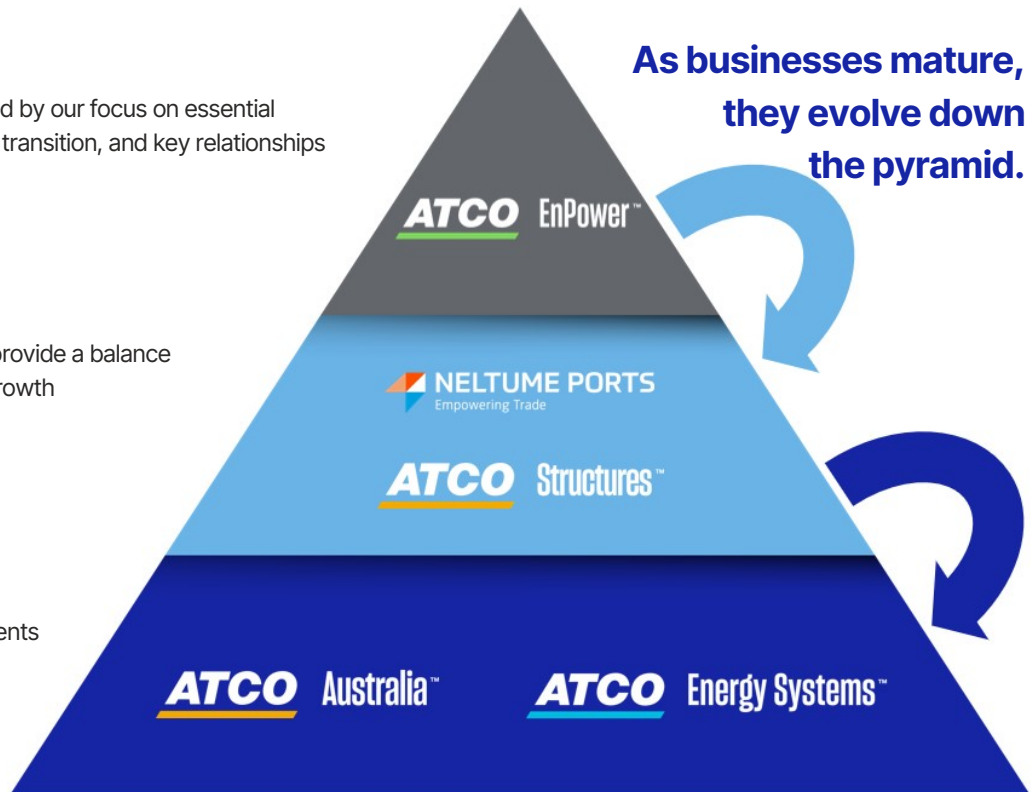
New growth is guided by our focus on essential services, the energy transition, and key relationships

### Value

These investments provide a balance between yield and growth

### Yield

Stable utility investments



At the base of our portfolio we look for a stream of stable and reliable earnings and cash flows 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 cyclical, they also generally have the ability to outpace overall economic growth and drive better returns. Our ATCO Structures and Neltume Ports businesses 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. An example of this approach is ATCO EnPower's advancements on renewables and cleaner fuels investments. As these businesses mature and begin to contribute additional cash flows, they evolve down the pyramid, allowing us to potentially add more growth businesses.

We continue to have significant growth aspirations across these existing investments, and share owners can expect that the new investments we make will be tied to this proven strategy of investing in companies within the essential services space.

## FURTHER COMMENTARY REGARDING STRATEGIES AND COMMITMENTS

Our financial and operational achievements in 2024 relative to the investment strategies outlined above are included in the Company's MD&A and the 2024 Consolidated Financial Statements. Further commentary regarding strategies will be provided in the forthcoming 2024 Management Proxy Circular, Business Profile, and Sustainability Report. The 2024 Management Proxy Circular will also contain a discussion of the Company's corporate governance practices.

ATCO's website, [www.atco.com](http://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.

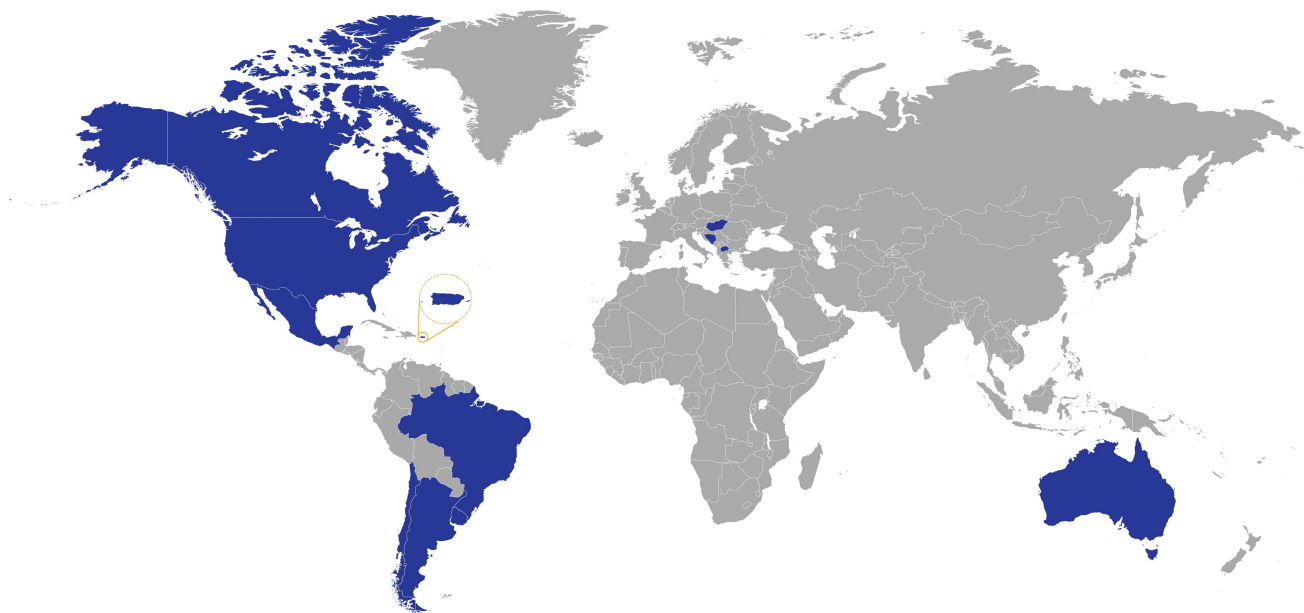
# BUSINESS DESCRIPTION

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



Based in Alberta, ATCO is one of Canada's premier corporations. With assets of \$27 billion, ATCO is a proven, diversified, and global corporation. 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 solutions in sectors that are essential to global growth and prosperity with the dedication and support of our approximately 8,200 ATCO employees and the additional 12,400 employees in our non-controlled interests around the world.

CURRENT OPERATIONS



**4M+**

Total Customers



**\$27B**

Total Assets



**32**

Years of Annual  
Dividend Increases



**100+**  
**Countries**

Long History of Global  
Operations



# Structures & Logistics

ATCO

## OVERVIEW

ATCO Structures & Logistics operates through two complementary businesses: ATCO Structures and ATCO Frontec. Diversified by geography, products and services, these businesses serve customers and communities worldwide. Together, they provide residential and workforce 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 peers in residential housing, permanent modular housing, space rentals, workforce housing, and camp services range from multinational corporations to local boutique firms, with competition fragmented across regional markets. 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. Our competitive advantage lies in delivering turnkey bundled services, from site preparation and workforce housing to scratch-cooked meals and facility operations and maintenance. Our growth strategy focuses on expanding in Canada, the US, Australia, Chile, Mexico, and Europe while enhancing our technical service offerings to meet customer demand. Performance may be influenced by factors such as labour shortages, supply chain disruptions, foreign exchange fluctuations, and global commodity prices.

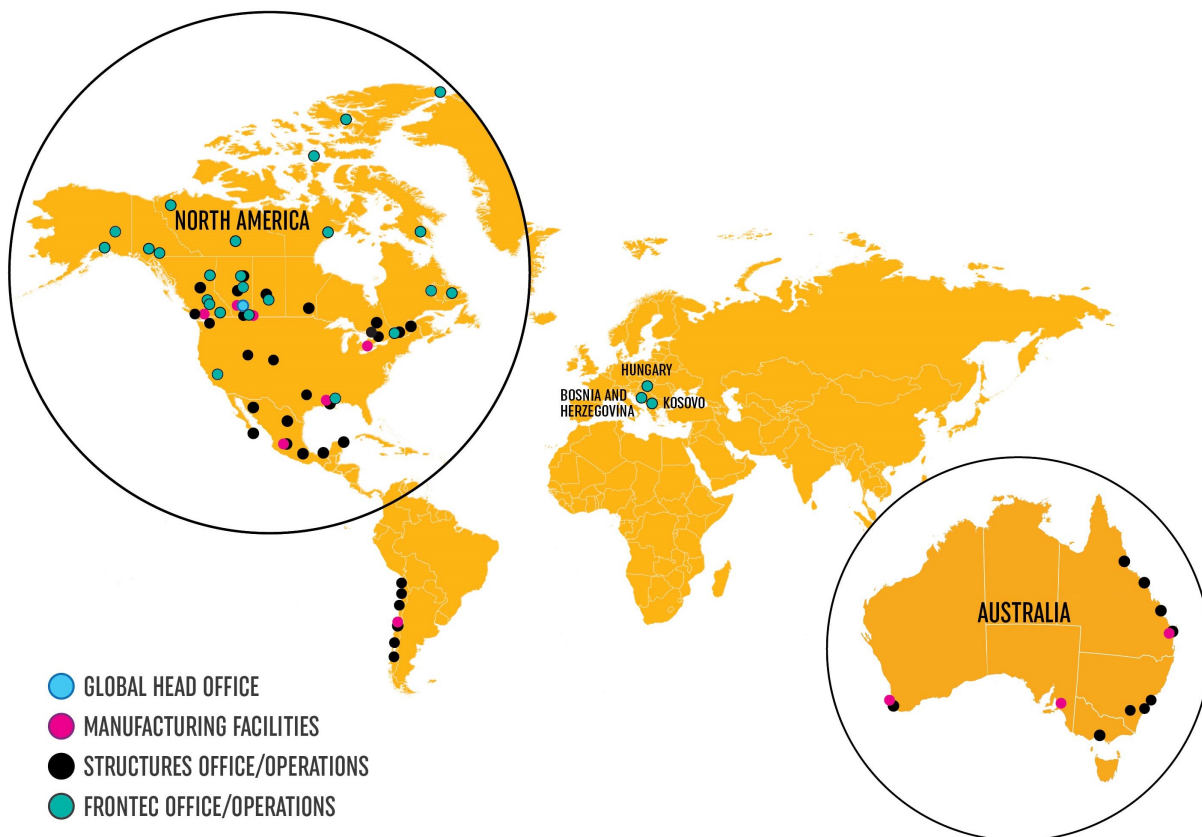
## SEASONALITY

Utilization of ATCO Structures' rental fleets follows a cyclical pattern with the North American construction season driving increased activity in the summer months. This is balanced by global operations in Australia and Latin America, and by providing complementary products and services including workforce housing, residential housing, permanent modular construction, logistics, and site construction services. Seasonal variability is also managed by maintaining an optimized level and mix of fleet units.

ATCO Frontec facility operations and maintenance provides a variety of seasonally dependent maintenance activities year-round. Fluctuations in temperature and weather can impact the timing and volume of maintenance within a contract's scope, with the majority of maintenance activity taking place over the summer months. Workforce lodging and support sites may experience closures during the winter months dependent on the site location. Occupancy tends to decrease over the winter holiday season.

## 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 strengthening our market presence and performance in the regions 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. Working with governments and communities, ATCO Structures is an innovator in producing affordable, high-quality modular products that support growing needs for diverse shelter options worldwide, including attainable residential housing. 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.

## Workforce Housing Contracts

The below tables summarize key contracts which were active or awarded during 2024.

Contract	Country	Start Date	Completion Date
<b>WORKFORCE HOUSING SALE CONTRACTS</b>			
Western Canada Uranium Mine Accommodation Camp	Canada	Q4 2024	Q2 2025
Pilbara Mining 200-Person Camp	Australia	Q1 2024	Q3 2024
Western Australia Infrastructure 100-Person & 64-Person Camps	Australia	Q1 2024	Q3 2024
Pilbara Mining 700-Person Rapid Deployment Construction Camp	Australia	Q3 2024	Q3 2025
Powerlink Copperstring 2032 Project	Australia	Q3 2024	Q2 2025
Western Australia 252-Person Camp Expansion & Temporary Camp	Australia	Q3 2024	Q3 2025

## 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 2024 and 2023. ATCO Structures increased its space rentals fleet through targeted strategic expansion in the US, Australia, and Canada. ATCO Structures increased the number of space rental units on rent in 2024 due to sustained higher demand for space rentals fleet in these regions. This was driven by activity across multiple sectors including mining, construction, education, and healthcare. ATCO Structures decreased the size of the workforce housing fleet by selling used and under-utilized fleet assets in Canada and the US.

	Year Ended December 31		
	2024	2023	Change
<b>Global Space Rentals</b>			
Number of units	25,018	24,074	4%
Average utilization (%)	74	75	(1%)
Average rental rate (\$ per month)	786	721	9%
<b>Global Workforce Housing</b>			
Number of units	2,621	2,747	(5%)
Average utilization (%)	60	69	(9%)
Average rental rate (\$ per month)	1,446	2,027	(29%)

## 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 permanent modular construction business 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**

ATCO Structures has 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 supports 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.	# of locations
<b>Canada</b>		<b>6</b>
Kamloops, British Columbia <sup>(1)</sup>	95,000	
Calgary, Alberta	275,000	
Rocky View County, Alberta <sup>(1)</sup>	81,000	
Lethbridge, Alberta	229,000	
Cambridge, Ontario <sup>(1)</sup>	144,000	
Grimsby, Ontario <sup>(1)</sup>	95,000	
<b>United States</b>		<b>1</b>
Diboll, Texas	90,000	
<b>Australia</b>		<b>3</b>
Perth, Western Australia	199,000	
Adelaide, South Australia	28,000	
Brisbane, Queensland	130,000	
<b>Mexico</b>		<b>1</b>
Guadalajara	35,000	
<b>Chile</b>		<b>1</b>
Santiago	118,000	

(1) These locations were added as part of the strategic acquisition of NRB Limited in 2024.

## 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, defence 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 2024.

Contract	Customer	Country	Start Date	Completion Date
Iqaluit Fuel <sup>(1)</sup>	Government of Nunavut	Canada	Q4 2007	Q4 2031
National Research Council (NRC)	NRC	Canada	Q1 2018	Q1 2026
Real Property North	Defence Construction Canada (DCC)	Canada	Q1 2018	Q1 2026
Department of National Defence	DCC	Canada	Q2 2022	Q1 2027
North Warning System (NWS) <sup>(2)</sup>	Public Services and Procurement Canada (PSPC)	Canada	Q3 2022	Q3 2029
Canadian Forces Station (CFS) Alert <sup>(2)</sup>	PSPC	Canada	Q2 2023	Q2 2031
NATO HQ CIS Support	NATO Support and Procurement Agency (NSPA)	Bosnia & Herzegovina	Q3 2003	Q1 2025
NATO Fire Protection	NSPA	Kosovo	Q1 2015	Q4 2025
PAPA Air Base Facilities Management	NATO Airlift Management Programme (NAMP)	Hungary	Q2 2016	Q2 2026
BMW Group HU	BMW Manufacturing Hungary Kft	Hungary	Q3 2024	Q4 2028
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 operations and the social well-being of their workforce.

### Major Workforce Lodging & Support Contracts

The below table summarizes major contracts which were active or awarded during 2024.

Contract	Customer	Country	Start Date	Completion Date
Site C Two Rivers Lodge <sup>(1)</sup>	BC Hydro	Canada	Q1 2016	Q4 2024
Elkford Lodge	Teck Coal Limited	Canada	Q2 2019	Q4 2026
Coastal GasLink <sup>(2)</sup>	Coastal GasLink Pipeline Limited Partnership	Canada	Q2 2019	Q3 2024
BHP Jansen Camp Services <sup>(3)</sup>	BHP Jansen	Canada	Q2 2023	Q3 2026
Victoria Gold	Victoria Gold Corp.	Canada	Q1 2024	Q4 2027
China Lake Military Rebuild Phase I	Environmental Chemical Corp.	US	Q1 2021	Q3 2025
Pogo Mine	Pogo Gold Operations	US	Q4 2022	Q4 2025
FEMA Hurricane Relief	WSP USA Solutions Inc.	US	Q4 2024	Q1 2025

(1) ATCO Frontec is currently in negotiations with BC Hydro with regard to the extension of the camp operations into 2025.

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

(3) Contract awarded to Wicetowak Frontec Services, a joint venture partnership between ATCO Frontec and George 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 and 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.



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 7,400 people and operates 18 port facilities and 5 port operation services businesses. In 2024, Neltume Ports handled 45 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 Ports' 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.

## SEASONALITY

Neltume Ports operates several ports within its portfolio that transfer minerals, consumer goods, and agricultural products where cargo volumes can fluctuate throughout the year due to seasonality. In addition to the cyclical nature of these cargoes, the ports also operate along the coasts of North America and South America and its operations may be susceptible to unpredictable weather patterns which may impact operations, vessel berthing, and cargo handling. While these fluctuations may be material month to month for a particular port, these impacts typically normalize across our portfolio of ports.

## LOCATIONS

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



## PORTS

Port Name	Neltume Ports 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	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



# ATCO Corporate & Other

## OVERVIEW

ATCO Corporate & Other includes ATCO Land and Development, Ashcor, and our ATCO retail businesses (ATCOenergy, Rūmi and Fresh Bites). ATCO Corporate & Other also includes the global corporate head office in Calgary, Canada, ATCO licensing fees received, and financing expenses.

## ATCO LAND AND DEVELOPMENT

ATCO Land and Development generates revenue from commercial and residential real estate activities. Earnings from this business come from two primary sources: sales of commercial and industrial properties including land, and the leasing of real estate to third parties to generate steady revenue. The business is also engaged in a number of residential housing development initiatives to support the need for more attainable housing options throughout Canada. In the longer term, this attainable housing strategy will serve an important source of earnings for the business. ATCO Land and Development operates in competitive 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 10 commercial real estate properties and 2 residential development properties. This real estate portfolio encompasses 390,000 square feet of office property and 325 acres of land.

## ASHCOR

Ashcor is an Alberta-based company with a 27-year history, engaged in the recycling and marketing of ash, a waste byproduct of electricity generation by creating useful products from what would otherwise be industrial waste. Ashcor's Reclaimed Ash Management (RAM™) technology expands its ability to recycle ash previously stored in the ground. The unique properties of Ashcor's recycled ash product offer many performance and financial benefits across a wide variety of applications including a high-grade concrete supplement that helps reduce customer carbon emissions associated with cement production while making concrete stronger and more durable.

## RETAIL BUSINESSES

ATCO has retail solutions to meet the needs of Albertans, including energy plans, home maintenance services, culinary events, and culinary education.

- ATCOenergy is the fourth largest competitive energy retailer in the province of Alberta, offering electricity and natural gas plans to residential and business customers. At the end of 2024, ATCOenergy services a total of 329,000 sites in the residential competitive market which is comprised of 181,000 electricity sites and 148,000 gas sites. ATCOenergy operates in Alberta's highly 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.

ATCOenergy's business has cyclical fluctuations based on seasonal patterns, unusual weather variations, and extreme weather events. Our business often sees an increase of revenues during the winter heating season, when demands for energy increases. Short-term weather patterns outside of seasonal norms can also influence the demand for electricity and natural gas. To diminish potential earnings volatility caused by commodity price fluctuations and supply/demand imbalance, ATCOenergy enters into contracts to secure natural gas and electricity.

- Rūmi is a solutions provider for home and business owners, offering home maintenance services, home system protection plans, and professional home advice for homeowners. Rūmi currently offers approximately 80 services in the Alberta communities of Edmonton and Calgary, and all key heating, cooling, electrical, plumbing and solar services in the Fort McMurray, Grande Prairie, Red Deer, and Lethbridge communities. Rūmi'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.
- Fresh Bites is a food service company that incorporates our legacy retail food services brand Blue Flame Kitchen (BFK). In 1929, BFK had its start providing natural gas appliance demonstrations and has since evolved into a comprehensive global resource that offers culinary experiences through events, catering, and educational classes. Fresh Bites, established in 1997 and acquired by ATCO in 2023, specializes in providing custom-created products, serving businesses such as health care facilities, airlines and convenience store chains across Canada.



## OVERVIEW

Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services and innovative business solutions through ATCO Energy Systems (electricity and natural gas transmission and distribution, and international electricity operations); ATCO EnPower (generation, energy storage, industrial water solutions, and cleaner fuels); and ATCO Australia (natural gas distribution and electricity generation).

## ATCO ENERGY SYSTEMS

### OVERVIEW

ATCO Energy Systems incorporates our regulated utilities businesses that operate in Canada 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 natural gas to customers for many decades. International Operations consists of the electricity operations business in Puerto Rico (Canadian Utilities' 50 per cent ownership in LUMA Energy).

ATCO Energy Systems' value proposition is delivering essential energy for an evolving world that requires more energy to provide quality of life to a growing population, advance economies and power industry. Our customers need resilient and reliable services that are balanced with sustainability and affordability. We safely deliver this reliable and affordable energy by actively leading and constructively participating in a responsible and equitable energy transition, investing to serve the evolving needs of our customers, being a trusted partner, and providing the integral energy infrastructure required for the expanding population and industry.

### 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 and continued growth of both industry and residential customers in our service territories present ATCO Energy Systems with opportunities, which it is well positioned to pursue.

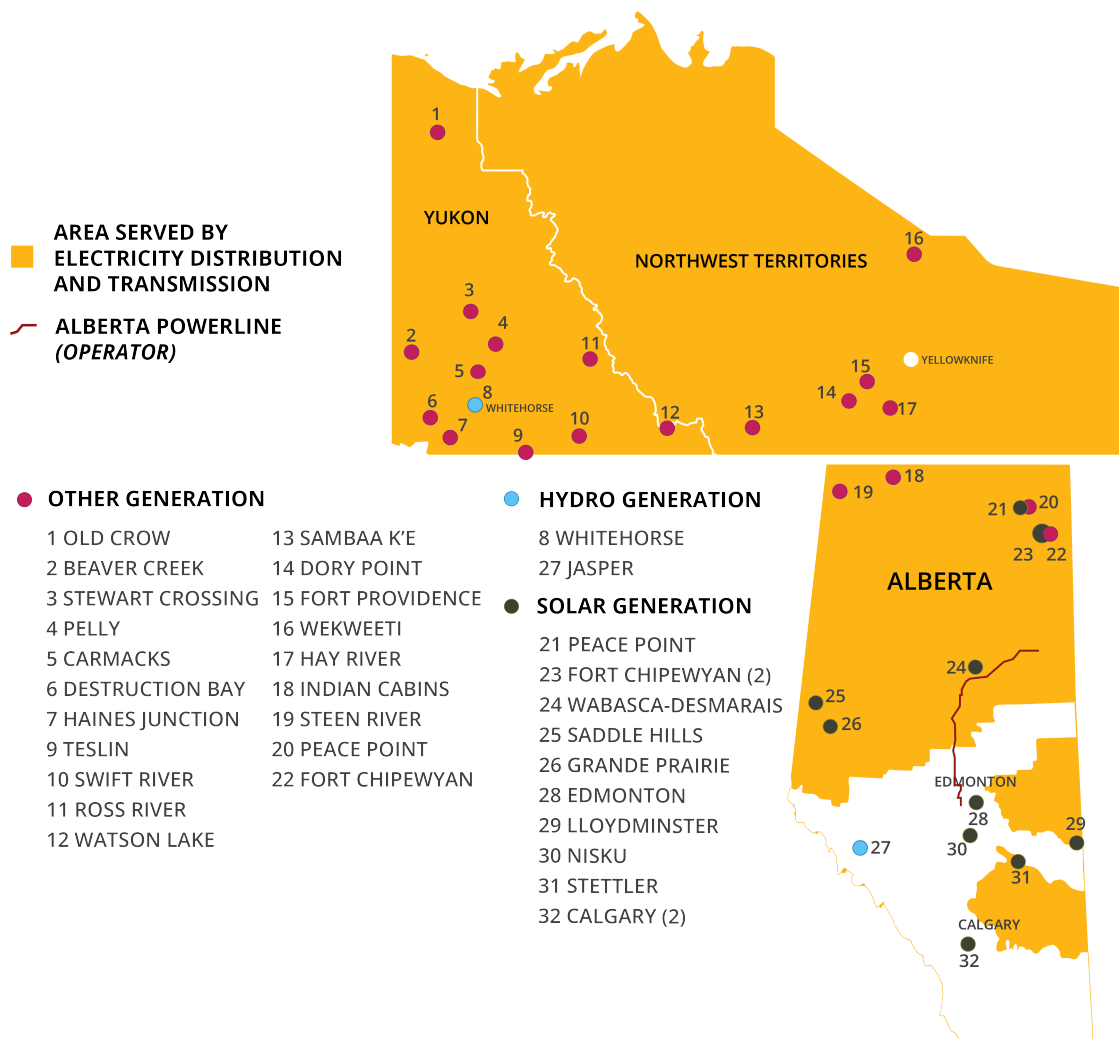
The majority of our assets are located in Alberta, Canada, where ATCO Energy Systems' utilities businesses are established and trusted with over 100 years of operations that have involved numerous regulatory and policy changes; this experience provides us an advantage over our peers in the jurisdictions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

**Seasonality**

ATCO Energy Systems' businesses tend to be cyclical due to the nature of electrical generation and natural gas usage, including the fluctuations of customer demands based on both seasonal patterns and annual weather variation, particularly during the winter heating season. Due to these fluctuations, the annualized individual quarterly revenues and earnings are not indicative of our annual results. For example, Natural Gas Distribution's customer rates are based on a forecast of normal temperatures, and these seasonal patterns may result in more or less revenue being recovered from customers than forecasted. Revenues above or below normal temperatures in the current period are refunded to or recovered from customers in future periods.

**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. (NUE) 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. NUE has two operating subsidiaries: Northland Utilities (NWT) Limited (operating as Naka Power Utilities (NWT)) and Northland Utilities (Yellowknife) Limited (operating as Naka Power Utilities (Yellowknife)) (collectively, Naka Power Utilities). Naka Power Utilities serve nine communities in the Northwest Territories, including the capital city of Yellowknife.

Electricity Distribution and Transmission and its subsidiaries, AEY and NUE, provide service to approximately 265,000 customers. Electricity Distribution and Transmission have 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, AEY, and NUE in 2024 and 2023 is shown below.

	2024		2023	
	Number	%	Number	%
Residential	187,938	71	187,041	71
Commercial	35,274	13	35,155	13
Industrial	9,110	4	9,264	4
Rural, REA and other	32,439	12	32,420	12
<b>Total</b>	<b>264,761</b>	<b>100</b>	263,880	100

Electricity distributed to the various classes of customers in 2024 and 2023 is shown below.

	2024		2023	
	GWh	%	GWh	%
Residential	1,366	11	1,321	11
Commercial	2,318	19	2,297	19
Industrial	8,187	66	7,822	66
Rural, REA and other	525	4	511	4
<b>Total</b>	<b>12,396</b>	<b>100</b>	11,951	100

Electricity Distribution and Transmission, AEY, and NUE own and operate extensive electricity transmission and distribution systems. The systems consist of approximately 11,200-km of transmission lines and approximately 60,300-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, and NUE 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 and NUE, 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 17-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, 14 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. Additionally, the Company has leased three mobile diesel units to supplement hydroelectrical power generation in the NWT regions which could potentially add 5-MW of generation. These amounts are not included in the 48-MW.

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 in Canada. 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.

### **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 31,000-km of transmission and distribution lines and has approximately 4,100 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.

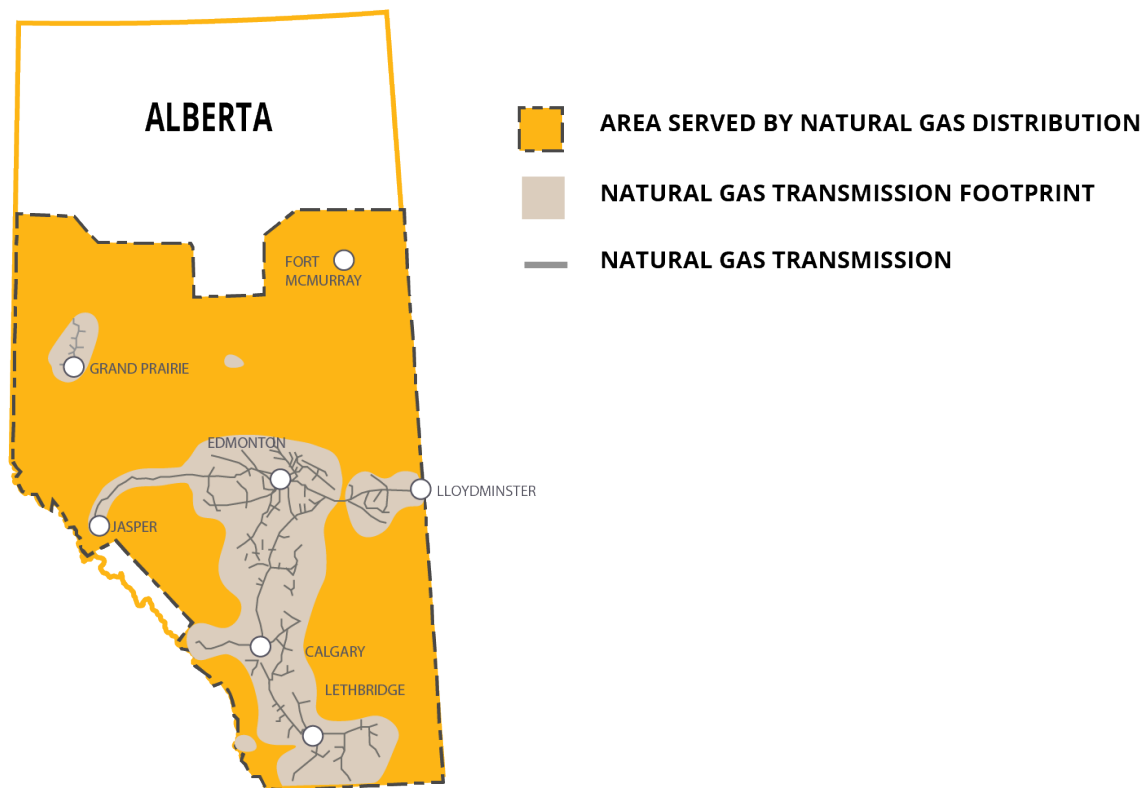
Following the transition period, on June 1, 2021, LUMA Energy assumed operations under terms of a Supplemental Agreement as the Puerto Rico Electric Power Authority (PREPA) remained in bankruptcy. LUMA Energy continues operations under the terms of a Supplemental Agreement, which was extended on November 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 communities.

Natural Gas Distribution's principal markets for distributing natural gas are in the Alberta communities of Edmonton, Calgary, Airdrie, Cochrane, Fort McMurray, Grande Prairie, Lethbridge, Red Deer, Spruce Grove, St. Albert and Sherwood Park. Approximately 76 per cent of Natural Gas Distribution's customers were located in these 11 communities in 2024. The remaining customers are located in 291 smaller and rural communities.

The average monthly number of customers served by Natural Gas Distribution in 2024 and 2023 is shown below.

	2024		2023	
	Number	%	Number	%
Residential	1,206,668	92	1,185,527	92
Commercial	104,913	8	103,833	8
Industrial	341	—	341	—
Other	697	—	711	—
<b>Total</b>	<b>1,312,619</b>	<b>100</b>	1,290,412	100

The quantity of natural gas distributed by Natural Gas Distribution in 2024 and 2023 is shown below.

	2024		2023	
	PJ	%	PJ	%
Residential	124.0	46	112.2	45
Commercial	130.3	48	123.1	49
Industrial	16.6	6	14.4	6
Other	0.2	—	0.3	—
Total	271.1	100	250.0	100

Natural Gas Distribution owns and operates approximately 42,000-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 gas distribution franchise agreements with municipalities throughout Alberta. A gas franchise agreement provides the Company the exclusive right to provide distribution service to the residents of the municipality, as well as the right to use the municipality's property for the construction, operation and extension of the utility. In return, the municipality receives the assurance that distribution utility service will be provided to its residents. The municipality also could receive a franchise fee (in consideration for the exclusivity provided and historically in lieu of property tax) of up to 35 per cent of revenues derived from delivering gas to the municipality.

The term of each franchise agreement is between 10 and 20 years, unless renewed by mutual agreement for up to 20 years. The 20-year renewal limit is stipulated by the *Municipal Government Act* (MGA). When the term of a franchise agreement expires, the agreement remains in effect until renewed or 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 out under the authority of a 20-year franchise agreement that will expire on July 30, 2030.

In Calgary, the distribution of natural gas historically operated under a municipal by-law. The *Utilities Affordability Statutes Amendment Act, 2024* made changes to various statutes governing municipal franchise agreements in Alberta, including the MGA and the *Gas Utilities Act* (GUA), including providing that all privileges and franchises previously granted by a municipality within Alberta to an owner of a gas utility will terminate on March 17, 2025, unless they are resubmitted and approved by the AUC before that date. As a result, ATCO Gas and Pipelines and the City of Calgary have agreed to enter into a Franchise Agreement under section 45 of the MGA for a term of 20 years, commencing on March 1, 2025. The parties are currently in the process of obtaining AUC approval.

### 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. These opportunities are expected to 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 9,000-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 172 producer receipt points, 101 interconnections with Nova Gas Transmission Ltd., 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.

### **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](http://www.sedarplus.ca).

## **ATCO ENPOWER**

### **OVERVIEW**

ATCO EnPower's energy transition businesses include hydro, solar, wind, and natural gas electricity generation in Canada, 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 cleaner fuels business, including hydrogen, hydrogen derivatives, and carbon capture and sequestration (CCS) 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 cleaner energy infrastructure that supports our customers' decarbonization objectives and leverages our core competencies and assets in the Americas. ATCO EnPower is actively participating in the energy transition, which will help us pursue our three-pillar growth strategy and vision:

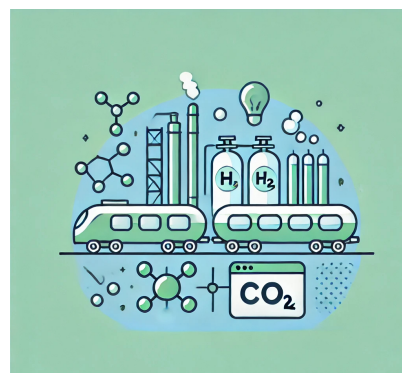
#### **GENERATION**



#### **NATURAL GAS AND NGL STORAGE**



#### **CLEANER FUELS**



Growth of reliable electricity generation is critical to support the energy transition and the energy needs of our customers in Alberta and our global markets. ATCO EnPower is committed to expanding our generation portfolio which includes the development pipeline of projects that ATCO EnPower acquired in 2022. In Alberta, changing market conditions and regulatory environments will determine the timing and pace of development, and ATCO EnPower will continue to monitor these conditions. ATCO EnPower is committed to positioning to be able to fully participate in the Alberta market, and this means we will continue to engage with stakeholders as well as look at other forms of generation and markets to augment our portfolio.

ATCO EnPower is exploring potential opportunities that will complement our growing portfolio and advocate for public policy that will enable a sustainable transition. ATCO EnPower is progressing our cleaner fuels strategy with a key focus for 2025 to achieve Front End Engineering Design (FEED) on the ATCO Heartland Hydrogen Hub and moving the project towards a final investment decision. Additionally, we are driving operational performance in our energy storage business, while pursuing expansion opportunities at our existing sites and other growth opportunities through greenfield development or acquisition. Energy storage is critical to energy stability and to supporting the reliability of the grid as the world transitions to cleaner, but more intermittent, sources of energy.

### **Competitive Environment**

Energy markets are focused on providing firm, reliable, affordable, investable and sustainable energy as supply of generation and cleaner fuels grows. This in turn drives further investment into storage and grid balancing solutions to improve system

reliability. However, the competitive landscape we compete in is continually shifting with changing market and political environments, and as we see more financial, strategic, and traditional energy producers become increasingly interested in generation and cleaner 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 projects and provide greater long-term business stability.

### Seasonality

ATCO EnPower's businesses tend to be cyclical due to the nature of electricity generation and storage capacity, including the fluctuations of customer demand based on both seasonal patterns and annual weather variation. Additionally, the nature of solar and run-of-river hydroelectric facilities is that they tend to generate most of their electricity and revenues during spring and summer months with melting snow expected to feed watersheds and rivers and the longer days supporting solar generation. Wind, however, is historically greater during the cold winter months when the air density is at its peak. Our energy storage business often sees an increase of revenues, particularly during the winter heating season, when demand for stored energy increases.

### ELECTRICITY GENERATION

Electricity Generation owns and operates 457-MW of non-regulated electricity generation operating assets in Canada, Mexico, and Chile as of December 31, 2024.



Asset	Location	Type	Year In Service	Total MW Capacity <sup>(1)</sup>	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Forty Mile Phase 1	Bow Island, Alberta, Canada	Wind	2022	225	100	225	150 MW Contracted (Microsoft); 75 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	31	49	15	31 MW Merchant	n/a
Deerfoot	Calgary, Alberta, Canada	Solar	2023	41	49	20	37 MW Contracted (Microsoft)/4 MW merchant	2038
Empress	Empress, Alberta, Canada	Solar	2023	39	100	39	39 MW Contracted (Lafarge Canada)	2036
El Resplandor	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	32 MW Merchant	n/a
Electricidad del Golfo	Veracruz, Mexico	Hydro electric	2014	35	100	35	35 MW Contracted (Various)	2028
Distributed Generation	San Luis Potosí, Mexico	Gas-Fired	2016	11	79	9	11 MW Contracted (Various)	2025 -2030
<b>Total Generation</b>				<b>457</b>		<b>399.85</b>		

(1) Nameplate capacity.

## Wind

### Forty Mile Wind Phase I

Located in Forty Mile County in southeastern Alberta, this project went into operation in December 2022. It produces 225-MW of energy. Concurrent with the close of the renewable energy portfolio acquisition in January 2023, 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

### Deerfoot and Barlow Solar

The Deerfoot and Barlow solar projects make up the largest urban solar installation in Western Canada with approximately 170,000 solar panels in total. Located within the city of Calgary, Alberta, and jointly owned with the Chiniki and Goodstoney First Nations, the projects produce 41-MW and 31-MW of energy, respectively, and have a 15-year PPA with Microsoft Corporation to purchase up to 37-MW of the renewable energy generated by the Deerfoot project. Both solar projects reached commercial operations in 2023.

The Chiniki and Goodstoney First Nations became 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.

### 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 3-MW of 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.

### 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 Potosi, Mexico. The project delivers electricity on site through flexible and customized contracts to meet the operational needs of customers across the 700 hectare industrial park.

### 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 AltaGas (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 and 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. 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 m<sup>3</sup>/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.

### **CLEANER FUELS**

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

### **ATCO Heartland Hydrogen Hub Project (AH3)**

ATCO EnPower remains committed to hydrogen development within Alberta's Industrial Heartland and has signed a Letter of Intent with Linde Canada Inc. (Linde). ATCO EnPower and Linde are working alongside other parties to further the development and commercial success of the AH3 project, with the objective to commence FEED in 2025 and advance both domestic and export offtake opportunities. The project has significant potential to supply hydrogen to domestic and international markets, including the Alberta gas grid, industrial, municipal, and commercial transport users. The parties continue to work with supportive Federal and Provincial governments to establish policy and frameworks that facilitate investment in the Canadian hydrogen economy of both export and domestic opportunities, and to work with First Nations for their participation in the development of and ownership in the project.

### **Atlas Carbon Sequestration Hub**

Atlas Carbon Storage Hub is a partnership developing a CCS facility at the Alberta Industrial Heartland near Fort Saskatchewan, Alberta. The facility is expected to have an initial capacity to capture 800,000 tonnes of CO<sub>2</sub> per year.

On June 26, 2024, ATCO EnPower, in partnership with Shell Canada Limited, announced that a Final Investment Decision had been made to proceed with the first phase of the Atlas Carbon Storage Hub. The first phase of the project is expected to be operational in late 2028, anchored by CO<sub>2</sub> volumes from Shell's Polaris carbon capture project. The multi-phase, open-access carbon storage hub is a major milestone in ATCO's commitment to advancing products and services which may contribute positively to society's goal of reducing emissions, and is the first step in ATCO EnPower's work to create a full value chain for hydrogen development – from production and carbon abatement to transport and export. The Atlas Carbon Storage Hub is integral to ATCO's long-term strategy and sustainability aspirations. The facility will be located east of Edmonton and able to store emissions from the Alberta Industrial Heartland region. Future development of the hub, which is subject to future

investment decisions, will further increase ATCO EnPower's ability to deliver cost-effective products and services aligned with our customers' needs and society's goals.

### Canadian Pacific Kansas City Limited (CPKC) Hydrogen Locomotive Project

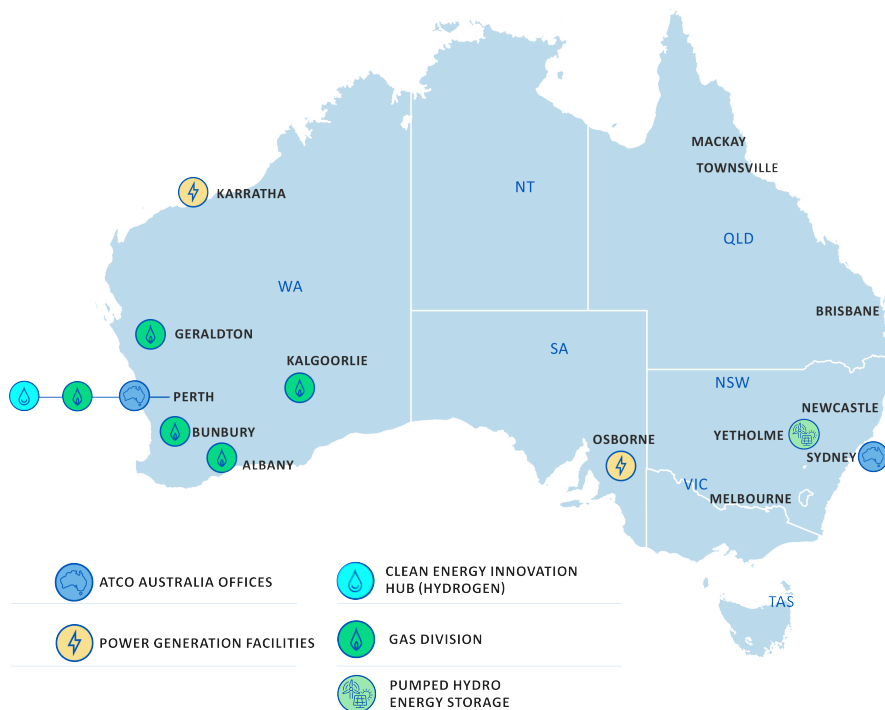
In September 2024, ATCO EnPower successfully produced hydrogen through two 1-MW electrolyzers that were constructed and commissioned in Edmonton and Calgary. This is a significant milestone for ATCO EnPower's partnership announced in the second quarter of 2022 with CPKC to provide engineering, construction, and operating services for two hydrogen production and refueling facilities in Calgary and Edmonton.

## ATCO AUSTRALIA

In the first quarter of 2024, ATCO Ltd. changed its operating segment structure to better align with management accountability. This change involved creating a new operating segment, ATCO Australia, which includes natural gas distribution (ATCO Gas Australia) and electricity generation operations (ATCO Power Australia) based in Australia. Previously, ATCO Australia's natural gas distribution operations were reported in the ATCO Energy Systems operating segment and the electricity generation operations were reported in the ATCO EnPower operating segment.

### OVERVIEW

ATCO Gas Australia is a regulated provider of natural gas distribution services in Western Australia, serving metropolitan Perth and surrounding regions. ATCO Power Australia develops, builds, owns and operates energy and infrastructure assets, including two natural gas fired generation plants: Karratha in the Pilbara region of Western Australia, and Osborne in Adelaide, South Australia.



### Competitive Environment

Australia has an evolving energy landscape characterized by progressive policies and publicly stated emissions targets. These evolving regulations, government emissions reduction targets and associated investment incentives present ATCO Australia with opportunities, which it is well positioned to pursue. ATCO Gas Australia has been involved in numerous regulatory and policy changes; this experience provides us an advantage over our peers.

ATCO Australia is also focused on lower emission energy adoption and the development of firming technologies, such as energy storage solutions and hydrogen production. The competitive landscape around lower emission energy is continually

shifting as we see more financial, strategic and traditional energy producers become increasingly interested in renewables and cleaner fuels as part of the global energy transition.

### Seasonality

ATCO Australia is not impacted by cyclical or seasonal events in a manner that materially affects business results.

### ATCO GAS AUSTRALIA

ATCO Gas Australia provides natural gas distribution services in Western Australia and serves approximately 815,000 customers in 18 communities, including metropolitan Perth and surrounding regions such as Geraldton, Bunbury, Busselton, Kalgoorlie, Harvey, Pinjarra, Brunswick Junction and Capel. ATCO Gas Australia owns and operates approximately 14,900-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 ATCO Gas Australia in 2024 and 2023 is shown below.

	2024		2023	
	Number	%	Number	%
Residential	799,965	98	788,255	98
Commercial	14,853	2	14,627	2
Industrial	174	—	175	—
<b>Total</b>	<b>814,992</b>	<b>100</b>	<b>803,057</b>	<b>100</b>

The quantity of gas distributed by ATCO Gas Australia in 2024 and 2023 is shown below.

	2024		2023	
	PJ	%	PJ	%
Residential	9.8	37	10.4	37
Commercial	3.6	13	3.6	13
Industrial	13.3	50	14.4	50
<b>Total</b>	<b>26.7</b>	<b>100</b>	<b>28.4</b>	<b>100</b>

### ATCO POWER AUSTRALIA

ATCO Power Australia 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.

Asset	Location	Type	Year In Service	Total MW Capacity <sup>(1)</sup>	Ownership (%)	Capacity Share (MW)	Total MW Contracts / Merchant	Contract Expiry
Karratha	Western Australia	Gas-Fired Open-cycle	2010	86	100	86	86 MW Contracted (Horizon Power)	2030
Osborne	South Australia	Gas-Fired Combined-cycle	1998	180	50	90	180 MW Contracted (Origin Electricity <sup>(2)</sup> )	2027
<b>Total Other</b>				<b>266</b>		<b>176</b>		

(1) Name plate capacity.

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

### 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, 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, ATCO Australia negotiated a five-year extension to the PPA with Origin Electricity for Osborne to December 31, 2023. In February 2023, ATCO Australia executed an extension to the current PPA that expires December 31, 2026 with an option to extend for one year. On February 3, 2025, Origin Electricity exercised their option to extend the PPA to December 31, 2027. The terms of the extension are similar to the current tolling arrangement with increased flexibility and dispatch capability for the customer.

## **HYDROGEN DEVELOPMENT IN AUSTRALIA**

### **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, ATCO Australia 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, ATCO Australia 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.

### **South Australian Hydrogen Jobs Plan**

In October 2023, the South Australian Government announced an Early Contractor Involvement (ECI) agreement with ATCO Australia and 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. Subsequent to year end, on February 20, 2025, the government of Australia announced a joint state-federal support package for Whyalla, Australia and its steelworks. Concurrently, it was confirmed that the South Australian Hydrogen Jobs Plan project has been deferred as they reallocate resources. ATCO Australia continues to work with the Office of Hydrogen Power South Australia to assess the impacts and potential next steps.

## **REGULATORY FRAMEWORK**

The regulatory framework and recent developments are described in the "ATCO Australia 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](http://www.sedarplus.ca).

## **CANADIAN UTILITIES CORPORATE & OTHER**

Canadian Utilities Corporate & Other includes the global corporate head office in Calgary, Canada, and CU Inc. and Canadian Utilities preferred share dividends and financing expenses.

# 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 <sup>(1)</sup>	2024		2023		2022	
	(\$ millions)	%	(\$ millions)	%	(\$ millions)	%
Structures & Logistics	1,114	23	926	20	929	19
Neltume Ports <sup>(2)</sup>	—	—	—	—	—	—
ATCO Corporate & Other	86	2	19	—	1	—
Canadian Utilities Limited						
ATCO Energy Systems	3,071	62	2,968	63	3,200	64
ATCO EnPower	313	6	346	7	297	6
ATCO Australia	241	5	225	5	202	4
Canadian Utilities Corporate & Other	117	2	257	5	349	7
<b>Total</b>	<b>4,942</b>	<b>100</b>	<b>4,741</b>	<b>100</b>	<b>4,978</b>	<b>100</b>

(1) Data has been extracted from Note 3 ("Segmented Information") of the 2024 Consolidated Financial Statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar. Certain comparative figures have been reclassified to conform to the current presentation.

(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 2024 Consolidated Financial Statements.

## STRUCTURES & LOGISTICS

ATCO Structures continues to grow its market presence and service capabilities through both organic and inorganic strategic initiatives. Continued investment in the base business, particularly in Space Rentals, expanded ATCO Structures' operating footprint and customer base. Throughout 2024, five new operating locations were established across Canada and the US to meet the demand for core product offerings. This demand combined with continuous optimization of rental fleet performance has sustained steady growth of the rental fleet and organic growth of the base business over the past three years.

Over the past three years, ATCO Frontec has benefited from a base of long-term facility operations and maintenance contracts and workforce lodging and support contracts while increasing presence in the disaster and emergency management market.

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

### ATCO STRUCTURES

#### Triple M Housing Acquisition

In December 2022, ATCO Structures acquired a 100 per cent ownership interest in 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.

#### NRB Limited (NRB) Acquisition

In August 2024, ATCO Structures completed the acquisition for 100 per cent ownership interest in NRB, a leading Canadian manufacturer of permanent modular industrial, educational and residential buildings. This acquisition extends ATCO Structures' manufacturing footprint into British Columbia and Ontario, and expands the ability to provide turnkey modular solutions across Canada.

## **ATCO FRONTEC**

### **Fire Prevention Services 2016 Ltd. (FPS) Acquisition**

In December 2023, ATCO Frontec acquired FPS, 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 operates 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 operations 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.

### **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.

In May of 2024, Vancouver Bulk Terminal, a joint venture between Neltume Ports and Nautilus, secured project capital financing for the development of the soda ash export bulk facility at Terminal 2 within the Port of Vancouver, Washington. The facility will have the capacity to export 3 million tonnes of soda ash annually and will support soda ash volumes from Solvay's Green River, Wyoming operations while providing additional export capacity to the North American soda ash industry. Construction is expected to begin in 2025.

### **Ownership Interest Increases**

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**

### **Board of Directors Appointments**

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

Subsequent to year-end, on January 1, 2025, Dawn L. Farrell and Kelly C. Koss-Brix were 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.

### **Retail Businesses**

In 2023, ATCO acquired Fresh Bites, a food service company, and Canadian Utilities subsequently transferred our legacy retail food services brand Blue Flame Kitchen to ATCO Ltd. to create strategic alignment. Continuing this alignment, in the third quarter of 2024, ATCO purchased ATCO Energy Ltd. (ATCOenergy and Rumi) from Canadian Utilities Limited.

## 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 \$3.6 billion in capital since 2022.

ATCO Energy Systems' revenues in 2024 were positively impacted by growth in the Alberta regulated rate base and an increase in Return on Equity (ROE) following the 2023 AUC decision which set the 2024 ROE at 9.28 per cent. However, throughout the last three years, revenues have been influenced by several regulatory decisions. 2023 had lower revenues than 2022 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 rebasing framework. Lower revenues in 2023 were partially offset by the Efficiency Carryover Mechanism in 2023 and 2024, 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. In 2022, increased 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.

### Capital Expenditures

Total capital expenditures in ATCO Energy Systems in the last three years is provided in the table below.

(\$ millions)	Total	Year Ended December 31		
		2024	2023	2022
Electricity Distribution	1,128	455	391	282
Electricity Transmission	829	306	239	284
Natural Gas Distribution	1,091	407	355	329
Natural Gas Transmission	519	231	145	143
Total	3,567	1,399	1,130	1,038

### Electricity Distribution and Transmission

Capital expenditures in utility infrastructure over the past three years have included system upgrades and growth projects for new customers, including the Central East Transfer Out (CETO) project in Electricity Transmission, the replacement of aging infrastructure, grid modernization, and off-diesel initiatives.

#### Central East Transfer Out Project

In 2024, Electricity Transmission began construction of the CETO project, an electric transmission system project direct assigned to both ATCO Electric and AltaLink LP by the AESO. The construction of the 135-km 240kV transmission line will support renewable energy integration in Alberta and transport electricity in the counties of Red Deer, Lacombe and Stettler, supplying more than 1,500-MW of electricity to Alberta's grid. Construction commenced in the third quarter of 2024 and is being executed over two winter seasons, with expected completion in 2026. Electricity Transmission is building 85-km of the transmission line and AltaLink is constructing the remaining 50-km.

### 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 31,000-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 system upgrades and growth projects for new customers. Capital expenditures also included the replacement of aging infrastructure, such as the Urban Pipelines Replacement Program and the Mains Replacement Program, and facilitating coal-to-gas generating conversion of power plants.

#### ***Yellowhead Mainline Project***

On May 8, 2024, the Company announced its largest ever energy infrastructure project, the Yellowhead Mainline, with the projected spend estimated at \$2.8 billion, subject to further detailed engineering and tendering of supply contracts. On September 18, 2024, the Company announced the filing of a comprehensive regulatory application that establishes the need for the Yellowhead Mainline natural gas project and represents the first of two applications to the AUC. This Alberta project consists of approximately 200-230 kilometres of high-pressure natural gas pipeline and related control and compression facilities that will run from the Edson area to the northeast Edmonton area and is expected to have the capability to deliver about 1,200 terajoules (or 1.1 billion cubic feet) per day of incremental natural gas. Subject to regulatory and the Company's approvals, construction is expected to commence in 2026 and the pipeline is expected to be on-stream in the fourth quarter of 2027.

#### ***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 2,809-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 405-km of steel pipe since the approval of this program.

### **ATCO ENPOWER**

Revenues in the ATCO EnPower business has increased steadily over the last three years largely due to the 2022 expansion of the Carbon natural gas storage facilities, the renewable assets acquired and energized in 2023, and the subsequent renewable uprate work completed in 2024.

Capital expenditures in the ATCO EnPower business over the last three years have included the 2022 Carbon natural gas storage facilities expansion project, and the Barlow, Deerfoot, and Empress Solar projects that reached commercial operations in 2023. Additionally, ATCO EnPower has been engaged in the development of cleaner fuels, including the ATCO Heartland Hydrogen Hub project, and development of the Atlas Carbon Sequestration Hub.

### **Electricity Generation**

#### ***Calgary Solar Development Projects***

In March 2022, Canadian Utilities entered into a 15-year PPA with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase up to 37-MW of renewable energy generated by the Deerfoot project. The 31-MW Barlow and 41-MW Deerfoot projects (acquired in 2021) reached commercial operations in the second and third quarters, respectively, of 2023.

In September 2023, the Chiniki and Goodstoney First Nations and ATCO EnPower 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***

In September 2023, 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 that was acquired in 2021. The Empress solar project achieved commercial operations in the fourth quarter of 2023.

### **Renewable Energy Portfolio Acquisition**

In early 2023, 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. The acquisition included a majority interest in the 40-MW Adelaide wind facility in Ontario, the 202-MW (uprated to 225-MW subsequent to acquisition) 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.

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.

### **ATCO AUSTRALIA**

Over the last three years, ATCO Australia's revenues have been positively impacted by higher rates and increased system volumes in ATCO Gas Australia. Additionally in 2024, revenues from Early Contract works under the South Australia Hydrogen Jobs Plan project have positively impacted ATCO Power Australia.

Capital expenditures for ATCO Australia over the past three years have largely been focused on utility infrastructure programs including end of life mains replacement.

### **ATCO Gas Australia**

Over the last 3 years, ATCO Gas Australia 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.

### **Source Solar**

In 2024, ATCO Australia sold its 100 per cent investment in Source Solar.

### **CANADIAN UTILITIES CORPORATE & OTHER**

#### **Sale of ATCO Energy Ltd.**

In the third quarter of 2024, Canadian Utilities sold its 100 per cent investment in ATCO Energy Ltd. (ATCOenergy and Rūmi) to its parent company, ATCO, for an agreed sale price of \$85 million, resulting in a loss on sale of \$14 million. The sale price was supported by independent fairness opinions.

#### **Executive Appointments**

Effective October 1, 2023, John Ivulich was appointed to Chief Executive Officer & Country Chair of ATCO Australia, which includes ATCO Gas Australia and ATCO Power 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. Katherine-Jane Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, expanded her portfolio to include Chief Financial Officer for Canadian Utilities effective March 1, 2024.

Subsequent to year-end and effective January 31, 2025, following an impressive 35-year global career at ATCO, Wayne K. Stensby, Chief Operating Officer, ATCO Energy Systems retired. Effective February 1, 2025, Robert J. Myles was appointed to the role of President & Chief Operating Officer, Canadian Utilities. Prior to this appointment, Mr. Myles was the Chief Operating Officer of ATCO EnPower. Concurrently, with the appointment of Mr. Myles, Ms. Patrick's title was amended to Executive Vice President, Chief Financial & Investment Officer, Canadian Utilities, and D. Jason Sharpe was appointed Chief Operating Officer, ATCO Energy Systems.

#### **Board of Directors Appointments**

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

Subsequent to year-end, on January 1, 2025, Jennifer A. Westacott was 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)

Effective July 11, 2024, Canadian Utilities suspended its DRIP program. Canadian Utilities had previously reinstated its DRIP on January 13, 2022, for eligible owners of Class A shares and Class B shares who are enrolled in the program. The DRIP allowed 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

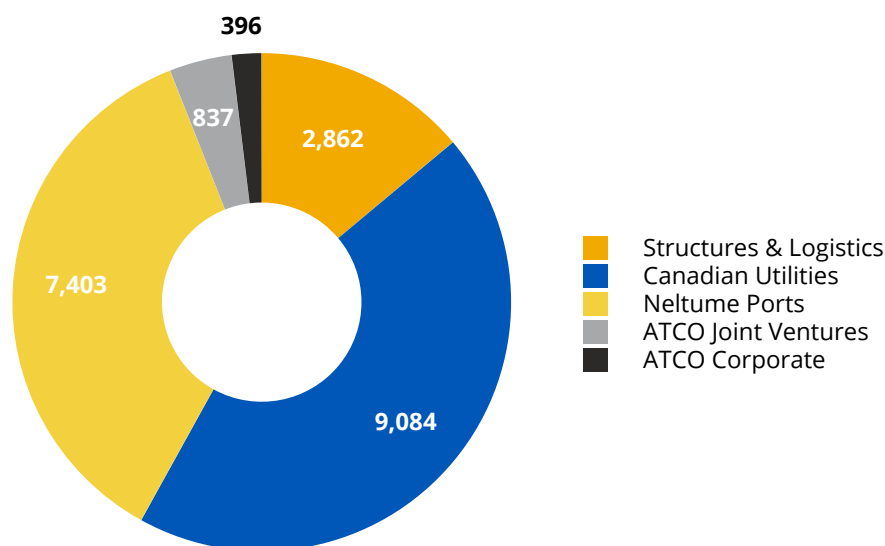
On December 15, 2023, Canadian Utilities completed an exchange proposal (the Arrangement) to holders (Non-Controlling Holders) of Class B common shares other than ATCO and certain of its related parties. The Arrangement was completed by way of a statutory plan of arrangement under the *Canada Business 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 (TSX) on December 19, 2023.

### Branding Initiative

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

## EMPLOYEE INFORMATION

At December 31, 2024, the Company had 20,582 employees. The accompanying chart represents the employee numbers in each segment including the 7,403 employees in the Neltume Ports equity investment, and 837 employees in ATCO joint ventures. Canadian Utilities' employee count includes 4,109 employees related to LUMA Energy, and 33 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 Risks and Risk Management" section of the Company's MD&A.

## **ETHICS, SOCIAL AND ENVIRONMENTAL POLICIES**

Our Code of Ethics sets out the behaviours and standards of conduct we expect of ourselves and each other. It provides an overview of the policies and practices that must be followed by anyone who works for, or represents, the ATCO group of companies. The Code of Ethics is readily accessible on our intranet and on our website at [www.atco.com](http://www.atco.com). Employees are required to complete online training – available in English, French and Spanish – and certification, annually. Suppliers who conduct activities for, or on behalf of, the ATCO group of companies are expected to review the Code of Ethics and align with the principles and guidance it provides.

Along with the Code of Ethics, the Company has developed several policies which set out the principles, expectations and requirements for conducting business at ATCO and they create a framework for our internal standards, guidelines and procedures. The policies also align with externally mandated standards that may apply to specific business functions. Our governance framework provides flexibility to our business units to develop internal standards, guidelines and procedures which meet our different business needs. Examples of policies developed include those related to a Safe & Secure Workplace (mitigating risks and minimizing harm), Anti-Corruption (dealing with persons of influence), the Environment (delivering services in an environmentally responsible manner), Indigenous Relations (building and maintaining positive and sustainable relationships), and Procurement (working with vendors with high standards of ethical business conduct).

Our Code of Ethics is reviewed and updated on a regular basis. Recent updates include explicitly prohibiting the use of modern slavery within any ATCO business activities to align with Part 2 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9. At the ATCO group of companies, our approach to human rights is based on the United Nations (UN) Universal Declaration of Human Rights and we respect human rights in accordance with the UN Guiding Principles on Business and Human Rights.

## **ENVIRONMENTAL PROTECTION**

Our Company is committed to delivering solutions in an environmentally responsible manner. We recognize the importance of minimizing our environmental footprint and are dedicated to implementing policies and procedures that promote environmental protection.

### **REGULATORY COMPLIANCE**

Our Company and its subsidiaries comply with applicable environmental laws and regulations, including those set forth by federal, provincial, and local authorities. This includes, but is not limited to, regulations concerning air, water, and soil quality; the discharge of pollutants; the transportation and disposal of waste; and the protection of flora, fauna, and natural resources such as forests, grasslands, surface water, threatened or endangered species, migratory birds, and human health.

### **GOVERNANCE AND RISK REPORTING**

Our stewardship and risk reporting processes include key risk indicators (including health, safety, and environmental matters) that are reported to the Audit & Risk Committee of the Board. This is an opportunity for the businesses to discuss how they are managing and mitigating risks to their business.

### **ENVIRONMENTAL MANAGEMENT SYSTEM**

Our businesses have established Environmental Management Systems (EMS) that align with international standards such as ISO 14001. Our EMS is designed to identify, manage, and mitigate environmental risks associated with our operations. These systems are adaptive and evolve in response to the changing nature of the Company's business risks and objectives.

## IMPACT ON FINANCIALS

Environmental protection requirements did not have a significant financial or operational effect on the Company's capital expenditure, earnings, or competitive position for the year ended December 31, 2024.

# 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, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The 2024 Sustainability Report will be published in May 2025.

## POLICY AND REGULATORY UPDATES

Policy and regulatory updates are described in the "Policy and Regulatory Updates" section in ATCO's MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## BUSINESS RISKS AND RISK MANAGEMENT

Business risks are described in the "Business Risks and Risk Management" section in ATCO Ltd.'s MD&A, which is incorporated herein by reference. The MD&A may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## INTANGIBLES

The Company's intangible assets mainly consist of computer software not directly attributable to the operation of property, plant and equipment, and land rights. We do not consider any individual software or land right to be material to our operations.

For further details, please refer to Note 12 of the 2024 Consolidated Financial Statements.

## 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>	2024	2023	2022
Class I and Class II Shares	1.96	1.90	1.85

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 9, 2025, the Board of Directors declared a first quarter dividend of 50.45 cents per share or \$2.02 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 25, 2025 is as shown below:

<u>Share Description</u>	<u>Authorized</u>	<u>Outstanding</u>
Preferred Shares issuable in series	20,000,000	—
Junior Preferred Shares issuable in series	8,000,000	—
Class I Shares	300,000,000	99,810,591
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, 7,268,650 Class I Shares were available for issuance at December 31, 2024. 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 TSX 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, 2024, ATCO commenced an NCIB to purchase up to 1,994,677 outstanding Class I Shares. To date no shares have been purchased. The bid will expire on March 12, 2025, following which, we intend to make an application to renew our NCIB program, subject to acceptance by the 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.

### 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 2024 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](http://www.sedarplus.ca).

## CREDIT FACILITIES

At December 31, 2024, ATCO and its subsidiaries had the following lines of credit.

(\$ millions)	Total	Used	Available
Long-term committed	3,568	1,525	2,043
Uncommitted	715	306	409
Total	4,283	1,831	2,452

Of the \$4,283 million in total lines of credit, \$715 million was in the form of uncommitted credit facilities with no set maturity date. The other \$3,568 million in credit lines was committed with maturities between 2026 and 2028, and may be extended at the option of the lenders.

Of the \$1,831 million in lines of credit used, \$644 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 2024 Consolidated Financial Statements. The Consolidated Financial Statements may be found on SEDAR+ at [www.sedarplus.ca](http://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.

	DBRS	Fitch
<b>ATCO Ltd.</b>		
Issuer	A (low)	BBB+
<b>Canadian Utilities Limited</b>		
Issuer	A	A-
Senior unsecured debt	A	A-
Commercial paper	R-1 (low)	F2
Preferred shares	PFD-2	BBB
<b>CU Inc.</b>		
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 <sup>(1)</sup> 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 February 23, 2024, 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.

Subsequent to year-end, on February 20, 2025, 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 21, 2024, S&P Global Ratings affirmed Canadian Utilities' subsidiary ATCO Gas Australia's 'BBB+' issuer credit rating and stable outlook.

On July 23, 2024, DBRS Limited affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities' subsidiary CU Inc.

On August 28, 2024, DBRS Limited affirmed its 'A (low)' long-term corporate credit rating and stable outlook on ATCO Ltd. and its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.

## 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 2024 as reported by the TSX:

2024	Class I Shares			Class II Shares		
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
January	\$39.27	\$36.90	5,905,565	\$42.05	\$38.29	29,018
February	\$38.21	\$36.03	6,236,284	\$41.47	\$36.05	30,617
March	\$38.59	\$37.20	6,813,175	\$46.00	\$38.80	5,746
April	\$38.17	\$35.56	6,133,942	\$41.84	\$38.01	4,955
May	\$41.17	\$37.11	7,281,116	\$44.00	\$38.03	14,006
June	\$40.58	\$38.11	7,797,517	\$44.00	\$39.75	86,426
July	\$43.25	\$38.36	6,188,829	\$44.99	\$39.42	2,610
August	\$45.54	\$42.48	6,853,271	\$46.52	\$44.25	7,643
September	\$48.73	\$44.69	6,982,323	\$53.13	\$45.04	3,495
October	\$49.48	\$47.34	4,606,508	\$53.28	\$48.45	4,812
November	\$49.66	\$46.62	5,388,957	\$52.29	\$49.00	6,943
December	\$50.71	\$46.27	6,724,784	\$53.99	\$47.91	4,547

# DIRECTORS AND EXECUTIVE OFFICERS

## DIRECTORS <sup>(1)</sup>



### **ROBERT T. BOOTH, K.C.**

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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.



### **DAWN L. FARRELL**

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Primary residence Calgary, Alberta, Canada

Director since 2025

Independent

Subsequent to the year-ended December 31, 2024, Ms. Farrell was appointed to the ATCO Board on January 1, 2025.

Ms. Farrell is the current Chair of the Board of Trans Mountain Corporation after serving as its CEO and President for two years where she led the completion of the Trans Mountain Expansion Project. Prior to Trans Mountain, she was President and CEO of TransAlta Corporation from 2012 to 2021. She has held a variety of executive leadership positions at TransAlta and British Columbia Hydro & Power Authority (BC Hydro).

Ms. Farrell has served on several industry and not-for-profit boards during her career and is currently the Chair of the Board of Directors of The Chemours Company and a Director of Portland General Electric.

She holds a Bachelor of Commerce and a Master in Economics from the University of Calgary and attended the Advanced Management Program at Harvard Business School.



## JASON T. KENNEY, PC

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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.



## KELLY C. KOSS-BRIX

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Primary residence Calgary, Alberta, Canada

Director since 2025

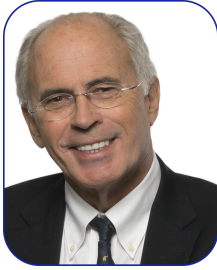
Not Independent Ms. Koss-Brix is not independent because she has a material relationship with ATCO. She is an immediate family member of the Chair & Chief Executive Officer.

Subsequent to the year-ended December 31, 2024, Ms. Koss-Brix was appointed to the ATCO Board on January 1, 2025.

Ms. Koss-Brix is a Director of Canadian Utilities Limited. She has been a member of the Board of Directors of Sentgraf Enterprises Ltd. since 2017. In 2019, she joined the Board of Directors of Spruce Meadows, an internationally recognized equestrian facility in Calgary, Alberta. She is a member of the Spruce Meadows Audit & Risk Committee.

Ms. Koss-Brix is an accomplished equestrian professional and former professional rider. She competed internationally for 15 years and was a member of the Canadian Equestrian Team prior to her retirement in 2017. She also serves as Vice-President, Development for an equestrian facility in Alberta.

Ms. Koss-Brix obtained a B.A. in Political Science from the University of Calgary in 2010, completed a Business Enterprise and Governance course developed by Professor David Beatty from the Rotman School of Management, and obtained her ICD.D certification from the Institute of Corporate Directors in 2023.



## **ROBERT J. ROUTS, PhD** <sup>(2)</sup> <sup>(3)</sup>

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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**

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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 appointed 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

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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. In 2022, Ms. Southern-Heathcott was awarded Her Majesty Queen Elizabeth II's Platinum Jubilee Medal (Alberta).



## NORMAN M. STEINBERG <sup>(2)</sup> <sup>(3)</sup>

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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. 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 Canada and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance.

Mr. Steinberg is also Co-Chair of the Board of Dorel Industries where he chairs the Nominating and Governance Committee, Director of Fiera Capital where he chairs the Nominating and Governance Committee, Senior Advisor of Persistence Capital Partners (private equity), Co-Chair of the Board Women in Governance, Chair of the Board of Governors of The McGill University Health Centre Foundation (former Chair of the Foundation), Director and member of the Organizing Committee as well as former Canadian Co-Chair of the Australia-Canada Economic Leadership Forum, 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. In 2024, Mr. Steinberg was awarded the Order of Montreal, title of Officer.

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.** <sup>(3)</sup>

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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 a director 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** <sup>(2)</sup> <sup>(3)</sup>

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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.

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*(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, Financial Operations
James Landon Alberta, Canada	President, Frontec, ATCO Structures & Logistics Ltd.
Robert J. Myles <sup>(1)</sup> Alberta, Canada	Chief Operating Officer, ATCO EnPower
Katherine-Jane 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 & Facility Solutions
Nancy C. Southern Alberta, Canada	Chair & Chief Executive Officer
Wayne K. Stensby <sup>(1)</sup> Alberta, Canada	Chief Operating Officer, ATCO Energy Systems
Marshall F. Wilmot Alberta, Canada	President, Retail and Chief Digital Officer

<sup>(1)</sup> Wayne K. Stensby retired effective January 31, 2025 and Robert J. Myles was appointed to the role of President & Chief Operating Officer, Canadian Utilities Limited effective February 1, 2025.

### 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. 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. 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, 2024, 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), 11,610,850 (93.4 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 the 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 25, 2025, 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 party to a number of claims, disputes, lawsuits, and other matters. The Company believes that the ultimate liability arising from these matters will have no material impact on the consolidated financial statements of the Company. In addition, there have been no penalties or sanctions for the year ended December 31, 2024, imposed against the Company by a court, nor any settlement agreements entered into by the Company before a court, relating to securities legislation or with a

securities regulatory authority. Additionally, there are no other known penalties or sanctions imposed by a court or regulatory body against the Company that would likely impact an investor in making an investment decision.

## 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 2024 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; emissions reduction efforts and initiatives; expected growth and expansion and diversification opportunities; the expected timing of commencement, completion or commercial operations of activities, contracts and projects; the expected term of contracts; the impact or benefits of contracts, including economic and other benefits for the Company and its partners and counterparties; the payment of dividends and expected dividend growth; the size, storage, generation or transmission capacity expected from assets and projects; the expected purchase and sale of electricity under PPAs; expectations regarding ATCO Structures' and ATCO Frontec's various projects, including timing expectations for project completion and the generation of sustainable earnings growth; Neltume Ports' anticipated growth being achieved by improving operational efficiency, increasing volumes and ownership at existing ports, and investing in brownfield, greenfield and acquisition opportunities; the timing of construction and the export capacity to be achieved from the planned development of a soda ash bulk facility at Terminal 2 within the Port of Vancouver, Washington; ATCO Land and Development's housing strategy helping to meet the national need for attainable housing; fees expected to be earned by LUMA under its contractual arrangements; the continuation of LUMA's operations under the Supplemental Agreement until PREPA's bankruptcy is resolved; LUMA's expected transition to year one under the Operation and Maintenance Agreement after PREPA's bankruptcy is resolved; the advancement of hydrogen production in the province creating additional opportunities, which are expected to contribute to system decarbonization, investment, and help support provincial and federal emissions targets; ATCO EnPower's commitment to actively participating in energy transition; the anticipated size, specifications and incremental natural gas delivery capacity of the Yellowhead Mainline project, and the number of regulatory applications and expected timing for commencement of construction and bringing the Yellowhead Mainline project on-stream; the Company's AH3 project, including the project's potential, the Company's continuing commitment to the project, and continuing engagement with Federal and Provincial governments and First Nations groups in relation to the project; the timing of commercial operation of the Atlas Carbon Storage Hub, the storage of industrial emissions, including from Shell's Polaris carbon capture project, and expected future development of and anticipated benefits from the Atlas Carbon Storage Hub project, including it being the first step in ATCO EnPower's work to create a full value chain for hydrogen development and being integral to ATCO's long-term strategy and sustainability aspirations; the expected impact of new legislation; the expected timing and impact of policy and regulatory decisions and new policy and regulatory announcements; and the Company's intention to apply for a renewed NCIB subsequent to the expiration of its current NCIB.

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 growth of energy demand; inflation; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve business objectives; 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 complete proposed development projects at currently estimated budgets; the availability of financing sources on acceptable terms; 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, including uncertainty with respect to recent amendments to the *Competition Act* (Canada); 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; the imposition of customs duties, tariffs or other trade restrictions; 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 the "Business Risks and Risk Management" section 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](http://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 11, 2024.

Additional financial information is provided in the Company's audited 2024 Consolidated Financial Statements and MD&A for the financial year ended December 31, 2024. Corporate information is also available on the Company's website:

[www.atco.com](http://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

**2024 Consolidated Financial Statements** means ATCO Ltd.'s Consolidated Financial Statements for the year ended December 31, 2024.

**AESO** means Alberta Electric System Operator.

**Alberta Utilities** means Electricity Distribution, Electricity Transmission, Natural Gas Distribution and Natural Gas Transmission, and their related subsidiaries.

**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.

**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.

**MD&A** means the Company's Management's Discussion and Analysis for the year ended December 31, 2024.

**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.

**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, ATCO Gas Australia and their related subsidiaries.

**ROE** means Return on Equity.

**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 judgments 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**

- Review and approve the annual Audit Plan.
- Review and approve Internal Audit's annual budget and resource plan.
- Review and approve the Internal Audit Mandate.
- Receive communications from the Chief Audit Executive and Senior Vice President, Financial Operations on the internal audit activity's performance relative to its plan and other matters.
- Make appropriate inquiries of management and the Chief Audit Executive and Senior Vice President, Financial Operations, to determine whether there are inappropriate scope or resource limitations.

#### **Risk Management**

- Understand the principal risks of the Corporation:
  - review and consider with management the Corporation's risk taking appetite;
  - review and discuss with management the Corporation's risk inventory focusing on significant risks and related mitigation plans;
  - periodically 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.
- 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 Chief Audit Executive and Senior Vice President, Financial Operations 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)	2024	2023
Audit fees <sup>(1)</sup>	6.5	5.8
Audit-related fees <sup>(2)</sup>	—	0.1
Tax fees <sup>(3)</sup>	0.2	0.2
All other fees <sup>(4)</sup>	0.3	—
Total	7.0	6.1

(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 Information Technology.