

Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

(Unaudited)

Six months ended June 30, 2025 and 2024

EPCOR UTILITIES INC.

Condensed Consolidated Interim Financial Statements (unaudited)

Six months ended June 30, 2025 and 2024

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EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Comprehensive Income
(Unaudited, in millions of Canadian dollars)

Three and six months ended June 30, 2025 and 2024

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues (note 4)	\$ 743	\$ 847	\$ 1,539	\$ 1,732
Operating expenses:				
Energy purchases and system access fees	36	64	149	178
Other raw materials and operating charges	178	346	395	673
Staff costs and employee benefits expenses	109	100	222	202
Depreciation and amortization	116	108	231	215
Franchise fees and property taxes	48	41	93	82
Other administrative expenses	29	26	60	61
	516	685	1,150	1,411
Operating income	227	162	389	321
(Loss) gain on disposal of assets (note 5)	(6)	(1)	(6)	3
Finance expenses	(52)	(51)	(105)	(101)
Income before income taxes	169	110	278	223
Income tax expense	(18)	(6)	(24)	(15)
Net income	151	104	254	208
Other comprehensive income (loss):				
Items that may subsequently be reclassified to net income:				
Foreign exchange gain (loss) on U.S. denominated debt designated as a hedge of net investment in foreign operations	13	(2)	16	(11)
Unrealized loss on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	(1)	(8)
Reclassification of losses on cash flow hedges to net income	(1)	-	(1)	-
Unrealized gain on derivative financial instruments designated as cash flow hedges ¹	5	-	5	-
Realized gain on derivative financial instruments designated as cash flow hedges	-	2	-	9
Unrealized (loss) gain on foreign currency translation	(68)	9	(81)	51
Other comprehensive (loss) income	(51)	9	(62)	41
Comprehensive income	\$ 100	\$ 113	\$ 192	\$ 249

1 For the three and six months ended June 30, 2025, net of income tax expense of \$1 million (2024 - \$nil).

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited, in millions of Canadian dollars)

June 30, 2025 and December 31, 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 86	\$ 62
Trade and other receivables	513	668
Inventories	33	30
Other financial assets (note 6)	92	94
	724	854
Non-current assets:		
Other financial assets (note 6)	539	539
Deferred tax assets	51	66
Property, plant and equipment	14,526	14,408
Intangible assets and goodwill	526	548
	15,642	15,561
Total assets	\$ 16,366	\$ 16,415
Liabilities and equity		
Current liabilities:		
Trade and other payables	\$ 654	\$ 724
Loans and borrowings	184	185
Deferred revenue	124	105
Provisions	30	64
Other liabilities	38	52
	1,030	1,130
Non-current liabilities:		
Loans and borrowings	4,887	4,919
Deferred revenue	5,128	5,153
Deferred tax liabilities	99	104
Provisions	162	133
Other liabilities	124	131
	10,400	10,440
Total liabilities	11,430	11,570
Equity:		
Share capital	798	798
Accumulated other comprehensive income	196	258
Retained earnings	3,942	3,789
Total equity	4,936	4,845
Total liabilities and equity	\$ 16,366	\$ 16,415

Commitments (note 10)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

Six months ended June 30, 2025 and 2024

	Accumulated other comprehensive income (loss)					
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings	Total equity
Equity at December 31, 2024	\$ 798	\$ 31	\$ 219	\$ 8	\$ 3,789	\$ 4,845
Net income	-	-	-	-	254	254
Other comprehensive income (loss):						
Foreign exchange gain on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	16	-	-	16
Unrealized loss on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	(1)	-	-	(1)
Reclassification of losses on cash flow hedges to net income	-	(1)	-	-	-	(1)
Unrealized gain on derivative financial instruments designated as cash flow hedges (note 9)	-	5	-	-	-	5
Unrealized loss on foreign currency translation	-	-	(81)	-	-	(81)
Total comprehensive income (loss)	-	4	(66)	-	254	192
Dividends	-	-	-	-	(101)	(101)
Equity at June 30, 2025	\$ 798	\$ 35	\$ 153	\$ 8	\$ 3,942	\$ 4,936

	Accumulated other comprehensive income (loss)					
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings	Total equity
Equity at December 31, 2023	\$ 798	\$ 27	\$ 110	\$ 5	\$ 3,555	\$ 4,495
Net income	-	-	-	-	208	208
Other comprehensive income (loss):						
Foreign exchange loss on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	(11)	-	-	(11)
Unrealized loss on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	(8)	-	-	(8)
Realized gain on derivative financial instruments designated as cash flow hedges	-	9	-	-	-	9
Unrealized gain on foreign currency translation	-	-	51	-	-	51
Total comprehensive income	-	9	32	-	208	249
Dividends	-	-	-	-	(96)	(96)
Equity at June 30, 2024	\$ 798	\$ 36	\$ 142	\$ 5	\$ 3,667	\$ 4,648

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, in millions of Canadian dollars)

Six months ended June 30, 2025 and 2024

	2025	2024
Cash flows from (used in) operating activities:		
Net income	\$ 254	\$ 208
Reconciliation of net income to cash from (used in) operating activities:		
Interest paid	(104)	(99)
Finance expenses	105	101
Loss (gain) on disposal of assets (note 5)	6	(3)
Income tax payments	(13)	(7)
Income tax expense	24	15
Depreciation and amortization	231	215
Change in employee benefits provisions	(35)	(28)
Contributions received	108	73
Deferred revenue recognized	(79)	(55)
Changes in fair value of financial electricity purchase contracts, net of cash paid	(13)	5
Other	3	1
Net cash flows from operating activities before non-cash operating working capital changes	487	426
Changes in non-cash operating working capital (note 7)	20	190
Net cash flows from operating activities	507	616
Cash flows from (used in) investing activities:		
Acquisitions and construction of property, plant and equipment and intangible assets ¹	(472)	(431)
Proceeds on disposal of property, plant and equipment	1	8
Proceeds on divestiture (note 5)	83	-
Net payments received (advances) on other financial assets	2	(103)
Changes in non-cash investing working capital (note 7)	47	(35)
Net cash flows used in investing activities	(339)	(561)
Cash flows (used in) from financing activities:		
Net repayments of short-term loans and borrowings	(1)	(37)
Proceeds from issuance of long-term loans and borrowings	-	250
Repayments of long-term loans and borrowings	(15)	(122)
Debt issuance costs	-	(2)
Proceeds received upon settlement of hedged bond forward contracts	-	9
Net refunds to customers and developers	(5)	(4)
Repayments of funding received per the Regulated Rate Option (RRO) Stability Act	(14)	(35)
Payments of lease liabilities, net of proceeds from sub-lease	(8)	(5)
Dividends paid	(101)	(96)
Net cash flows used in financing activities	(144)	(42)
Increase in cash	24	13
Cash, beginning of period	62	25
Cash, end of period	\$ 86	\$ 38

¹ Interest payments of \$9 million (2024 - \$6 million) have been capitalized and included in acquisitions and construction of property, plant and equipment (PP&E) and intangible assets.

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

1. Nature of operations

EPCOR Utilities Inc. (the Company or EPCOR) builds, owns and operates electrical, natural gas and water transmission and distribution networks, water and wastewater treatment facilities and sanitary and stormwater systems. The Company also provides electricity, natural gas and water products and services to residential and commercial customers.

The Company operates in Canada and the United States (U.S.) with its registered head office located at 2000, 10423 - 101 Street NW, Edmonton, Alberta, Canada, T5H 0E8.

The common shares of EPCOR are owned by The City of Edmonton. The Company was established by Edmonton City Council under City Bylaw 11071.

Interim results will fluctuate due to the seasonal demands for electricity, water and natural gas, changes in electricity and natural gas prices, and the timing and recognition of regulatory decisions. Consequently, interim results are not necessarily indicative of annual results.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34 – *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the disclosures normally provided in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on July 30, 2025.

(b) Basis of measurement

The Company's condensed consolidated interim financial statements are prepared on the historical cost basis, except for its derivative financial instruments, long-term investment where the Company does not have significant influence and contingent consideration, which are measured at fair value.

These condensed consolidated interim financial statements are presented in Canadian dollars. The functional currency of EPCOR and its Canadian subsidiaries is the Canadian dollar; the functional currency of U.S. subsidiaries is the U.S. dollar. All the values in these condensed consolidated interim financial statements have been rounded to the nearest million except where otherwise stated.

3. Material accounting policies

These condensed consolidated interim financial statements have been prepared following the same accounting policies and methods as those used in preparing the Company's most recent annual consolidated financial statements. The Company has adopted amendments to various accounting standards effective January 1, 2025, which did not have a material impact on these condensed consolidated interim financial statements.

(a) Standards and interpretations not yet applied

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1 Presentation of Financial Statements. The new standard will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard will be applied retroactively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

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June 30, 2025

4. Revenues

Revenues disaggregated by major goods or services excluding intersegment revenues, are as follows:

Three months ended June 30, 2025	Water Services	Distribution & Transmission	Energy Services	North American Commercial Services (NACS)	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 89	\$ -	\$ 89	\$ 18	\$ 61	\$ -	\$ 257
Provision of services	140	127	11	39	46	-	363
Construction revenues	-	-	-	117	-	-	117
Other commercial revenues	-	-	-	5	-	1	6
	\$ 229	\$ 127	\$ 100	\$ 179	\$ 107	\$ 1	\$ 743

Three months ended June 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 78	\$ -	\$ 69	\$ 17	\$ 53	\$ -	\$ 217
Provision of services	135	119	10	31	33	-	328
Construction revenues	-	-	-	296	-	-	296
Other commercial revenues	-	-	-	4	-	2	6
	\$ 213	\$ 119	\$ 79	\$ 348	\$ 86	\$ 2	\$ 847

Six months ended June 30, 2025	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 163	\$ -	\$ 197	\$ 47	\$ 110	\$ -	\$ 517
Provision of services	272	267	21	77	86	-	723
Construction revenues	-	-	-	288	-	-	288
Other commercial revenues	-	-	-	9	-	2	11
	\$ 435	\$ 267	\$ 218	\$ 421	\$ 196	\$ 2	\$ 1,539

Six months ended June 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 148	\$ -	\$ 195	\$ 44	\$ 96	\$ -	\$ 483
Provision of services	257	244	22	59	67	-	649
Construction revenues	-	-	-	585	-	-	585
Other commercial revenues	-	-	-	12	-	3	15
	\$ 405	\$ 244	\$ 217	\$ 700	\$ 163	\$ 3	\$ 1,732

5. Divestiture of Texas Natural Gas Utility (Texas Gas)

On June 2, 2025, SiEnergy Operating (SiEnergy), a wholly owned subsidiary of Northwest Natural Holding Company, acquired 100% of the capital stock of Texas Gas from the Company under the terms of a Stock Purchase Agreement for \$83 million (US\$60 million). Texas Gas' assets, previously part of the NACS reportable segment, include 6,900 active customers, 7,300 metered connections, an additional 12,000 contracted future connections, and 353 miles of pipeline serving over 40 communities across seven counties northeast of Houston. The divestiture will allow the Company to focus on growing its water business in the U.S. The Company recognized a loss on divestiture of \$3 million, included within (loss) gain on disposal of assets on the statement of comprehensive income. Related to the divestiture, included within income tax expense is a recovery of \$8 million on the reversal of the deferred income tax liability, and current income tax expense

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June 30, 2025

of \$8 million.

The net book value of Texas Gas divested on June 2, 2025 was as follows:

	2025
Trade and other receivables	\$ 1
Inventories and prepaid expenses	1
Property, plant, and equipment	85
Trade and other payables	(1)
Net book value of Texas Gas	\$ 86

The divestiture of Texas Gas did not have a material impact on the operating income of the Company for the three and six months ended June 30, 2025.

6. Other financial assets

This note disclosure should be read in conjunction with the other financial assets note disclosure (note 11) in the annual consolidated financial statements for the year ended December 31, 2024.

Samsung Austin Semiconductor, LLC (Samsung) Projects

At June 30, 2025, \$6 million (December 31, 2024 - \$73 million) due from Samsung is recorded within trade and other receivables.

At June 30, 2025, the Company recorded \$68 million in the current portion of other financial assets, which represents unbilled construction revenues translated at the period end exchange rate (December 31, 2024 - \$79 million within current portion of other financial assets).

The Company funded \$165 million of the groundwater supply system at June 30, 2025 (December 31, 2024 - \$173 million) and recorded a finance lease receivable, which will be recovered over the term of 30 years following final commissioning and startup.

7. Changes in non-cash working capital

Six months ended June 30, 2025 and 2024

	2025	2024
Trade and other receivables	\$ 155	\$ 297
Inventories	(3)	(3)
Unbilled construction receivable	8	23
Trade and other payables	(70)	(167)
	\$ 90	\$ 150
	2025	2024
Included in specific items on consolidated statements of cash flows:		
Interest paid	\$ (1)	\$ 1
Income tax paid	(1)	(4)
Contributions received	28	1
Other	(3)	(3)
	23	(5)
Operating activities	20	190
Investing activities	47	(35)
	\$ 90	\$ 150

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Notes to the Condensed Consolidated Interim Financial Statements
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June 30, 2025

8. Financial instruments

Classification

The classifications of the Company's financial instruments measured at fair value at June 30, 2025 and December 31, 2024 are summarized as follows:

	Fair value hierarchy
Long-term investment in Vista Ridge LLC (Vista Ridge)	Level 3
Derivative financial instruments (note 9)	
Financial electricity purchase contracts	Levels 2, 3
Cross-currency interest rate swap contracts (CCIRS)	Level 2
Bond forward contracts	Level 2
Interest rate swap contracts	Level 2
Other liabilities	
Contingent consideration	Level 3

Fair value

The carrying amounts of cash, trade and other receivables, current portion of other financial assets (excluding derivative financial instruments), trade and other payables, current portion of loans and borrowings, and current portion of other liabilities (excluding contingent consideration and derivative financial instruments) approximate their fair values due to the short-term nature of these financial instruments.

The fair values of the Company's non-current portion of other financial assets and loans and borrowings are determined using the same valuation techniques, inputs, and assumptions as described in note 24 of the Company's 2024 annual consolidated financial statements.

The carrying amounts and fair values of the Company's remaining financial assets and financial liabilities measured at amortized cost are as follows:

	Fair value hierarchy	June 30, 2025		December 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current portion of other financial assets ¹	Level 2	\$ 506	\$ 510	\$ 517	\$ 525
Loans and borrowings	Level 2	5,071	4,840	5,104	4,906

1 Excluding long-term investments in Vista Ridge and Shulus Electricity Transmission Line Limited Partnership of \$6 million and \$5 million respectively (December 31, 2024 - \$6 million and \$4 million respectively) and derivative financial instruments of \$22 million (December 31, 2024 - \$12 million).

Long-term investment in Vista Ridge

Vista Ridge is a privately owned company; therefore, its equity instruments are not traded in an active market and the fair value of equity is not readily observable. Accordingly, the fair value of the long-term investment in Vista Ridge is determined based on unobservable inputs including the expected future cash flows from the investment discounted at a risk-adjusted discount rate.

Derivative financial instruments – financial electricity purchase contracts

The fair values of the Company's Level 2 financial electricity purchase contracts are determined based on commonly used valuation techniques such as a discounted cash flow model and uses inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active but observable, and other observable inputs that are principally derived or corroborated by observable market data for substantially the full term of the instrument.

The fair values of the Company's Level 3 financial electricity purchase contracts are determined based on risk adjusted forward electricity price curves and anticipated customer load, which is forecasted based on internal modelling. As the

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June 30, 2025

forecasted customer load and risk adjusted component of the forward price curves are based on unobservable inputs, the financial electricity contracts are classified as Level 3 financial instruments. The valuation models used to calculate the fair value of the financial electricity contracts are prepared by appropriate internal subject matter experts and reviewed by management. The valuation technique and the associated inputs are assessed on a regular basis for ongoing reasonability.

The Company classifies financial instruments in Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model used to determine fair value. In addition to these unobservable inputs, the valuation model for Level 3 instruments also relies on a number of inputs that are observable either directly or indirectly. Accordingly, the unrealized gains and (losses) shown below include changes in the fair value related to both observable and unobservable inputs. The table below summarizes the changes in fair value of the Level 3 financial instruments:

	June 30, 2025	December 31, 2024
At January 1	\$ (5)	\$ -
Unrealized and realized gains (losses) included in net income ^{1,2}	13	(5)
At period end	\$ 8	\$ (5)

1 Recorded in Energy Purchases and System Access Fees.

2 Settlements in the period ended June 30, 2025 were \$11 million (2024 - \$nil).

The fair values of the Company's commodity derivatives included within Level 3 are determined by applying a mark-to-forecast model. The table below presents the Company's Level 3 inputs:

	June 30, 2025	December 31, 2024
Anticipated average monthly customer load input ranges of megawatt hours for the remainder of 2025 and 2026	131,160 to 192,504	135,221 to 231,529
Average risk-adjusted component of the forward price curves, in dollars	\$ 28	\$ 28

The table below presents the change to fair value of Level 3 derivatives instruments based on a change in the respective input:

	Change in respective input	June 30, 2025	December 31, 2024
Anticipated average monthly customer load input for the forecasted periods	+/- 10%	\$ 1	\$ 1
Average risk-adjusted component of the forward price curves	+/- \$5 dollars	14	20

Derivative financial instruments – CCIRS

The fair value of the Company's CCIRS contracts is determined as the present value of the estimated future cash flows using an appropriate interest rate yield curve and foreign exchange rate based on market conditions at the measurement date discounted at a market rate. Derivative instruments reflect the estimated amount that the Company would receive or pay to settle the CCIRS contracts at each measurement date.

Derivative financial instruments – bond forward contracts

The fair value of the Company's bond forward contracts is estimated using the difference between the contractual forward price and the current forward price based on market conditions at the measurement date. The derivative instrument reflects the estimated amount that the Company would receive or pay to settle the bond forward contract at the measurement date.

Derivative financial instruments – interest rate swap contracts

The fair value of the Company's interest rate swap contracts is determined as the present value of the estimated future cash flows using an appropriate interest rate yield curve based on market conditions at the measurement date discounted at a market rate. The derivative instrument reflected the estimated amount that the Company would receive or pay to settle the interest rate swap contracts at the measurement date.

Within these condensed consolidated interim statements of financial position, long-term derivative financial assets are

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June 30, 2025

presented within other financial assets, long-term derivative financial liabilities are presented within other liabilities, short-term derivative financial assets are presented within current portion of other financial assets and short-term derivative financial liabilities are presented within current portion of other liabilities. At June 30, 2025, derivative financial instruments had balances of \$11 million within current portion of other financial assets, \$22 million within non-current portion of other financial assets, \$7 million within current portion of other liabilities, and \$1 million within non-current other liabilities (December 31, 2024 - \$nil within current portion of other financial assets, \$12 million within non-current portion of other financial assets, \$3 million within current portion of other liabilities, and \$2 million within non-current other liabilities).

9. Financial risk management

This note disclosure should be read in conjunction with the financial risk management (note 25) in the annual consolidated financial statements for the year ended December 31, 2024.

Rate of Last Resort (RoLR)

Effective January 1, 2025, the Company began selling electricity under RoLR Regulations under the Utilities Affordability Statutes Amendment Act (the Act) introduced by the Government of Alberta during 2024. The RoLR replaced the previous RRO, and the Act is intended to provide stable default electricity rates by setting the rates for each regulated retailer once every two years with a 10% rate adjustment cap for the following two years. Electricity rates for the RoLR are fixed and the actual procurement cost to serve the RoLR customer electricity load are variable based on actual hourly spot pricing. EPCOR is actively managing the commodity price and volume exposures through financial electricity purchase contracts on an ongoing basis by optimizing the Company's total electricity requirements utilizing various contracts.

During the three months ended June 30, 2025, the Company entered into fixed price financial electricity purchase contracts (the hedging instruments). The hedging instruments are used to manage the Company's commodity price risk related to the Company's load requirements for its RoLR customers (the hedged item). The Company performed effectiveness tests at inception and will continue to perform effectiveness tests at each measurement date to ensure that the changes in fair value of the hedging instruments and the hedged items were moving in opposite directions and offsetting each other. These financial instruments were classified as cash flow hedges. These contracts hedge a notional quantity of 920,640 megawatt hours and are expected to be realized in net income in 2027 and 2028.

During the three months ended June 30, 2025, the cash flow hedges were 100% effective and the change in fair value of \$6 million (2024 - \$nil) was recorded as a pre-tax gain in other comprehensive income.

Credit quality and concentrations

During the three and six months ended June 30, 2025, revenues from one major customer of the Company's NACS segment represented \$126 million (2024 - \$280 million) and \$299 million (2024 - \$566 million) of the Company's total revenues, respectively. Refer to note 6 for the amounts recorded within trade and other receivables.

10. Commitments

This note disclosure should be read in conjunction with the commitments, contingencies and guarantees (note 27) in the annual consolidated financial statements for the year ended December 31, 2024.

During the three months ended June 30, 2025, the Company signed an agreement to expand the capacity of water supplied by EPCOR 130 Project Inc, in the NACS reportable segment, for a commitment of \$4 million, \$35 million, and \$29 million in 2025, 2026, and 2027, respectively.

11. Segment disclosures

The Company operates in the following reportable segments, which follow the organization, management and reporting structure within the Company.

Water Services

Water Services is primarily involved in the treatment, transmission, distribution and sale of water, the collection and conveyance of sanitary and stormwater, and the treatment of wastewater within Edmonton and other communities near Edmonton.

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Distribution and Transmission

Distribution and Transmission is involved in the transmission and distribution of electricity within Edmonton.

Energy Services

Energy Services is primarily involved in the provision of the regulated and default supply electricity services to customers in Alberta in addition to the procurement of electricity required to serve the Company's customer load requirements. This segment also provides competitive electricity and natural gas products under the Encor brand.

NACS

NACS includes business development projects related to the provision of design, build, finance, operating and maintenance services for municipal and industrial water, wastewater, electricity and natural gas customers in North America. The segment includes electricity distribution and natural gas distribution businesses in Canada.

U.S. Regulated Water

U.S. Regulated Water is primarily involved in the treatment, transmission, distribution and sale of water, the collection and treatment of wastewater, and construction of related facilities within the Southwestern U.S.

Other

Other primarily includes the cost of the Company's net unallocated corporate office expenses and does not meet the criteria of a reportable segment.

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(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

Three months ended June 30, 2025									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 229	\$ 127	\$ 100	\$ 179	\$ 107	\$ 1	\$ -	\$	743
Inter-segment revenue	-	1	6	12	-	-	(19)		-
Revenues	229	128	106	191	107	1	(19)		743
Energy purchases and system access fees	-	-	22	14	-	-	-		36
Other raw materials and operating charges	24	7	-	131	24	-	(8)		178
Staff costs and employee benefits expenses	37	16	11	19	16	15	(5)		109
Depreciation and amortization	50	31	2	3	23	7	-		116
Franchise fees and property taxes	13	33	-	-	2	-	-		48
Other administrative expenses	7	3	8	4	7	6	(6)		29
Operating expenses	131	90	43	171	72	28	(19)		516
Operating income (loss) before corporate (charges) income	98	38	63	20	35	(27)	-		227
Corporate (charges) income	(11)	(6)	(4)	(4)	(2)	27	-		-
Operating income	87	32	59	16	33	-	-		227
Loss on disposal of assets	-	-	-	(4)	(2)	-	-		(6)
Finance (expenses) recoveries	(24)	(19)	(1)	(6)	(13)	11	-		(52)
Income tax expense	-	-	-	(2)	(2)	(14)	-		(18)
Net income (loss)	\$ 63	\$ 13	\$ 58	\$ 4	\$ 16	\$ (3)	\$ -	\$	151
Capital expenditures	\$ 121	\$ 75	\$ -	\$ 24	\$ 48	\$ 10	\$ -	\$	278

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

Three months ended June 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 213	\$ 119	\$ 79	\$ 348	\$ 86	\$ 2	\$ -	\$	847
Inter-segment revenue	-	1	6	10	-	-	(17)		-
Revenues	213	120	85	358	86	2	(17)		847
Energy purchases and system access fees	-	-	52	12	-	-	-		64
Other raw materials and operating charges	22	5	-	304	21	-	(6)		346
Staff costs and employee benefits expenses	35	14	10	17	16	12	(4)		100
Depreciation and amortization	48	28	2	3	20	7	-		108
Franchise fees and property taxes	11	26	-	1	3	-	-		41
Other administrative expenses	12	3	6	4	6	2	(7)		26
Operating expenses	128	76	70	341	66	21	(17)		685
Operating income (loss) before corporate (charges) income	85	44	15	17	20	(19)	-		162
Corporate (charges) income	(10)	(6)	(4)	(2)	(2)	24	-		-
Operating income	75	38	11	15	18	5	-		162
Loss on disposal of assets	(1)	-	-	-	-	-	-		(1)
Finance (expenses) recoveries	(24)	(17)	(1)	(7)	(14)	12	-		(51)
Income tax expense	-	-	-	(1)	(2)	(3)	-		(6)
Net income	\$ 50	\$ 21	\$ 10	\$ 7	\$ 2	\$ 14	\$ -	\$	104
Capital expenditures	\$ 111	\$ 71	\$ 1	\$ 11	\$ 43	\$ 4	\$ -	\$	241

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

Six months ended June 30, 2025									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 435	\$ 267	\$ 218	\$ 421	\$ 196	\$ 2	\$ -	\$ 1,539	
Inter-segment revenue	-	2	12	20	-	-	(34)	-	
Revenues	435	269	230	441	196	2	(34)	1,539	
Energy purchases and system access fees	-	-	117	32	-	-	-	149	
Other raw materials and operating charges	41	13	-	312	42	-	(13)	395	
Staff costs and employee benefits expenses	74	32	21	39	35	29	(8)	222	
Depreciation and amortization	100	60	4	7	46	14	-	231	
Franchise fees and property taxes	25	62	-	1	5	-	-	93	
Other administrative expenses	17	6	17	10	13	10	(13)	60	
Operating expenses	257	173	159	401	141	53	(34)	1,150	
Operating income (loss) before corporate (charges) income	178	96	71	40	55	(51)	-	389	
Corporate (charges) income	(22)	(12)	(9)	(5)	(4)	52	-	-	
Operating income	156	84	62	35	51	1	-	389	
Loss on disposal of assets	-	-	-	(4)	(2)	-	-	(6)	
Finance (expenses) recoveries	(49)	(37)	(2)	(11)	(28)	22	-	(105)	
Income tax expense	-	-	-	(4)	(4)	(16)	-	(24)	
Net income	\$ 107	\$ 47	\$ 60	\$ 16	\$ 17	\$ 7	\$ -	\$ 254	
Capital expenditures	\$ 202	\$ 128	\$ -	\$ 39	\$ 91	\$ 12	\$ -	\$ 472	

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

Six months ended June 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 405	\$ 244	\$ 217	\$ 700	\$ 163	\$ 3	\$ -	\$ 1,732	
Inter-segment revenue	-	2	12	19	-	-	(33)	-	
Revenues	405	246	229	719	163	3	(33)	1,732	
Energy purchases and system access fees	-	-	149	29	-	-	-	178	
Other raw materials and operating charges	40	10	-	598	37	-	(12)	673	
Staff costs and employee benefits expenses	72	29	20	34	30	25	(8)	202	
Depreciation and amortization	95	56	4	7	39	14	-	215	
Franchise fees and property taxes	22	54	-	1	5	-	-	82	
Other administrative expenses	21	6	16	10	12	9	(13)	61	
Operating expenses	250	155	189	679	123	48	(33)	1,411	
Operating income (loss) before corporate (charges) income	155	91	40	40	40	(45)	-	321	
Corporate (charges) income	(21)	(12)	(9)	(5)	(4)	51	-	-	
Operating income	134	79	31	35	36	6	-	321	
Gain (loss) on disposal of assets	4	-	-	-	(1)	-	-	3	
Finance (expenses) recoveries	(48)	(34)	(2)	(15)	(26)	24	-	(101)	
Income tax expense	-	-	-	(2)	(3)	(10)	-	(15)	
Net income	\$ 90	\$ 45	\$ 29	\$ 18	\$ 6	\$ 20	\$ -	\$ 208	
Capital expenditures	\$ 187	\$ 137	\$ 1	\$ 20	\$ 79	\$ 7	\$ -	\$ 431	

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

June 30, 2025

The Company's assets and liabilities by business segment at June 30, 2025 and December 31, 2024 are summarized as follows:

June 30, 2025									
	Water Distribution & Services	Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,918	\$ 3,378	\$ 328	\$ 1,137	\$ 2,496	\$ 6,116	\$ (6,007)	\$ 16,366	
Total liabilities	6,789	2,352	180	882	1,952	5,282	(6,007)	11,430	

December 31, 2024									
	Water Distribution & Services	Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,779	\$ 3,297	\$ 292	\$ 1,253	\$ 2,576	\$ 6,217	\$ (5,999)	\$ 16,415	
Total liabilities	6,752	2,314	238	996	2,001	5,268	(5,999)	11,570	

Non-current assets by geography

	June 30, 2025	December 31, 2024
Canada	\$ 12,835	\$ 12,604
U.S.	2,807	2,957
	\$ 15,642	\$ 15,561

Revenue from external customers by geography

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Canada	\$ 497	\$ 451	\$ 1,017	\$ 955
U.S.	246	396	522	777
	\$ 743	\$ 847	\$ 1,539	\$ 1,732