

Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

(Unaudited)

Nine months ended September 30, 2025 and 2024

EPCOR UTILITIES INC.

Condensed Consolidated Interim Financial Statements (unaudited)

Nine months ended September 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 nine months ended September 30, 2025 and 2024

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenues (note 4)	\$ 646	\$ 867	\$ 2,185	\$ 2,599
Operating expenses:				
Energy purchases and system access fees	83	72	232	250
Other raw materials and operating charges	78	321	473	994
Staff costs and employee benefits expenses	101	94	323	296
Depreciation and amortization	121	115	352	330
Franchise fees and property taxes	51	45	144	127
Other administrative expenses	24	26	84	87
	458	673	1,608	2,084
Operating income	188	194	577	515
Other income and gain (loss) on disposals (note 5)	7	-	1	3
Finance expenses	(52)	(52)	(157)	(153)
Income before income taxes	143	142	421	365
Income tax expense	(11)	(11)	(35)	(26)
Net income	132	131	386	339
Other comprehensive income (loss):				
Items that may subsequently be reclassified to net income:				
Foreign exchange (loss) gain on U.S. denominated debt designated as a hedge of net investment in foreign operations	(4)	5	12	(6)
Unrealized gain (loss) on derivative financial instruments designated as hedges of net investment in foreign operations	-	1	(1)	(7)
Reclassification of losses on cash flow hedges to net income	-	-	(1)	-
Unrealized (loss) gain on derivative financial instruments designated as cash flow hedges ¹	-	(2)	5	(2)
Realized gain on derivative financial instruments designated as cash flow hedges	-	-	-	9
Unrealized (loss) gain on foreign currency translation	20	(23)	(61)	28
Other comprehensive income (loss)	16	(19)	(46)	22
Comprehensive income	\$ 148	\$ 112	\$ 340	\$ 361

1 For the three and nine months ended September 30, 2025, net of income tax expense of \$1 million (2024 - \$nil) and \$2 million (2024 - \$nil), respectively.

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

EPCOR UTILITIES INC.

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

September 30, 2025 and December 31, 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 54	\$ 62
Trade and other receivables	539	668
Inventories	35	30
Other financial assets (note 6)	52	94
	680	854
Non-current assets:		
Other financial assets (note 6)	543	539
Deferred tax assets	46	66
Property, plant and equipment	14,829	14,408
Intangible assets and goodwill	524	548
	15,942	15,561
Total assets	\$ 16,622	\$ 16,415
Liabilities and equity		
Current liabilities:		
Trade and other payables	\$ 630	\$ 724
Loans and borrowings	258	185
Deferred revenue	131	105
Provisions	39	64
Other liabilities	37	52
	1,095	1,130
Non-current liabilities:		
Loans and borrowings	4,887	4,919
Deferred revenue	5,185	5,153
Deferred tax liabilities	103	104
Provisions	195	133
Other liabilities	123	131
	10,493	10,440
Total liabilities	11,588	11,570
Equity:		
Share capital	798	798
Accumulated other comprehensive income	212	258
Retained earnings	4,024	3,789
Total equity	5,034	4,845
Total liabilities and equity	\$ 16,622	\$ 16,415

Commitments (note 10)

Subsequent events (notes 6 and 11)

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)

Nine months ended September 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	-	-	-	-	386	386
Other comprehensive income (loss):						
Foreign exchange gain on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	12	-	-	12
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	-	-	(61)	-	-	(61)
Total comprehensive income (loss)	-	4	(50)	-	386	340
Dividends	-	-	-	-	(151)	(151)
Equity at September 30, 2025	\$ 798	\$ 35	\$ 169	\$ 8	\$ 4,024	\$ 5,034

	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	-	-	-	-	339	339
Other comprehensive income (loss):						
Foreign exchange loss on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	(6)	-	-	(6)
Unrealized loss on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	(7)	-	-	(7)
Unrealized loss on derivative financial instruments designated as cash flow hedges	-	(2)	-	-	-	(2)
Realized gain on derivative financial instruments designated as cash flow hedges	-	9	-	-	-	9
Unrealized gain on foreign currency translation	-	-	28	-	-	28
Total comprehensive income	-	7	15	-	339	361
Dividends	-	-	-	-	(144)	(144)
Equity at September 30, 2024	\$ 798	\$ 34	\$ 125	\$ 5	\$ 3,750	\$ 4,712

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)

Nine months ended September 30, 2025 and 2024

	2025	2024
Cash flows from (used in) operating activities:		
Net income	\$ 386	\$ 339
Reconciliation of net income to cash from (used in) operating activities:		
Interest paid	(128)	(123)
Finance expenses	157	153
Other income and (gain) loss on disposals (note 5)	(1)	(3)
Income tax payments	(17)	(9)
Income tax expense	35	26
Depreciation and amortization	352	330
Change in employee benefits provisions	(24)	(24)
Contributions received	147	119
Deferred revenue recognized	(122)	(84)
Changes in fair value of financial electricity purchase contracts, net of cash paid (note 8)	(4)	7
Other	(1)	4
Net cash flows from operating activities before non-cash operating working capital changes	780	735
Changes in non-cash operating working capital (note 7)	37	236
Net cash flows from operating activities	817	971
Cash flows from (used in) investing activities:		
Acquisitions and construction of property, plant and equipment and intangible assets ¹	(779)	(680)
Proceeds on disposal of property, plant and equipment	2	8
Proceeds on divestiture (note 5)	83	-
Net payments received (advances) on other financial assets	5	(139)
Changes in non-cash investing working capital (note 7)	(7)	(14)
Net cash flows used in investing activities	(696)	(825)
Cash flows (used in) from financing activities:		
Net issuances (repayments) of short-term loans and borrowings	72	(39)
Proceeds from issuance of long-term loans and borrowings	-	250
Repayments of long-term loans and borrowings	(19)	(125)
Debt issuance costs	-	(2)
Proceeds received upon settlement of hedged bond forward contracts	-	9
Net refunds to customers and developers	(9)	(9)
Repayments of funding received per the Regulated Rate Option (RRO) Stability Act	(14)	(54)
Payments of lease liabilities, net of proceeds from sub-lease	(8)	(11)
Dividends paid	(151)	(144)
Net cash flows used in financing activities	(129)	(125)
(Decrease) increase in cash	(8)	21
Cash, beginning of period	62	25
Cash, end of period	\$ 54	\$ 46

- 1 Interest payments of \$14 million (2024 - \$10 million) have been capitalized and included in acquisitions and construction of property, plant and equipment (PP&E) and intangible assets.

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

EPCOR UTILITIES INC.

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

September 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 November 5, 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.

EPCOR UTILITIES INC.

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September 30, 2025

4. Revenues

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

Three months ended September 30, 2025	Water Services	Distribution & Transmission	Energy Services	North American Commercial Services (NACS)	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 89	\$ -	\$ 97	\$ 17	\$ 69	\$ -	\$ 272
Provision of services	145	130	11	38	45	-	369
Construction revenues	-	-	-	2	-	-	2
Other commercial revenues	-	-	-	1	-	2	3
	\$ 234	\$ 130	\$ 108	\$ 58	\$ 114	\$ 2	\$ 646

Three months ended September 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 85	\$ -	\$ 79	\$ 18	\$ 67	\$ -	\$ 249
Provision of services	145	113	9	34	37	-	338
Construction revenues	-	-	-	270	-	-	270
Other commercial revenues	-	-	-	6	-	4	10
	\$ 230	\$ 113	\$ 88	\$ 328	\$ 104	\$ 4	\$ 867

Nine months ended September 30, 2025	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 252	\$ -	\$ 294	\$ 64	\$ 179	\$ -	\$ 789
Provision of services	417	397	32	116	131	-	1,093
Construction revenues	-	-	-	289	-	-	289
Other commercial revenues	-	-	-	10	-	4	14
	\$ 669	\$ 397	\$ 326	\$ 479	\$ 310	\$ 4	\$ 2,185

Nine months ended September 30, 2024	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 234	\$ -	\$ 275	\$ 60	\$ 162	\$ -	\$ 731
Provision of services	401	357	30	92	105	-	985
Construction revenues	-	-	-	858	-	-	858
Other commercial revenues	-	-	-	18	-	7	25
	\$ 635	\$ 357	\$ 305	\$ 1,028	\$ 267	\$ 7	\$ 2,599

5. Other income and gain (loss) on disposals

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Other income	\$ 7	\$ -	\$ 7	\$ -
Loss on divestiture of Texas Gas Natural Gas Utility	-	-	(3)	-
(Loss) gain on disposal of assets	-	-	(3)	3
	\$ 7	\$ -	\$ 1	\$ 3

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September 30, 2025

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 other income and gain (loss) on disposals 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 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 nine months ended September 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 September 30, 2025, \$2 million (December 31, 2024 - \$73 million) due from Samsung is recorded within trade and other receivables.

At September 30, 2025, the Company recorded \$33 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 \$167 million of the groundwater supply system for Project Sandow at September 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.

On August 5, 2025, the Company and Samsung reached an agreement for Project Blue Sky (Transfer Agreement) in which the parties mutually agreed to modify expiration of the terms of the Project Agreement. On October 31, 2025 closing conditions of the Transfer Agreement were met and in exchange for a fee of US\$63 million, the Company legally transferred Project Blue Sky to Samsung and is no longer committed to fund the Company's remaining commitment of US\$180 million or operate and maintain the assets for the 30-year period under the terms of the Project Agreement. Subsequently the parties signed an agreement whereby the Company will provide Samsung advisory services regarding commissioning, startup and operations and maintenance for a period of three years.

EPCOR UTILITIES INC.

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

7. Changes in non-cash working capital

Nine months ended September 30, 2025 and 2024

	2025	2024
Trade and other receivables	\$ 129	\$ 310
Inventories	(5)	(2)
Unbilled construction receivable	46	28
Other long-term receivables	(2)	-
Trade and other payables	(94)	(80)
	\$ 74	\$ 256
	2025	2024
Included in specific items on consolidated statements of cash flows:		
Interest paid	\$ 28	\$ 27
Income tax paid	(2)	3
Contributions received	22	7
Other	(4)	(3)
	44	34
Operating activities	37	236
Investing activities	(7)	(14)
	\$ 74	\$ 256

8. Financial instruments

Classification

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

		September 30, 2025		December 31, 2024	
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Non-current portion of other financial assets ¹	Level 2	\$ 514	\$ 519	\$ 517	\$ 525
Loans and borrowings	Level 2	5,145	4,895	5,104	4,906

EPCOR UTILITIES INC.

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

- 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 \$18 million (December 31, 2024 - \$12 million).

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.

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 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:

	September 30, 2025	December 31, 2024
At January 1	\$ (5)	\$ -
Unrealized and realized gains (losses) included in net income ^{1,2}	4	(5)
At period end	\$ (1)	\$ (5)

- 1 Recorded in Energy Purchases and System Access Fees.

- 2 Settlements in the period ended September 30, 2025 were \$81 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:

	September 30, 2025	December 31, 2024
Anticipated average monthly customer load input ranges of megawatt hours for the remainder of 2025 and 2026	128,667 to 191,499	135,221 to 231,529
Average risk-adjusted component of the forward price curves, in dollars	\$ 28	\$ 28

EPCOR UTILITIES INC.

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September 30, 2025

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	September 30, 2025	December 31, 2024
Anticipated average monthly customer load input for the forecasted periods	+/- 10%	\$ -	\$ 1
Average risk-adjusted component of the forward price curves	+/- \$5 dollars	11	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.

Within these condensed consolidated interim statements of financial position, long-term derivative financial assets are 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 September 30, 2025, derivative financial instruments had balances of \$7 million within current portion of other financial assets, \$18 million within non-current portion of other financial assets, \$8 million within current portion of other liabilities, and \$2 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.

Electricity price and volume risk

Effective January 1, 2025, the Company began selling electricity under Rate of Last Resort (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 and nine months ended September 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 1,710,120 megawatt hours and are expected to be realized in net income in 2027 and 2028.

During the three and nine months ended September 30, 2025, the cash flow hedges were 100% effective and the change in fair value of \$1 million (2024 - \$nil) and of \$7 million (2024 - \$nil), respectively, was recorded as a pre-tax gain in other comprehensive income.

Credit quality and concentrations

During the three and nine months ended September 30, 2025, revenues from one major customer of the Company's NACS segment represented \$7 million (2024 - \$261 million) and \$306 million (2024 - \$827 million) of the Company's total revenues, respectively. Refer to note 6 for the amounts recorded within trade and other receivables.

EPCOR UTILITIES INC.

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

September 30, 2025

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 second quarter of 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. Subsequent event

On October 1, 2025, the Company issued 5-year senior unsecured debentures totalling \$250 million with a coupon rate of 3.37%. The interest is payable semi-annually and the principal is due at maturity.

12. 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.

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

September 30, 2025

Three months ended September 30, 2025									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 234	\$ 130	\$ 108	\$ 58	\$ 114	\$ 2	\$ -	\$	646
Inter-segment revenue	-	-	6	13	1	-	(20)		-
Revenues	234	130	114	71	115	2	(20)		646
Energy purchases and system access fees	-	-	73	10	-	-	-		83
Other raw materials and operating charges	29	4	-	28	25	(1)	(7)		78
Staff costs and employee benefits expenses	33	15	10	19	16	13	(5)		101
Depreciation and amortization	55	31	2	4	22	7	-		121
Franchise fees and property taxes	13	35	-	-	3	-	-		51
Other administrative expenses	8	1	10	-	6	7	(8)		24
Operating expenses	138	86	95	61	72	26	(20)		458
Operating income (loss) before corporate (charges) income	96	44	19	10	43	(24)	-		188
Corporate (charges) income	(11)	(7)	(5)	(3)	(3)	29	-		-
Operating income	85	37	14	7	40	5	-		188
Other income and gain (loss) on disposals	1	(1)	-	1	6	-	-		7
Finance (expenses) recoveries	(25)	(18)	-	(5)	(14)	10	-		(52)
Income tax recovery (expense)	-	-	-	1	(8)	(4)	-		(11)
Net income	\$ 61	\$ 18	\$ 14	\$ 4	\$ 24	\$ 11	\$ -	\$	132
Capital expenditures	\$ 170	\$ 65	\$ 1	\$ 20	\$ 46	\$ 5	\$ -	\$	307

EPCOR UTILITIES INC.

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

September 30, 2025

Three months ended September 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 230	\$ 113	\$ 88	\$ 328	\$ 104	\$ 4	\$ -	\$	867
Inter-segment revenue	-	1	6	11	-	-	(18)		-
Revenues	230	114	94	339	104	4	(18)		867
Energy purchases and system access fees	-	-	60	12	-	-	-		72
Other raw materials and operating charges	25	7	-	275	21	-	(7)		321
Staff costs and employee benefits expenses	32	12	10	20	13	12	(5)		94
Depreciation and amortization	52	30	2	4	21	6	-		115
Franchise fees and property taxes	14	29	-	-	2	-	-		45
Other administrative expenses	9	4	9	5	5	-	(6)		26
Operating expenses	132	82	81	316	62	18	(18)		673
Operating income (loss) before corporate (charges) income	98	32	13	23	42	(14)	-		194
Corporate (charges) income	(5)	(2)	(3)	(1)	(1)	12	-		-
Operating income (loss)	93	30	10	22	41	(2)	-		194
Finance (expenses) recoveries	(25)	(17)	-	(6)	(15)	11	-		(52)
Income tax expense	-	-	-	(3)	(5)	(3)	-		(11)
Net income	\$ 68	\$ 13	\$ 10	\$ 13	\$ 21	\$ 6	\$ -	\$	131
Capital expenditures	\$ 121	\$ 67	\$ 1	\$ 12	\$ 44	\$ 4	\$ -	\$	249

EPCOR UTILITIES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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

September 30, 2025

Nine months ended September 30, 2025									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 669	\$ 397	\$ 326	\$ 479	\$ 310	\$ 4	\$ -	\$ 2,185	
Inter-segment revenue	-	2	18	33	1	-	(54)	-	
Revenues	669	399	344	512	311	4	(54)	2,185	
Energy purchases and system access fees	-	-	190	42	-	-	-	232	
Other raw materials and operating charges	70	17	-	340	67	(1)	(20)	473	
Staff costs and employee benefits expenses	107	47	31	58	51	42	(13)	323	
Depreciation and amortization	155	91	6	11	68	21	-	352	
Franchise fees and property taxes	38	97	-	1	8	-	-	144	
Other administrative expenses	25	7	27	10	19	17	(21)	84	
Operating expenses	395	259	254	462	213	79	(54)	1,608	
Operating income (loss) before corporate (charges) income	274	140	90	50	98	(75)	-	577	
Corporate (charges) income	(33)	(19)	(14)	(8)	(7)	81	-	-	
Operating income	241	121	76	42	91	6	-	577	
Other income and gain (loss) on disposals	1	(1)	-	(3)	4	-	-	1	
Finance (expenses) recoveries	(74)	(55)	(2)	(16)	(42)	32	-	(157)	
Income tax expense	-	-	-	(3)	(12)	(20)	-	(35)	
Net income	\$ 168	\$ 65	\$ 74	\$ 20	\$ 41	\$ 18	\$ -	\$ 386	
Capital expenditures	\$ 372	\$ 193	\$ 1	\$ 59	\$ 137	\$ 17	\$ -	\$ 779	

EPCOR UTILITIES INC.

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

September 30, 2025

Nine months ended September 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 635	\$ 357	\$ 305	\$ 1,028	\$ 267	\$ 7	\$ -	\$ 2,599	
Inter-segment revenue	-	3	18	30	-	-	(51)	-	
Revenues	635	360	323	1,058	267	7	(51)	2,599	
Energy purchases and system access fees	-	-	209	41	-	-	-	250	
Other raw materials and operating charges	65	17	-	873	58	-	(19)	994	
Staff costs and employee benefits expenses	104	41	30	54	43	37	(13)	296	
Depreciation and amortization	147	86	6	11	60	20	-	330	
Franchise fees and property taxes	36	83	-	1	7	-	-	127	
Other administrative expenses	30	10	25	15	17	9	(19)	87	
Operating expenses	382	237	270	995	185	66	(51)	2,084	
Operating income (loss) before corporate (charges) income	253	123	53	63	82	(59)	-	515	
Corporate (charges) income	(26)	(14)	(12)	(6)	(5)	63	-	-	
Operating income	227	109	41	57	77	4	-	515	
Other income and gain (loss) on disposals	4	-	-	-	(1)	-	-	3	
Finance (expenses) recoveries	(73)	(51)	(2)	(21)	(41)	35	-	(153)	
Income tax expense	-	-	-	(5)	(8)	(13)	-	(26)	
Net income	\$ 158	\$ 58	\$ 39	\$ 31	\$ 27	\$ 26	\$ -	\$ 339	
Capital expenditures	\$ 308	\$ 204	\$ 2	\$ 32	\$ 123	\$ 11	\$ -	\$ 680	

EPCOR UTILITIES INC.

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

September 30, 2025

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

September 30, 2025								
	Water Distribution & Services	Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
Total assets	\$ 9,080	\$ 3,410	\$ 333	\$ 1,076	\$ 2,659	\$ 6,170	\$ (6,106)	\$ 16,622
Total liabilities	6,894	2,368	200	815	2,054	5,363	(6,106)	11,588
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

	September 30, 2025	December 31, 2024
Canada	\$ 13,034	\$ 12,604
U.S.	2,908	2,957
	\$ 15,942	\$ 15,561

Revenue from external customers by geography

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Canada	\$ 514	\$ 482	\$ 1,531	\$ 1,437
U.S.	132	385	654	1,162
	\$ 646	\$ 867	\$ 2,185	\$ 2,599