

**EPCOR UTILITIES INC.**

**Management's Discussion and Analysis**

For three months ended March 31, 2026

# **EPCOR Utilities Inc.**

## **Interim Management's Discussion and Analysis**

### **March 31, 2026**

This interim management's discussion and analysis (MD&A), dated April 30, 2026 should be read in conjunction with the unaudited condensed consolidated interim financial statements of EPCOR Utilities Inc. for the three months ended March 31, 2026 and 2025, including the cautionary statement regarding forward-looking information at the end of this MD&A, and the audited consolidated financial statements, MD&A, and Annual Information Form (AIF) for the year ended December 31, 2025. In this MD&A, any reference to "the Company", "EPCOR", "we" or "our", except where otherwise noted or the context otherwise indicates, means EPCOR Utilities Inc., together with its subsidiaries. Financial information in this MD&A is based on the unaudited condensed consolidated interim financial statements, which were prepared in accordance with International Accounting Standard – 34 "*Interim Financial Reporting*" as issued by International Accounting Standards Board (IASB) and is presented in Canadian dollars unless otherwise specified.

In accordance with its terms of reference, the Audit Committee of the Company's Board of Directors reviews the contents of the MD&A and recommends its approval by the Board of Directors. The Board of Directors approved this MD&A on April 30, 2026.

### **Overview of Business and Financial Results**

The Company builds, owns and operates water, electrical, natural gas transmission and distribution networks, water and wastewater treatment facilities, and sanitary and stormwater systems in North America. The Company also provides water, electricity and natural gas products and services to residential and commercial customers. The Company provides regulated and default supply electricity related services and sells electricity and natural gas to Alberta residential and commercial consumers under contracts through its Encor brand. In addition, EPCOR provides design, build, finance, operating and maintenance services for electrical, water and wastewater infrastructure for municipal and industrial customers in Canada and the United States (U.S.). EPCOR operates its business under the Water Services, Distribution and Transmission, Energy Services, North American Commercial Services and U.S. Regulated Water segments.

Net income was \$108 million for the three months ended March 31, 2026, compared with net income of \$103 million for the comparative period in 2025. The increase of \$5 million for the three months ended March 31, 2026 was primarily due to higher Adjusted EBITDA (as described below) and fair value adjustments related to financial electricity purchase contracts, partially offset by higher depreciation, lower transmission system access service charge net collections and higher finance expenses.

Adjusted EBITDA is a non-GAAP financial measure and is not a standardized financial measure under IFRS Accounting Standards (IFRS) and might not be comparable to similar financial measures disclosed by other issuers. It is described in the Adjusted EBITDA and Net Income section on page 3 of this MD&A.

Adjusted EBITDA was \$303 million for the three months ended March 31, 2026, compared with \$289 million for the comparative period in 2025. The increase of \$14 million for the three months ended March 31, 2026 was primarily due to higher rates, consumption per customer, customer growth, finance lease income and lower staff costs, partially offset by lower Samsung construction activity and energy sales margins.

### **Subsequent Event**

#### **Private Debt Issuance**

On April 7, 2026, the Company closed on a US\$180 million private placement to issue two-tranches of private debt notes, consisting of a US\$80 million 14-year note with a coupon rate of 5.61% and a US\$100 million 30-year note with a coupon rate of 5.97%. The notes will be funded on August 18, 2026. Interest is payable semi-annually and principal is due at maturity for both notes.

### **Material Accounting Policies Information**

The condensed consolidated interim financial statements for the three months ended March 31, 2026 and 2025 have been prepared following the same accounting policies and methods as those used in preparing the Company's most recent annual consolidated financial statements.

## Consolidated Results of Operations

### Revenues

(Unaudited, \$ millions)		
Three months ended March 31,	2026	2025
Water Services segment	\$ 214	\$ 206
Distribution and Transmission segment	144	141
Energy Services segment	118	124
North American Commercial Services segment	90	250
U.S. Regulated Water segment	98	89
Other	1	1
Intersegment eliminations	(18)	(15)
<b>Revenues</b>	<b>\$ 647</b>	<b>\$ 796</b>

Consolidated revenues were lower by \$149 million for the three months ended March 31, 2026, compared with the corresponding period in 2025 primarily due to the net impact of the following:

- Water Services segment revenues increased by \$8 million for the three months ended March 31, 2026, primarily due to higher rates, customer growth and consumption per customer.
- Distribution and Transmission segment revenues increased by \$3 million for the three months ended March 31, 2026, primarily due to higher electricity distribution and transmission rates.
- Energy Services segment revenues decreased by \$6 million for the three months ended March 31, 2026, primarily due to lower electricity volumes resulting from fewer regulated customer sites, partially offset by higher competitive revenues due to increases in service fee rates.
- North American Commercial Services segment revenues decreased by \$160 million for the three months ended March 31, 2026, primarily due to lower construction revenues for Projects Blue Sky and Sandow, lower energy sales due to the sale of EPCOR's Texas Natural Gas Utility (Texas Gas) in June 2025 and foreign exchange, partially offset by higher Project Sandow finance lease revenues as final commissioning was achieved in September 2025.
- U.S. Regulated Water segment revenues increased by \$9 million for the three months ended March 31, 2026, primarily due to higher rates, consumption per customer, and customer growth, partially offset by foreign exchange.

### Adjusted EBITDA and Net Income

We use earnings before other income and gain (loss) on disposals, finance expenses, income tax recovery (expense), depreciation and amortization, changes in the fair value of derivative financial instruments, transmission system access service charge net collections, and other unusual items (collectively, Adjusted EBITDA) to discuss operating results for the Company's lines of business.

Change in fair value of derivative financial instruments represents the change in fair value of financial electricity purchase contracts between the electricity forward prices and the contracted prices at the end of the reporting period, for the contracted volumes of electricity. Transmission system access service charge net collections are the difference between the transmission system access service charges paid to the provincial system operators and the transmission system access service charges collected from electricity retailers. Transmission system access service charge net collections are timing differences, which are collected from or returned to electricity retailers as the transmission system access service charges and customer billing determinants are finalized.

We believe that Adjusted EBITDA provides an indicator of the Company's ongoing ability to fund capital expenditures, to incur and service debt and to pay dividends to its shareholder, the City of Edmonton (the City), and may be useful for external stakeholders in evaluating the operations and performance of the Company. Adjusted EBITDA is a non-GAAP financial measure and is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

(Unaudited, \$ millions)		
Three months ended March 31,	2026	2025
<b>Adjusted EBITDA by Segment</b>		
Water Services segment	\$ 127	\$ 119
Distribution and Transmission segment	75	71
Energy Services segment	31	29
North American Commercial Services segment	18	21
U.S. Regulated Water segment	45	41
Other	7	8
<b>Adjusted EBITDA</b>	<b>303</b>	<b>289</b>
Finance expenses	(56)	(53)
Income tax expense	(6)	(6)
Depreciation and amortization	(122)	(115)
Change in fair value of financial electricity purchase contracts	(16)	(24)
Transmission system access service charge net collections	5	12
<b>Net income</b>	<b>\$ 108</b>	<b>\$ 103</b>

Changes in each business segment's Adjusted EBITDA, for the three months ended March 31, 2026, compared with the corresponding period in 2025, are described in Segment Results below. Explanations of the remaining significant variances in net income for the three months ended March 31, 2026, compared with the corresponding period in 2025, are as follows:

- Higher finance expense of \$3 million for the three months ended March 31, 2026, was primarily due to interest expense on long-term debt issued in October 2025.
- Higher depreciation and amortization of \$7 million for the three months ended March 31, 2026, was primarily due to assets placed into service.
- During the three months ended March 31, 2026 and 2025, the unrealized losses of \$16 million and \$24 million in the change in fair value of financial electricity purchase contracts, respectively, was primarily due to Alberta power forward prices being lower than contracted prices, partially offset by the reversal of prior period unrealized losses that settled during the quarter.
- Lower transmission system access service charge net collections of \$7 million for the three months ended March 31, 2026.

## Segment Results

### Water Services

(Unaudited, \$ millions, including intersegment transactions)		
Three months ended March 31,	2026	2025
Revenues	\$ 214	\$ 206
Expenses	140	137
<b>Operating income</b>	<b>74</b>	<b>69</b>
Exclude depreciation and amortization	53	50
<b>Adjusted EBITDA</b>	<b>\$ 127</b>	<b>\$ 119</b>

Water Services' Adjusted EBITDA increased by \$8 million for the three months ended March 31, 2026, compared with the corresponding period in 2025, primarily due to higher rates, customer growth and consumption per customer.

## Distribution and Transmission

(Unaudited, \$ millions, including intersegment transactions)		
Three months ended March 31,	2026	2025
Revenues	\$ 144	\$ 141
Expenses	96	89
<b>Operating income</b>	<b>48</b>	<b>52</b>
Exclude depreciation and amortization	31	29
Exclude transmission system access service charge net collections	(4)	(10)
<b>Adjusted EBITDA</b>	<b>\$ 75</b>	<b>\$ 71</b>

Distribution and Transmission's Adjusted EBITDA increased by \$4 million for the three months ended March 31, 2026, compared with the corresponding period in 2025, primarily due to increases in distribution and transmission rates and lower staff costs.

In July 2025, the Company filed its 2026-2027 Transmission General Tariff Application with the Alberta Utilities Commission (AUC) which resulted in an approved Negotiated Settlement Agreement (NSA) in March 2026. In addition, the AUC issued a decision for two issues that were not negotiated as part of the approved NSA, and denied EPCOR's request for deferral account treatment for the information technology project replacing EPCOR's enterprise level systems and capital treatment for cloud computing implementation costs. EPCOR is currently reviewing the decision but does not consider the impact to be significant to the 2026-2027 Transmission General Tariff Application.

In March 2026, the Company received AUC approval to construct and operate the infrastructure identified in its City of Edmonton Transmission Reinforcement (CETR) project facility application. The CETR project will build new transmission power lines and a new substation to replace aging infrastructure and meet an increased demand for power in northeast Edmonton (see Capital Requirements and Contractual Obligations).

## Energy Services

(Unaudited, \$ millions, including intersegment transactions)		
Three months ended March 31,	2026	2025
Revenues	\$ 118	\$ 124
Expenses	105	121
<b>Operating income</b>	<b>13</b>	<b>3</b>
Exclude depreciation and amortization	2	2
Exclude change in fair value of financial electricity purchase contracts	16	24
<b>Adjusted EBITDA</b>	<b>\$ 31</b>	<b>\$ 29</b>

Energy Services' Adjusted EBITDA increased by \$2 million for the three months ended March 31, 2026, compared with the corresponding period in 2025, primarily due to higher competitive margins as a result of increases in service fee rates, partially offset by lower regulated electricity margins due to lower consumption net of higher rates.

In July 2025, the Company filed its 2025-2027 Non-Energy Rate Application with the AUC which resulted in an approved NSA in March 2026. In addition, the AUC issued a decision for two issues that were not negotiated as part of the approved NSA, and denied EPCOR's request for deferral account treatment for the information technology project replacing EPCOR's enterprise level systems and capital treatment for cloud computing implementation costs. Energy Services will be submitting the compliance filing in May 2026, with final Non-Energy Rates expected to be in effect from July 2026. EPCOR does not consider the impact to be significant to the 2025-2027 Non-Energy Rate Application.

## North American Commercial Services

(Unaudited, \$ millions, including intersegment transactions)		
Three months ended March 31,	2026	2025
Revenues	\$ 90	\$ 250
Expenses	75	231
<b>Operating income</b>	<b>15</b>	<b>19</b>
Exclude depreciation and amortization	4	4
Exclude transmission system access service charge net collections	(1)	(2)
<b>Adjusted EBITDA</b>	<b>\$ 18</b>	<b>\$ 21</b>

North American Commercial Services' Adjusted EBITDA decreased by \$3 million for the three months ended March 31, 2026, compared with the corresponding period in 2025, primarily due to lower Samsung construction activity and lower energy sales margins due to the sale of Texas Gas in June 2025, partially offset by higher finance lease income.

## U.S. Regulated Water

(Unaudited, \$ millions, including intersegment transactions)		
Three months ended March 31,	2026	2025
Revenues	\$ 98	\$ 89
Expenses	78	71
<b>Operating income</b>	<b>20</b>	<b>18</b>
Exclude depreciation and amortization	25	23
<b>Adjusted EBITDA</b>	<b>\$ 45</b>	<b>\$ 41</b>

U.S. Regulated Water's Adjusted EBITDA increased by \$4 million for the three months ended March 31, 2026, compared with the corresponding period in 2025, primarily due to higher rates, consumption per customer and customer growth, partially offset by higher staff costs.

## Capital Expenditures

(Unaudited, \$ millions)		
Three months ended March 31,	2026	2025
Water Services segment	\$ 103	\$ 81
Distribution and Transmission segment	72	53
North American Commercial Services segment	51	15
U.S. Regulated Water segment	63	43
Other	2	2
<b>Total capital expenditures</b>	<b>\$ 291</b>	<b>\$ 194</b>

We continued to invest in our infrastructure assets to improve reliability and meet increasing treated water, sanitary and stormwater collection, wastewater treatment, electricity, and natural gas demands, as well as growing our water business in the U.S. through purchasing leased water rights and production wells in the Company's North American Commercial Services segment.

## Consolidated Statements of Financial Position – Assets

(Unaudited, \$ millions)	March 31, 2026	December 31, 2025	Increase (decrease)	Explanation of primary changes
Cash	\$ 23	\$ 83	\$ (60)	Decrease primarily due to the release of restricted cash that was held in escrow subsequent to December 2025.
Trade and other receivables	597	586	11	Higher energy and water receivables primarily due to timing of payments received, partially offset by lower construction activity.
Inventories	31	34	(3)	Immaterial
Other financial assets	527	540	(13)	Unrealized losses on financial electricity purchase contracts resulting in a liability position.
Deferred tax assets	48	43	5	Unrealized losses on electricity purchase contracts, partially offset by the utilization of non-capital losses to offset income subject to tax in Canada.
Property, plant and equipment	15,448	15,204	244	Capital expenditures and foreign currency valuation adjustments, partially offset by depreciation expense.
Intangible assets and goodwill	537	521	16	Capital expenditures and foreign currency valuation adjustments, partially offset by amortization expense.
<b>Total Assets</b>	<b>\$ 17,211</b>	<b>\$ 17,011</b>	<b>\$ 200</b>	

## Consolidated Statements of Financial Position – Liabilities and Equity

(Unaudited, \$ millions)	March 31, 2026	December 31, 2025	Increase (decrease)	Explanation of primary changes
Trade and other payables	\$ 605	\$ 674	\$ (69)	Lower due to timing of invoice payments, lower holdback payables due to project completion and operating accruals, partially offset by higher accrued interest on long-term debt.
Loans and borrowings	5,385	5,284	101	Issuance of short-term debt.
Deferred revenue	5,546	5,492	54	Cash and asset contributions received, partially offset by deferred revenue recognized.
Provisions	237	200	37	Higher contributions from customers and developers and higher employee benefit accruals.
Other liabilities	205	163	42	Unrealized losses on derivative financial liabilities, partially offset by payments of lease liabilities.
Deferred tax liabilities	98	96	2	Immaterial
Equity	5,135	5,102	33	Comprehensive income less dividends.
<b>Total Liabilities and Equity</b>	<b>\$ 17,211</b>	<b>\$17,011</b>	<b>\$ 200</b>	

## Liquidity and Capital Resources

### Consolidated Statements of Cash Flows

(Unaudited, \$ millions)				
Cash inflows (outflows)			Increase	
Three months ended March 31,	2026	2025	(decrease)	Explanation of primary changes
Operating	\$ 209	\$ 348	\$ (139)	Higher cash outflows from changes in non-cash working capital primarily due to lower construction activity resulting in settling outstanding trade and other payables, partially offset by higher adjusted EBITDA (as described above).
Investing	(313)	(168)	(145)	Higher capital expenditures in 2026 and higher cash outflows due to changes in non-cash investing working capital related to settling holdbacks payable.
Financing	44	(150)	194	Higher net debt issuances.
Opening cash	83	62	21	
<b>Closing cash</b>	<b>\$ 23</b>	<b>\$ 92</b>	<b>\$ (69)</b>	

### Operating Activities and Liquidity

The Company maintains its financial position through rate-regulated utility and contracted operations, which generate stable cash flows.

The Company expects to have sufficient liquidity for the next twelve months, from a combination of available cash, funds from operations, issuance of commercial paper, private debt offerings and availability of liquidity from committed credit facilities described under the Financing section below to finance its plans and fund its obligations, including current liabilities in excess of current assets. Cash flows from operating activities would be impaired by events that cause severe damage to our facilities and would require unplanned cash outlays for system restoration repairs. Under those circumstances, more reliance would be placed on our credit facilities for working capital requirements until a regulatory approved recovery mechanism or insurance proceeds are put in place.

### Capital Requirements and Contractual Obligations

There were no material changes to the Company's capital requirements or purchase obligations, including payments for the next five years and thereafter, from those previously disclosed in the 2025 annual MD&A, except as described below.

Following the March 2026 AUC approval of the CETR project (see Segment Results), the Company's commitments for the project are as follows and will commence in the second quarter of 2026:

(Unaudited, \$ millions)	2026	2027	2028	2029	2030	Total
Distribution and Transmission CETR Project	\$ 80	\$ 158	\$ 79	\$ 16	\$ 25	\$ 358

### Financing

Generally, our external financing is raised at the corporate level and invested in the operating business units. Our external financing has consisted of commercial paper issuance, bank loans under credit facilities, debentures payable to the City related to utility assets transferred from the City, debentures payable to the other municipalities, senior unsecured debentures issued in Canada and U.S. private debt notes.

The Company has bank credit facilities which are used principally for the purpose of backing the Company's commercial paper program, issuance of bank loans for operational requirements and providing letters of credit, as

outlined below:

(Unaudited, \$ millions)					
<b>March 31, 2026</b>	<b>Expiry</b>	<b>Total facilities</b>	<b>Banking commercial paper issued</b>	<b>Letters of credit issued and other facility draws</b>	<b>Net amounts available</b>
<b>Committed</b>					
Syndicated bank credit facility <sup>1</sup>	November 2030	\$ 750			
Bank credit facility <sup>1</sup>	November 2028	200			
Bank credit facility <sup>1</sup>	November 2029	150			
<b>Total committed</b>		<b>\$ 1,100</b>	<b>\$ 237</b>	<b>\$ -</b>	<b>\$ 863</b>
<b>Uncommitted</b>					
Bank credit facilities <sup>2</sup>	No expiry	340	-	71	269
Bank credit facility	No expiry	25	-	-	25
<b>Total uncommitted</b>		<b>365</b>	<b>-</b>	<b>71</b>	<b>294</b>
<b>Total credit facilities</b>		<b>\$ 1,465</b>	<b>\$ 237</b>	<b>\$ 71</b>	<b>\$ 1,157</b>

(Unaudited, \$ millions)					
<b>December 31, 2025</b>	<b>Expiry</b>	<b>Total facilities</b>	<b>Banking commercial paper issued</b>	<b>Letters of credit issued and other facility draws</b>	<b>Net amounts available</b>
<b>Committed</b>					
Syndicated bank credit facility <sup>1</sup>	November 2030	\$ 750			
Bank credit facility <sup>1</sup>	November 2028	200			
Bank credit facility <sup>1</sup>	November 2029	150			
<b>Total committed</b>		<b>\$ 1,100</b>	<b>\$ 133</b>	<b>\$ -</b>	<b>\$ 967</b>
<b>Uncommitted</b>					
Bank credit facilities <sup>2</sup>	No expiry	340	-	32	308
Bank credit facility	No expiry	25	-	-	25
<b>Total uncommitted</b>		<b>365</b>	<b>-</b>	<b>32</b>	<b>333</b>
<b>Total credit facilities</b>		<b>\$ 1,465</b>	<b>\$ 133</b>	<b>\$ 32</b>	<b>\$ 1,300</b>

<sup>1</sup> The Company's committed bank credit facilities are available and can be used for direct borrowings, issuance of letters of credit and backstopping EPCOR's commercial paper program. The committed bank credit facilities cannot be withdrawn by the lenders until expiry, provided that the Company operates within the related terms and covenants. The extension feature of EPCOR's committed bank credit facility gives the Company the option each year to re-price and extend the term of the facilities by one or more years subject to agreement with the lenders. The Company regularly monitors market conditions and may elect to enter into negotiations to extend the maturity dates. At March 31, 2026, commercial paper totalling \$237 million (December 31, 2025 - \$133 million) were issued and outstanding.

<sup>2</sup> The Company's uncommitted bank credit facility consists of six bilateral credit facilities totalling \$340 million (December 31, 2025 – six credit facilities totalling \$340 million) which are restricted to letters of credit. At March 31, 2026, letters of credit totalling \$71 million have been issued and outstanding (December 31, 2025 - \$32 million) to meet the credit requirements of electricity market participants and to meet conditions of certain service agreements.

If the economy or capital market conditions were to deteriorate in the longer term, particularly in Canada and the U.S., the Company's ability to extend the maturity or revise the terms of bank credit facilities, arrange long-term financing for its capital expenditure programs and acquisitions, or refinance outstanding indebtedness when it matures could be adversely impacted. We believe that these circumstances have a low probability of occurring. We continually monitor our capital programs and operating costs to minimize the risk that the Company becomes short of cash or unable to honor its debt servicing obligations. If required, the Company would look to add temporary liquidity sources and reduce capital expenditures and operating costs.

## **Credit Ratings**

EPCOR's current ratings from DBRS Morningstar are A (low)/stable for both its issuer rating and senior unsecured debenture rating and R-1 (low)/stable for its short-term debt. EPCOR's current ratings from Fitch Ratings are A- for its issuer default rating and A for its instrument rating of EPCOR's senior unsecured debentures.

These credit ratings reflect the Company's ability to meet its financial obligations given the stable cash flows generated from the rate-regulated water, wastewater, natural gas, and electricity businesses. A credit rating downgrade for EPCOR could result in higher interest costs on new borrowings and reduce the availability of sources and tenor of investment capital.

## **Financial Covenants**

EPCOR is currently in compliance with all of its financial covenants in relation to its committed bank credit facility, Canadian senior unsecured debentures and U.S. private debt notes. Based on current financial covenant calculations, the Company has sufficient borrowing capacity to fund current and long-term requirements. Although the risk is low, breaching these covenants could potentially result in a revocation of EPCOR's credit facilities causing a significant loss of access to liquidity or resulting in the Company's senior unsecured debentures and private debt notes becoming immediately due and payable causing the Company to find a means of funding which could include the sale of assets.

## **Risk Factors and Risk Management**

Risk management is an ongoing process and we continually review our risks and look for ways to enhance our risk management processes. As part of ongoing risk management practices, the Company reviews current and developing events and proposed transactions to consider their impact on the risk profile of the Company. The Company's risk factors and mitigation strategies have not changed materially compared with the disclosures in the 2025 annual MD&A; however, the Company continues to see emerging risks in supply chain, cyber, and general economic risks as a result of indirect impacts associated with geopolitical tensions, as the situation with Iran evolves. Management continues to monitor and assess the resulting impacts to the Company.

## **Litigation Update**

The Company is not involved in any material litigation at this time.

## **Certification of Interim Filings**

For purposes of certain Canadian securities regulations, EPCOR is a venture issuer. As such, it is exempt from certain of the requirements of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. EPCOR's Certifications of Interim Filings - Venture Issuer Basic Certificate include a note to reader stating that the certifying officers are not making any representations to the establishment or maintenance of disclosure controls and procedures and internal controls over financial reporting.

The Chief Executive Officer and Chief Financial Officer have reviewed the unaudited condensed consolidated interim financial statements and interim MD&A, for the three months ended March 31, 2026. Based on their knowledge and exercise of reasonable diligence, they have concluded that the interim filings do not contain any untrue statement of a material fact or omit to state a material fact and that these documents fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented.

## **Critical Accounting Estimates**

In preparing the condensed consolidated interim financial statements, management necessarily made judgments, estimates and assumptions in determining transaction amounts and financial statement balances. Consequently, actual results may differ from these estimates and interim results are not necessarily indicative of annual results. There have been no significant changes to EPCOR's use of judgments and estimates as described in our 2025 consolidated financial statements and MD&A.

For further information on the Company's other critical accounting estimates, refer to the consolidated financial statements and MD&A for the year ended December 31, 2025.

## Outlook

For the remainder of 2026, EPCOR will focus on the expansion and construction of wastewater treatment plants and water treatment plants and will continue to target growth in rate-regulated and contracted water, wastewater and electricity infrastructure. We expect much of this investment to come from lifecycle replacement of existing infrastructure primarily related to the Edmonton and U.S. based operations and new infrastructure. The Company also intends to expand its contracted water and wastewater activities. The Company reviews its operations from time-to-time and may divest of those that are no longer viewed as strategic. The Company will also continue to actively manage EPCOR's commodity risk exposures related to electricity and natural gas for future periods by entering into various financial and physical purchase contracts. The Company's dividend to its shareholder has been increased from \$201 million in 2025 to \$206 million in 2026.

## Quarterly Results

(Unaudited, \$ millions)	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Revenues	\$ 647	\$ 749	\$ 646	\$ 743
Expenses	477	488	458	516
<b>Operating income</b>	<b>170</b>	<b>261</b>	<b>188</b>	<b>227</b>
Other income and gain (loss) on disposals	-	(30)	7	(6)
Finance expenses	(56)	(55)	(52)	(52)
Income tax expense	(6)	(29)	(11)	(18)
<b>Net income</b>	<b>\$ 108</b>	<b>\$ 147</b>	<b>\$ 132</b>	<b>\$ 151</b>

(Unaudited, \$ millions)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Revenues	\$ 796	\$ 796	\$ 867	\$ 847
Expenses	634	623	673	685
<b>Operating income</b>	<b>162</b>	<b>173</b>	<b>194</b>	<b>162</b>
Other income and gain (loss) on disposals	-	(23)	-	(1)
Finance expenses	(53)	(54)	(52)	(51)
Income tax expense	(6)	(8)	(11)	(6)
<b>Net income</b>	<b>\$ 103</b>	<b>\$ 88</b>	<b>\$ 131</b>	<b>\$ 104</b>

Quarterly results may fluctuate due to the seasonal demands for energy, water, related impact on sanitary system, changes in energy prices, and the timing and recognition of regulatory decisions.

## Forward-looking Information

Certain information in this MD&A is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target”, and “expect” or similar words suggest future outcomes.

The purpose of forward-looking information is to provide investors with management’s assessment of future plans and possible outcomes and may not be appropriate for other purposes. Material forward-looking information within this MD&A, including related material factors or assumptions and risk factors, are noted in the table below:

Forward-looking Information	Material Factors or Assumptions	Risk Factors
The Company expects to have sufficient liquidity to finance its plans and fund its obligations, including current liabilities in excess of current assets, for the next twelve months.	EPCOR is able to generate the expected cash flow from operations and various means of funding remain available to the Company.	EPCOR’s operations do not generate the expected level of cash flow and/or circumstances arise, limiting or restricting the Company’s ability to access funds through the various means otherwise available.
The Company’s dividend to its shareholder has been increased to \$206 million in 2026.	EPCOR is able to generate the expected cash flow from operations and various means of funding remain available to the Company.  There is no revision to the dividends to be paid to its shareholder.	EPCOR is not able to generate the expected cash flow from operations and various means of funding are not available to the Company.  There is a revision to the dividends to be paid to its shareholder.

For further information on the Company’s forward-looking information, refer to the 2025 annual MD&A.

Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks and uncertainties, which could cause actual results to differ from expectations and are discussed in the Risk Factors and Risk Management section above.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, EPCOR disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

## Additional Information

Additional information relating to EPCOR, including the Company’s 2025 Annual Information Form, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).