Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

(Unaudited)

Nine months ended September 30, 2026 and 2025

EPCOR UTILITIES INC.

Condensed Consolidated Interim Financial Statements (unaudited)

Nine months ended September 30, 2026 and 2025

Condensed Consolidated Interim Statements of Comprehensive Income 3

Condensed Consolidated Interim Statements of Financial Position 4

Condensed Consolidated Interim Statements of Changes in Equity 5

Condensed Consolidated Interim Statements of Cash Flows 6

Notes to the Condensed Consolidated Interim Financial Statements 7

EPCOR UTILITIES INC.

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

Three and nine months ended September 30, 2026 and 2025

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenues (note 4)	$ 688	$ 646	$ 1,988	$ 2,185
Operating expenses:				
Energy purchases and system access fees	70	83	227	232
Other raw materials and operating charges	93	78	247	473
Staff costs and employee benefits expenses	100	101	323	323
Depreciation and amortization	129	121	374	352
Franchise fees and property taxes	52	51	152	144
Other administrative expenses	23	24	99	84
	467	458	1,422	1,608
Operating income	221	188	566	577
Other income and (loss) gain on disposals	(7)	7	(7)	1
Finance expenses	(58)	(52)	(170)	(157)
Income before income taxes	156	143	389	421
Income tax expense	(16)	(11)	(30)	(35)
Net income	140	132	359	386
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	(2)	(4)	(15)	12
Unrealized gain (loss) on derivative financial instruments designated as hedges of net investment in foreign operations	4	-	(1)	(1)
Reclassification of losses on cash flow hedges to net income	-	-	(1)	(1)
Unrealized (loss) gain on derivative financial instruments designated as cash flow hedges[1]	-	-	(22)	5
Unrealized (loss) gain on foreign currency translation	(16)	20	57	(61)
Other comprehensive (loss) income	(14)	16	18	(46)
Comprehensive income	$ 126	$ 148	$ 377	$ 340

1 For the three and nine months ended September 30, 2026, net of income tax recovery of $2 million (2025 - income tax expense of $1 million) and income tax recovery of $9 million (2025 - income tax expense of $2 million), respectively.

EPCOR UTILITIES INC.

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

September 30, 2026 and December 31, 2025

	2026	2025
Assets		
Current assets:		
Cash (note 5)	$ 127	$ 83
Trade and other receivables	577	586
Inventories	36	34
Other financial assets	15	17
	755	720
Non-current assets:		
Other financial assets	536	523
Deferred tax assets	39	43
Property, plant and equipment	16,163	15,204
Intangible assets and goodwill	534	521
	17,272	16,291
Total assets	$ 18,027	$ 17,011
Liabilities and equity		
Current liabilities:		
Trade and other payables	$ 624	$ 674
Loans and borrowings (note 6)	367	167
Deferred revenue	129	127
Provisions	38	52
Other liabilities	131	41
	1,289	1,061
Non-current liabilities:		
Loans and borrowings (note 6)	5,348	5,117
Deferred revenue	5,629	5,365
Deferred tax liabilities	98	96
Provisions	232	148
Other liabilities	106	122
	11,413	10,848
Total liabilities	12,702	11,909
Equity:		
Share capital	798	798
Accumulated other comprehensive income	201	183
Retained earnings	4,326	4,121
Total equity	5,325	5,102
Total liabilities and equity	$ 18,027	$ 17,011

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)

Nine months ended September 30, 2026 and 2025

		Accumulated other comprehensive income (loss)				
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings	Total equity
Equity at December 31, 2025	$ 798	$ 29	$ 145	$ 9	$ 4,121	$ 5,102
Net income	-	-	-	-	359	359
Other comprehensive income (loss):						
Foreign exchange loss on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	(15)	-	-	(15)
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 loss on derivative financial instruments designated as cash flow hedges	-	(22)	-	-	-	(22)
Unrealized gain on foreign currency translation	-	-	57	-	-	57
Total comprehensive (loss) income	-	(23)	41	-	359	377
Dividends	-	-	-	-	(154)	(154)
Equity at September 30, 2026	$ 798	$ 6	$ 186	$ 9	$ 4,326	$ 5,325

		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	-	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

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, 2026 and 2025

	2026	2025
Cash flows from (used in) operating activities:		
Net income	$ 359	$ 386
Reconciliation of net income to cash from (used in) operating activities:		
Interest paid	(133)	(128)
Finance expenses	170	157
Other income and loss (gain) on disposal of assets	7	(1)
Income tax payments	(35)	(17)
Income tax expense	30	35
Depreciation and amortization	374	352
Change in employee benefits provisions	(13)	(24)
Contributions received	194	147
Deferred revenue recognized	(141)	(122)
Changes in fair value of financial electricity purchase contracts, net of cash paid	9	(4)
Other	(2)	(1)
Changes in non-cash operating working capital (note 7)	(65)	37
Net cash flows from operating activities	754	817
Cash flows from (used in) investing activities:		
Acquisitions and construction of property, plant and equipment and intangible assets[1]	(998)	(779)
Proceeds on disposal of property, plant and equipment	4	2
Proceeds on divestiture	-	83
Net payments received on other financial assets	10	5
Changes in non-cash investing working capital (note 7)	19	(7)
Net cash flows used in investing activities	(965)	(696)
Cash flows from (used in) financing activities:		
Net issuances of short-term loans and borrowings	200	72
Proceeds from issuance of long-term loans and borrowings (note 6)	250	-
Repayments of long-term loans and borrowings	(19)	(19)
Debt issuance costs	(1)	-
Net refunds to customers and developers	(10)	(9)
Repayments of funding received per the Regulated Rate Option (RRO) Stability Act	-	(14)
Payments of lease liabilities, net of proceeds from sub-lease	(11)	(8)
Dividends paid	(154)	(151)
Net cash flows from (used in) financing activities	255	(129)
Increase (decrease) in cash	44	(8)
Cash, beginning of period	83	62
Cash, end of period	$ 127	$ 54

1 Interest payments of $14 million (2025 - $14 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

1. Nature of operations

EPCOR Utilities Inc. (the Company or EPCOR) builds, owns and operates water, electrical, and 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 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 water, electricity, 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, 2025, 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 4, 2026.

(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, 2026, 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. While the adoption of IFRS 18 is not expected to impact consolidated net income or cash flows, changes are expected to the classification and presentation of certain items within the consolidated financial statements.

In May 2026, the IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities. The new standard establishes requirements for the recognition, measurement, presentation and disclosure of regulatory assets and regulatory

liabilities along with related regulatory income and regulatory expense arising from rate-regulated activities. IFRS 20 is intended to improve the relevance and comparability of financial reporting for entities subject to rate regulation by reflecting the economic effects of timing differences through the recognition of regulatory balances. IFRS 20 is effective for annual periods beginning on or after January 1, 2029, with early application permitted. The Company is currently evaluating the impact of adopting IFRS 20 on the consolidated financial statements.

4. Revenues

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

Three months ended September 30, 2026	Water Services	Distribution & Transmission	Energy Services	North American Commercial Services (NACS)	U.S. Regulated Water	Other	Consolidated
Energy and water sales	$ 91	$ -	$ 90	$ 22	$ 79	$ -	$ 282
Provision of services	150	142	11	40	47	-	390
Construction revenues	-	-	-	6	-	-	6
Other commercial revenues	-	-	-	10	-	-	10
	$ 241	$ 142	$ 101	$ 78	$ 126	$ -	$ 688

Three months ended September 30, 2025	Water Services	Distribution & Transmission	Energy 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

Nine months ended September 30, 2026	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	$ 261	$ -	$ 281	$ 66	$ 206	$ -	$ 814
Provision of services	424	418	30	118	136	-	1,126
Construction revenues	-	-	-	15	-	-	15
Other commercial revenues	-	-	-	30	-	3	33
	$ 685	$ 418	$ 311	$ 229	$ 342	$ 3	$ 1,988

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

5. Cash

Restricted cash balances

At September 30, 2026, the Company held $46 million (December 31, 2025 - $35 million) of cash that was classified as restricted. The restricted cash was not available for general use by the Company as at September 30, 2026. The balance as at September 30, 2026 primarily relates to restricted accounts maintained by the Company's U.S. Regulated Water reportable segment pursuant to regulatory and contractual requirements, including amounts restricted for future capital infrastructure projects. The balance at December 31, 2025 was in escrow with an independent escrow agent. The escrow conditions were satisfied and the $35 million was released in accordance with the terms of the agreement in the first quarter of 2026.

6. Loans and Borrowings

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 were funded on August 18, 2026. Interest is payable semi-annually and principal is due at maturity for both notes.

At September 30, 2026, commercial papers of $333 million (December 31, 2025 - $133 million) were issued and outstanding, and are included in current portion of loans and borrowings.

7. Changes in non-cash working capital

Nine months ended September 30, 2026 and 2025	2026	2025
Trade and other receivables	$ 9	$ 129
Inventories	(2)	(5)
Unbilled construction receivable	(4)	46
Other long-term receivables	(2)	(2)
Trade and other payables	(50)	(94)
	$ (49)	$ 74

	2026	2025
Included in specific items on consolidated statements of cash flows:		
Interest paid	$ 32	$ 28
Income tax payments	(19)	(2)
Contributions received	(13)	22
Other	(3)	(4)
	(3)	44
Operating activities	(65)	37
Investing activities	19	(7)
	$ (49)	$ 74

8. Financial instruments

Classification

The classifications of the Company's financial instruments measured at fair value at September 30, 2026 and December 31, 2025 are summarized as follows:

	Fair value hierarchy
Long-term investment in Vista Ridge LLC (Vista Ridge)	Level 3
Derivative financial instruments	
Financial electricity purchase contracts (note 9)	Levels 2, 3
Cross-currency interest rate swap contracts (CCIRS)	Level 2
Interest rate swap contracts (note 9)	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, 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, 2026		December 31, 2025	
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Non-current portion of other financial assets[1]	Level 2	$ 500	$ 543	$ 502	$ 538
Loans and borrowings[2]	Level 2	5,715	5,121	5,284	4,979

1 Excluding long-term investments of $10 million (December 31, 2025 - $10 million) and derivative financial instruments of $26 million (December 31, 2025 - $11 million).

2 Included in the carrying amount of long-term senior unsecured debentures at September 30, 2026 is a cumulative fair value hedge adjustment of $13 million (December 31, 2025 - $nil) relating to debt designated in a qualifying fair value hedge relationship. At September 30, 2026, the carrying amount of the hedged debt was $387 million.

Long-term investments

Long-term investments includes the Company's 5% equity interest 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 Company has entered into fixed price contracts to manage its exposure related to electricity sold to customers. Under these contracts, the market price for electricity purchased by the Company to serve the load of its customers is swapped for a fixed price.

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, quotes 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 and the application of a mark-to-forecast model. 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, 2026	December 31, 2025
At January 1	$ (3)	$ (5)
Unrealized and realized (losses) gains included in net income[1,2]	(4)	2
At period end	$ (7)	$ (3)

1 Recorded in energy purchases and system access fees.

2 Settlements in the period ended September 30, 2026 were $64 million (2025 - $81 million).

The table below presents the Company's Level 3 inputs:

	September 30, 2026	December 31, 2025
Anticipated average monthly customer load input ranges of megawatt hours for the forecasted periods	135,811 to 171,722	128,341 to 193,613
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	September 30, 2026	December 31, 2025
Anticipated average monthly customer load input for the forecasted periods	+/- 10%	$ 1	$ -
Average risk-adjusted component of the forward price curves	+/- $5 dollars	2	9

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 – 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. Derivative instruments reflect the estimated amount that the Company would receive or pay to settle the interest rate swap contracts at each measurement date.

Within the consolidated statements of financial position, the derivative financial assets and liabilities are presented as follows:

	September 30, 2026	December 31, 2025
Current portion of other financial assets	$ -	$ 3
Other financial assets	26	11
Current portion of other liabilities	41	8
Other liabilities	43	5

9. Financial risk management

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 Statues 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 for customers by setting the rates for each regulated retailer for a two-year period, followed by a second two-year period where the rates may only be adjusted by a maximum of plus or minus 10%. Electricity rates for the RoLR are fixed and the actual procurement cost to serve the RoLR customer electricity load are subject to variable hourly spot pricing.

The Company is actively managing the commodity price and volume exposures for both RoLR and competitive rate customers through financial electricity purchase contracts on an ongoing basis by optimizing the Company's total electricity requirements utilizing various contracts. Refer to note 8 for further information regarding the Company's financial electricity purchase contracts with Level 3 inputs measured at fair value through profit or loss.

The Company entered into fixed price financial electricity purchase contracts, a portion of which were designated as cash flow 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 and competitive 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 contracts hedge a notional quantity of 5,425,075 megawatt hours and are expected to be realized in net income in 2026 through 2031.

During the three and nine months ended September 30, 2026, the cash flow hedges were 100% effective. Changes in fair value of the cash flow hedges were recorded in other comprehensive income (loss) and resulted in a pre-tax loss of $11 million (2025 - $1 million gain) for the three-month period and a pre-tax loss of $40 million (2025 - $7 million gain) for the nine-month period.

Interest rate risk

During the three months ended September 30, 2026, the Company entered into interest rate swap contracts (the hedging instruments) to manage interest rate risk exposure. Certain of the swaps were designated as fair value hedges to manage exposure to changes in the fair value of $400 million of the Company's long-term fixed rate debt arising from changes to benchmark interest rates while the remaining swaps were designated as cash flow hedges as they were entered to manage exposure to variability in future cash flows arising from changes in the floating interest rate that was created on the $400 million of debt designated in the fair value hedge (collectively, the hedged items). The Company performed effectiveness tests at inception of these hedging relationships and will continue to perform effectiveness tests at each measurement date to ensure the changes in fair value of the hedging instruments and the hedged items were moving in opposite directions and offsetting each other. The counterparties to the interest rate swaps are major North American financial institutions. The Company can settle the interest rate swap contracts at any time before the mandatory maturity dates.

The interest rate swap contracts classified as fair value hedges have a total notional value of $400 million and terms of 10 years with contract maturities within the first quarter of 2036. Under the contract terms, the Company is to receive an average fixed rate interest of 4.638% and pay variable interest based on the Canadian Overnight Repo Rate Average (CORRA) plus an average margin of 1.406%. At September 30, 2026, the fair value of the Company's interest rate swaps classified as fair value hedges was a net liability of $16 million. During the period ended September 30, 2026, the change in fair value of $16

million was recorded in finance expenses, which is offset by a $13 million fair value gain on the long-term fixed rate debt, representing the change in fair value since the commencement of the hedging relationship. These fair value hedges were 100% effective.

The interest rate swap contracts classified as cash flow hedges have a total notional value of $400 million and terms of 5 years with contract maturities within the first quarter of 2031. Under the contract terms, the Company is to receive variable interest based on the CORRA and pay an average fixed rate interest of 2.964%. At September 30, 2026, the fair value of the Company's interest rate swaps classified as cash flow hedges was a net asset of $9 million. During the period ended September 30, 2026, these cash flow hedges were 100% effective and the change in fair value of $9 million was recorded as a pre-tax gain in other comprehensive income. Over the next 12 months, amounts of after-tax gains/losses that will be reclassified from OCI to net income are expected to be insignificant.

10. Commitments

During the first quarter of 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. The Company's commitments for the project are as follows and commenced in the second quarter of 2026:

	2026	2027	2028	2029	2030	Total
Distribution and Transmission CETR project	$ 34	$ 159	$ 89	$ 21	$ 27	$ 330

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.

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.

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.

NACS

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

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.

Three months ended September 30, 2026

	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
External revenues	$ 241	$ 142	$ 101	$ 78	$ 126	$ -	$ -	$ 688
Inter-segment revenue	-	1	6	13	1	-	(21)	-
Revenues	241	143	107	91	127	-	(21)	688
Energy purchases and system access fees	-	-	57	13	-	-	-	70
Other raw materials and operating charges	33	6	-	35	28	(1)	(8)	93
Staff costs and employee benefits expenses	34	14	11	18	18	10	(5)	100
Depreciation and amortization	57	34	2	3	27	6	-	129
Franchise fees and property taxes	13	36	-	1	2	-	-	52
Other administrative expenses	9	2	9	3	7	1	(8)	23
Operating expenses	146	92	79	73	82	16	(21)	467
Operating income (loss) before corporate (charges) income	95	51	28	18	45	(16)	-	221
Corporate (charges) income	(13)	(8)	(7)	(3)	(4)	35	-	-
Operating income	82	43	21	15	41	19	-	221
Other income and (loss) gain on disposals	(2)	(2)	-	(6)	3	-	-	(7)
Finance (expenses) recoveries	(27)	(19)	(1)	(5)	(17)	11	-	(58)
Income tax expense	-	-	-	-	(10)	(6)	-	(16)
Net income	$ 53	$ 22	$ 20	$ 4	$ 17	$ 24	$ -	$ 140
Capital expenditures	$ 150	$ 92	$ -	$ 19	$ 96	$ 8	$ -	$ 365

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

Nine months ended September 30, 2026								
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
External revenues	$ 685	$ 418	$ 311	$ 229	$ 342	$ 3	$ -	$ 1,988
Inter-segment revenue	-	3	19	37	1	-	(60)	-
Revenues	685	421	330	266	343	3	(60)	1,988
Energy purchases and system access fees	-	-	183	44	-	-	-	227
Other raw materials and operating charges	72	17	-	95	86	-	(23)	247
Staff costs and employee benefits expenses	106	43	33	55	57	43	(14)	323
Depreciation and amortization	163	96	6	11	78	20	-	374
Franchise fees and property taxes	38	106	-	1	7	-	-	152
Other administrative expenses	33	11	29	13	24	12	(23)	99
Operating expenses	412	273	251	219	252	75	(60)	1,422
Operating income (loss) before corporate (charges) income	273	148	79	47	91	(72)	-	566
Corporate (charges) income	(37)	(21)	(17)	(9)	(9)	93	-	-
Operating income	236	127	62	38	82	21	-	566
Other income and (loss) gain on disposals	(2)	(2)	-	(6)	3	-	-	(7)
Finance (expenses) recoveries	(81)	(57)	(2)	(15)	(49)	34	-	(170)
Income tax expense	-	-	(1)	(1)	(12)	(16)	-	(30)
Net income	$ 153	$ 68	$ 59	$ 16	$ 24	$ 39	$ -	$ 359
Capital expenditures	$ 385	$ 251	$ 1	$ 88	$ 256	$ 17	$ -	$ 998

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

The Company's assets and liabilities by business segment at September 30, 2026 and December 31, 2025 are summarized as follows:

September 30, 2026	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
Total assets	$ 9,618	$ 3,632	$ 333	$ 1,299	$ 3,217	$ 6,757	$ (6,829)	$ 18,027
Total liabilities	7,287	2,512	267	912	2,619	5,934	(6,829)	12,702

December 31, 2025	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated
Total assets	$ 9,220	$ 3,471	$ 292	$ 1,113	$ 2,775	$ 6,345	$ (6,205)	$ 17,011
Total liabilities	7,040	2,415	249	751	2,211	5,448	(6,205)	11,909

Non-current assets by geography

	September 30, 2026	December 31, 2025
Canada	$ 13,773	$ 13,258
U.S.	3,499	3,033
	$ 17,272	$ 16,291

Revenue from external customers by geography

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Canada	$ 529	$ 514	$ 1,551	$ 1,531
U.S.	159	132	437	654
	$ 688	$ 646	$ 1,988	$ 2,185