

Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

(Unaudited)

Six months ended June 30, 2024 and 2023

EPCOR UTILITIES INC.

Condensed Consolidated Interim Financial Statements (unaudited)

Six months ended June 30, 2024 and 2023

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EPCOR UTILITIES INC.

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

Three and six months ended June 30, 2024 and 2023

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues (note 4)	\$ 847	\$ 979	\$ 1,732	\$ 2,086
Operating expenses:				
Energy purchases and system access fees	64	130	178	474
Other raw materials and operating charges	346	412	673	834
Staff costs and employee benefits expenses	100	97	202	193
Depreciation and amortization	109	110	212	210
Franchise fees and property taxes	41	41	82	79
Other administrative expenses	26	30	61	52
	686	820	1,408	1,842
Operating income	161	159	324	244
Finance expenses	(51)	(47)	(101)	(94)
Income before income taxes	110	112	223	150
Income tax expense	(6)	(10)	(15)	(2)
Net income	104	102	208	148
Other comprehensive income (loss):				
Items that may subsequently be reclassified to net income:				
Foreign exchange gain (loss) on U.S. denominated debt designated as a hedge of net investment in foreign operations	(2)	10	(11)	9
Unrealized gain (loss) on derivative financial instruments designated as hedges of net investment in foreign operations	-	4	(8)	3
Unrealized gain on derivative financial instruments designated as cash flow hedges	-	3	-	2
Realized gain on derivative financial instruments designated as cash flow hedges (note 9)	2	-	9	-
Unrealized gain (loss) on foreign currency translation	9	(41)	51	(38)
Other comprehensive income (loss)	9	(24)	41	(24)
Comprehensive income	\$ 113	\$ 78	\$ 249	\$ 124

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)

June 30, 2024 and December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 38	\$ 25
Trade and other receivables	634	931
Inventories	32	29
Other financial assets (note 5)	117	148
	821	1,133
Non-current assets:		
Other financial assets (note 5)	465	366
Deferred tax assets	66	75
Property, plant and equipment	13,681	13,306
Intangible assets and goodwill	540	539
	14,752	14,286
Total assets	\$ 15,573	\$ 15,419
Liabilities and equity		
Current liabilities:		
Trade and other payables	\$ 686	\$ 853
Loans and borrowings	141	285
Deferred revenue	97	95
Provisions	25	50
Other liabilities	84	121
	1,033	1,404
Non-current liabilities:		
Loans and borrowings	4,700	4,456
Deferred revenue	4,799	4,703
Deferred tax liabilities	83	78
Provisions	184	148
Other liabilities	126	135
	9,892	9,520
Total liabilities	10,925	10,924
Equity:		
Share capital	798	798
Accumulated other comprehensive income	183	142
Retained earnings	3,667	3,555
Total equity	4,648	4,495
Total liabilities and equity	\$ 15,573	\$ 15,419

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

EPCOR UTILITIES INC.

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

Six months ended June 30, 2024 and 2023

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

	Accumulated other comprehensive income (loss)						Total equity
	Share capital	Cash flow hedges	Cumulative translation account	Employee benefits account	Retained earnings		
Equity at December 31, 2022	\$ 798	\$ 17	\$ 122	\$ 6	\$ 3,379	\$ 4,322	
Net income	-	-	-	-	148	148	
Other comprehensive income (loss):							
Foreign exchange gain on U.S. denominated debt designated as a hedge of net investment in foreign operations	-	-	9	-	-	9	
Unrealized gain on derivative financial instruments designated as hedges of net investment in foreign operations	-	-	3	-	-	3	
Unrealized gain on derivative financial instruments designated as cash flow hedges	-	2	-	-	-	2	
Unrealized loss on foreign currency translation	-	-	(38)	-	-	(38)	
Total comprehensive income (loss)	-	2	(26)	-	148	124	
Dividends	-	-	-	-	(92)	(92)	
Equity at June 30, 2023	\$ 798	\$ 19	\$ 96	\$ 6	\$ 3,435	\$ 4,354	

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

EPCOR UTILITIES INC.

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

Six months ended June 30, 2024 and 2023

	2024	2023
Cash flows from (used in) operating activities:		
Net income	\$ 208	\$ 148
Reconciliation of net income to cash from (used in) operating activities:		
Interest paid	(99)	(89)
Finance expenses	101	94
Income taxes paid	(7)	(17)
Income tax expense	15	2
Depreciation and amortization	212	210
Change in employee benefits provisions	(28)	(35)
Contributions received	73	97
Deferred revenue recognized	(55)	(50)
Changes in fair value of financial electricity purchase contracts, net of cash paid	5	(6)
Other	1	3
Net cash flows from operating activities before non-cash operating working capital changes	426	357
Changes in non-cash operating working capital (note 7)	190	99
Net cash flows from operating activities	616	456
Cash flows from (used in) investing activities:		
Acquisitions and construction of property, plant and equipment and intangible assets ¹	(431)	(445)
Proceeds on disposal of property, plant and equipment	8	7
Net advances on other financial assets	(103)	(18)
Changes in non-cash investing working capital (note 7)	(35)	(7)
Net cash flows used in investing activities	(561)	(463)
Cash flows from (used in) financing activities:		
Net issuances (repayments) of short-term loans and borrowings	(37)	53
Proceeds from issuance of long-term loans and borrowings (note 6)	250	-
Repayments of long-term loans and borrowings	(122)	(114)
Debt issuance costs	(2)	-
Proceeds received upon settlement of hedged bond forward contracts (note 9)	9	-
Net refunds to customers and developers	(4)	(5)
Funding received under the Regulated Rate Option Stability Act	-	138
Repayments under the Regulated Rate Option Stability Act	(35)	(3)
Payments of lease liabilities, net of proceeds from finance lease receivable	(5)	(7)
Dividends paid	(96)	(92)
Net cash flows used in financing activities	(42)	(30)
Increase (decrease) in cash	13	(37)
Cash, beginning of period	25	130
Cash, end of period	\$ 38	\$ 93

¹ Interest payments of \$6 million (2023 - \$2 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)

June 30, 2024

1. Nature of operations

EPCOR Utilities Inc. (the Company or EPCOR), through its wholly owned subsidiaries, 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 City). 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, 2023, which were prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on July 31, 2024.

(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 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, 2024, which did not have a material impact on these condensed consolidated interim financial statements.

(a) Standards and interpretations not yet applied

A number of new standards, amendments to standards and interpretations of standards have been issued by the IASB and the International Financial Reporting Interpretations Committee, respectively, the application of which is effective for periods beginning on or after January 1, 2025. The Company does not expect the implementation of these new accounting pronouncements to have a material impact on its accounting policies.

(b) Segment reporting

During the fourth quarter of 2023, the Company realigned its operating segments to reflect the results of an internal reorganization. This resulted in the formation of a new operating segment, North American Commercial Services (NACS), which combines certain previously existing businesses in a new 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)

June 30, 2024

Refer to note 10 for a description of all current reportable segments. Comparative segmented results for the three and six months ended June 30, 2023 have been restated to align with the current reportable segment presentation (notes 4 and 10).

4. Revenues

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

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

Three months ended June 30, 2023 (restated)	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 73	\$ -	\$ 147	\$ 16	\$ 51	\$ -	\$ 287
Provision of services	131	116	9	22	29	-	307
Construction revenue	-	-	-	382	-	-	382
Other commercial revenue	-	-	-	2	-	1	3
	\$ 204	\$ 116	\$ 156	\$ 422	\$ 80	\$ 1	\$ 979

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

Six months ended June 30, 2023 (restated)	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Consolidated
Energy and water sales	\$ 133	\$ -	\$ 433	\$ 40	\$ 93	\$ -	\$ 699
Provision of services	244	243	16	44	58	-	605
Construction revenue	-	-	-	775	-	-	775
Other commercial revenue	-	-	-	6	-	1	7
	\$ 377	\$ 243	\$ 449	\$ 865	\$ 151	\$ 1	\$ 2,086

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June 30, 2024

5. 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, 2023.

Samsung Austin Semiconductor, LLC (Samsung) Projects - trade and other receivables, unbilled construction receivable and finance lease receivable

At June 30, 2024, \$80 million (December 31, 2023 - \$258 million) due from Samsung is recorded within trade and other receivables. The \$138 million past due at December 31, 2023 was received from Samsung in the first quarter of 2024. The Company continues to work with Samsung and the Design Build Contractor to resolve disputed charges as they arise, in accordance with the dispute resolution remedies in the various contracts.

At June 30, 2024, the Company recorded \$106 million (December 31, 2023 - \$122 million) in the current portion of other financial assets, and \$5 million (December 31, 2023 - \$3 million) in the non-current portion of other financial assets, which represents unbilled construction revenues translated at the period end exchange rate.

The Company funded \$134 million of the groundwater supply system at June 30, 2024 (December 31, 2023 - \$79 million) and recorded a finance lease receivable, which will be recovered over the term of 30 years following final commissioning and startup.

6. Loans and borrowings

In May 2024 the Company issued 30-year senior unsecured debentures totalling \$250 million with a coupon rate of 4.99% and an effective interest rate of 5.10%. The interest is payable semi-annually and the principal is due at maturity.

7. Changes in non-cash working capital

Six months ended June 30, 2024 and 2023

	2024	2023
Trade and other receivables	\$ 297	\$ (151)
Inventories	(3)	(1)
Unbilled construction receivable	23	266
Other long-term receivables	-	(38)
Trade and other payables, excluding derivative financial liabilities	(167)	12
	\$ 150	\$ 88

	2024	2023
Included in specific items on consolidated statements of cash flows:		
Interest paid	\$ 1	\$ (1)
Income tax expense	(4)	(6)
Contributions received	1	(1)
Net advances on other financial assets	-	1
Other	(3)	3
	(5)	(4)
Operating activities	190	99
Investing activities	(35)	(7)
	\$ 150	\$ 88

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Notes to the Condensed Consolidated Interim Financial Statements
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June 30, 2024

8. Financial instruments

Classification

The classifications of the Company's financial instruments measured at fair value as at June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair value hierarchy
Long-term investment	Level 3
Derivative financial instruments	
Financial electricity purchase contracts	Level 1
Cross-currency interest rate swap contracts	Level 2
Bond forward 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 other liabilities (excluding contingent consideration) 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:

	Fair value hierarchy	June 30, 2024		December 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Non-current portion of other financial assets ¹	Level 2	\$ 453	\$ 449	\$ 346	\$ 343
Loans and borrowings	Level 2	4,841	4,477	4,741	4,578

1. Excluding long-term investment in Vista Ridge LLC (Vista Ridge) of \$6 million (December 31, 2023 - \$6 million) and derivative financial instruments of \$6 million (December 31, 2023 - \$14 million).

Fair value hierarchy

The financial instruments of the Company that are recorded at fair value have been classified into levels using a fair value hierarchy. A Level 1 valuation is determined by using unadjusted quoted prices in active markets for identical assets or liabilities. A Level 2 valuation is based upon inputs other than quoted prices included in Level 1 that are observable for the instruments either directly or indirectly. A Level 3 valuation is not based on observable market data.

Long-term investment

The long-term investment consists of 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

The fair value of the Company's financial electricity purchase contracts is determined based on exchange index prices in active markets and is based on the external readily observable market data such as forward electricity prices. It is possible that the fair value amounts will differ from future outcomes and the impact of such variations could be material.

The fair value of the Company's cross-currency interest rate swap (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.

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June 30, 2024

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

Within these condensed consolidated interim statements of financial position short-term derivative financial assets are presented within current portion of other financial assets, long-term derivative financial assets are presented within other financial assets, and short-term derivative financial liabilities are presented within trade and other payables. As at June 30, 2024, derivative financial instruments had balances of \$6 million within non-current portion of other financial assets (December 31, 2023 - \$5 million within current portion of other financial assets and \$14 million within non-current portion of other financial assets).

Non-current portion of other financial assets

The fair values of the Company's long-term receivables are based on the estimated interest rates implicit in comparable loan arrangements plus an estimated credit spread based on the counterparty risks at the measurement date. The fair value of finance lease receivables is based on the estimated current market rates for similar assets discounted at the prevailing interest rates for comparable investments plus an estimated credit spread based on counterparty risks at each measurement date.

Loans and borrowings

The fair value of the Company's senior unsecured debentures is based on the pricing sourced from market data at the measurement date. The fair value of the Company's remaining long-term loans and borrowings is based on determining a current yield for the Company's debt at each measurement date. This yield is based on an estimated credit spread for the Company over the yields of long-term Government of Canada bonds for Canadian dollar loans and U.S. Treasury bonds for U.S. dollar loans that have similar maturities to the Company's debt. The estimated credit spread is based on the Company's indicative spread as published by independent financial institutions.

Short-term loans and borrowings are measured at amortized cost and their carrying value approximates their fair value due to the short-term nature of these financial instruments.

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, 2023.

Interest rate risk

In May 2024 the Company settled the outstanding bond forward contracts concurrently with the issuance of senior unsecured debentures (note 6) and recognized a gain of \$10 million. \$9 million of the gain represents the effective portion of the hedged contracts and has been recorded in OCI, and will be reclassified and recognized in net income over the 30-year period reducing interest expense related to the senior unsecured debentures. The remaining \$1 million gain represents bond forward contracts entered into in May 2024, not designated as hedging instruments, and recorded against finance expenses.

Credit quality and concentrations

During the three and six months ended June 30, 2024, revenues from one major customer of the Company's NACS segment represented \$280 million (2023 - \$374 million) and \$566 million (2023 - \$758 million) of the Company's total revenues, respectively. Included within trade and other receivables is \$80 million due from this customer as at June 30, 2024 (December 31, 2023 - \$258 million).

10. 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

EPCOR UTILITIES INC.

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

June 30, 2024

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 RRO electricity service and default supply electricity services to customers in Alberta. 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 and transmission businesses in Canada and the US.

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.

EPCOR UTILITIES INC.

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

June 30, 2024

Three months ended June 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 213	\$ 119	\$ 79	\$ 348	\$ 86	\$ 2	\$ -	\$	\$ 847
Inter-segment revenue	-	1	6	10	-	-	(17)		-
Revenues	213	120	85	358	86	2	(17)		847
Energy purchases and system access fees	-	-	52	12	-	-	-		64
Other raw materials and operating charges	22	5	-	304	21	-	(6)		346
Staff costs and employee benefits expenses	35	14	10	17	16	12	(4)		100
Depreciation and amortization	49	28	2	3	20	7	-		109
Franchise fees and property taxes	11	26	-	1	3	-	-		41
Other administrative expenses	12	3	6	4	6	2	(7)		26
Operating expenses	129	76	70	341	66	21	(17)		686
Operating income (loss) before corporate income (charges)	84	44	15	17	20	(19)	-		161
Corporate income (charges)	(10)	(6)	(4)	(2)	(2)	24	-		-
Operating income	74	38	11	15	18	5	-		161
Finance recoveries (expenses)	(24)	(17)	(1)	(7)	(14)	12	-		(51)
Income tax expense	-	-	-	(1)	(2)	(3)	-		(6)
Net income	\$ 50	\$ 21	\$ 10	\$ 7	\$ 2	\$ 14	\$ -	\$	\$ 104
Capital expenditures	\$ 111	\$ 71	\$ 1	\$ 11	\$ 43	\$ 4	\$ -	\$	\$ 241

EPCOR UTILITIES INC.

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

June 30, 2024

Three months ended June 30, 2023 (restated)									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 204	\$ 116	\$ 156	\$ 422	\$ 80	\$ 1	\$ -	\$	\$ 979
Inter-segment revenue	-	-	6	11	-	-	(17)		-
Revenues	204	116	162	433	80	1	(17)		979
Energy purchases and system access fees	-	-	119	11	-	-	-		130
Other raw materials and operating charges	26	5	-	369	19	-	(7)		412
Staff costs and employee benefits expenses	32	16	11	14	15	14	(5)		97
Depreciation and amortization	48	27	2	3	23	7	-		110
Franchise fees and property taxes	12	26	-	1	2	-	-		41
Other administrative expenses	10	4	7	6	6	2	(5)		30
Operating expenses	128	78	139	404	65	23	(17)		820
Operating income (loss) before corporate income (charges)	76	38	23	29	15	(22)	-		159
Corporate income (charges)	(8)	(5)	(4)	(1)	(1)	19	-		-
Operating income (loss)	68	33	19	28	14	(3)	-		159
Finance recoveries (expenses)	(22)	(16)	(1)	(6)	(14)	12	-		(47)
Income tax expense	-	-	-	(5)	-	(5)	-		(10)
Net income	\$ 46	\$ 17	\$ 18	\$ 17	\$ -	\$ 4	\$ -	\$	\$ 102
Capital expenditures	\$ 106	\$ 95	\$ -	\$ 8	\$ 49	\$ 4	\$ -	\$	\$ 262

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June 30, 2024

Six months ended June 30, 2024									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 405	\$ 244	\$ 217	\$ 700	\$ 163	\$ 3	\$ -	\$ 1,732	\$ 1,732
Inter-segment revenue	-	2	12	19	-	-	(33)	-	-
Revenues	405	246	229	719	163	3	(33)	1,732	1,732
Energy purchases and system access fees	-	-	149	29	-	-	-	178	178
Other raw materials and operating charges	40	10	-	598	37	-	(12)	673	673
Staff costs and employee benefits expenses	72	29	20	34	30	25	(8)	202	202
Depreciation and amortization	91	56	4	7	40	14	-	212	212
Franchise fees and property taxes	22	54	-	1	5	-	-	82	82
Other administrative expenses	21	6	16	10	12	9	(13)	61	61
Operating expenses	246	155	189	679	124	48	(33)	1,408	1,408
Operating income (loss) before corporate income (charges)	159	91	40	40	39	(45)	-	324	324
Corporate income (charges)	(21)	(12)	(9)	(5)	(4)	51	-	-	-
Operating income	138	79	31	35	35	6	-	324	324
Finance recoveries (expenses)	(48)	(34)	(2)	(15)	(26)	24	-	(101)	(101)
Income tax expense	-	-	-	(2)	(3)	(10)	-	(15)	(15)
Net income	\$ 90	\$ 45	\$ 29	\$ 18	\$ 6	\$ 20	\$ -	\$ 208	\$ 208
Capital expenditures	\$ 187	\$ 137	\$ 1	\$ 20	\$ 79	\$ 7	\$ -	\$ 431	\$ 431

EPCOR UTILITIES INC.

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

June 30, 2024

Six months ended June 30, 2023 (restated)									
	Water Services	Distribution & Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
External revenues	\$ 377	\$ 243	\$ 449	\$ 865	\$ 151	\$ 1	\$ -	\$ 2,086	
Inter-segment revenue	-	1	14	19	-	-	(34)	-	
Revenues	377	244	463	884	151	1	(34)	2,086	
Energy purchases and system access fees	-	-	446	28	-	-	-	474	
Other raw materials and operating charges	43	11	-	760	33	-	(13)	834	
Staff costs and employee benefits expenses	67	30	20	28	29	26	(7)	193	
Depreciation and amortization	93	54	4	5	40	14	-	210	
Franchise fees and property taxes	22	52	-	1	4	-	-	79	
Other administrative expenses	19	8	16	8	11	4	(14)	52	
Operating expenses	244	155	486	830	117	44	(34)	1,842	
Operating income (loss) before corporate income (charges)	133	89	(23)	54	34	(43)	-	244	
Corporate income (charges)	(18)	(10)	(9)	(3)	(3)	43	-	-	
Operating income (loss)	115	79	(32)	51	31	-	-	244	
Finance recoveries (expenses)	(44)	(33)	(1)	(17)	(26)	27	-	(94)	
Income tax recovery (expense)	-	-	-	(7)	(1)	6	-	(2)	
Net income (loss)	\$ 71	\$ 46	\$ (33)	\$ 27	\$ 4	\$ 33	\$ -	\$ 148	
Capital expenditures	\$ 171	\$ 166	\$ -	\$ 14	\$ 87	\$ 7	\$ -	\$ 445	

EPCOR UTILITIES INC.

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

June 30, 2024

The Company's assets and liabilities by business segments at June 30, 2024 and December 31, 2023 are summarized as follows:

June 30, 2024									
	Water Distribution & Services	Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,493	\$ 3,213	\$ 318	\$ 1,145	\$ 2,266	\$ 5,873	\$ (5,735)	\$ 15,573	
Total liabilities	6,494	2,214	241	969	1,707	5,035	(5,735)	10,925	

December 31, 2023									
	Water Distribution & Services	Transmission	Energy Services	NACS	U.S. Regulated Water	Other	Intersegment Elimination	Consolidated	
Total assets	\$ 8,308	\$ 3,135	\$ 395	\$ 1,235	\$ 2,184	\$ 5,862	\$ (5,700)	\$ 15,419	
Total liabilities	6,399	2,172	354	1,066	1,661	4,972	(5,700)	10,924	

Non-current assets by geography

	June 30, 2024	December 31, 2023
Canada	\$ 12,222	\$ 11,955
U.S.	2,530	2,331
	\$ 14,752	\$ 14,286

Revenue from external customers by geography

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Canada	\$ 451	\$ 517	\$ 955	\$ 1,159
U.S.	396	462	777	927
	\$ 847	\$ 979	\$ 1,732	\$ 2,086