



2025
Financial Report
ENMAX Corporation

CAUTION TO READER

This Financial Report contains statements about future events and financial and operating results of ENMAX Corporation and its subsidiaries (collectively referred to herein as ENMAX or the Corporation) that are forward-looking. All forward-looking statements included herein reflect ENMAX's current expectations, projections, beliefs, judgments and assumptions based on available information as of the date hereof and in light of ENMAX's experience and its perception of historical trends. When used in this Financial Report, the words "may," "would," "could," "will," "intend," "plan," "anticipate," "believe," "seek," "propose," "estimate," "expect" and similar expressions, as they relate to the Corporation or an affiliate of the Corporation, are intended to identify forward-looking statements.

By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. ENMAX believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements, as many factors could cause actual future results, conditions, actions or events to differ materially from financial and operating targets, expectations, estimates or intentions expressed in the forward-looking statements, including but not limited to expectations and assumptions concerning the amount and timing of emissions reductions. Factors that could cause results or events to differ from current expectations include, without limitation: regulatory decisions and outcomes of legal proceedings; the operating performance of the Corporation's assets; economic conditions in North America, as well as globally; the availability and market prices of commodities; liquidity and access to capital markets on competitive terms; timing and costs associated with certain capital investments; estimated energy consumption rates; changes in customer energy usage patterns; cyber security and technological developments, including but not limited to those that could reduce demand for electricity or impact the ability to reduce emissions; competition in the businesses in which the Corporation operates; unexpected or unusual weather; unanticipated maintenance and other expenditures; interest, tax, foreign exchange and inflation rates; the impact of hedging transactions; performance and credit risk of the Corporation's counterparties; disruption of fuel supply; environmental risks; the Corporation's ability to effectively anticipate, assess and respond to changes to government policies and regulations, including those relating to the environment, including but not limited to climate change and greenhouse gas regulation(s) and changes to such regulation(s), financial reporting and taxation; pension plan performance and funding requirements; loss of service area; global health crises, such as pandemics and epidemics and the unexpected impacts related thereto; market energy sales prices; labour relations; and the cost and availability of labour, equipment and materials.

Each forward-looking statement in this Financial Report is qualified in its entirety by the above cautionary statements and speaks only as of the date of this Financial Report. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law, and reserves the right to change, at any time at its sole discretion, the practice of updating annual targets and guidance.

For further information, see the section of the Management's Discussion and Analysis (MD&A) titled *Risks and Risk Management*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This MD&A, dated March 5, 2026, is a review of the results of ENMAX's operations for the year ended December 31, 2025, compared with 2024, and an evaluation of the Corporation's financial condition and future outlook. This MD&A contains forward-looking information and should be read in conjunction with the Caution to Reader as detailed above.

This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2025 and 2024, and the notes to the respective financial statements, including material accounting policy information. The consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards). The consolidated financial statements and MD&A were reviewed by ENMAX's Audit Committee, and the consolidated financial statements were approved by ENMAX's Board of Directors (the Board). All amounts are in millions of Canadian dollars (CAD) unless otherwise specified.

The Corporation reports on certain non-GAAP financial performance measures that management uses to evaluate the performance of business segments. As non-GAAP financial measures do not have a standard meaning prescribed by IFRS Accounting Standards, the Corporation has defined and reconciled them with the most directly comparable IFRS Accounting Standards financial measure. The definition, calculation and reconciliation of non-GAAP financial measures are provided in the Non-GAAP Financial Measures section.

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Glossary of terms can be found on page 80.

ENMAX OVERVIEW

Headquartered in Calgary, Alberta, Canada, ENMAX provides electricity services and products across Alberta and Maine. ENMAX is a private corporation with The City of Calgary (The City) as its sole shareholder.

Committed to its strategy of evolving to a regulated utility, ENMAX is focused on operational excellence, responsible growth and enabling the energy transition, with the purpose of *lighting the way to a brighter energy future*.

ENMAX has three main business segments: ENMAX Power, Versant Power and ENMAX Energy. It operates transmission and distribution utilities through ENMAX Power and Versant Power, along with power generation facilities and retail products and services through ENMAX Energy. Additionally, a Corporate segment provides financing and shared corporate services to support the operating segments.

- ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 603,000 customer sites in the Calgary area, covering 1,089 square kilometres. ENMAX Power is regulated by the Alberta Utilities Commission (AUC), an economic regulator that establishes ENMAX Power's revenue requirement and rates for transmission and distribution through public hearing processes. The transmission business operates under a cost-of-service framework, where ENMAX Power applies for rates designed to recover the forecasted cost of providing transmission service, including an allowed return on equity (ROE). The distribution business is regulated under a Performance-Based Regulation (PBR) framework. Under this framework, distribution rates paid by customers are set annually using a formula that indexes rates to the prior year, using an inflation factor and a productivity factor, as well as an allowed ROE. PBR is intended to create additional incentives for utilities to find operational efficiencies. In 2025, approximately 17 per cent of ENMAX Power's electricity revenue was from transmission operations while 83 per cent was from distribution operations.
- Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 166,000 customer sites in the Maine Public District (MPD) and Bangor Hydro District (BHD). These areas cover six counties in Maine, U.S. and encompass approximately 27,000 square kilometres (10,400 square miles). BHD is a member of ISO New England and is interconnected with other New England utilities to the south and with New Brunswick Power Corporation to the north. MPD is a member of the Northern Maine Independent System Administrator. Versant Power is regulated by the Maine Public Utilities Commission (MPUC) with respect to distribution rates, service standards, territories served, securities issuances and other matters and by the Federal Energy Regulatory Commission (FERC) regarding transmission services. Versant Power generates revenue by charging customers for delivery of electricity through its transmission and distribution facilities. This retail revenue is separated into transmission, distribution and stranded cost rates. Rates for each element are designed to recover the costs of providing the regulated products or services, including an allowed ROE and are established in distinct regulatory proceedings. In 2025, approximately 37 per cent of Versant Power's electricity revenue was from transmission operations, 40 per cent was from distribution operations and 23 per cent related to stranded cost recoveries and conservation charges.

- ENMAX Energy is an Alberta-based integrated retail and generation business, providing electricity, natural gas, and customer care services to approximately 677,000 customers across Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Rate of Last Resort, formerly known as the Regulated Rate Option (RRO), through affiliated legal entities. The competitive retail business offers customers electricity and natural gas at fixed or variable prices. As at December 31, 2025, ENMAX Energy owned 1,486 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX Energy uses its generation capacity as a natural hedge against electricity retail contracts to provide supply certainty, margin stability and risk mitigation. Additionally, natural gas retail contracts and fuel requirements for the generation portfolio are balanced through the purchase of natural gas.
- ENMAX's Corporate segment currently provides resources primarily for Canadian operations, including financing, legal, human resources, corporate governance, information technology, finance and accounting and other functions.

2025 HIGHLIGHTS

2025 experienced lower average spark spreads compared to the same period in 2024 amid ongoing trade uncertainty between Canada and the United States, geopolitical tensions creating an uncertain global business environment and a federal election in Canada. ENMAX does not anticipate tariffs and trade negotiations to significantly impact its business but continues to monitor the geopolitical landscape. During 2025, the Alberta Electric System Operator (AESO) released the final design of the Restructured Energy Market (REM), with key features aimed at enhancing reliability, affordability, and decarbonization, including market-based congestion management and updated pricing mechanisms, with implementation targeted to begin in 2027.

ENMAX is focused on executing its strategic plan to grow its regulated businesses and maximize free cash flow from its competitive operations. This approach helps maintain low-risk business and financial profiles, better positioning ENMAX to deliver sustained value to its shareholder.

The discussion below pertains to results for the year ended December 31, 2025, compared to 2024.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)⁽¹⁾ was \$1,055 million in 2025, a \$133 million increase from 2024, primarily due to a \$50 million increase in transmission and distribution margin in Versant Power and a \$41 million increase in electricity margin in ENMAX Energy. ENMAX Energy also had a \$27 million decrease in Operations, Maintenance and Administration (OM&A). Management characterizes OM&A as other expenses recognized on the Consolidated Statement of Earnings, excluding unrealized foreign exchange gains and losses and costs that are included in contractual service margin.

Comparable Net Earnings (CNE)⁽¹⁾ of \$440 million was \$97 million higher than in 2024, as the increases noted above in Adjusted EBITDA were partially offset by higher income tax expenses related to core operations and depreciation and amortization expenses. Net earnings for 2025 was \$507 million, compared with \$181 million in 2024. In addition to the explanations above for the increase in Adjusted EBITDA and CNE, net earnings was significantly higher in 2025 due to changes in unrealized mark-to-market positions on forward commodity contracts and no impairment in 2025, compared with impairment of \$136 million in 2024.

⁽¹⁾ Adjusted EBITDA and Comparable Net Earnings are non-GAAP financial measures. See Non-GAAP Financial Measures section.

Other highlights from 2025 include:

- On January 1, 2025, the *Rate of Last Resort Regulation* took effect in Alberta. The Rate of Last Resort is the default electricity option in the province for residential and small business customers, replacing the former RRO.
- Changes to the calculation methodology for The City's franchise fees (referred to as Local Access Fees), as approved by the AUC, came into effect on January 1, 2025. The same rates will continue through 2026. Franchise fees are collected by ENMAX Power and are fully remitted to The City, resulting in no impact to ENMAX's net earnings.
- On March 12, 2025, the Alberta Court of Appeal granted permission to ENMAX Power, ATCO Electric and FortisAlberta to appeal the AUC's PBR3 decision, which established the revenue formula inputs for the third-generation PBR Plan. On March 21, 2025, ENMAX Power filed its Notice of Appeal, which was heard by the Court of Appeal on January 15, 2026, with a decision expected in 2026.
- Versant Power's distribution revenue requirement increase of 23.5 per cent went into effect on April 1, 2025, primarily to enable recovery of investment in the distribution system since the last rate filing.
- On April 25, 2025, the AUC issued a decision approving the unanimous negotiated settlement agreement with the Office of the Utilities Consumer Advocate and the Consumers' Coalition of Alberta for ENMAX Power's 2026–2028 Transmission General Tariff Application. This decision provides revenue certainty for the transmission business from 2026–2028.
- In May 2025, S&P Global upgraded its credit rating of ENMAX Corporation to BBB from BBB- with a Stable Outlook and Fitch Ratings affirmed its credit rating at BBB with a Stable Outlook. On July 3, 2025, Morningstar DBRS confirmed its credit rating on ENMAX Corporation at BBB (high) with Stable Trends.
- On May 30, 2025, the MPUC launched an investigation into Versant Power following the completion of an operations and management audit on April 8, 2025. Proceeding steps are currently scheduled into Q2 2026.
- Versant Power's MPD's new wholesale and retail transmission rate increases of 14.8 per cent and 6.4 per cent went into effect on June 1, 2025, and July 1, 2025, respectively.
- On June 6, 2025, ENMAX Corporation issued \$275 million in senior unsecured private debentures with an annual interest rate of 3.77 per cent payable semi-annually and maturing on June 6, 2030. These funds were used to repay \$300 million of senior unsecured private debentures that matured in June 2025.
- A settlement with the International Brotherhood of Electrical Workers Local 254 was ratified on June 24, 2025, which provides labour stability for its effective period from 2025 to 2029.
- AESO released the final design for the REM on August 27, 2025, which included the adoption of locational marginal pricing for generators, introduction of financial transmission rights for up to eight years to assist in transition, revised price caps and floors, enhanced ancillary service procurement, and new ramping and reliability products—all aimed at improving price transparency, grid reliability, and renewable integration. Implementation is targeted to begin in 2027.

- On October 20, 2025, it was announced that Erica Young will be appointed President of Versant Power and will succeed John Flynn, who plans to retire at the end of April 2026. The transition period began on January 1, 2026. Erica has spent the past nine years of her career with ENMAX in various roles including Chief Legal, Regulatory and Commercial Officer and, most recently, Executive Vice President, ENMAX Energy. Erica has also previously served on the Board of Directors of Versant Power. Effective January 1, 2026, Erica transitioned out of her ENMAX Energy role and Sheri Primrose assumed the role of Executive Vice President, ENMAX Energy, while continuing in her capacity as Chief Financial Officer. Sheri has held various leadership positions throughout ENMAX the past 20 years.
- In November 2025, ENMAX Power achieved a key operational milestone by beginning the energization phase at Substation No. 1. The new facility has begun delivering power to Calgary's downtown, with full integration expected to be completed mid-2026.
- In November 2025, ENMAX Energy successfully completed a major planned maintenance outage at Calgary Energy Centre within an advanced time frame and with no lost time incidents.
- On November 27, 2025, the Government of Alberta and the Government of Canada signed a Memorandum of Understanding establishing a new framework for energy collaboration and reaffirming net-zero goals by 2050, including the suspension of the federal Clean Electricity Regulations in Alberta pending a new carbon-pricing agreement.
- Demand for Calgary residential connections in 2025 reached another record high, with 9,169 lots connected—1,299 more than in 2024—and over 22,467 new meters installed.
- Capital expenditures for 2025 were \$675 million, representing a four per cent decrease, compared to 2024. The decrease largely resulted from higher spending in the prior year on Substation No. 1. Of the total capital expenditures year to date, 90 per cent was invested in the regulated businesses, surpassing ENMAX's target of 80 per cent.
- The Bank of Canada lowered its overnight lending rate four times during the year, ending at 2.25 per cent at December 31, 2025, 100 basis points lower than December 31, 2024. The U.S. Federal Reserve also lowered the federal funds rate 3 times in 2025, resulting in a range of 3.50 to 3.75 per cent at December 31, 2025, 75 basis points lower than at December 31, 2024.
- AESO pool price averaged \$43.87 per megawatt-hour (MWh) in 2025, representing a decrease of 30 per cent from 2024. The lower price is mainly due to milder summer weather reducing market demand, combined with increased supply in the Alberta market from new generating units commissioned in 2024.
- Alberta natural gas daily index price averaged \$1.61 per gigajoule (GJ) in 2025, representing an increase of 26 per cent from 2024. The price has remained higher in 2025 due to increased exports of liquified natural gas.
- Spark spread, which is the difference between the wholesale electricity price and the cost of natural gas to produce electricity, is a proxy for the gross margin contribution of a natural gas-fuelled power plant from generating an unhedged unit of electricity, prior to carbon pricing impacts. The average spark spread for year ended December 31, 2025, was \$31.78 per MWh, representing a decrease of 40 per cent from 2024.

NON-GAAP FINANCIAL MEASURES

Management believes that financial measures of operating performance are more meaningful if the impacts of specific items that are non-recurring or not representative of core business operations are excluded from the financial information. ENMAX uses Adjusted EBITDA and CNE as indicators of cash flows and earnings from recurring primary business activities. Adjusted EBITDA is also used to evaluate certain debt coverage ratios and excludes non-cash depreciation and amortization charges, finance charges and income taxes.

CNE includes depreciation and amortization and finance charges, as well as income tax effects of core operations. Both Adjusted EBITDA and CNE exclude unrealized gains and losses on commodities, unrealized foreign exchange gains and losses, impairment charges, other non-recurring items, and any related tax effects of these items. Unrealized gains or losses on commodities reflect the impact of changes in forward natural gas and power prices and the volume of positions for these derivatives over a certain period. These unrealized gains or losses do not necessarily reflect the actual gains or losses that will be realized upon settlement. Furthermore, unlike commodity derivatives, ENMAX's generation capacity and future sales to retail customers are not fair valued under IFRS Accounting Standards. Similarly, unrealized foreign exchange gains or losses do not necessarily reflect the actual gains or losses that will be realized upon settlement. Impairments are inherently non-recurring adjustments that do not necessarily indicate ongoing core operations. Management believes Adjusted EBITDA and CNE more accurately represent ongoing core operations after adjusting for the items noted above.

These financial measures do not have any standard meaning prescribed by IFRS Accounting Standards and may not be comparable to similar measures used by other companies. Their reconciliation to IFRS Accounting Standards financial measures is shown below. These non-GAAP financial measures are consistently applied in the prior periods.

ADJUSTED EBITDA, COMPARABLE NET EARNINGS AND NET EARNINGS

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
Adjusted EBITDA ⁽¹⁾		
ENMAX Power	385	379
Versant Power	210	162
ENMAX Energy	462	381
Corporate	(2)	-
Adjusted EBITDA	1,055	922
Add (deduct):		
Depreciation and amortization (excluding regulatory deferral movement)	(403)	(392)
Income tax expenses related to recurring core operations ⁽²⁾	(49)	(21)
Finance charges	(163)	(166)
Comparable Net Earnings ⁽¹⁾	440	343
Add (deduct):		
Unrealized gain (loss) on commodities ⁽³⁾	67	(52)
Unrealized foreign exchange gain	2	2
Impairment ⁽⁴⁾	-	(136)
Change in onerous provision ⁽⁵⁾	-	13
Recovery of historical credits ⁽⁶⁾	7	-
Net income tax (expense) recovery on the above adjustments ⁽²⁾	(9)	11
Net earnings	507	181

⁽¹⁾ Adjusted EBITDA and CNE omit the regulatory deferral changes required in the Consolidated Statement of Earnings under IFRS Accounting Standards. See Note 6 to the consolidated financial statements.

⁽²⁾ Included in deferred income tax expense in the Consolidated Statement of Earnings.

⁽³⁾ Included in electricity and fuel purchases in the Consolidated Statement of Earnings.

⁽⁴⁾ In 2024, impairment was recorded of \$97 million related to goodwill and \$39 million related to the Balzac Power Station joint operation. See Note 12 and Note 14 in the consolidated financial statements.

⁽⁵⁾ In 2024, an adjusted provision was recorded to reflect change in circumstances, normalized consistently with the original recognition of the provision in 2017.

⁽⁶⁾ Recovery of credits related to historical line losses.

SEGMENT RESULTS

Results of operations do not necessarily indicate future performance due to factors such as the timing of regulatory decisions, the fluctuation in commodity prices, the performance of generation facilities and the changes in government policies. ENMAX's regulated businesses constitute 56 per cent of Adjusted EBITDA in 2025, a decrease from 59 per cent in 2024, largely due to increased earnings in the competitive business.

<i>(millions of Canadian dollars)</i>	ENMAX Power	Versant Power	ENMAX Energy	Corporate	ENMAX Consolidated
Adjusted EBITDA ⁽¹⁾ for the year ended December 31, 2024	379	162	381	-	922
Increased (decreased) margins attributable to:					
Transmission and distribution	19	50	-	-	69
Electricity	-	-	41	1	42
Natural gas	-	-	14	-	14
Contractual services and other revenue	(1)	2	(1)	2	2
Decreased (increased) expense:					
OM&A ⁽²⁾	(12)	(4)	27	(5)	6
Adjusted EBITDA ⁽¹⁾ for the year ended December 31, 2025	385	210	462	(2)	1,055

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP Financial Measures section.

⁽²⁾ Normalized to exclude impact of intercompany transactions with no consolidated impact.

ENMAX POWER

ENMAX Power's Adjusted EBITDA for the year ended December 31, 2025, was \$385 million, representing an increase of \$6 million from 2024. The 2025 increase in Adjusted EBITDA was primarily a result of \$19 million higher transmission and distribution margins due to higher rates from regulatory decisions, partially offset by a \$12 million increase in OM&A spending in 2025 due to increases in proactive maintenance, consulting costs and information technology operating expenses.

KEY BUSINESS STATISTICS

<i>Year ended December 31,</i>	2025	2024
Distribution volume in gigawatt hours (GWh) ⁽¹⁾	9,714	9,642
System average interruption duration index (SAIDI) ⁽²⁾	0.84	0.64
System average interruption frequency index (SAIFI) ⁽³⁾	0.70	0.55

⁽¹⁾ 2025 GWh based on interim data due to the timing of data availability. Prior year figures have been updated based on final data.

⁽²⁾ SAIDI represents the total minutes of a sustained interruption per average customer during the reporting period. A sustained interruption has a duration greater than or equal to one minute. The lower the SAIDI, the better the reliability.

⁽³⁾ SAIFI represents how often the average customer experiences a sustained interruption during the reporting period. A sustained interruption has a duration greater than or equal to one minute. The lower the SAIFI, the better the reliability.

Total electricity delivered within the Calgary service area for the year ended December 31, 2025, was higher than 2024 largely due to an increase in metered sites and consumption.

SAIDI and SAIFI were unfavourable for 2025, compared to 2024, due to the nature of outages that occurred. Cable failures, scheduled outages, public interference and weather events all contributed to longer average outage durations and outage frequencies.

VERSANT POWER

Versant Power's Adjusted EBITDA for the year ended December 31, 2025, was \$210 million compared with \$162 million in 2024. The 2025 increase was primarily a result of \$50 million higher transmission and distribution margins from approved rate increases, partially offset by increased OM&A spending. OM&A for 2025 was \$4 million higher than 2024, primarily due to increased headcount, higher amortization of deferred regulatory costs recognized under approved rate increases and additional consulting costs to support regulatory initiatives, partially offset by lower storm costs in 2025.

KEY BUSINESS STATISTICS

<i>Year ended December 31,</i>	2025	2024
Distribution volume in gigawatt hours (GWh) ⁽¹⁾	1,905	1,943
System average interruption duration index (SAIDI) ⁽¹⁾⁽²⁾⁽⁴⁾	3.72	7.97
System average interruption frequency index (SAIFI) ⁽¹⁾⁽³⁾⁽⁴⁾	1.91	3.10

⁽¹⁾ These figures are based on preliminary data, due to the timing of data availability, and are subject to change. Certain prior year figures have been updated based on final data.

⁽²⁾ SAIDI represents the total minutes of a sustained interruption per average customer during the reporting period. A sustained interruption has a duration greater than or equal to five minutes. The lower the SAIDI, the better the reliability.

⁽³⁾ SAIFI represents how often the average customer experiences a sustained interruption during the reporting period. A sustained interruption has a duration greater than or equal to five minutes. The lower the SAIFI, the better the reliability.

⁽⁴⁾ The Institute of Electrical and Electronics Engineers defines a "sustained" outage as one that is five minutes or longer. This is a known distinction from the Canadian equivalent definition.

The volume of electricity delivered for 2025 was lower than 2024. This decrease in demand was driven by higher electricity generation by customers through Maine's Net Energy Billing program, compared to 2024. Versant Power experienced lower SAIDI and SAIFI levels for 2025, compared to 2024, due to favourable weather conditions resulting in fewer storms.

ENMAX ENERGY

ENMAX Energy's Adjusted EBITDA for the year ended December 31, 2025, was \$462 million, representing an increase of \$81 million from 2024. The growth was primarily driven by a \$41 million increase in electricity margin combined with lower OM&A and higher natural gas margin. The increase in electricity margin was due to higher margins on regulated retail products, retail customer site growth and lower costs to supply competitive fixed-price retail products, partially offset by lower generation margins due to decreased average spark spreads. The \$27 million decrease in OM&A was due to restructuring costs that were incurred in 2024, reduced costs in 2025 with the phase-out of certain business lines in 2024 and reduced generation maintenance expense with lower unplanned maintenance in 2025.

KEY BUSINESS STATISTICS

<i>Year ended December 31,</i>	2025	2024
Natural gas-fuelled plant availability (%) ⁽¹⁾	92.6	90.3
Average flat pool price (\$/MWh)	43.87	62.78
Average natural gas price (\$/GJ)	1.61	1.28
Average spark spread (\$/MWh) ⁽²⁾	31.78	53.14

⁽¹⁾ Natural gas-fuelled plant availability (%) reflects planned maintenance and forced outages.

⁽²⁾ Based on market prices and does not include costs such as variable operations and maintenance.

The increase in plant availability for 2025, compared to 2024, was largely driven by a more significant planned outage in 2024 and lower unplanned outages in 2025. Refer to the 2025 Highlights section for discussion on market prices. ENMAX Energy's customer portfolio includes a significant portion of customers on fixed-rate contracts which can largely offset the margin impact of fluctuating market rates in the short term.

FINANCIAL PERFORMANCE

CHANGES IN NET EARNINGS

(millions of Canadian dollars)

Net earnings for the year ended December 31, 2024	181
Increase (decrease) attributable to:	
Transmission and distribution revenues	103
Electricity and natural gas revenues	(339)
Contractual services, contributions in aid of construction and other revenues	5
Transmission and distribution expenses	(18)
Electricity, fuel and natural gas purchases and delivery expenses	495
Depreciation and amortization	(10)
Impairment	136
Finance charges	3
Income taxes	(48)
Net movement in regulatory deferral account balances	(1)
Net earnings for the year ended December 31, 2025	507

Net earnings for the year ended December 31, 2025, increased by \$326 million from 2024, primarily due to lower electricity, fuel and natural gas purchase and delivery expenses along with increased transmission and distribution revenues and no impairment expense in 2025. These factors were partially offset by lower electricity and natural gas revenues and higher income taxes.

OTHER COMPREHENSIVE (LOSS) INCOME AND SHAREHOLDER'S EQUITY

Other comprehensive (loss) income (OCI) illustrates earnings under the assumption of full income recognition, including cumulative effects of currency translation of foreign operations, and remeasurement gains or losses on post-retirement benefits.

For the year ended December 31, 2025, OCI was an \$82 million loss, compared with a \$168 million gain in 2024. The fluctuation in OCI was primarily due to cumulative translation adjustment on the consolidation of foreign operations, which was a \$78 million loss in 2025 (2024 - \$130 million gain), as well as a remeasurement loss on retirement benefits of \$2 million (2024 - \$37 million gain).

Accumulated other comprehensive income (AOCI) is reflected in shareholder's equity along with retained earnings and share capital. As at December 31, 2025, retained earnings increased by \$404 million due to 2025 net earnings of \$507 million, partially offset by a \$103 million dividend declared in the first quarter of 2025.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

Changes over \$44 million (10 per cent of 2025 CNE) and 10 per cent from December 31, 2024, are detailed below.

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024	\$ Change	% Change	Explanation for Change
ASSETS					
Cash and cash equivalents	234	40	194	485	Cash increased due to funds received from long-term debt issuance and higher net earnings.
Accounts receivable	734	855	(121)	(14)	Decrease primarily driven by lower retail electricity and natural gas volumes in ENMAX Energy and the elimination of the consumer carbon tax, effective April 1, 2025.
LIABILITIES AND SHAREHOLDER'S EQUITY					
Short-term financing	-	157	(157)	(100)	Short-term financing was paid down by funds from long-term debt issuance.
Retained Earnings	3,190	2,786	404	15	Increase due to higher net earnings, partially offset by dividend declared in March 2025.
Accumulated other comprehensive income	57	139	(82)	(59)	Decrease largely due to change in cumulative translation adjustment from decline in USD to CAD exchange rate.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
Total assets and regulatory deferral account debit balances	10,166	9,978
Long-term debt (non-current)	4,029	3,645

<i>Year ended December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
Total revenue	3,227	3,493
Adjusted EBITDA ⁽¹⁾	1,055	922
Comparable Net Earnings ⁽¹⁾	440	343
Net earnings	507	181
Capital expenditures	675	702

⁽¹⁾ See Non-GAAP Financial Measures section.

LIQUIDITY AND CAPITAL RESOURCES

ENMAX actively manages its cash position and cash flows to optimize funding and liquidity levels. ENMAX finances working capital requirements, capital investments and repayments of long-term debt maturities through a combination of cash flow from operations, drawings on the Corporation's bank credit facilities and issuance of commercial paper and long-term debt.

Cash and cash equivalents increased to \$234 million as at December 31, 2025, from \$40 million as at December 31, 2024. Short-term financing was \$nil at December 31, 2025, compared with \$157 million at December 31, 2024. ENMAX used cash from debt issuance and operating results during the year to pay off short-term financing.

ENMAX's credit facility agreements and trust indenture include events of default and covenant provisions, whereby accelerated repayment or termination of agreements could result if the Corporation defaults on payments or breaches certain covenants. As at December 31, 2025, the Corporation was in compliance with all such covenants.

During 2025, ENMAX Corporation issued \$205 million in promissory notes to The City and made \$108 million of regularly scheduled repayments. The Corporation also issued \$275 million in senior unsecured private debentures, bearing an annual interest rate of 3.77 per cent, payable semi-annually and maturing on June 6, 2030. These funds were used to repay \$300 million of senior unsecured private debentures that matured in June 2025.

As at December 31, 2025, ENMAX Corporation had no outstanding commercial paper (December 31, 2024 - \$150 million at 3.80 per cent) and had not drawn any amount on existing credit facilities (December 31, 2024 - \$7 million at 5.45 per cent). For additional information on the Corporation's credit facilities, refer to page 53.

As at December 31, 2025, Versant Power had \$72 million USD outstanding on revolving debt facilities at an average interest rate of 5.07 per cent (December 31, 2024 - \$22 million at 5.71 per cent).

ENMAX's total consolidated debt balance as at December 31, 2025, was \$4,143 million in CAD (December 31, 2024 - \$4,207 million). During 2025, the Corporation made regularly scheduled long-term debt repayments of \$556 million (2024 - \$597 million) and received proceeds from long-term debt issuance of \$695 million (2024 - \$1,101 million). The decrease in total debt was due to net earnings during the year, partially offset by repayments of expiring debt, paying down short-term borrowings, funding regulated capital investment and for general corporate purposes. For additional information on the Corporation's credit facilities and long-term debt, refer to Note 7 and Note 16 in the consolidated financial statements.

The dividend for a fiscal year is declared in the first quarter of that year. On March 6, 2025, ENMAX declared a dividend of \$103 million, payable to The City in four quarterly instalments.

CREDIT RATINGS

ENMAX Corporation

Morningstar DBRS	BBB (high) with Stable Trends	Confirmed July 3, 2025
Fitch Ratings	BBB with Stable Outlook	Affirmed May 6, 2025
S&P Global	BBB with Stable Outlook	Upgraded rating May 28, 2025

CONSOLIDATED CASH FLOW

As at December 31, 2025, Cash and cash equivalents increased to \$234 million from \$40 million as at December 31, 2024.

Cash movements during the year are summarized below:

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Cash and cash equivalents, beginning of period	40	90
Cash flow provided by (used in):		
Operating activities	1,027	621
Investing activities	(734)	(793)
Financing activities	(99)	120
Foreign exchange on cash and cash equivalents	-	2
Cash and cash equivalents, end of period	234	40

OPERATING ACTIVITIES

Cash provided by operating activities for the year ended December 31, 2025, was \$1,027 million, compared to \$621 million in 2024, largely due to lower electricity, fuel and natural gas purchases and delivery expenses and an increase in transmission and distribution revenues, partially offset by lower electricity and natural gas revenues.

INVESTING ACTIVITIES

Cash used in investing activities decreased to \$734 million during the year ended December 31, 2025, from \$793 million in 2024. The following table outlines investment in capital additions and other changes:

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Property, plant and equipment (PP&E)	651	723
Intangible assets	63	53
Capitalized interest	23	20
Proceeds from disposal of PP&E	(3)	(3)
Total	734	793

During 2025, ENMAX continued to invest in capital assets to better serve its growing customer base. Over 90 per cent of capital expenditures were in ENMAX's regulated businesses, exceeding its target of 80 per cent. The overall decrease in cash used in investing activities was primarily due to higher spending in the prior year on Substation No. 1.

FINANCING ACTIVITIES

Cash used in financing activities for the year ended December 31, 2025, was \$99 million compared to \$120 million of cash provided by financing activities in the prior year. The decrease in cash provided by financing activities was due to a decrease in long-term debt issuances, combined with the repayment of short-term financing. For a detailed breakdown of all financing activities, refer to Liquidity and Capital Resources section above.

RISK AND RISK MANAGEMENT

ENMAX manages risk across all business activities through an Enterprise Risk Management program that aligns with business objectives. Risk tolerance is approved by the Board and CEO and risks are assessed, mitigated and monitored by the business units, the risk department and senior management. The Corporate Governance Committee oversees the Enterprise Risk Management program, while the Board oversees risk exposures and overall risk management.

ENMAX's overall risk management approach includes:

- Clear corporate values and business ethics principles
- Published enterprise-wide policies, standards, and procedures such as delegation of authority
- Governance structure for commodity trading with risk management and reporting platforms
- Internal audit function to evaluate compliance with internal controls and policies
- Regular risk exposure and mitigation reporting to the Board
- Monitoring financial exposure to market changes
- Industry-accepted risk assessment tools and methodologies
- A safety and ethics line for anonymous reporting of suspected illegal or unethical behavior

ENMAX's risk management programs and governance structures are designed to manage and mitigate various business and financial risks. The following discussion illustrates the key risks to the Corporation, the potential impact these risks could have on the business and highlights examples of how ENMAX is managing these risks.

Refer to Note 7 in the consolidated financial statements for additional risk disclosures, including market risk, commodity price risk, foreign exchange and interest rate risk, credit risk and liquidity risk.

REGULATORY, TAX AND GOVERNMENT POLICY RISK

ENMAX is subject to regulatory oversight of the operation of its assets, and of the rates that ENMAX Power and Versant Power charge customers for services. Regulatory proceedings and related decisions may have a significant impact on ENMAX. The nature of this oversight can lead to potential regulatory lag due to time between rate application and decision for approval, disallowance or reduction of rate applications, restricted ability to recover costs and achieve allowed rate of returns, and additional earnings impacts from costly unplanned events. In response to these risks, ENMAX emphasizes timely, accurate and transparent regulatory disclosures and filings and pursues strategic engagement with other utilities on regulatory filings. A collaborative regulatory approach is taken, through regulator-led consultations, technical conferences and negotiated settlements. ENMAX participates in lobbying for the creation of approved regulatory mechanisms to allow utilities to recover costs from material unplanned events.

Changing policies, laws and regulations in Canada and the U.S. create additional risks for ENMAX, including business (e.g., REM in Alberta), taxation, environmental, emissions, labor and public health. Fixed rate market structures, such as the Rate of Last Resort, have a risk of becoming uneconomical as a result of exposure to commodity prices and changing policies and regulations create economic uncertainty. Changes in tax legislation in the Canadian and U.S. jurisdictions where ENMAX operates could impact ENMAX's earnings as well as lead to uncertain tax positions. ENMAX undertakes monitoring and advocacy activities with respect to proposed changes to laws and regulations, and the evolving nature of the electricity utility industry and initiates third party consultation where appropriate with respect to uncertain and evolving tax positions.

HEALTH, SAFETY, AND OPERATIONAL RISK

Assets and facilities used in the generation, transmission and distribution of electricity involve inherent potential safety risks. These risks can result in potential safety incidents involving employees, contractors, or the public, as well as property damage. To mitigate these risks, ENMAX has a comprehensive safety training program, including Safety Management System, hazard identification and mitigations, and Human Organizational Performance programs. ENMAX also engages in public awareness campaigns on electricity infrastructure hazards.

ENMAX faces operational risks related to the generation, transmission, and distribution of electricity, including volatility in natural gas supply, weather impacts, and potential disruptions from external events like terrorism or natural disasters. Operations may be disrupted by an unplanned prolonged generation plant outage or by physical attacks that could cause harm or damage due to theft, vandalism or active threats. As a result of increased supply costs, capital maintenance expenditures, or decreased margin potential, ENMAX may experience negative effects on cash flow and earnings. System stability challenges may arise and business disruption be experienced as a result of these risks. ENMAX may experience reputational harm as a result of public safety incidents, reductions in service reliability or prolonged outages. In response to these risks, ENMAX has in place asset management plans and security protocols, as well as emergency response plans. ENMAX invests in comprehensive system study and commissioning and collaborates with industry peers for mutual aid during emergencies. ENMAX holds property, business interruption and other insurance coverage.

ENMAX's ability to procure goods and services required to run its business can be affected by a variety of disruptions, uncertainties and vulnerabilities to the supply chain. To mitigate supply risks, ENMAX contracts with reputable third parties for natural gas and electricity supply and engages in long-term planning for supply chain needs, including supply chain diversification and ensuring critical spares are kept on hand.

TECHNOLOGICAL RISK

Cyber security is a key business risk associated with technology advancements and increasing operational reliance on technology platforms. Evolving cyber threats could lead to security incidents that materially impact ENMAX's business, including data breaches or ransomware which could lead to service interruptions or outages. ENMAX has a risk-based cyber security program, focused on detection, system protection, response activities and recovery strategies. Employees also have compensation targets that are tied to phishing awareness campaigns and cyber performance metrics.

Rapid advancements in technology are transforming traditional energy business models and customer expectations. This can lead to additional costs to replace obsolete technology or unplanned outages due to aging infrastructure. ENMAX manages this risk through its technology governance framework. There is ongoing investment in upgrading, replacing and modernizing the technology landscape at ENMAX.

HUMAN RESOURCES RISK

The variety of technical expertise and experience possessed by ENMAX staff and required by their roles exposes ENMAX to risks around attracting and retaining qualified personnel, as well as succession planning for the loss of key employees. This can lead to difficulties finding qualified, experienced and exceptional candidates and challenges related to the sudden loss or retirement of key employees, including loss of expertise and retained knowledge. ENMAX provides training and education programs for staff and contractors and regularly solicits feedback on staff engagement to provide input for future initiatives. ENMAX is committed to an inclusive workplace with a focus on recognition and provides competitive compensation and benefits programs. Critical role identification and robust succession and development planning are important ways that ENMAX responds to the risk of loss of key employees.

The majority of ENMAX's workforce belongs to a union. There are risks that challenges in renewing or updating collective bargaining agreements could lead to higher labour costs, work stoppages or strikes, or lower-than-expected attraction or retention rates. This can result in increasing labour costs, operational disruption, financial implications or reputational damage from work stoppages in the event of challenging collective bargaining negotiations. ENMAX proactively engages with the unions on renewals of collective bargaining agreements to help mitigate risks related to potential work stoppages.

CLIMATE CHANGE AND ENVIRONMENTAL RISK

ENMAX's operations are influenced by environment changes. Short-term weather patterns can affect the level of electricity supply and demand and the market price for electricity. Increasing severe weather events can cause outages and asset damage. Extreme weather events can lead to service disruptions and reduced reliability, as well as asset damage. Water shortages due to prolonged drought conditions or aging water infrastructure can limit access to water for power generation and affect ENMAX's ability to operate its facilities effectively and lead to negative effects on cash flow and earnings.

ENMAX is subject to federal, provincial or state, and local environmental laws and regulations. The generation, transmission and distribution of electricity requires the use and disposal of certain hazardous materials. Environmental activism can also result in reputational harm and operational disruptions. In order to mitigate these risks, ENMAX engages in strategic business planning with integrated scenario analysis. Physical risk workshops and assessment of climate hazards, development of models for future climate-related outcomes are important related activities ENMAX engages in. ENMAX invests in the reduction of freshwater use and optimization of water use at operational facilities, including the use of reclaimed water as the primary water source at Shepard Energy Centre. The City's Drought Resilience Plan has been incorporated into climate-related physical risk workshops and ENMAX continues to implement programs to manage environmental risk exposures, focusing on prevention and preparedness.

SUSTAINABILITY

ENMAX is committed to transparency and discloses its environmental, social and governance (ESG) performance and goals in an annual Sustainability Report. The ESG disclosure aligns with Sustainability Accounting Standards Board, Task Force on Climate-related Financial Disclosures standards and the Greenhouse Gas (GHG) Protocol. In 2025, ENMAX made progress towards its ESG framework, which includes targets related to climate change, energy affordability, diversity and inclusion and governance. The 2025 Sustainability Report is expected to be available on enmax.com in May 2026.

ENVIRONMENTAL

ENMAX aims to achieve net zero scope 1 and scope 2 GHG emissions by 2050, with an interim goal to reduce or offset 70 per cent of these emissions by 2030 (from a 2015 baseline). Progress is tracked through annual GHG Action Plans.

Optimizing water use at generation facilities is key to ENMAX's environmental stewardship. Shepard Energy Centre primarily uses reclaimed water from The City's wastewater treatment plant. Since 2017, engineering solutions have reduced the plant's annual wastewater volume by approximately 25 per cent.

SOCIAL

Energy affordability is a cornerstone of ENMAX's Sustainability framework. ENMAX aims to eliminate barriers for vulnerable customers to access safe, reliable and affordable electricity. The Corporation aids customers through crisis support, reducing barriers and energy efficiency efforts.

ENMAX continues to deliver a comprehensive community impact strategy targeting essential needs, community well-being, active employee engagement and volunteering opportunities. In 2025, ENMAX partnered with over 50 charitable organizations.

GOVERNANCE

The Board oversees ENMAX's ESG strategy and alignment with business strategy, supported by the Safety, Environment and Sustainability Committee. The executive team is responsible for corporate oversight and advancement of key ESG issues.

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Preparation and presentation of the accompanying consolidated financial statements of ENMAX Corporation is the responsibility of management and has been approved by the Board of Directors (the Board). In management's opinion, the consolidated financial statements have been prepared within reasonable limits of materiality in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The preparation of financial statements requires judgement and estimation when events affecting the current year depend on determinations to be made in the future. Management has exercised careful judgement where estimates were required, and these consolidated financial statements reflect all information available up to March 5, 2026. Financial information presented elsewhere in this report is consistent with that in the consolidated financial statements.

To discharge its responsibility for financial reporting, management maintains systems of internal controls designed to provide reasonable assurance that the Corporation's assets are safeguarded, that transactions are properly authorized and that reliable financial information is relevant, accurate and available on a timely basis. Internal control systems are monitored by management and evaluated by an internal audit function that regularly reports its findings to management and the Audit Committee of the Board.

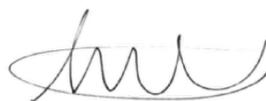
The consolidated financial statements have been audited by Deloitte LLP, the Corporation's external auditor. The external auditor is responsible for examining the consolidated financial statements and expressing an opinion on fairness of the consolidated financial statements in accordance with IFRS Accounting Standards. The auditor's report outlines the scope of their audit examination and states their opinion.

The Board, through the Audit Committee, is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls. The Audit Committee, comprised of independent directors, meets regularly with management, the internal auditor and the external auditor to ensure each group is discharging its responsibilities with respect to internal controls and financial reporting. The Audit Committee reviews the consolidated financial statements and annual financial report and recommends approval to the Board. The external auditor has full and open access to the Audit Committee, with and without the presence of management. The Audit Committee is also responsible for reviewing and recommending the annual appointment of the external auditor and approving the annual external audit plan.

On behalf of management,



Mark Poweska
President and Chief Executive Officer



Sheri Primrose
Chief Financial Officer and
Executive Vice President, ENMAX Energy

March 5, 2026

Independent Auditor's Report

To the Shareholder of ENMAX Corporation

Opinion

We have audited the consolidated financial statements of ENMAX Corporation and its subsidiaries (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of earnings, comprehensive income, changes in shareholder's equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Financial Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Financial Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
March 5, 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31,

(millions of Canadian dollars)

	2025	2024
ASSETS		
Cash and cash equivalents (Notes 7 and 10)	\$ 234	\$ 40
Accounts receivable (Note 7)	734	855
Current portion of financial assets (Note 7)	220	216
Other current assets (Note 11)	50	38
	1,238	1,149
Property, plant and equipment (Notes 12 and 15)	7,213	6,966
Intangible assets (Note 13)	327	338
Goodwill (Note 14)	561	589
Deferred income tax assets (Note 8)	66	79
Post-employment benefits (Note 17)	66	70
Financial assets (Note 7)	111	200
Investments in associates (Note 23)	110	111
Other long-term assets (Note 11)	92	103
TOTAL ASSETS	9,784	9,605
Regulatory deferral account debit balances (Note 9)	382	373
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	\$ 10,166	\$ 9,978
LIABILITIES		
Short-term financing (Note 7)	\$ -	\$ 157
Accounts payable and accrued liabilities	609	650
Income taxes payable (Note 8)	7	10
Dividend payable (Note 24)	26	-
Current portion of long-term debt (Notes 7 and 16)	114	405
Current portion of financial liabilities (Note 7)	197	168
Current portion of deferred revenue (Note 18)	5	5
Current portion of lease liabilities (Note 15)	3	3
Current portion of asset retirement obligations and other provisions (Note 19)	1	3
Other current liabilities (Note 11)	49	65
	1,011	1,466
Long-term debt (Notes 7 and 16)	4,029	3,645
Deferred income tax liabilities (Note 8)	328	321
Post-employment benefits (Note 17)	74	77
Financial liabilities (Note 7)	190	303
Deferred revenue (Note 18)	728	663
Lease liabilities (Note 15)	34	37
Other long-term liabilities (Note 11)	17	21
Asset retirement obligations and other provisions (Note 19)	100	101
TOTAL LIABILITIES	6,511	6,634
Regulatory deferral account credit balances (Note 9)	128	139
TOTAL LIABILITIES AND REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES	6,639	6,773
SHAREHOLDER'S EQUITY		
Share capital (Note 20)	280	280
Retained earnings	3,190	2,786
Accumulated other comprehensive income (Note 21)	57	139
TOTAL SHAREHOLDER'S EQUITY	3,527	3,205
TOTAL LIABILITIES, REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES AND SHAREHOLDER'S EQUITY	\$ 10,166	\$ 9,978

Commitments and contingencies (Note 30).

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF EARNINGS

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
REVENUE (Note 6)		
Transmission and distribution	\$ 1,436	\$ 1,333
Electricity	1,145	1,342
Natural gas	381	523
Local access fees (Note 27)	148	183
Contractual services	65	70
Contributions in aid of construction (Note 18)	20	19
Other revenue (Note 29)	32	23
TOTAL REVENUE	3,227	3,493
OPERATING EXPENSES (Note 6)		
Transmission and distribution	564	546
Electricity and fuel purchases	494	833
Natural gas and delivery	282	438
Local access fees (Note 27)	148	183
Depreciation and amortization	402	392
Impairment (Notes 6, 12, 14, and 15)	-	136
Other expenses (Note 29)	612	612
TOTAL OPERATING EXPENSES	2,502	3,140
OPERATING PROFIT	725	353
Finance charges (Note 25)	163	166
NET EARNINGS BEFORE TAX	562	187
Current income tax expense (Note 8)	37	10
Deferred income tax expense (Note 8)	21	-
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES	504	177
Net movement in regulatory deferral account balances (Note 9)	3	4
NET EARNINGS	\$ 507	\$ 181

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
NET EARNINGS	\$ 507	\$ 181
OTHER COMPREHENSIVE (LOSS) INCOME		
<i>Items that will not be reclassified subsequently to statement of earnings</i>		
Cumulative (loss) gain on translation adjustment	(78)	130
Remeasurement (loss) gain on retirement benefits (Note 17)	(2)	37
<i>Items that will be reclassified subsequently to statement of earnings</i>		
Unrealized (loss) gain on investments ⁽¹⁾	(2)	1
OTHER COMPREHENSIVE (LOSS) INCOME	(82)	168
TOTAL COMPREHENSIVE INCOME	\$ 425	\$ 349

⁽¹⁾ Net of deferred income tax expense.

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

<i>(millions of Canadian dollars)</i>	Share Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
As at December 31, 2024	\$ 280	\$ 2,786	\$ 139	\$ 3,205
Net earnings	-	507	-	507
Other comprehensive loss, net of income tax	-	-	(82)	(82)
Total comprehensive income	-	507	(82)	425
Dividends (Note 24)	-	(103)	-	(103)
As at December 31, 2025	\$ 280	\$ 3,190	\$ 57	\$ 3,527

As at December 31, 2023	\$ 280	\$ 2,700	\$ (28)	\$ 2,952
Net earnings	-	181	-	181
Other comprehensive income, net of income tax	-	-	167	167
Total comprehensive income	-	181	167	348
Dividends (Note 24)	-	(95)	-	(95)
As at December 31, 2024	\$ 280	\$ 2,786	\$ 139	\$ 3,205

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net earnings	\$ 507	\$ 181
<i>Reconciliation of net earnings to cash flow from operating activities:</i>		
Contributions in aid of construction additions (Note 18)	86	69
Contributions in aid of construction revenue (Note 18)	(20)	(19)
Depreciation and amortization	402	392
Impairment	-	136
Finance charges	163	166
Income tax expense	58	10
Loss on disposal of assets	1	8
Change in unrealized market value of financial contracts	(67)	52
Change in post-employment benefits	(3)	(1)
Change in unrealized gain on investments	(1)	(2)
Foreign exchange gain	(2)	(4)
Change in non-cash working capital (Note 26)	97	(217)
Cash flow from operations	1,221	771
Interest paid ⁽¹⁾	(152)	(148)
Income taxes paid	(42)	(2)
Net cash flow provided by operating activities	1,027	621
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets ⁽¹⁾	(737)	(796)
Proceeds from disposal of PP&E	3	3
Cash flow used in investing activities	(734)	(793)
FINANCING ACTIVITIES		
Repayment of short-term financing	(726)	(4,965)
Proceeds from short-term financing	569	4,678
Repayment of long-term debt	(556)	(597)
Proceeds from long-term debt	695	1,101
Repayment of lease liabilities	(4)	(2)
Dividend paid (Note 24)	(77)	(95)
Cash flow (used in) provided by financing activities	(99)	120
Effect of foreign exchange on cash and cash equivalents	-	2
Increase (decrease) in cash and cash equivalents	194	(50)
Cash and cash equivalents, beginning of period	40	90
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 234	\$ 40
Cash and cash equivalents, end of period consist of:		
Cash	\$ 228	\$ 30
Restricted cash (Note 10)	6	10
	\$ 234	\$ 40

⁽¹⁾ Interest paid excludes \$23 million of capitalized borrowing costs (2024 - \$20 million), which is included in Purchases of property, plant and equipment and intangible assets. Including capitalized borrowing costs, total interest paid during the year was \$175 million (2024 - \$168 million).

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

ENMAX Corporation was incorporated under the *Business Corporations Act* (Alberta) in July 1997; operations began on January 1, 1998. ENMAX Corporation's initial mandate was to carry on the electric utility transmission and distribution operations previously directed by the Calgary Electric System. Since 1998, ENMAX Corporation has grown from its transmission and distribution roots to include electricity generation, commercial and residential electricity and natural gas retail businesses.

The registered office of ENMAX is at 141 - 50 Avenue SE, Calgary AB, T2G 4S7. The Corporation's principal place of business is Alberta. The City is the sole shareholder of ENMAX Corporation.

ENMAX Corporation's subsidiary, Versant Power, engages in transmission and distribution operations in BHD as well as the MPD, in northern and eastern Maine, U.S.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These consolidated financial statements were approved and authorized for issuance by ENMAX's Board of Directors on March 5, 2026.

BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the historical cost basis, except for financial derivative instruments measured at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The Corporation operates in two functional currencies: Canadian dollars (CAD) and U.S. dollars (USD).

The latter is translated into the Corporation's presentation currency and, unless otherwise stated, these consolidated financial statements are presented in millions of Canadian dollars.

COMPARATIVE FIGURES

Certain comparative figures have been reclassified. These reclassifications did not impact previously reported net earnings.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to select appropriate accounting policies and make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as to disclose contingent assets and liabilities. These estimates and judgements involve matters that are inherently complex and uncertain. Judgements and estimates are continually evaluated and are based on historical experience and expectations of future events. Changes to accounting estimates are recognized prospectively.

Significant judgements and estimates are required in the application of accounting policies. These are referenced in the following tables:

SIGNIFICANT ACCOUNTING JUDGEMENTS

Financial Statement Area	Accounting Policy	Judgement Areas
Investments in associates	Note 4 (d)	Tested for recoverability when events and circumstances indicate a possible impairment
Property, plant and equipment and intangible assets	Note 4 (i)(m)	Determination of components and useful lives
Asset impairment	Note 4 (n)	Assessment of impairment indicators and grouping of cash-generating units (CGUs)
Leases	Note 4 (p)	Assessment of contracts for lease arrangements
Provisions	Note 4 (r)	Determination of probability of outflow of resources
Income taxes	Note 4 (v)	Interpretation of uncertain tax positions and application of tax regulations

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Financial Statement Area	Accounting Policy	Estimate and Assumption Areas
Regulatory deferral accounts	Note 4 (e)	Estimates related to regulatory proceedings or decisions
Financial instruments accounts receivable	Note 4 (f)	Assumptions to assess the expected loss rates
Financial instruments fair value measurements and valuation	Note 4 (f)	Estimates of fair value for financial assets and liabilities
Property, plant and equipment and intangible assets	Note 4 (i)(m)	Determination of components and useful lives
Asset impairment and goodwill	Note 4 (c)(n)	Estimation of future cash flows where impairment indicators exist
Post-employment benefits	Note 4 (o)	Key assumptions are used to calculate post-employment benefits
Leases	Note 4 (p)	Assessment of contracts for lease arrangements
Asset retirement obligation	Note 4 (q)	Estimates of amount and timing of asset retirements
Provisions and contingencies	Note 4 (r)	Determination of probability of outflow of resources
Revenue	Note 4 (s)	Contributions in aid of construction (CIAC) are contributions received for work performed under various statutory requirements, therefore are determined not to contain significant financing component; and principal vs. agent consideration for each revenue stream
Income taxes	Note 4 (v)	Determine tax provisions, using uncertain tax positions and the application of tax legislation

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) CONSOLIDATION

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, including Versant Power, which is a separate and distinct standalone legal entity. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation, except as disclosed in Note 9 (Regulatory Deferral Account Balances). The consolidated financial statements of the subsidiaries are prepared for the same reporting period and apply accounting policies consistent with the Corporation.

Subsidiaries are consolidated from the date on which control is obtained until the date that control ceases. Control exists when the Corporation possesses power over the investee, has exposure or rights to variable returns from its involvement with the investee and can use its power over the investee to affect returns. The assets of Versant Power are not available to the Corporation for use as collateral, and the assets and credit facilities of Versant Power are not available for use in settling the Corporation's debts or other obligations.

(b) JOINT ARRANGEMENTS

A joint arrangement is an arrangement in which two or more parties have joint control and must act together to direct activities that significantly affect the returns of the arrangement. The Corporation classifies its interest in joint arrangements as either joint operations or joint ventures, depending on the Corporation's rights to the assets and obligations for the liabilities. When making this assessment, the Corporation exercises judgements and considers the structure and contractual terms of the arrangement, as well as the legal form of any separate vehicles, in addition to all other relevant facts and circumstances.

Joint arrangements that provide all parties with rights to the assets and obligations for the liabilities are classified as joint operations. The Corporation's consolidated financial statements include its share of assets, liabilities, revenues, expenses and OCI from the joint operations.

Joint arrangements that provide all parties with rights to net assets of the entities under the arrangements are classified as joint ventures. Joint ventures are accounted for under the equity method of accounting. Under this method, the Corporation's interests in joint ventures are initially recognized at cost and are adjusted thereafter to recognize the Corporation's share of profits or losses, movements in OCI and dividends or distributions received.

When the Corporation transacts with a jointly controlled entity of the Corporation, unrealized profits and losses are eliminated to the extent of the Corporation's interest in the joint venture.

(c) BUSINESS COMBINATIONS AND GOODWILL

The Corporation applies the acquisition method of accounting for acquisition of businesses. The determination of whether an acquisition meets the definition of a business under IFRS Accounting Standards requires judgement and is assessed on a case-by-case basis. The cost of acquisition is measured as the aggregate fair value at the date of exchange of the assets given and liabilities incurred or assumed. Consideration paid does not include amounts related to the settlement of pre-existing relationships. Transaction costs incurred in connection with an acquisition are expensed as incurred, except for costs to issue debt or equity securities.

Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured at fair value at the acquisition date, as are any contingent consideration payable. Subsequent remeasurement of contingent liabilities are recorded in net earnings.

Goodwill is determined as the excess of fair value of consideration paid over ENMAX's interest in the net fair value of identifiable net assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity, or associate, recognized at the date of acquisition. In accordance with IFRS 3 *Business Combinations*,

goodwill is recorded at cost and not amortized. Goodwill is tested for impairment on an annual basis, and whenever there are conditions that indicate the CGU which goodwill has been allocated to may be impaired. Impairment is determined by assessing the recoverable amount of the CGU to which goodwill relates. When the recoverable amount is less than the carrying amount, an impairment loss is recognized.

If ENMAX's interest in the net fair value of identifiable assets, liabilities and contingent liabilities assumed exceeds the cost of consideration, such excess is recognized immediately in the consolidated statement of earnings.

(d) ASSOCIATES

Associates are those entities over which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. This generally occurs where the Corporation holds between 20 and 50 per cent of the voting rights. Associates are accounted for under the equity method. Under this method, the Corporation's interests in associates are initially recognized at cost. The Corporation's interests are subsequently adjusted to recognize the Corporation's share of profits or losses, movements in OCI and dividends or distributions received. The Corporation's interests in associates are tested for recoverability when events or circumstances indicate possible impairment. An impairment loss is recognized in earnings when the carrying value of the Corporation's interest in an individual associate is higher than its recoverable amount. The recoverable amount is the higher of fair value less disposal costs and value in use (VIU). An impairment loss may be reversed when objective evidence exists that a change in the estimated recoverable amount of the investment is warranted.

(e) REGULATORY DEFERRAL ACCOUNTS

In accordance with IFRS 14 *Regulatory Deferral Accounts*, the Corporation continues to recognize amounts that qualify as regulatory deferral balances in accordance with the basis of accounting used immediately before transition to IFRS Accounting Standards. A regulatory deferral account balance is any expense (or income) account that:

- Is included, or expected to be included, by the rate regulator in establishing the rate(s) that can be charged to customers; and
- Would not otherwise be recognized as an asset or liability in accordance with other IFRS Accounting Standards.

In accordance with this standard, the Corporation has presented regulatory deferral account debits and credits on a separate line in the consolidated statement of financial position. Net movements in regulatory deferral accounts are also presented on a separate line in the statement of earnings (Note 9).

(f) FINANCIAL INSTRUMENTS

Recognition

Financial assets and liabilities are initially recognized at fair value when the Corporation becomes a party to the contractual provisions of the instrument. The fair value differs on initial recognition from the transaction price when the fair value is measured using unobservable inputs, in which case the instrument is measured at the transaction price. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for disclosures of the fair value of financial instruments. In the case of instruments not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition are accounted for as an adjustment to the carrying amount, and in all other cases such transaction costs are expensed as incurred.

The Corporation evaluates contracts to purchase non-financial items which are subject to net settlement, to determine whether such contracts should be considered derivatives, or if they were entered into and continue

to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements ("own use"). If such contracts qualify as own use, they are considered executory contracts outside the scope of financial instrument accounting.

The Corporation evaluates financial and non-financial contracts not measured at FVTPL to determine whether they contain embedded derivatives. An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some cash flows of the combined instrument vary similar to a stand-alone derivative. For such instruments, an embedded derivative is separated where the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risks of the host contract, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or it transfers the financial instrument in a manner that qualifies for derecognition through transfer of substantially all risks and rewards or transfer of control.

Financial liabilities are derecognized upon extinguishment. A modification of a financial liability with an existing lender is evaluated to determine whether the amendment results in substantially different terms, in which case it is accounted for as an extinguishment.

Classification

The classification of the Corporation's financial instruments depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

The financial assets of the Corporation are classified in the following categories:

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets of the Corporation include cash and cash equivalents, and current and long-term accounts receivable.
- Fair value through other comprehensive income (FVOCI): assets that are held for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.
- FVTPL: assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

Financial assets of the Corporation measured at FVOCI and FVTPL are derivative instruments.

Financial liabilities of the Corporation are classified either as held at amortized cost or held at FVTPL. Financial liabilities of the Corporation included at amortized cost are short-term financing, accounts payable and accrued liabilities, current and long-term debt and other current and some components of other long-term liabilities. Financial liabilities of the Corporation measured at FVTPL are derivative instruments.

Derivatives and hedging activities

Derivatives are initially recognized at fair value at contract inception and subsequently remeasured to fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Fair values of various derivative financial instruments used for risk management and hedging purposes are disclosed in Note 7. Movements in the hedging reserve are recognized in the AOCI portion of equity and are shown in Note 21. The fair value of a hedging derivative is classified as a non-current asset or liability when the

remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities. As of December 31, 2025, ENMAX does not have any financial instruments designated as hedging instruments.

Cash flow hedges

The Corporation utilizes forward contracts as hedging instruments to manage commodity price risk associated with its highly probable commodity sales and purchases. At inception of the hedging transaction, the Corporation documents the economic relationship between hedging instruments and hedged items, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

Sources of hedge ineffectiveness can occur as a result of credit risk, change in hedge ratio, and forecast adjustments leading to over-hedging. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument, or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in earnings at the time of the hedge relationship rebalancing.

The Corporation can only discontinue hedge accounting prospectively if there is no longer an economic relationship between the hedged item and hedging instrument, the risk management objective changes, the derivative no longer is designated as a hedging instrument, or the underlying hedged item is derecognized. If the Corporation discontinues hedge accounting, the cumulative gain or loss in AOCI is transferred to earnings at the same time as the hedged item affects earnings. The amount in AOCI is immediately transferred to earnings if the hedged item is derecognized or it is probable that a forecast transaction will not occur in the originally specified time frame.

Estimation uncertainty

In estimating the fair value of financial assets or liabilities, the Corporation uses market-observable data when available. When observable data is not available, the Corporation determines fair value using inputs other than observable quoted prices for the asset or liability, or valuation techniques with inputs based on historical data.

Presentation

Financial assets and liabilities are not offset unless they are with a counterparty for which the Corporation has a legally enforceable right to settle the financial instruments on a net basis and the Corporation intends to settle on a net basis.

Impairment of financial assets

Impairment provisions for accounts receivable disclosed in Note 7(b) are based on assumptions on expected credit loss (ECL) rates. The Corporation uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Estimation uncertainty

Estimates are made to set up the impairment provision for accounts receivable, which reflects the amount of accounts receivable that are ultimately expected to be non-collectible based on ECL.

Hedges

In conducting its business, the Corporation uses derivatives and other financial instruments, including swaps, futures, options and forwards to manage its exposure to certain market risks. When documentation and effectiveness requirements are met at inception, these derivatives and financial instruments are designated as hedging instruments for accounting purposes. Hedge effectiveness is measured with reference to the risk management objective and strategy for the hedged item and is evaluated on an ongoing basis.

Cash flow hedges are used to manage the variability of cash flows resulting from the purchase and sale of electricity, natural gas and foreign exchange exposure.

For cash flow hedges, changes in the fair value of the effective portion of the derivative designated in a hedging relationship are accumulated in OCI and recognized in earnings during the periods when the cash flows of the hedged item are realized. Gains and losses on cash flow hedges are reclassified immediately to earnings when a hedged anticipated transaction is no longer probable.

Where the hedged item continues to be probable but is no longer highly probable, the hedging relationship terminates. The accumulated amount in OCI is retained until the hedged transaction occurs or is no longer probable.

If the cumulative change in fair value of the hedging instrument exceeds the cumulative change in fair value of the hedged item, ineffectiveness is recorded in profit or loss for the excess and a de-designated or discontinued hedge. The unrealized changes in fair value recorded prior to de-designation or discontinuation are reclassified from AOCI to earnings when the related hedged item is recognized in earnings.

(g) FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction date. Receivables, payables and other monetary assets and liabilities are translated into the functional currency using the exchange rate at the balance sheet date. The foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at balance sheet date exchange rates are recognized in the statement of earnings, except when deferred in equity as qualifying cash flow hedges.

Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition and intercompany loans, are translated into the reporting currency using the exchange rates at the balance sheet date. Income and expenses of foreign operations are translated into the reporting currency at exchange rates approximating the exchange rates at the transaction dates. Foreign currency translation differences are recognized in OCI and presented as equity.

(h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances on deposit with banks and investments in money market instruments with original maturities of three months or less from the date of acquisition.

(i) PROPERTY, PLANT AND EQUIPMENT

PP&E is recorded at cost less accumulated depreciation and any impairment losses. Cost includes contracted services, materials, direct labour, overhead, borrowing costs on qualifying assets and decommissioning costs. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Corporation and costs can be measured reliably. Capital spares and related inventory are included within PP&E. The carrying amount of an asset is derecognized when the asset is retired or replaced. Major overhauls and inspections are capitalized. Repairs and maintenance are charged to the statement of earnings in the period in which they are incurred.

Depreciation and amortization of PP&E is recorded on a straight-line basis over the estimated useful life of the asset class at the following rates:

Asset Class	Depreciation Rates		
Transmission, distribution and substation equipment	1.34%	to	50.00%
Generation facilities and equipment	2.00%	to	20.00%
Generation overhauls and inspections	6.67%	to	66.67%
Buildings and site development	1.21%	to	10.00%
Tools, systems and equipment	2.56%	to	25.00%
Vehicles	6.34%	to	10.74%

Work in progress represents assets that are not yet available for use and therefore not subject to depreciation. Capital spares and inventory, excluding rotating capital spares and meter inventory, are not depreciated until they are placed into service.

For regulated PP&E, depreciation rates are derived from the estimated service life of the asset group and net salvage percentages.

Gains or losses on disposal of PP&E are determined by comparing the proceeds from disposal with the carrying amount of PP&E and are recognized in earnings.

Significant judgement

Depreciation rates are developed based on the useful lives derived from past experience and current facts, taking into account future expected usage and potential for technological obsolescence. Where significant parts of PP&E have different useful lives relative to the total cost of the item, they are accounted for and depreciated separately. Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(j) DEFERRED REVENUE

Under various statutory requirements and agreements with customers and developers, the Corporation receives CIAC in the form of cash contributions. Such contributions are recorded as deferred revenue when funds are received and recognized into revenue over the useful life of the related underlying asset. The Corporation also receives deposits on long-term contracts in the form of cash. Such contributions are recorded as deferred revenue upon receipt and are recognized into revenue over time as the underlying performance obligations are satisfied, to the extent the Corporation has an enforceable right to payment.

(k) GOVERNMENT GRANTS

Government grants are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received. Government grants received for the purchase of certain items of PP&E are deducted from the carrying amount of the related asset. Amounts received related to expense reimbursement reduce the expense in the period in which it is incurred.

(l) CAPITALIZATION OF BORROWING COSTS

Borrowing costs directly attributable to the construction of a qualifying asset are eligible for capitalization. Qualifying assets are assets for which a substantial period of time is required to prepare the asset for its intended use. The Corporation borrows funds to finance its capital construction projects. The borrowing costs are capitalized until construction is completed, at a rate based on the actual cost of debt used to finance the capital construction projects.

(m) INTANGIBLE ASSETS

Intangible assets are recorded at cost less accumulated amortization and any impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the assets at the following rates:

Asset Class	Depreciation Rates		
Computer systems	6.67%	to	50.00%
Land easements, rights and lease options	1.18%	to	12.50%

Useful lives of intangible assets are based on past experience, current facts and formal amortization studies. These assets are assessed annually for impairment or more frequently if events or changes in circumstances indicate that the asset may be impaired.

(n) ASSET IMPAIRMENT

Carrying amount of long-lived assets, intangible assets and goodwill are reviewed at each reporting date to determine whether there is any indication of impairment. For long-lived assets and intangible assets with definite useful lives, recoverable amounts are estimated when an indicator of impairment exists. Recoverable amounts are assessed annually for goodwill, intangible assets with indefinite useful lives or those not available for use and equity investments.

Testing for impairment is performed at the CGU level. The recoverable amount of a CGU is the greater of fair value less costs of disposal and VIU. VIU is calculated based on the net present value of cash flow projections incorporating estimates of annual revenues, expenses and capital expenditures over the asset's useful life. These estimates incorporate past experience and the Corporation's current view of future cash flow generated by the CGU. The Corporation considers externally available information related to future commodity pricing and current economic conditions when developing certain pricing assumptions. The discount rate used reflects market weighted average cost of capital using the capital asset pricing model, considering risks specific to a CGU and risks embedded in the net cash flow projections. Impairment loss is recognized in the statement of earnings if the recoverable amount of a CGU is estimated to be less than its carrying amount.

Impairment losses recognized in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. The impairment loss can be reversed up to the original carrying value of the asset that would have been determined, net of depreciation, had no impairment loss been recognized. A reversal of impairment is recognized immediately in the statement of earnings.

Significant judgement and estimation uncertainty

Impairment indicator assessment and grouping of CGUs are significant judgements in the process of asset impairment analysis. The determination of CGU recoverable amounts involves significant estimates, including timing of cash flows, expected future prices for inputs and outputs, expected usage of the assets and appropriate discount rates.

(o) POST-EMPLOYMENT BENEFITS

The Corporation sponsors pension plans that contain both defined contribution (DC) and defined benefits (DB) provisions.

For DC pension plans, the Corporation's obligations for contributions are recognized as other expenses in the statement of earnings when services are rendered by employees.

For DB pension plans and other post-employment benefits, the level of benefit provided is based on years of service and earnings of the plan member. The service cost of DB pension and other post-employment benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and management's best estimate of expected health care costs. The related pension liability or asset recognized in the statement of financial position is the present value of the DB and post-employment benefit obligation, less the market value of the plan assets at the statement of financial position date.

Actuarial valuations for DB plans are carried out as prescribed in applicable regional legislation. The discount rate applied in arriving at the present value of the pension liability represents yields on high-quality corporate bonds that have terms to maturity approximating the terms of the related pension liability.

Components of net periodic benefit cost include service cost, net interest on the net liability and re-measurements of the net liability. Service cost is recognized in other expenses in the statement of earnings. Net interest is calculated by applying the discount rate to the net liability at the beginning of the annual period, considering projected contributions and benefit payments during the period. The net interest is recognized in interest expense in the statement of earnings. Re-measurement gains or losses, resulting from experience adjustments and changes in assumptions used to measure the accrued benefit obligation, are recognized in full in the period in which they occur, through OCI.

Estimation uncertainty

Significant assumptions and estimates are used in accounting for DB pension plans. The Corporation consults with actuarial specialists when setting the key assumptions used to estimate the post-employment benefits and the costs of providing post-employment benefits. Key assumptions include future return on plan assets, retirement age, mortality rates, discount rates, future health care costs, salary escalation rates and claims experience.

(p) LEASES

When an arrangement is entered into for the use of items of PP&E, the Corporation evaluates the arrangement to determine whether it contains a lease. The Corporation recognizes an arrangement as a lease when it has the right to direct the use of the specific asset. The Corporation recognizes right-of-use (ROU) assets and corresponding lease liabilities on the consolidated statement of financial position for lease arrangements with a term of 12 months or longer. Leases of low-value assets are accounted for as an operating lease.

Assets under financing leases are amortized on a straight-line basis over the term of the underlying leases (see Note 15) and are tested for impairment using the same approach as is applied for long-lived assets.

Significant judgement

Lease liabilities and ROU assets require the use of judgement and estimates, which are applied in determining whether an arrangement contains a lease, the term of a lease, appropriate discount rates and whether there are any indicators of impairment for ROU assets.

(q) ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations (ARO) are provisions for legal and constructive obligations for decommissioning the Corporation's assets and the Corporation's share of jointly operated generation assets.

The estimated future cash flows of the asset retirement costs are risk adjusted and discounted using a pre-tax, risk-free rate that reflects the time value of money. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and then amortized over its estimated useful life. Changes due to revisions of discount rates, the timing, or the amount of the original estimate of the provision are reflected on a prospective basis by adjusting the carrying amount of the related PP&E. In the event the amounts resulting from changes in estimates exceed the carrying amount of the related PP&E, the excess amount is recognized immediately in profit or loss.

Estimation uncertainty

Significant assumptions and estimates are used in accounting for ARO, including the amount and timing of asset retirements, the extent of site remediation required, and related future cash flows, inflation rates and discount rates.

(r) PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect of discounting is significant. A pre-tax, risk-free rate is used to discount estimated future risk-adjusted cash outflows. The unwinding of the discount (accretion) is recognized as a finance charge. The Corporation remeasures provisions each reporting period, considering changes in the likelihood and timing of future outflows and changes in discount rates.

The Corporation performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

Significant judgement

Judgement is involved to determine the probability of outflow of resources.

(s) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received and is reduced for rebates and other similar allowances.

Electricity and gas revenue

Contracts with customers within ENMAX Energy mainly consist of agreements to provide and deliver supplies of electricity and/or natural gas (the commodity) to customers' specified locations.

Performance obligations

Typical commodity contracts with customers include two performance obligations, which are to provide supplies of the commodity and to arrange for the delivery of these supplies to the customers' specified locations. These performance obligations are considered to be a series of performance obligations satisfied over time as the customers simultaneously take delivery of and consume the commodity.

ENMAX is the principal for commodity delivery charges within the Calgary city limits, with these charges reflected as gross revenue on ENMAX's consolidated financial statements. ENMAX is an agent for commodity delivery charges outside the Calgary city limits, and therefore the payment and recovery of these flow-through costs are presented on a net basis.

Transaction price

The transaction price for the commodity contract involves consideration from customers that is variable and constrained due to unknown volume of the commodity that will be consumed. Certain commodity contracts may also include a price constraint as the relevant commodity price is based on the commodity pool price at the time of the consumption. The variable consideration is no longer constrained when the volume and/or price of the commodity consumed by customers become known in each period. The resolved transaction price for the commodity delivered to customers during each billing period is allocated to the single performance obligation to provide the commodity.

Revenue recognition

The method utilized to recognize revenue for a commodity contract is an output method, which is based on actual volume of commodity distributed each period.

Estimation uncertainty

By regulation, wire service providers are not required to submit final load settlement data on customer electricity usage until four months after the month in which such electricity was consumed. The Corporation uses processes and systems to estimate electricity revenues and costs, including unbilled consumption. Any changes to electricity revenues and costs arising from final load settlement data is accounted for as a change in estimate in the period the final load settlement data is received.

Transmission and distribution revenue

Transmission and distribution contracts with customers represent ENMAX's agreement to provide delivery of electricity to end customers through collaboration with electricity retailers.

Performance obligation

The transmission contract includes one performance obligation, which is a stand-ready obligation to provide transmission capacity for the period. This performance obligation is satisfied when the stand-ready obligation to provide transmission capacity has been performed each month. The distribution contract includes one performance obligation, which is to provide distribution services. This performance obligation is satisfied when the end customer receives electricity. ENMAX's agreement to provide transmission and distribution services to the customer are performance obligations that are satisfied over time as the customer can simultaneously consume the electricity transmitted and distributed to the customer's location.

Transaction price

The transaction price for the transmission service involves consideration that is variable and constrained. The variable consideration is no longer constrained when the applicable regulator approves the cost of service, which allows the Corporation to recover the cost to build, operate and maintain the transmission lines.

The transaction price for the distribution contract involves consideration that is variable and constrained. The variable consideration is no longer constrained when the actual number of customers serviced during each billing period becomes known.

Revenue recognition

The method used to recognize revenue for the transmission contract is an input method, which is based on the passage of time as the stand-ready performance obligation is completed each period. The method utilized to recognize revenue for the distribution contract is an output method, which is based on actual volume of electricity distributed and actual number of customers serviced each period.

Estimation uncertainty

ENMAX applies the provisions of IFRS 14 *Regulatory Deferral Accounts* in accounting for its rate-regulated transmission and distribution businesses, to reflect the impact of regulatory decisions on the financial results of these businesses. An entity applying IFRS 14 may record revenues, expenses and regulatory deferral debits and credits that would not be recorded by an entity not applying IFRS 14. Estimates are necessary given that the regulatory environments in which the Corporation operates often require amounts to be recorded at estimated values until finalization and adjustment, pursuant to subsequent regulatory proceedings or decisions.

Contractual services revenue

Contractual services contracts are arrangements with a customer where ENMAX agrees to render services mainly to maintain customers' assets or to develop specific assets.

Performance obligation

The rendering of these contracts includes a performance obligation to either provide maintenance or develop an asset. This obligation is satisfied over time, as economic benefits are flowed to the customer from services which enhance existing assets, or through the development of a new asset for which ENMAX has no alternative use.

ENMAX has the right to receive payment for these services performed during each reporting period.

Transaction price

The transaction price for the rendering of a service contract includes consideration from the customer that is fixed.

Certain contracts may also include variable considerations that are constrained, which are not included in the transaction price. The transaction price for all services rendered to the customer at each billing period will be allocated to the single performance obligation to provide a service to the customer.

Revenue recognition

Both input and output methods are used to recognize revenue for rendering of service contracts depending on which method more accurately depicts ENMAX's agreement to transfer services to the customer. For contracts where an input method is used, revenue is recognized based on actual labour cost and materials consumed to perform the required service during each period. For contracts where an output method is used, the revenue is recognized based on actual services delivered to the customer during each period.

Estimation Uncertainty

The Corporation assesses the stage of completion for outstanding contracts with customers at the end of each reporting period. Estimates may be performed on the costs incurred to date as a percentage of total estimated costs, surveys of the work performed and estimating the proportion physically complete. Any changes to revenue and costs arising from these estimation processes are accounted for as a change in estimate in the period they occur.

(t) EMISSION CREDITS AND ALLOWANCES

The *Alberta Technology Innovation and Emissions Reduction Regulation (TIER)* became effective on January 1, 2020. TIER meets the federal government's stringency requirements for carbon pollution pricing and has been deemed equivalent to the federal *Greenhouse Gas Pollution Pricing Act*.

Purchased emission allowances are recorded on the statement of financial position as part of other assets, at the lower of cost and net realizable value. Internally generated emission allowances are not recorded on the statement of financial position and are recognized on the statement of earnings when used or sold externally at fair market value.

The Corporation has recorded emissions liabilities on the statement of financial position as a component of accounts payable and accrued liabilities, using the best estimate of the amount required to settle the obligation in excess of government established emission requirements. These amounts are recognized as cost of electricity services provided and charged to the statement of earnings in the period they are levied.

(u) DIVIDENDS

Dividends on common shares are recognized in the Corporation's consolidated financial statements as a reduction of retained earnings in the period in which the dividends are approved by the Board.

(v) INCOME TAXES

Income tax in Canada is determined on a legal entity basis. Certain subsidiary legal entities of the Corporation are subject to income tax as determined under the *Income Tax Act* and *Alberta Corporate Tax Act* (collectively to be referred to as "Act"). Certain other legal entities are exempt from taxation under the Act. This exemption from taxation generally requires that corporations be wholly owned by a municipality, with all or substantially all income derived from sources within the geographic boundaries of the municipality. Those entities exempt from taxation under the Act may instead be subject to the Payment in Lieu of Tax (PILOT) Regulation of the *Electric Utilities Act*, which requires that certain exempt entities compute and remit a similar tax obligation to an Alberta government agency.

Versant Power related entities are subject to U.S. Federal and the State of Maine corporate income tax regimes. For U.S. tax purposes, commonly controlled corporations are permitted to file a consolidated U.S. tax return.

Any further reference to income tax recognizes the combined obligations under the Act, PILOT as well as U.S. Federal and State tax regimes.

Current tax liabilities or assets are measured at the amount expected to be paid to or recovered from the taxation authorities for the current and prior periods, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Differences between the financial statement carrying amount and tax base of the assets and liabilities of a legal entity result in taxable and deductible temporary differences. These differences are subject to expected future tax rates (enacted or substantively enacted at the reporting date) in computing the deferred income tax liabilities and assets.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available, against which the deductible temporary difference may be utilized. A deferred tax liability, however, is recognized for all taxable temporary differences. In certain non-routine scenarios contemplated by IFRS Accounting Standards, no recognition of deferred tax assets or deferred tax liabilities may be applicable.

The Corporation recognizes current and deferred income tax in the profit or loss for the period, except to the extent that it relates to a business combination or other transactions that are directly recognized in equity or OCI.

Significant judgement and estimation uncertainty

Calculation of the Corporation's total income tax expense involves a degree of estimation and judgement where the applicable tax regulation is subject to interpretation. Management periodically evaluates positions taken in tax returns and recognizes an income tax expense when it is probable that examination by taxation authorities would result in an additional tax liability.

Carrying amounts of deferred tax assets are assessed at the end of each reporting period and are adjusted to account for any changes to the probable future taxable profits of the respective entities.

5. ACCOUNTING PRONOUNCEMENTS

NEW AND REVISED IFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

(a) IFRS 18—Presentation and disclosure in financial statements

IFRS 18 will replace International Accounting Standards 1 and provide enhanced guidance on: i) new requirements with respect to the structure of the statement of earnings; ii) new required disclosure and explanation of management-defined performance measures that relate to the statement of earnings; and iii) levels of disaggregation which apply to the financial statements and notes. The new standard applies to annual reporting periods beginning on or after January 1, 2027. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements.

(b) IFRS 7—Financial instruments: disclosures, IFRS 9—Financial instruments

There are other new, revised and amended IFRS Accounting Standards that are not yet effective until annual periods beginning on or after January 1, 2026, which have not been applied in preparing these consolidated financial statements. The Corporation does not anticipate the implementation of these amended accounting standards to have a material impact on the consolidated financial statements.

6. SEGMENT INFORMATION

The Corporation has four main business segments.

ENMAX POWER

ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 603,000 customer sites in the Calgary area, covering 1,089 square kilometres. ENMAX Power is regulated by the AUC, an economic regulator that establishes ENMAX Power's revenue requirement and rates for transmission and distribution through public hearing processes. The transmission business operates under a cost-of-service framework, where ENMAX Power applies for rates designed to recover the forecasted cost of providing transmission service, including an allowed ROE. The distribution business is regulated under a PBR framework. Under this framework, distribution rates paid by customers are set annually using a formula that indexes rates to the prior year, using an inflation factor and a productivity factor, as well as an allowed ROE. PBR is intended to create additional incentives for utilities to find operational efficiencies. In 2025, approximately 17 per cent of ENMAX Power's electricity revenue was from transmission operations while 83 per cent was from distribution operations.

VERSANT POWER

Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 166,000 customer sites in the MPD and BHD. These areas cover six counties in Maine, U.S. and encompass approximately 27,000 square kilometres (10,400 square miles). BHD is a member of ISO New England and is interconnected with other New England utilities to the south and with New Brunswick Power Corporation to the north. MPD is a member of the Northern Maine Independent System Administrator. Versant Power is regulated by the MPUC with respect to distribution rates, service standards, territories served, securities issuances and other matters and by the FERC regarding transmission services. Versant Power generates revenue by charging customers for delivery of electricity through its transmission and distribution facilities. This retail revenue is separated into transmission, distribution and stranded cost rates. Rates for each element are designed to recover the costs of providing the regulated products or services, including an allowed ROE, and are established in distinct regulatory proceedings. In 2025, approximately 37 per cent of Versant Power's electricity revenue was from transmission operations, 40 per cent was from distribution operations and 23 per cent related to stranded cost recoveries and conservation charges.

ENMAX ENERGY

ENMAX Energy is an Alberta-based integrated retail and generation business, providing electricity, natural gas and customer care services to approximately 677,000 customers across Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Rate of Last Resort, formerly known as the RRO, through affiliated legal entities. The competitive retail business offers customers electricity and natural gas at fixed or variable prices. As at December 31, 2025, ENMAX Energy owned 1,486 MW of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX Energy uses its generation capacity as a natural hedge against electricity retail contracts to provide supply certainty, margin stability and risk mitigation. Additionally, natural gas retail contracts and fuel requirements for the generation portfolio are balanced through the purchase of natural gas.

CORPORATE

ENMAX's Corporate segment currently provides resources primarily for Canadian operations, including financing, legal, human resources, corporate governance, information technology, finance and accounting and other functions.

SEGMENTED TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT BALANCES

As at December 31,

(millions of Canadian dollars)

	2025	2024
ENMAX Power	4,269	4,031
Versant Power	2,831	2,807
ENMAX Energy	2,348	2,629
Corporate	336	138
Total assets	9,784	9,605
Regulatory deferral account debit balances (Note 9)	382	373
Total assets and regulatory deferral account debit balances	10,166	9,978

SEGMENTED EARNINGS

Segment information reflects the presentation regularly reviewed by executive management, who use segmented operating profit as an input for making decisions around capital allocation or assessing performance. Items such as unrealized gain or loss on financial commodities contracts, unrealized foreign exchange gain or loss, impairment, other non-recurring items and separate presentation of net regulatory deferral movements are excluded from operating profit in the “Segmented Total” column below. The “Total” column reflects what is reported in the Consolidated Statement of Earnings.

Year ended December 31, 2025 (millions of Canadian dollars)	ENMAX Power	Versant Power	ENMAX Energy	Corporate ⁽¹⁾	Segmented Total	Regulatory Deferral Movement	Other Presentation	Total
REVENUE								
Transmission and distribution	906	534	-	-	1,440	(4)	-	1,436
Electricity	-	-	1,217	(73)	1,144	1	-	1,145
Natural gas	-	-	381	-	381	-	-	381
Local access fees	148	-	-	-	148	-	-	148
Contractual services	42	-	25	(2)	65	-	-	65
CIAC	20	-	-	-	20	-	-	20
Other revenue	-	12	8	4	24	-	8	32
TOTAL REVENUE	1,116	546	1,631	(71)	3,222	(3)	8	3,227
OPERATING EXPENSES								
Transmission and distribution	393	171	-	-	564	-	-	564
Electricity and fuel purchases	-	-	634	(73)	561	-	(67)	494
Natural gas and delivery	-	-	282	-	282	-	-	282
Local access fees	148	-	-	-	148	-	-	148
Depreciation and amortization	197	80	131	(5)	403	(1)	-	402
Other expenses	190	165	253	4	612	1	(1)	612
TOTAL OPERATING EXPENSES	928	416	1,300	(74)	2,570	-	(68)	2,502
OPERATING PROFIT	188	130	331	3	652	(3)	76	725
Unrealized gain on commodities					(67)	-	67	-
Unrealized foreign exchange gain					(2)	-	2	-
Recovery of historical credits ⁽²⁾					(7)	-	7	-
Finance charges					163	-	-	163
NET EARNINGS BEFORE TAX					565	(3)	-	562
Current income tax expense					37	-	-	37
Deferred income tax expense					21	-	-	21
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					507	(3)	-	504
Net movement in regulatory deferral account balances					-	3	-	3
NET EARNINGS					507	-	-	507

⁽¹⁾ Includes consolidation adjustments.

⁽²⁾ Recovery of credits related to historical line losses.

<i>Year ended December 31, 2024</i> <i>(millions of Canadian dollars)</i>	ENMAX Power	Versant Power	ENMAX Energy	Corporate ⁽¹⁾	Segmented Total	Regulatory Deferral Movement	Other Presentation	Total
REVENUE								
Transmission and distribution	904	449	-	-	1,353	(20)	-	1,333
Electricity	-	-	1,410	(88)	1,322	20	-	1,342
Natural gas	-	-	523	-	523	-	-	523
Local access fees	183	-	-	-	183	-	-	183
Contractual services	56	-	24	(1)	79	(9)	-	70
CIAC	19	-	-	-	19	-	-	19
Other revenue	-	10	12	1	23	-	-	23
TOTAL REVENUE	1,162	459	1,969	(88)	3,502	(9)	-	3,493
OPERATING EXPENSES								
Transmission and distribution	410	136	-	-	546	-	-	546
Electricity and fuel purchases	-	-	868	(87)	781	-	52	833
Natural gas and delivery	-	-	438	-	438	-	-	438
Local access fees	183	-	-	-	183	-	-	183
Depreciation and amortization	183	72	141	(4)	392	-	-	392
Impairment ⁽²⁾	-	-	-	-	-	-	136	136
Other expenses	190	161	282	(1)	632	(5)	(15)	612
TOTAL OPERATING EXPENSES	966	369	1,729	(92)	2,972	(5)	173	3,140
OPERATING PROFIT	196	90	240	4	530	(4)	(173)	353
Unrealized loss on commodities	-	-	-	-	52	-	(52)	-
Unrealized foreign exchange gain	-	-	-	-	(2)	-	2	-
Impairment	-	-	-	-	136	-	(136)	-
Change of onerous provision ⁽³⁾	-	-	-	-	(13)	-	13	-
Finance charges	-	-	-	-	166	-	-	166
NET EARNINGS BEFORE TAX	191	90	240	4	530	(4)	-	187
Current income tax expense	-	-	-	-	10	-	-	10
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES	191	90	240	4	530	(4)	-	177
Net movement in regulatory deferral account balances	-	-	-	-	-	4	-	4
NET EARNINGS	191	90	240	4	530	-	-	181

⁽¹⁾ Includes consolidation adjustments.

⁽²⁾ During the year ended December 31, 2024, ENMAX recognized impairment of \$97 million related to goodwill (Note 14) and \$39 million of PP&E (Note 12) and ROU assets (Note 15) related to the Balzac Power Station joint operation assets.

⁽³⁾ During the year ended December 31, 2024, ENMAX recognized a reduction of an onerous provision of \$13 million to reflect changes in estimated future obligations (Note 19).

REVENUE

Types of Customers and Sales Channels	Nature and significant payment terms
Transmission	ENMAX Power receives revenue from the AESO specifically for the use of its transmission grid system in Alberta.
Distribution	ENMAX Power receives revenue from electricity retailers specifically for the use of its electricity distribution system to deliver electricity to customers in the Calgary area.
U.S. Operations	Versant Power receives revenues from residential, commercial and industrial customers for use of its transmission and distribution grid system in Maine. In addition, Versant receives revenue from ISO New England for use of pool transmission facilities. Transmission rates are set by the FERC, while distribution rates are set by the MPUC.
Mass Market	Mass Market is comprised of residential and small business electricity and/or natural gas customers who consume less than 250 MWh per year. These customers can be supplied electricity through competitive contracts or the Rate of Last Resort . The Rate of Last Resort replaced the Regulated Rate Option, effective January 1, 2025. Natural gas customers of ENMAX are always supplied under a competitive contract.
Retail Commercial and Industrial	Retail Commercial and Industrial is business-to-business electricity and/or natural gas. In the fall of 2024, the Corporation made the decision to phase out its competitive Retail Commercial and Industrial offerings, after which revenues recorded in this segment reflect the remaining term of existing customer contracts. ENMAX will continue to serve commercial customers who do not negotiate an electricity contract with a retailer and are expected to consume more than 250 MWh on an annual basis. These customers are supplied electricity on a regulated default supplier rate, which can fluctuate monthly.
The City Local Access Fees	ENMAX collects fees from electricity customers in Calgary based on rates established by the Franchise Fee Agreement between ENMAX Power and The City. These fees are remitted to The City.
Government and Institutional	ENMAX receives revenue from municipalities and other governments or institutions backed by governments for administrative services, combined heat and power (CHP), solar, and engineering, procurement and construction services for infrastructure.
Other	ENMAX receives other revenue from customers ranging from individual consumers to large corporations for contractual services and CIAC.

REVENUE—MAJOR CUSTOMERS AND SALES CHANNELS

Year ended December 31, 2025

<i>(millions of Canadian dollars)</i>	Transmission	Distribution	U.S. Operations	Mass Market	Retail Commercial and Industrial	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	157	745	534	-	-	-	-	-	1,436
Electricity									
Competitive	-	-	-	493	524	-	-	-	1,017
Regulated	-	-	-	97	31	-	-	-	128
Natural gas	-	-	-	304	77	-	-	-	381
Local access fees	-	-	-	-	-	148	-	-	148
Contractual services	-	-	-	-	-	-	20	45	65
CIAC	-	-	-	-	-	-	-	20	20
Other revenue	-	-	12	-	-	-	-	20	32
TOTAL REVENUE	157	745	546	894	632	148	20	85	3,227

Year ended December 31, 2024

<i>(millions of Canadian dollars)</i>	Transmission	Distribution	U.S. Operations	Mass Market	Retail Commercial and Industrial	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	151	733	449	-	-	-	-	-	1,333
Electricity									
Competitive	-	-	-	476	732	-	-	-	1,208
Regulated	-	-	-	109	25	-	-	-	134
Natural gas	-	-	-	381	142	-	-	-	523
Local access fees	-	-	-	-	-	183	-	-	183
Contractual services	-	-	-	-	-	-	21	49	70
CIAC	-	-	-	-	-	-	-	19	19
Other revenue	-	-	10	-	-	-	-	13	23
TOTAL REVENUE	151	733	459	966	899	183	21	81	3,493

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

MARKET RISK

The Corporation manages exposure to market risk (commodity price risk, foreign exchange risk, interest rate risk and credit risk) on a portfolio basis. This includes managing positions arising from ENMAX's interests in generation facilities, liability positions from commitments to customers and transacting positions arising from hedging activities.

ENMAX operates in a competitive retail market and is affected by demand for energy based on changing consumer habits, general economic conditions, inflation, consumer focus on energy efficiency, weather and disruptions by new technology. Government policies promoting increased electrification, distributed generation, low or net zero carbon strategies and new technology developments enabling those policies have the potential to impact how electricity users connect to and utilize the system. Changes in how and where consumers work and increasing electrification of transportation may influence both the amount and distribution of energy consumption across service areas.

Sensitivities provided in the following risk disclosures illustrate how earnings and OCI would be affected by changes in risk variables that were reasonably possible at the reporting date. These sensitivities are based on financial instruments carried at fair value, which include derivative contracts. The impact of a change in one factor may be compounded or offset by changes in other factors. Those sensitivities do not consider tax nor the impact of any interrelationship among the factors, such as the underlying position and the optionality of the Corporation's integrated business. Generation capacity and future sales to customers are not mark-to-market, which creates an earnings mismatch. Sensitivities are hypothetical and should not be considered to be indicative of future results.

Certain assumptions have been made in arriving at the sensitivity analysis. These assumptions are:

- The same methodologies used in the fair values section of this note were used in calculating the sensitivities.
- Changes in the fair value of derivative instruments that are effective cash flow hedges are recorded in OCI.
- Changes in the fair value of derivative instruments that are not designated as hedges, which are fair value hedges or ineffective cash flow hedges, are recorded in earnings.
- Foreign currency balances, principal and notional amounts are based on amounts as at December 31, 2025 and 2024.

COMMODITY PRICE RISK

ENMAX is exposed to price fluctuations on its electricity and natural gas commodity positions arising from owned and controlled generation assets and customer demand obligations. ENMAX also purchases and sells electricity and natural gas in wholesale markets to manage such positions. While ENMAX's business model is designed to achieve a net long generation position (supply available exceeds customer demand) portfolio, in the near-term, electricity and natural gas positions may experience periodic imbalances resulting in exposure to price volatility from spot or short-term contract markets.

The Corporation uses electricity and natural gas forward contracts to manage its exposure to certain market risks. Fluctuations in forward prices of electricity and natural gas impact the fair value of these commodity derivative contracts, resulting in unrealized mark-to-market adjustments. Based on contracts outstanding as at December 31, 2025, holding all other variables constant, an increase or decrease of 10 per cent in the forward price of electricity would increase or decrease earnings by \$5 million (2024 - \$nil). As at December 31, 2025, holding all other variables constant, an increase or decrease of 10 per cent in the forward price of natural gas would increase or decrease earnings by \$118 million (2024 - \$146 million). These electricity and natural gas forward contracts' delivery dates extend from 2026 to 2031.

FOREIGN EXCHANGE AND INTEREST RATE RISK

ENMAX has foreign exchange rate exposures arising from certain procurement and energy commodity business activities. Foreign exchange and interest rate risks are created by fluctuations in the fair values or cash flows of financial instruments due to changes in foreign exchange rates and/or changes in market interest rates.

The Corporation is not exposed to significant cash flow risk related to interest rate volatility due to primarily issuing long-term and fixed-rate debt. ENMAX is exposed to rate changes on short-term debt. The fair value of the Corporation's long-term debt changes as interest rates change, assuming all other variables remain constant.

Changes in the value of CAD relative to the USD could impact the CAD cost of natural gas, which affects the input cost of the Corporation's natural gas-fuelled generation capacity, as well as the cost to the Corporation of offering fixed price natural gas contracts to customers. The foreign exchange impact on these gas purchases is offset, when possible, by foreign exchange contracts. Foreign exchange exposure resulting from procurement contracts has also been mitigated by foreign exchange contracts. The Corporation also has exposure to the USD from U.S. Operations and investments, the net earnings from those operations and the acquisition of equipment and services from foreign suppliers.

As at December 31, 2025, a strengthening or weakening of 10 per cent in CAD in relation to USD, holding all other variables constant, would increase or decrease earnings by \$61 million (2024 - \$94 million).

CREDIT RISK

The Corporation enters into agreements and engages in transactions with external parties, including customers, retailers, suppliers, service providers and other counterparties. In such arrangements, counterparty credit risk exists, as one or more counterparties may fail to fulfill their obligations, including paying for or delivery of commodities and service fees. These risks are often exacerbated during periods of sustained low economic cycles, which may negatively affect customers or counterparties and create tighter credit markets.

The Corporation is exposed to credit risk primarily through wholesale and retail energy sales. Credit risk is the loss that may result from counterparties' non-performance. The Corporation has implemented an effective credit risk management program to mitigate its exposures to credit risk and evaluates credit risks from wholesale and retail competitive supply activities separately. The Corporation records ECL provisions on financial assets based on historical results as well as future expectations.

Provisions for ECL on customer accounts receivable were \$26 million as at December 31, 2025 (December 31, 2024 - \$25 million).

FINANCIAL ASSETS

As at December 31,

(millions of Canadian dollars)

	2025	2024
Cash and cash equivalents (a)	234	40
Accounts receivable (b)	734	855
Current portion of financial assets (c)	220	216
Financial assets (c)	111	200
Long-term accounts receivable (b)	12	14

(a) Cash and cash equivalents

Credit risk associated with cash and cash equivalents is minimized by ensuring these assets are placed with governments, well-capitalized financial institutions and other credit-worthy counterparties. Regular reviews are performed to evaluate changes in the credit quality of counterparties.

(b) Current and long-term accounts receivable

The Corporation's accounts receivable are exposed to credit risk. The majority of the Corporation's exposure to credit risk occurs through competitive electricity and natural gas supply activities that serve residential, commercial and industrial customers. The risk represents the loss that may occur due to the non-payment of a customer's accounts receivable balance, as well as the loss that may be incurred from the resale of energy previously allocated to serve the customer.

Management monitors credit risk exposure and has implemented measures to mitigate losses. In specific situations, this includes, but is not limited to, a reduction of credit limits, requests for additional collateral or restrictions on new transaction terms.

AGING ANALYSIS OF TRADE RECEIVABLES PAST DUE

As at December 31,

(millions of Canadian dollars)

	2025	2024
1–30 days past due	35	44
31–60 days past due	9	8
61 days or more past due	41	44
Total past due	85	96

CHANGES IN EXPECTED CREDIT LOSS

As at December 31,

(millions of Canadian dollars)

	2025	2024
Provision at the beginning of the year	25	22
Increase to expected credit loss	20	22
Recoveries and write-offs	(19)	(19)
Provision at end of the year	26	25

The ECL provision is assessed by each business segment considering the unique factors of the business segment's current and long-term receivables and using historic collection rates. During the year ended December 31, 2025, the Corporation recognized provisions by applying specific risk factors to a combination of industry sectors, aged balances or by reviewing material accounts on a case-by-case basis.

The remainder of the accounts receivable balance outstanding at December 31, 2025, consists of current trade receivables and unbilled revenue accruals. No provision has been recorded on these due to the minimal credit risk at the statement of financial position date.

(c) Current and non-current financial assets

The Corporation measures wholesale credit risk as the replacement cost for open energy commodity and derivative transactions (both mark-to-market and accrual), adjusted for amounts owed due to or due from counterparties for settled transactions and all other amounts owing but not yet due. The replacement cost of open positions represents unrealized gains, net of any unrealized losses, where the Corporation has a legally enforceable right of offset and intends to settle on a net basis. The Corporation monitors and manages the credit risk of wholesale operations through credit policies and procedures that include an established credit approval process, daily monitoring of counterparty credit limits and the use of credit mitigation measures such as parental guarantees, margin, collateral, letters of credit and/or prepayment arrangements.

Due to the possibility of extreme volatility in the prices of energy commodities and derivatives, the market value of contractual positions with individual counterparties could exceed established credit limits or collateral provided by those counterparties. In such cases, the Corporation would either obtain increased parental guarantee amounts or margin call for additional collateral. The Corporation deems the risk of a material loss from a counterparty failing to perform its obligations under contract is low.

Additionally, if a counterparty were to default and the Corporation were to liquidate all contracts with that entity, the credit loss would include the loss in value of mark-to-market contracts, the amount owed for settled transactions and unbilled deliveries and additional payments, if any, that would have to be made to settle unrealized losses on accrual contracts. The majority of wholesale transaction counterparties are rated investment grade (BBB- or higher) by recognized rating agencies, and the risk of default from investment-grade counterparties is considered low.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. A need to raise additional capital may occur if cash flow from operations and existing borrowing arrangements are insufficient to fund activities. Such additional capital may not be available when it is needed or on favourable terms for several potential reasons, including changes in market conditions or perceptions of the investment community. ENMAX actively monitors its cash position and anticipated flows to maintain adequate funding levels and communicates regularly with credit rating agencies and lenders regarding its capital position.

The following table details the contractual maturities for the Corporation's current and long-term non-derivative financial liabilities, including both the principal and interest cash flows:

CONTRACTUAL MATURITIES OF NON-DERIVATIVE FINANCIAL LIABILITIES

As at December 31,

(millions of Canadian dollars)

	2025	2024
Less than 1 year (includes accounts payable)	967	1,490
Years 2–3	872	533
Years 4–5	864	1,029
More than 5 years	4,128	4,032

The following table details the remaining contractual maturities for the Corporation's derivative financial liabilities:

CONTRACTUAL MATURITIES OF DERIVATIVE FINANCIAL LIABILITIES

As at December 31,

(millions of Canadian dollars)

	2025	2024
Less than 1 year	197	168
Years 2–3	171	268
Years 4–5	19	34
More than 5 years	-	1

CREDIT FACILITIES

The Corporation uses unsecured credit facilities to fund general operating requirements and to provide liquidity support for commercial paper and commodity marketing programs. In the normal course of operations, letters of credit are issued to facilitate the extension of sufficient credit for counterparties having credit exposure to the Corporation or its subsidiaries.

As at December 31, 2025, the Corporation had issued letters of credit amounting to \$211 million (December 31, 2024 - \$324 million).

As at	December 31, 2025		December 31, 2024	
	Borrowing Capacity	Available ⁽⁴⁾	Borrowing Capacity	Available ⁽⁴⁾
<i>(millions of Canadian dollars)</i>				
Committed credit facilities ⁽¹⁾	800	800	1,000	849
Demand credit facilities ⁽²⁾	800	592	1,000	669
Total CAD	1,600	1,392	2,000	1,518
<i>(millions of U.S. dollars)</i>				
Committed credit facility ⁽³⁾	120	47	120	96
Total USD	120	47	120	96

⁽¹⁾ ENMAX Corporation's committed credit facilities are in two tranches that mature in 2028 (\$400 million) and 2029 (\$400 million) and are provided by national and regional lenders.

⁽²⁾ The demand credit facilities currently have \$665 million allocated to letters of credit, and the remaining \$135 million allocated for general corporate purposes.

⁽³⁾ This USD committed credit facility is used by Versant Power for either letters of credit or general corporate purposes and matures in June 2029.

⁽⁴⁾ Capacity remaining after consideration for borrowings, letters of credit and commercial paper backstop.

VALUATION OF DERIVATIVE ASSETS AND LIABILITIES

Derivative financial instruments are recorded at fair value on the statement of financial position. The fair values were as follows:

As at December 31,

(millions of Canadian dollars)

	2025	2024
Assets		
Current	220	216
Non-current	111	200
Liabilities		
Current	197	168
Non-current	190	303

Effect on Consolidated Statement of Earnings

These derivative contracts had unrealized gains of \$67 million for the year ended December 31, 2025 (2024 - \$52 million unrealized losses). These unrealized gains and losses are primarily recorded in electricity and fuel purchases and are expected to settle in 2026 through to 2031. The mark-to-market adjustments do not consider the impact of any interrelationship among factors such as the underlying position and the optionality of the Corporation's integrated business. Generation capacity and future sales to customers are not marked to market, resulting in a mismatch in the timing of earnings.

FAIR VALUE

Fair value of financial instruments and derivatives is determined by reference to quoted bids or asking prices, as appropriate, in active markets at reporting dates. In the absence of an active market, the Corporation determines fair value by using valuation techniques that refer to observable market data or estimated market prices. Fair values determined using valuation models require the use of assumptions about the amount and timing of estimated future cash flows and discount rates. In making these assumptions, the Corporation gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III), as applicable.

LEVEL DETERMINATION AND CLASSIFICATIONS

Level I, II and III classifications in the fair value hierarchy used by the Corporation are defined as follows:

Level I

Fair values are determined using inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access. For Level I determinations, the Corporation uses quoted prices for identically traded commodities obtained from active exchanges such as the New York Mercantile Exchange and the ICE NGX.

Level II

Fair values are determined using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Fair values are determined using inputs including interest rate yield curves, forward market rates, quoted commodity prices or credit spreads that are readily observable and reliable, or for which unobservable inputs are deemed to be insignificant to the fair values.

Commodity contracts' fair values falling within the Level II category are determined through the use of quoted prices in active markets adjusted for factors specific to the asset or liability. Level II fair values include those determined using pricing applications for creating forward pricing curves where the inputs are readily observable, including commodity prices for similar assets or liabilities in active markets.

Level III

Fair values are determined using significant unobservable data or inputs.

In certain circumstances, the Corporation enters commodity transactions with non-standard features for which market-observable data is not available. In these cases, Level III fair values are determined using valuation techniques with inputs that are based on historical data.

FAIR VALUES OF THE CORPORATION'S DERIVATIVES

<i>As at December 31, 2025</i> <i>(millions of Canadian dollars)</i>	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs ⁽¹⁾	TOTAL
	(LEVEL I)	(LEVEL II)	(LEVEL III)	
Financial assets measured at fair value:				
Energy trading forward contracts	236	64	5	305
Foreign currency forward contracts	-	14	-	14
Other	12	-	-	12
Financial assets total	248	78	5	331
Financial liabilities measured at fair value:				
Energy trading forward contracts	(358)	(113)	(14)	(485)
Foreign currency forward contracts	-	(4)	-	(4)
Energy trading margin balance	102	-	-	102
Financial liabilities total	(256)	(117)	(14)	(387)
Net derivative liabilities	(8)	(39)	(9)	(56)

⁽¹⁾ Market-observable data are not available. Fair values are determined using valuation techniques.

<i>As at December 31, 2024</i> <i>(millions of Canadian dollars)</i>	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs ⁽¹⁾	TOTAL
	(LEVEL I)	(LEVEL II)	(LEVEL III)	
Financial assets measured at fair value:				
Energy trading forward contracts	270	78	6	354
Foreign currency forward contracts	-	49	-	49
Other	13	-	-	13
Financial assets total	283	126	6	416
Financial liabilities measured at fair value:				
Energy trading forward contracts	(443)	(176)	(9)	(628)
Foreign currency forward contracts	-	(11)	-	(11)
Energy trading margin balance	177	-	-	177
Other	(9)	-	-	(9)
Financial liabilities total	(275)	(187)	(9)	(471)
Net derivative (liabilities) assets	8	(61)	(3)	(56)

⁽¹⁾ Market-observable data are not available. Fair values are determined using valuation techniques.

CHANGE IN FAIR VALUE OF LEVEL III RISK MANAGEMENT ASSETS AND LIABILITIES

The following table summarizes the key factors impacting the change in the fair value of the Corporation's Level III net risk management assets and liabilities separately by source of valuation during the year:

<i>(millions of Canadian dollars)</i>	Total
Net derivative assets and liabilities as at December 31, 2023	2
Changes attributable to ⁽¹⁾ :	
Commodity price changes	-
New contracts entered	(4)
Transfers in/out of Level III	(1)
Net derivative assets and liabilities as at December 31, 2024	(3)
Changes attributable to ⁽¹⁾ :	
Commodity price changes	(3)
New contracts entered	(3)
Transfers in/out of Level III	-
Net derivative assets and liabilities as at December 31, 2025	(9)

NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Fair values for cash and cash equivalents, accounts receivable, short-term financing, accounts payable and accrued liabilities are not materially different from the carrying amounts due to the short-term nature of these financial instruments.

The Corporation estimated the fair value of its long-term debt based on quoted market prices for the same or similar debt instruments. When such information was not available, future payments of principal and interest were discounted at estimated interest rates for comparable entities.

CARRYING AMOUNTS AND FAIR VALUES OF LONG-TERM DEBT

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt ⁽¹⁾ consisting of:				
The City promissory notes, maturing in:				
Less than 5 years	71	72	69	70
Years 6–10	234	245	170	173
Years 11–15	438	426	447	423
Years 16–20	398	361	388	340
Years 21–25	812	838	783	743
Private debentures				
Series 4 (3.84%)	298	305	297	301
Series 6 (3.33%)	-	-	300	300
Series 7 (3.88%)	249	253	249	249
Series 8 (4.70%)	398	410	397	404
Series 9 (3.77%)	273	277	-	-
Senior notes				
Unsecured note (4.34%)	144	121	149	128
Unsecured note (4.36%)	63	54	67	57
Unsecured note (4.71%)	66	56	70	59
Unsecured note (3.79%)	70	58	73	60
Unsecured note (2.80%)	41	38	43	38
Unsecured note (2.80%)	82	75	86	75
Unsecured note (3.15%)	136	83	143	86
Unsecured note (5.80%)	136	129	143	135
Unsecured note (5.57%)	136	125	143	131
Revolving debt	98	98	32	32
Promissory note	-	-	1	1
Total long-term debt	4,143	4,024	4,050	3,805
Commercial paper	-	-	150	150
Canadian credit facilities	-	-	7	7
Total debt	4,143	4,024	4,207	3,962

⁽¹⁾ Includes current portion of \$114 million (December 31, 2024 - \$405 million). Maturity dates range from June 2026 to November 2054.

As at December 31, 2025, ENMAX Corporation had no outstanding commercial paper (December 31, 2024 - \$150 million with an average interest rate of 3.80 per cent) and had not drawn any amount on existing credit facilities (December 31, 2024 - \$7 million at 5.45 per cent).

As at December 31, 2025, Versant Power had \$72 million USD of outstanding revolving debt with an average interest rate of 5.07 per cent (December 31, 2024 - \$22 million at 5.71 per cent).

FINANCIAL ASSETS AND LIABILITIES SUBJECT TO OFFSETTING

Information about the Corporation's financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements is as follows:

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
	Accounts Payable and Accrued Liabilities	Accounts Payable and Accrued Liabilities
Gross amounts recognized	(161)	(84)
Gross amounts offset	115	48
Net amounts as recognized in the Consolidated Statement of Financial Position	(46)	(36)

8. INCOME TAXES

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Current income tax expense (recovery)		
Expense for current year	37	11
Adjustment in respect of prior years	-	(1)
Total current income tax expense	37	10
Deferred income tax expense		
Net reversal of temporary differences	21	-
Total deferred income tax expense	21	-
Total income tax expense	58	10

The reconciliation of statutory and effective income tax expense is as follows:

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Net earnings before tax	562	187
Income not subject to tax	(361)	(258)
	201	(71)
Federal and provincial tax rates	23%	23%
Expected income tax expense (recovery)	46	(16)
Net (recovery) expense of non-deductible expense	(4)	15
Adjustment for deferred tax reversal and other estimate revisions	16	11
Total income tax expense	58	10

Changes in deferred income tax assets and liabilities during the years ended December 31, 2024, and 2025 are as follows:

<i>(millions of Canadian dollars)</i>	December 31, 2024	Recognized in Net earnings	December 31, 2025
Deferred income tax assets			
Property, plant and equipment	27	(9)	18
Loss carried forward	23	(10)	13
Unrealized derivatives	27	(7)	20
Other comprehensive income	(1)	-	(1)
Other	3	13	16
	79	(13)	66
Deferred income tax liabilities			
Property, plant and equipment	361	20	381
Loss carried forward	(75)	(2)	(77)
Unrealized derivatives	(1)	-	(1)
Business combination	23	-	23
Other	13	(11)	2
	321	7	328
Net deferred tax liabilities	(242)	(20)	(262)

<i>(millions of Canadian dollars)</i>	December 31, 2023	Recognized in Net earnings	December 31, 2024
Deferred income tax assets			
Property, plant and equipment	35	(8)	27
Loss carried forward	7	16	23
Unrealized derivatives	22	5	27
Other comprehensive income	(1)	-	(1)
Other	18	(15)	3
	81	(2)	79
Deferred income tax liabilities			
Property, plant and equipment	341	20	361
Loss carried forward	(60)	(15)	(75)
Unrealized derivatives	-	(1)	(1)
Business combination	23	-	23
Other	(14)	27	13
	290	31	321
Net deferred tax liabilities	(209)	(33)	(242)

The Corporation has the following tax losses carried-forward and deductible temporary differences for which no deferred tax assets have been recognized:

Year ended December 31, <i>(millions of Canadian dollars)</i>	2025	2024
Non-capital losses	24	24
Property, plant and equipment	61	61
Contingent liabilities	4	4
Restricted interest deduction	134	62
Other	7	6
	230	157

As at December 31, 2025, the Corporation has non-capital losses carried forward that can be used to offset taxes in future years. These non-capital losses carried forward expire as follows:

NON-CAPITAL LOSS CARRY FORWARD

<i>(millions of Canadian dollars)</i>	
2031	1
2032	1
2033	1
2034	2
2035	-
2036	2
2037	4
2038	4
2039	2
2040	2
2041	13
2042	1
2043	5
2044	15
2045	23

9. REGULATORY DEFERRAL ACCOUNT BALANCES

NATURE AND ECONOMIC EFFECT OF RATE REGULATION

Transmission and Distribution

ENMAX Transmission and ENMAX Distribution are divisions of ENMAX Power Corporation which are included in the ENMAX Power operating segment. These divisions are regulated operations established to carry out electrical transmission and distribution service functions within the Calgary area. The AUC approves Transmission and Distribution Tariffs (rates and terms and conditions of service) pursuant to the *Electric Utilities Act*.

Transmission rates are set based on an AUC approved revenue requirement and are regulated under a cost-of-service framework, where ENMAX Power applies for rates designed to recover the forecasted cost of providing transmission services, including an allowed ROE.

Distribution rates are subject to an AUC approved PBR framework, currently spanning a 2024–2028 term. Under this framework, distribution rates paid by customers are set annually using a formula that indexes rates to the prior year in the term, using an inflation factor and a productivity factor, as well as an allowed ROE.

Certain remaining recovery and settlement periods are those expected by management and the actual periods could differ based on regulatory approval.

ENMAX U.S. Operations

ENMAX's subsidiary, Versant Power, has transmission and distribution operations in Maine, U.S. Versant Power's transmission operations are regulated by the FERC, while its distribution and stranded cost recoveries are regulated by the MPUC. Rates for these operations are established in distinct regulatory proceedings and are designed to recover the costs of providing services, including an allowed ROE.

Versant Power's transmission operations are split between two districts: MPD and BHD. MPD's transmission rates are regulated by the FERC and are set annually on June 1 for wholesale and July 1 for retail customers, based on a formula that utilizes prior year actual transmission investments and expenses. BHD's transmission rates are regulated by the FERC and set annually on January 1, based on a formula that utilizes prior year actual transmission investments and expenses plus forecasted incremental capital investments that will go into service during the rate effective period. BHD's bulk transmission assets are managed by ISO New England as part of a region-wide pool of assets.

Versant Power's distribution service operates under a cost-of-service regulatory framework and distribution rates are set by the MPUC.

REGULATORY BALANCES

ENMAX applies IFRS 14 *Regulatory Deferral Accounts* in recognizing the impact of rate regulation on its transmission and distribution businesses. Under IFRS 14, the timing of recognition of certain regulatory debits, credits, revenues and expenses may differ from what is otherwise expected under IFRS Accounting Standards for non-regulated operations. Balances arising in the period consist of new additions to regulatory deferral debit and credit balances, while reversals represent amounts collected or refunded through rate riders or transactions reversing existing regulatory balances. The Corporation has recorded the following regulatory deferral account debit and credit balances:

<i>(millions of Canadian dollars)</i>	Accounts Receivable (a)	Intercompany Profit (b)	Other Regulatory Debits (c)	U.S. Operations (e)	Total Regulatory Deferral Account Debit Balances
Regulatory deferral account debit balances					
December 31, 2024	8	17	29	319	373
Balances arising in the period	14	-	(4)	21	31
Reversal	(1)	(1)	(6)	-	(8)
Foreign exchange translation	-	-	-	(14)	(14)
December 31, 2025	21	16	19	326	382
Expected reversal period	up to 24 months	25 years	up to 24 months		

December 31, 2023	(11)	16	45	281	331
Balances arising in the period	8	2	17	14	41
(Reversal) recovery	11	(1)	(33)	-	(23)
Foreign exchange translation	-	-	-	24	24
December 31, 2024	8	17	29	319	373
Expected reversal period	up to 24 months	25 years	up to 24 months		

<i>(millions of Canadian dollars)</i>	Other Regulatory Credits (d)	U.S. Operations (e)	Total Regulatory Deferral Account Credit Balances
Regulatory deferral account credit balances			
December 31, 2024	1	138	139
Balances arising in the period	-	(3)	(3)
Reversal	(1)	-	(1)
Foreign exchange translation	-	(7)	(7)
December 31, 2025	-	128	128
Expected reversal period		up to 24 months	

December 31, 2023	1	139	140
Balances arising in the period	-	(12)	(12)
Foreign exchange translation	-	11	11
December 31, 2024	1	138	139
Expected reversal period		up to 24 months	

The following describes each circumstance in which rate regulation affects the accounting for a transaction or event. Regulatory deferral account debit balances represent costs incurred in the current period or in prior periods which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory deferral account credit balances represent future reductions or limitations of increases in rates associated with amounts that are expected to be returned to customers through the rate-setting process. Any impairments related to regulatory deferral account balances are recorded in the period in which the related regulatory decisions are received. For certain regulatory items identified below, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties including those inherent in rate-setting regulatory processes. There is a risk that the regulator may disallow a portion of certain costs incurred in the current period for recovery through future rates or disagree with the proposed recovery period.

(a) Accounts receivable

Accounts receivable represents differences between amounts received from customers and amounts paid to AESO for transmission charges. In the absence of rate regulation and the IFRS 14 standard, IFRS Accounting Standards would require that actual amounts received from customers be included in revenue in the period they are collected.

(b) Intercompany profit

A subsidiary of the Corporation performed construction work for the regulated operations of ENMAX Power at a profit. Such profit is deemed to be realized to the extent that the transfer price is recognized for rate-making purposes by the regulator and included in the capital cost of distribution assets. In the absence of rate regulation and the IFRS 14 standard, IFRS Accounting Standards would require that intercompany profits be eliminated upon consolidation.

(c) Other regulatory debits

Other regulatory debits relate to the AUC administration flow-through reserves and other costs and revenues that will be collected from customers via future rates, such as access service charges. Timing of the decision on collection of these items can result in significant fluctuation in balances from year to year.

(d) Other regulatory credits

Other regulatory credits primarily relate to items that will be refunded to customers through future rates.

(e) U.S. Operations

Regulatory assets and liabilities for Versant Power's operations consist of unfunded deferred income tax balances resulting from temporary tax differences, incremental plant overhead costs, balances related to the deferred costs of pension and post-employment benefits, non-recurring items such as storm restoration costs and stranded cost recoveries associated with power purchase contracts where Versant Power has been directed to purchase and resell by MPUC.

10. RESTRICTED CASH

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
Funds held with a financial institution to cover margins	4	9
Restricted deposits with a financial institution to meet financial obligations	2	1
	6	10

11. OTHER ASSETS AND LIABILITIES

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
Other current assets		
Prepaid expenses	35	26
Deferred asset	1	1
Emission offset credits	13	10
Other	1	1
	50	38
Other long-term assets		
Prepaid expenses	9	6
Long-term accounts receivable	12	14
Deferred asset	5	5
Emission offset credits	40	54
Other	26	24
	92	103
Other current liabilities		
Deposits	13	25
Other ⁽¹⁾	36	40
	49	65
Other long-term liabilities		
Other	17	21
	17	21

⁽¹⁾ Includes \$1 million related to interest free government advances for RRO providers under Alberta Bill 2, the *Inflation Relief Statutes Amendment Act, 2022* (December 31, 2024 - \$7 million).

12. PROPERTY, PLANT AND EQUIPMENT

<i>(millions of Canadian dollars)</i>	Transmission, Distribution and Substation Equipment	Generation Facilities and Equipment	Buildings and Site Development	Work in Progress	Other ⁽¹⁾	Total
Cost ⁽²⁾						
As at December 31, 2023	4,867	2,345	640	342	459	8,653
Additions	135	-	4	537	79	755
Transfers	311	42	18	(390)	13	(6)
Disposals	(47)	(26)	(8)	(10)	(33)	(124)
Adjustments	(2)	-	-	(2)	-	(4)
Foreign exchange translation	153	-	6	10	19	188
As at December 31, 2024	5,417	2,361	660	487	537	9,462
Additions	188	-	3	575	26	792
Transfers	477	21	76	(729)	44	(111)
Disposals	(31)	(23)	(1)	(11)	(28)	(94)
Adjustments	-	-	-	(2)	-	(2)
Changes to asset retirement costs	-	(3)	-	-	-	(3)
Foreign exchange translation	(97)	-	(4)	(6)	(12)	(119)
As at December 31, 2025	5,954	2,356	734	314	567	9,925
Accumulated depreciation ⁽²⁾						
As at December 31, 2023	(871)	(1,103)	(158)	-	(70)	(2,202)
Depreciation	(171)	(105)	(23)	-	(29)	(328)
Disposals	62	21	8	-	31	122
Impairment	-	(37)	(2)	-	-	(39)
Foreign exchange translation	(43)	-	(1)	-	(5)	(49)
As at December 31, 2024	(1,023)	(1,224)	(176)	-	(73)	(2,496)
Depreciation	(188)	(107)	(23)	-	(28)	(346)
Disposals	48	23	2	-	27	100
Foreign exchange translation	26	-	1	-	3	30
As at December 31, 2025	(1,137)	(1,308)	(196)	-	(71)	(2,712)
Net book value						
As at December 31, 2025	4,817	1,048	538	314	496	7,213
As at December 31, 2024	4,394	1,137	484	487	464	6,966

⁽¹⁾ Other PP&E as at December 31, 2025, consists of land, tools, systems, equipment, capital spares and vehicles.

⁽²⁾ Includes the Corporation's right-of-use (ROU) assets, as further disclosed in Note 15.

For the year ended December 31, 2025, capitalized borrowing costs were \$23 million (2024 - \$20 million), with capitalization rates ranging from 4.10 to 11.13 per cent (2024 - 2.80 to 8.06 per cent). Interest is capitalized based on the actual cost of debt used to finance the capital construction projects.

13. INTANGIBLE ASSETS

<i>(millions of Canadian dollars)</i>	Computer Systems	Work in Progress	Other ⁽¹⁾	Total
Cost				
As at December 31, 2023	397	21	90	508
Additions	14	44	1	59
Transfers	36	(36)	-	-
Disposals	(28)	-	-	(28)
Adjustments	-	(5)	-	(5)
Foreign exchange translation	10	1	5	16
As at December 31, 2024	429	25	96	550
Additions	20	44	1	65
Transfers	25	(39)	-	(14)
Disposals	(51)	-	-	(51)
Foreign exchange translation	(7)	(1)	(3)	(11)
As at December 31, 2025	416	29	94	539
Accumulated amortization				
As at December 31, 2023	(157)	-	(16)	(173)
Amortization	(59)	-	(2)	(61)
Disposals	27	-	-	27
Foreign exchange translation	(4)	-	(1)	(5)
As at December 31, 2024	(193)	-	(19)	(212)
Amortization	(52)	-	(2)	(54)
Disposals	50	-	-	50
Foreign exchange translation	3	-	1	4
As at December 31, 2025	(192)	-	(20)	(212)
Net book value				
As at December 31, 2025	224	29	74	327
As at December 31, 2024	236	25	77	338

⁽¹⁾ Other intangible assets as at December 31, 2025, consists of renewable energy certificates, water licenses and land easements, rights and lease options.

14. GOODWILL

As at December 31,

(millions of Canadian dollars)

	2025	2024
Balance, beginning of the period	589	632
Impairment	-	(97)
Foreign exchange translation	(28)	54
Balance, end of the period	561	589

Goodwill arose on the acquisition of Versant Power in March 2020. Goodwill is subject to an annual assessment for impairment at the reporting unit level.

15. LEASES

ENMAX leases several assets categorized as generation facilities and equipment, buildings and site development and other. The average term remaining on leases as at December 31, 2025, is 10.7 years (December 31, 2024 - 11.4 years).

Right-of-use assets

Changes in the net book value for the Corporation's ROU assets during the year are as follows:

<i>(millions of Canadian dollars)</i>	Generation Facilities and Equipment	Buildings and Site Development	Other ⁽¹⁾	Total
Cost				
As at December 31, 2023	28	17	20	65
Net changes	-	(3)	(7)	(10)
As at December 31, 2024	28	14	13	55
Net changes	-	-	-	-
As at December 31, 2025	28	14	13	55
Accumulated depreciation				
As at December 31, 2023	(5)	(8)	(10)	(23)
Net changes	(1)	1	5	5
As at December 31, 2024	(6)	(7)	(5)	(18)
Net changes	(1)	(2)	(1)	(4)
As at December 31, 2025	(7)	(9)	(6)	(22)
Net book value				
As at December 31, 2025	21	5	7	33
As at December 31, 2024	22	7	8	37

⁽¹⁾ Other leases as at December 31, 2025, consists of land, vehicles and tools, systems and equipment.

Amounts recognized in earnings

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
Depreciation expense	4	4
Lease expense on short-term leases	-	1
Interest expense on lease liabilities	2	2
Impairment ⁽¹⁾	-	3
Amounts recognized in earnings	6	10

⁽¹⁾ ROU assets of \$3 million were included in the impairment of the Balzac Power Station joint operation in 2024.

Lease payments

Future lease payments as at December 31, 2025, are as follows:

(millions of Canadian dollars)

Less than 1 year	6
Years 2–5	20
More than 5 years	39

Total cash outflow for lease payments for the year ended December 31, 2025, was \$6 million (2024 - \$4 million).

ENMAX leases a pipeline to supply the necessary water to one of its generation facilities. The term of this lease is 30 years, with fixed payments over the life of the lease and 20 years remaining.

Buildings and site development

ENMAX leases buildings to house various operations. As at December 31, 2025, the capitalized leases have 6 months to 23 years remaining.

Other

ENMAX leases land surrounding several generating facilities to allow for the installation of substation equipment and water reservoirs. The contracted lengths and terms of payments of the leases vary. As at December 31, 2025, the Corporation expects all land leases to be renewed until the end of the useful life of each respective generating facility.

ENMAX leases vehicles that are primarily used by its field services crews for installation and maintenance of the electrical system. The lease terms of the vehicles vary based on the specific use of the vehicle but are typically for five years.

16. LONG-TERM DEBT

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	Weighted Average Interest Rates	2024	Weighted Average Interest Rates
The City promissory notes maturing in:				
Less than 5 years	71	4.08%	69	4.32%
Years 6–10	234	4.47%	170	4.57%
Years 11–15	438	3.34%	447	3.62%
Years 16–20	398	2.94%	388	3.08%
Years 21–25	812	4.60%	783	4.27%
Private debentures	1,218	4.11%	1,243	4.00%
Senior notes	874	4.34%	917	4.34%
Revolving debt	98	5.07%	32	5.71%
Promissory note	-	5.00%	1	5.00%
Total long-term debt	4,143		4,050	
Less: current portion	(114)		(405)	
	4,029		3,645	

As at December 31, 2025, ENMAX was in compliance with all debt covenants.
See Note 7 for further details.

CITY PROMISSORY NOTES

ENMAX has a credit agreement with The City that governs the borrowing relationship.

In addition to principal and interest payments, the Corporation is required to pay a loan guarantee and an administration fee to The City of 0.25 per cent of the average monthly outstanding promissory note balance.

During 2025, ENMAX Corporation issued \$205 million in promissory notes to The City and made \$108 million of regularly scheduled repayments.

PRIVATE DEBENTURES

As at December 31, 2025, the outstanding unsecured private debentures of the Corporation had a face value of \$1,225 million, bearing a weighted average interest rate of 4.11 per cent, payable semi-annually, with maturity dates ranging from 2028 to 2034.

During 2025, ENMAX issued \$275 million in senior unsecured private debentures, bearing an annual interest rate of 3.77 per cent, payable semi-annually and maturing on June 6, 2030. These funds were used to repay \$300 million of senior unsecured private debentures that matured in June 2025.

SENIOR NOTES

Senior notes are USD denominated and issued by Versant Power. These bear interest at an average rate of 4.34 per cent, payable semi-annually, with maturity dates ranging from 2030 to 2054.

REVOLVING DEBT

The revolving debt is USD denominated and issued by Versant Power. As at December 31, 2025, Versant Power had \$72 million outstanding at an average rate of 5.07 per cent.

PRINCIPAL AND INTEREST PAYMENTS

Required principal and interest payments on the long-term debt are as follows:

As at December 31,

(millions of Canadian dollars)

	2025	2024
Less than 1 year	280	562
Years 2–3	847	506
Years 4–5	855	1,022
More than 5 years	4,089	3,993
	6,071	6,083

17. POST-EMPLOYMENT BENEFITS

The Corporation has registered pension plans in Canada and the U.S. that substantially cover all employees and include both DB and DC provisions.

The Canadian DB provisions provide a pension benefit based on years of service and highest average earnings over five consecutive years of employment. DB pension benefits under the registered plan will increase annually by at least 60 per cent of the consumer price index for Alberta.

Under the DC provisions in Canada, the Corporation provides a base level of contributions and additional employer contributions are matched based on the participating members' contribution levels and points (age plus service) calculation.

In Canada, the Corporation sponsors a supplemental pension plan providing an additional DC or DB pension to members whose benefits are limited by maximum pension rules under the *Income Tax Act*. The supplemental pension plan benefits do not automatically increase. In addition, the Corporation provides employees with post-employment benefits other than pensions, including extended health benefits beyond those provided by government-sponsored plans, life insurance, health care spending accounts and a lump-sum allowance payable at retirement, up to age 65.

Versant Power sponsors a single DB plan in the US, which was combined in 2025 from two previous DB plans: one for former BHD employees and one for former MPD employees. A non-contributory DB pension plan covering substantially all former BHD employees was frozen to new members effective February 1, 2006. Individuals employed prior to this date continue to accrue benefits in accordance with this plan. Benefits under the plan are generally based on the employee's years of service and compensation during the years preceding retirement. A non-contributory DB pension plan covering substantially all former MPD employees was frozen to new members effective January 1, 2006. On December 31, 2006, future salary and service accruals for current participants in the plan ceased and participants received additional employer contributions to the DC plan to compensate for this lost benefit, in part or in full, depending on their number of years of service. Benefits under the plan are generally based on the employee's years of service and compensation during the years preceding the freezing of salary and service accruals.

Versant Power has adopted a DC plan (under Section 401(k) of the Internal Revenue Code) covering all its eligible employees. Participants may elect to defer from 1 to 30 per cent of eligible compensation and the Corporation allocates a percentage matching contributions to participants of the plan.

Versant Power also has unfunded non-contributory supplemental non-qualified pension plans that provide additional retirement benefits to certain former senior executives of the BHD and MPD. Benefits under these supplemental plans are based on the employee's years of service and compensation level. In addition to pension benefits, Versant Power provides certain health care and life insurance benefits to its retired employees. BHD employees hired prior to February 1, 2006, and MPD employees hired prior to October 1, 2005, are provided post-retirement benefits if they reach normal retirement age while employed by Versant Power. Employees hired after these dates are not eligible for these benefits.

Total cash payments for employee future benefits for the year ended December 31, 2025, consisting of cash contributed by the Corporation under the DB and DC provisions of the registered pension plans and cash payments directly to beneficiaries of the Corporation's unfunded other benefit plans were \$19 million (2024 - \$17 million).

For the year ended December 31, 2025, the total expense for the DC provisions of the plans was \$13 million (2024 - \$12 million).

Information about the DB provisions of the plans, including the supplemental pension plans and the post-employment non-pension benefit plans, is as follows:

<i>As at December 31,</i>	2025			2024		
	Pension Benefit Plans	Other Benefit Plans	Total	Pension Benefit Plans	Other Benefit Plans	Total
<i>(millions of Canadian dollars)</i>						
Change in benefit obligation:						
Balance, beginning of year	528	60	588	527	59	586
Current service cost	9	1	10	10	1	11
Interest cost	25	3	28	24	3	27
Employee contributions	4	-	4	4	-	4
Actuarial loss (gain)	12	(1)	11	(24)	(4)	(28)
Benefits paid	(32)	(4)	(36)	(27)	(3)	(30)
Foreign exchange translation	(8)	-	(8)	14	4	18
Benefit obligation, end of year	538	59	597	528	60	588
Change in plan assets:						
Fair value, beginning of year	594	5	599	538	6	544
Interest income	29	-	29	25	-	25
Return on plan assets, excluding amounts included in interest expense	23	1	24	35	-	35
Employer contributions	5	3	8	4	2	6
Employee contributions	4	-	4	4	-	4
Benefits paid	(30)	(4)	(34)	(27)	(3)	(30)
Non-investment expenses	(1)	-	(1)	(1)	-	(1)
Foreign exchange translation	(7)	1	(6)	16	-	16
Plan assets at fair value, end of year	617	6	623	594	5	599
Funded status:						
Excess (deficit) of fair value of assets over benefit obligation	79	(53)	26	66	(55)	11
Effect of asset limitation and minimum funding requirement	(34)	-	(34)	(18)	-	(18)
Net (liability) asset at end of year	45	(53)	(8)	48	(55)	(7)
Recorded in Consolidated Statement of Financial Position as:						
Post-employment benefits asset			66			70
Post-employment benefits liability			(74)			(77)
Net liability at end of year			(8)			(7)

DEFINED BENEFIT COST—STATEMENT OF EARNINGS

<i>Year ended December 31,</i>	2025			2024		
	Pension Benefit Plans	Other Benefit Plans	Total	Pension Benefit Plans	Other Benefit Plans	Total
<i>(millions of Canadian dollars)</i>						
Current service costs	9	1	10	10	1	11
Net interest on net benefit liability	(3)	3	-	-	3	3
Admin costs	1	-	1	-	-	-
Net benefit plan expense	7	4	11	10	4	14

DEFINED BENEFIT COST—STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31,	2025			2024		
	Pension Benefit Plans	Other Benefit Plans	Total	Pension Benefit Plans	Other Benefit Plans	Total
(millions of Canadian dollars)						
Return on plan assets greater than discount rate	24	-	24	42	-	42
Change in irrecoverable surplus	(17)	-	(17)	(18)	-	(18)
Actuarial (loss) gain						
Experience adjustments	(9)	-	(9)	-	(1)	(1)
Changes in assumptions ⁽¹⁾	-	-	-	14	-	14
Remeasurement (loss) gain recognized in OCI	(2)	-	(2)	38	(1)	37

⁽¹⁾ See assumptions—Note 17(a).

The benefits plans' assets are comprised as follows:

As at December 31,	2025				2024			
	Quoted	Un-quoted	Total	%	Quoted	Un-quoted	Total	%
(millions of Canadian dollars)								
Equity securities			250	40%			231	38%
Canadian equity funds	71	-			64	-		
Foreign equity funds	179	-			167	-		
Fixed-income securities			340	55%			333	56%
Canadian fixed-income funds	164	-			158	-		
Foreign fixed-income funds	176	-			175	-		
Canadian real estate investments	-	33	33	5%	-	33	33	6%
Cash and cash equivalents	-	-	-	-	2	-	2	-
Total plan assets	590	33	623	100%	566	33	599	100%

(a) Assumptions

Ranges of significant weighted-average actuarial assumptions adopted in measuring the Corporation's defined benefit obligations (DBO) and net benefit plan expense are as follows:

	2025		2024	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Defined benefit obligation				
Discount rate	4.75% – 5.34%	4.50% – 5.34%	4.75% – 5.55%	4.50% – 5.54%
Inflation rate	2.00%	n/a	2.00%	n/a
Rate of compensation increase	3.00%	n/a	3.00%	n/a
Health care cost trend rate for next year ⁽¹⁾	n/a	5.75% – 7.50%	n/a	5.75% – 6.50%
Net benefit plan expense				
Discount rate	4.75% – 5.55%	4.50% – 5.54%	4.50% – 4.97%	4.50% – 4.97%
Inflation rate	2.00%	n/a	2.00%	n/a
Rate of compensation increase	3.00%	n/a	3.00%	n/a
Health care cost trend rate for next year ⁽¹⁾	n/a	5.75% – 6.90%	n/a	6.00% – 6.90%

⁽¹⁾ Decreasing gradually to 4.0 per cent by 2049 (2024 - 4.0 per cent by 2049) and remaining at that level thereafter for the U.S. and decreasing gradually to 5.0 per cent in 2028 for Canada (2024 - 5.0 per cent in 2028).

For the Canadian plan, the per capita cost of covered dental benefits was assumed to increase by 4.50 per cent per year (2024 - 4.50 per cent).

Sensitivity of the DBO to changes in assumptions is set out below. The effects on each plan of a change in an assumption are weighted proportionately to the total plan obligations to determine the total impact for each assumption presented.

SENSITIVITIES OF ASSUMPTIONS

<i>(millions of Canadian dollars)</i>	2025		
	Change in Assumption	Increase	Decrease
Impact on pension benefit plans DBO			
Discount rate	1%	(58)	77
Rate of compensation increase	1%	14	(11)
Inflation rate	1%	23	(20)
Life expectancy	1 year	13	(12)
Impact on other benefit plans DBO			
Discount rate	1%	(6)	5
Rate of compensation increase	1%	1	(1)
Health care cost trend rate	1%	4	(4)
Life expectancy	1 year	-	(1)

Each sensitivity analysis disclosed in this note is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied for calculating the liability recognized in the statement of financial position.

(b) Maturity analysis

An actuarial valuation was performed for the Canadian DB pension plan as at December 31, 2024. The aggregate solvency surplus in the Corporation's funded pension plans amounted to \$75 million (2022 - \$43 million aggregate solvency deficit). The Corporation is currently on a funding holiday and making no contributions to the plan, pursuant to the actuary's recommendation and in accordance with applicable legislation, as the plan has developed an actuarial surplus. The Corporation's total expected contribution to the post-employment benefit plans for the year ending December 31, 2026, is \$11 million.

Weighted average durations of the DBO for the Canadian pension benefit plan and the other benefit plan is 15 years and 11 years, respectively (2024 - 15 years and 11 years, respectively). For the U.S. plans, the weighted average duration of the DBO for the pension plan and the other benefit plan is 9 years and 9 years, respectively (2024 - 9 years and 9 years, respectively).

Expected maturity analysis of undiscounted pension and other benefit plans are as follows:

<i>(millions of Canadian dollars)</i>	Less than				Total
	1 year	Years 2–3	Years 4–5	Years 6–10	
DB pension plans	13	28	29	73	143
Other benefit plans	5	11	10	23	49
At December 31, 2025	18	39	39	96	192

(c) Risk assessment

Funding risk

The primary risk associated with the DB pension for the plan sponsor is the risk that investment asset growth and contribution rates will not be sufficient to cover pending funding obligations, resulting in unfunded liabilities.

Alberta registered plans are required to file funding valuations on a triennial basis with a few exceptions. If the going concern funded status is less than 85 per cent, a plan may be required to file an annual valuation. The U.S. pension plan is required to file funding valuations on an annual basis. Based on the 2024 pension valuation, the Canadian DB Provisions are 136 per cent funded on a going-concern basis and not less than 100 per cent on a solvency basis. Based on the 2025 pension valuation, the U.S. pension plan has a funding ratio of 109 per cent. The funding ratio is monitored on an ongoing basis.

Investment risk

The Corporation makes investment decisions for its funded plan based on an asset-liability matching analysis reflecting the results of its aforementioned funding valuations. The Corporation attempts to achieve investment returns in excess of its liabilities by setting an asset-allocation target based on risks and returns. This targeted asset allocation is recorded in ENMAX Pension Plan Statement of Investment Policies and Procedures (SIPP). The plan's asset portfolio is regularly monitored to ensure compliance to the SIPP, as well as its performance as compared to a liability benchmark intended to approximate the growth in the plan's future obligations. Given the likely shortening of the liability duration with the passage of time, the continuing appropriateness of the plan's asset allocation is evaluated at least once every three years.

18. DEFERRED REVENUE

<i>(millions of Canadian dollars)</i>	CIAC	Other ⁽¹⁾	Total
As at December 31, 2023	610	9	619
Net additions	69	4	73
Recognized as revenue	(19)	(5)	(24)
As at December 31, 2024	660	8	668
Net additions	86	8	94
Recognized as revenue	(20)	(9)	(29)
As at December 31, 2025	726	7	733

⁽¹⁾ Includes current portion of \$5 million (December 31, 2024 - \$5 million).

19. ASSET RETIREMENT OBLIGATIONS AND OTHER PROVISIONS

<i>(millions of Canadian dollars)</i>	Asset Retirement Obligations	Onerous Contracts and Other ⁽¹⁾	Total
As at December 31, 2023	89	24	113
Net additions	-	2	2
Settled in the year	-	(1)	(1)
Accretion expense	3	-	3
Changes in estimates	-	(13)	(13)
As at December 31, 2024	92	12	104
Net additions	(4)	-	(4)
Settled in the year	-	(2)	(2)
Accretion expense	3	-	3
As at December 31, 2025	91	10	101

⁽¹⁾ Includes current portion of \$1 million (December 31, 2024 - \$3 million).

Asset retirement obligations

The Corporation has estimated the net present value of the decommissioning liabilities associated with the assets of ENMAX Energy based on a total undiscounted future liability of \$156 million (December 31, 2024 - \$156 million) calculated using an inflation rate of 2.00 per cent (December 31, 2024 - 2.00 per cent). These payments are expected to be made between 2034 and 2047. The Corporation calculated the present value of the obligations using discount rates ranging from 3.39 per cent to 3.66 per cent (December 31, 2024 - 3.23 per cent to 3.29 per cent) to reflect the market assessment of the time value of money.

Transmission and Distribution retirement obligations are not recognized as the abandonment date of the assets in service cannot be reasonably estimated. As such, no final removal date can be determined, and a reasonable estimate of the related retirement obligations cannot be made at this time. If sufficient information becomes available to reasonably estimate the final removal date, the obligation will be recorded.

20. SHARE CAPITAL

<i>(millions of Canadian dollars, except share amounts)</i>	Number of Shares	Amount
Authorized: Unlimited number of common shares		
Issued and outstanding:		
Balance, December 31, 2025, and 2024:		
Issued on incorporation	1	-
Issued on transfer of net assets from Calgary Electric System	1	278
Issued on transfer of billing and customer care assets from The City in 2001	1	2
Balance, December 31, 2025, and 2024	3	280

21. ACCUMULATED OTHER COMPREHENSIVE INCOME

<i>As at December 31,</i> <i>(millions of Canadian dollars)</i>	2025	2024
Net unrealized gain on fair value of investments	-	1
Net actuarial gain on defined benefit plans, including deferred income tax expense of \$1 million (December 31, 2024 - \$1 million)	107	109
Cumulative translation adjustment	(50)	29
Accumulated other comprehensive income, including deferred income tax expense of \$1 million (December 31, 2024 - \$1 million)	57	139

22. JOINT ARRANGEMENTS

Significant joint operations included in the consolidated financial statements at December 31, 2025, are below:

Significant Joint Operations	Operating Jurisdiction	Ownership	Principal Activity
McBride Lake Wind Facility	Canada	50%	Wind turbine generating facility
Shepard Energy Centre	Canada	50%	Gas-fuelled generating facility
Balzac Power Station	Canada	50%	Gas-fuelled generating facility

23. INVESTMENTS IN ASSOCIATES

The following entities have been included in the consolidated financial statements and are accounted for using the equity method:

Name of Entity	Operating	Ownership		Carrying values	
	Jurisdiction	2025	2024	2025	2024
Maine Electric Power Company, Inc. ⁽¹⁾	U.S.	21.7%	21.7%	104	105
Maine Yankee Atomic Power Company ⁽²⁾	U.S.	12.0%	12.0%	1	1
Chester SVC Partnership ⁽³⁾	U.S.	50.0%	50.0%	5	5
				110	111

⁽¹⁾ Maine Electric Power Company, Inc. (MEPCO) owns and operates electric transmission facilities from Maine Yankee facility to the Maine-Canadian border. The other 78.3 per cent of MEPCO is owned by Central Maine Power Company.

⁽²⁾ The Corporation's ownership in Maine Yankee Atomic Power Company (Maine Yankee) represents less than \$1 million. Prior to its permanent closure in 1997, Maine Yankee operated a 880-MW nuclear power generating plant in Wiscasset, Maine, U.S. The Corporation is obligated to pay its pro-rata share of Maine Yankee's decommissioning costs and seeks recovery of costs through rates.

⁽³⁾ Through its wholly owned subsidiary, Bangor Var Co., Inc., the Corporation owns a 50 per cent general partnership interest in Chester SVC Partnership which owns electrical equipment that supports a major transmission line. The other 50 per cent controlling partnership interest is owned by Central Maine Power Company through its wholly owned subsidiary NORVARCO.

SUMMARIZED FINANCIAL INFORMATION—MEPCO

As at December 31,

(millions of Canadian dollars)

	2025	2024
Current assets	30	93
Non-current assets	218	166
Current liabilities	(11)	(8)
Non-current liabilities	(32)	(30)
Net assets (100%)	205	221
Corporation's share of net assets	44	48
Cumulative fair value adjustments	59	62
Foreign exchange translation	1	(5)
	104	105

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
Revenues	7	7
Net earnings	4	5

24. DIVIDENDS

On March 6, 2025, the Corporation declared a dividend of \$103 million (2024 - \$95 million) to The City, which was paid in equal quarterly instalments.

25. FINANCE CHARGES

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
Accretion expense	3	4
Interest expense—pension	2	3
Interest on long-term debt	169	167
Interest on finance leases	2	2
Short-term interest and other financing charges	10	10
Less: capitalized borrowing costs	(23)	(20)
	163	166

26. CHANGES IN NON-CASH WORKING CAPITAL

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Accounts receivable	122	83
Other assets	(6)	(7)
Regulatory deferral account debit balances	(18)	(7)
Accounts payable and accrued liabilities	(50)	(207)
Other liabilities	(19)	4
Trading account margins	75	(58)
Deferred revenue (non-CIAC)	(1)	(1)
Provisions	(2)	(12)
Regulatory deferral account credit balances	(4)	(12)
Change in non-cash working capital	97	(217)

27. RELATED PARTY TRANSACTIONS

The City is the sole shareholder of the Corporation. The following tables summarize the related party transactions and balances between the Corporation and The City:

STATEMENT OF FINANCIAL POSITION

<i>As at December 31, (millions of Canadian dollars)</i>	2025	2024
Accounts receivable	23	20
Accounts payable and accrued liabilities	15	18
Long-term debt ⁽¹⁾	1,953	1,857

⁽¹⁾ Principal and interest payments to The City for the year ended December 31, 2025, amounted to \$184 million (2024 - \$167 million).

Transactions between the Corporation and The City have been recorded at the exchange amounts, as outlined by the contracts in effect between the Corporation and The City.

The Corporation has a water supply agreement, whereby The City supplies a specified amount of reclaimed wastewater annually for Shepard Energy Centre operations.

STATEMENT OF EARNINGS

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Revenue ⁽¹⁾	119	130
Local access fees ⁽²⁾	148	183
Other expenses	1	1
Finance charges ⁽³⁾	81	73

⁽¹⁾ Significant components include contract sales of electricity, construction of infrastructure, provision of non-regulated power distribution services and billing and customer care services relating to The City's utilities departments.

⁽²⁾ The Corporation collects these fees from distribution customers in Calgary and remits them to The City.

⁽³⁾ For the year ended December 31, 2025, the Corporation paid loan guarantees and administration fees of \$5 million (2024 - \$4 million) to The City (Note 16).

COMPENSATION OF KEY MANAGEMENT

The Corporation's key management personnel includes members of the Board of Directors and the executive management team. Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Corporation.

Total compensation and remuneration paid by the Corporation and its subsidiary companies to key management personnel is presented below:

Year ended December 31,

(millions of Canadian dollars)

	2025	2024
Salaries and other short-term employee benefits	6	6
Other long-term benefits	3	3
	9	9

28. SUBSIDIARIES

The following is a list of subsidiaries in which the Corporation has a material ownership interest, either directly or indirectly, as at December 31, 2025:

Material Subsidiaries	Principal Activity
Canadian Entities	
Calgary Energy Centre No. 2 Inc.	Operator and contracting entity for the Calgary Energy Centre generation facility.
EM Mechanical Services Inc.	Contracting entity for all Solar PV installation, both inside and outside of The City of Calgary.
ENMAX Balzac GP Inc.	General Partner for the Balzac natural gas power plant.
ENMAX Bonnybrook Inc.	Contracting entity for the Bonnybrook water supply agreement.
ENMAX Cavalier GP Inc.	General Partner (on behalf of the LP) for the Cavalier natural gas power plant.
ENMAX Encompass Inc.	Unregulated billing and customer care services for residential and small business customers.
ENMAX Energy Corporation	Generation and energy retail services company offering electricity and natural gas products and services to customers.
ENMAX Energy Marketing Inc.	The AESO Market Participant for system access, wholesale and trading.
ENMAX Gas Transport Inc.	Contracting entity for the purchase and sale of natural gas.
ENMAX Generation Portfolio Inc.	Owner of multiple generation plants.
ENMAX Genesee GP Inc.	General Partner (on behalf of the LP with Capital Power) for the former Genesee 4/5 power plant development project.
ENMAX Independent Energy Solutions Inc.	Entity that holds ENMAX's CHP units, including the Stoney Transit CHP.
ENMAX Kettles Hill Inc.	Operator of Kettles Hill wind energy farm.
ENMAX Power Corporation	A regulated company that owns, operates and maintains electricity transmission and distribution services within the Calgary area.
ENMAX Power Services Corporation	Activities have been wound down to only remaining warranty obligations.
ENMAX Renewables Inc.	Exploring opportunities in renewable electricity generation.
ENMAX Shepard Services Inc.	Contracting entity, operator and agent for Shepard Energy Centre.
ENMAX Telecommunications Services Inc.	Coordinates pole access and attachment services for telecommunication companies.
ENMAX Utility Services Limited	Performs utility services for ENMAX Power Services Corporation outside of The City of Calgary.

U.S. Entities

Bangor Fiber Company, Inc.	Bangor Fiber was created to hold rights associated with fiber optic cable, which it leases to Versant Power and other companies.
Bangor Line Co.	Bangor Line was created for electrical transmission and distribution, operation and maintenance. It conducts no business.
Bangor Var Co., Inc.	Bangor Var Co., Inc. was created to hold a partnership interest in a static var compensator facility in Chester, Maine. See Chester SVC Partnership.
Chester SVC Partnership	Partnership formed by Versant Power and Central Maine Power Company through its subsidiary NORVARCO to build and own a static var compensator facility in Chester, Maine.
Pleasant River Gulf Improvement Company	Pleasant River was created to build and maintain dams to improve the flow of water in the West Branch of the Piscataquis River for the driving of logs and lumber on the Piscataquis River. It conducts no business.
Maine Electric Power Company, Inc.	Owns and operates electric transmission facilities from Wiscasset, Maine to the Maine-New Brunswick border.
Maine Yankee Atomic Power Company	From 1972 to 1997, Maine Yankee owned and operated a 880 MW nuclear power plant in Wiscasset, Maine. In 1997 the facility ceased operations and the decommissioning process began. Operations are currently limited to storage site for spent fuel.
Versant Power	Versant Power is an electric utility based in Bangor, Maine that is engaged in the transmission and distribution of electricity.

The above table does not include wholly owned subsidiaries that are immediate holding companies of the operating subsidiaries. For certain foreign operations of the Corporation, there are restrictions on the sale or transfer which would require approval of the applicable foreign government.

29. OTHER REVENUE AND EXPENSES

<i>Year ended December 31, (millions of Canadian dollars)</i>	2025	2024
Other revenue		
Interest and penalty revenue	9	10
Miscellaneous	23	13
	32	23
Other expenses		
Contractual services costs	36	42
Staff costs	183	186
Consulting costs	35	34
Advertising and promotion	12	11
Administrative and office expenses	148	141
Operating costs	130	129
Building and property costs	50	51
Other costs	16	18
Foreign exchange loss	2	-
	612	612

30. COMMITMENTS AND CONTINGENCIES

The Corporation is committed to expenditures for capital additions, rent for premises and vehicles and equipment under multiple contracts with varying expiration dates. In addition, ENMAX commits to the purchase of power, renewable energy certificates, emission performance credits, emission offset credits and long-term service arrangements on certain generating assets.

Aggregated minimum payments under these arrangements are as follows:

(millions of Canadian dollars)

2026	257
2027	69
2028	32
2029	13
2030	4
Thereafter	-

As at December 31, 2025, ENMAX had parental guarantees totaling \$1,347 million (December 31, 2024 - \$2,214 million), largely to provide guarantees for ENMAX Energy and its subsidiaries. Parental guarantees are legal agreements used to limit credit risk of an entity by having a parent company promise to be responsible for a subsidiary's obligations, in the event of default.

LEGAL AND REGULATORY PROCEEDINGS

In the normal course of business, the Corporation is, and may be named as, a defendant or party in lawsuits and regulatory proceedings related to various matters. Although there is no assurance that each claim will be resolved in favour of the Corporation, the Corporation currently believes the outcome of these lawsuits and regulatory proceedings will not have a material impact on the operating results or financial position of the Corporation.

The Corporation, along with other market participants in the province of Alberta, is subject to decisions, market rules, regulations, regulatory proceedings and/or jurisdiction of the AUC, AESO, Market Surveillance Administrator and other authorities. Along with other market participants in the U.S., the Corporation is subject to decisions, market rules, regulations, regulatory proceedings of MPUC and FERC. The financial impact of decisions, market rules, regulations and regulatory proceedings is reflected in the consolidated financial statements when the amount can be reasonably estimated.

31. SUBSEQUENT EVENTS

DIVIDENDS

On March 5, 2026, the Corporation declared a total dividend of \$64 million payable to The City in four quarterly instalments.

GLOSSARY OF TERMS

Adjusted EBITDA	Adjusted Earnings before interest, income tax and depreciation and amortization	Maine Yankee	Maine Yankee Atomic Power Company
AESO	Alberta Electric System Operator	MD&A	Management's Discussion and Analysis
AOCI	Accumulated other comprehensive income	MPD	Maine Public District
ARO	Asset retirement obligation	MPUC	Maine Public Utilities Commission
AUC	Alberta Utilities Commission	MW	Megawatt
BHD	Bangor Hydro District	MWh	Megawatt-hour
CAD	Canadian dollars	OCI	Other comprehensive income
CGUs	Cash-generating units	OM&A	Operations, maintenance and administration
CHP	Combined heat and power	PBR	Performance-Based Regulation
CIAC	Contributions in aid of construction	PILOT	Payment in lieu of tax
CNE	Comparable Net Earnings	PP&E	Property, plant and equipment
DB	Defined benefit	REM	Restructured Energy Market
DBO	Defined benefit obligation	ROE	Return on equity
DC	Defined contribution	ROU	Right-of-use
ECL	Expected credit loss	RRO	Regulated Rate Option
ENMAX	ENMAX Corporation and its subsidiaries, collectively	SAIDI	System average interruption duration index
ESG	Environmental, social and governance	SAIFI	System average interruption frequency index
FERC	Federal Energy Regulatory Commission	SIPP	Statement of Investment Policies and Procedures
FVTPL	Fair value through profit or loss	The Board	ENMAX's Board of Directors
FVOCI	Fair value through other comprehensive income	The City	The City of Calgary
GHG	Greenhouse gas	The Corporation	ENMAX Corporation and its subsidiaries, collectively
GJ	Gigajoule	TIER	Technology Innovation and Emissions Reduction Regulation
GWh	Gigawatt hour	USD	U.S. dollar
		VIU	Value in use

ADDITIONAL INFORMATION

Additional information relating to ENMAX can be found at enmax.com.

ENMAX welcomes questions from stakeholders.

Please direct financial inquiries to:

Mark Poweska

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