Q2 2024

Interim 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 August 15, 2024, is a review of the results of operations of ENMAX for the three and six months ended June 30, 2024, compared with the same period for 2023, and of the Corporation's financial condition and future prospects. This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and 2023 (Interim Statements) and the audited consolidated financial statements for the years ended December 31, 2023 and 2022, and the notes to the respective financial statements, including material accounting policy information (Annual Financial Statements). This MD&A contains forward-looking information and should be read in conjunction with the Caution to Reader as detailed above.

The Interim Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Interim Statements and MD&A were reviewed by ENMAX's Audit Committee, and the Interim Statements were approved by ENMAX's Board of Directors (the Board). All amounts are in millions of Canadian dollars unless otherwise specified.

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

Contents

Glossary of terms can be found on page 45.

ENMAX OVERVIEW

Headquartered in Calgary, Alberta, Canada, ENMAX's mission is to power the potential of people, businesses and communities by safely and responsibly providing electricity and energy services in ways that matter now and in the future. ENMAX has a proud history of providing Albertans with electricity, and through the acquisition of Versant Power in 2020, serves an international customer base. The City of Calgary (The City) is the sole shareholder of ENMAX Corporation.

ENMAX is looking ahead with a renewed strategic outlook focusing on operational excellence, responsible growth and enabling the energy transition, with the purpose – *Lighting the way to a brighter energy future*.

ENMAX has core operations through three main business segments: ENMAX Power, Versant Power and ENMAX Energy. In addition, a Corporate segment provides financing and shared corporate services to the operating segments at varying levels.

- ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 570,000 customer sites in the Calgary area (1,089 square kilometres in and around Calgary). ENMAX Power is regulated by the Alberta Utilities Commission (AUC), an economic regulator who 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 model, under which ENMAX Power applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on capital in service. The distribution business is regulated under a Performance-Based Regulation (PBR) model. Under this model, distribution rates paid by customers are set annually during the PBR term, using a formula that considers inflationary factors and operational efficiencies. PBR is intended to create additional incentives for utilities to find efficiencies in their operations. In the current year, approximately 18 per cent of ENMAX Power's electricity revenue is from transmission operations and 82 per cent is associated with distribution operations.
- Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 165,000 customer sites in the Maine Public District (MPD) and Bangor Hydro District (BHD), covering six counties in Maine, U.S., and a total operating area of 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, issuance of securities and other matters and by the United States Federal Energy Regulatory Commission (FERC) with respect to transmission services. Versant Power earns revenue by charging customers for delivery of electricity across its transmission and distribution facilities. This retail revenue is divided into separate transmission, distribution and stranded cost rates. Rates for each element are established in distinct regulatory proceedings. In the current year, approximately 36 per cent of Versant Power's electricity revenue is from transmission operations, 44 per cent is associated with distribution operations and 20 per cent relates to stranded cost recoveries and conservation charges.
- ENMAX Energy is an Alberta-based integrated competitive retail and generation business, providing electricity, natural gas and customer care services to approximately 747,000 customers throughout Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Calgary Regulated Rate Option (RRO) through affiliated legal entities. The competitive retail business

provides customers with either fixed or variable-priced electricity and natural gas. As at June 30, 2024, ENMAX Energy owned an interest in 1,486 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX uses its generation capacity as a natural hedge to electricity retail customers 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 provides resources primarily for Canadian operations, including financing and shared legal, finance and accounting, human resources, corporate governance, information technology and other functions.

BUSINESS UPDATE

The first six months of 2024 saw lower average commodity prices compared to the same period in 2023, slowing of inflation, new interim regulations and enactment of new tax legislation in Canada. Governments in Canada and the U.S. have continued to signal an emphasis on reducing carbon intensity across their economies. In this rapidly evolving business environment, affordability, reliability, safety and sustainability remain key points of focus for utilities.

The discussion below relates to results for the three months ended June 30, 2024 (second quarter or Q2), and six months ended June 30, 2024 (year to date), as compared to the same periods in 2023.

Second quarter Adjusted Earnings Before Interest, Taxes, and Depreciation and Amortization (Adjusted EBITDA)(1) of $216 million has increased by $2 million from Q2 2023. This increase included a higher transmission and distribution margin as a result of higher rates from regulatory decisions, largely offset by decreased electricity margin due to lower plant availability as a result of a planned maintenance outage at Shepard Energy Centre in Q2 2024, as well as an increase in Operations, Maintenance and Administration (OM&A) expenses. Second quarter Comparable Net Earnings (CNE)(1) of $79 million was $8 million lower than Q2 2023, as the increase in Adjusted EBITDA noted above was outpaced by higher depreciation and amortization expenses and finance charges. Net earnings for the three months ended June 30, 2024 was $28 million, compared to a net loss of $15 million in Q2 2023. The favourable variance in net earnings was largely driven by lower after-tax unrealized mark-to-market losses in Q2 2024, compared to Q2 2023.

Year-to-date Adjusted EBITDA was $457 million, a $109 million increase from year-to-date 2023, largely due to increases in transmission and distribution margin from higher rates from regulatory decisions and an increase in electricity margin due to retail customer site growth and lower cost to supply. These increases were partially offset by higher OM&A spending primarily due to insurance recoveries realized in the prior year in ENMAX Energy and higher storm costs in 2024 in Versant Power. Year-to-date CNE of $180 million was $65 million higher than in 2023, as the increases noted above in Adjusted EBITDA were partially offset by higher depreciation expenses, income tax expenses related to core operations and financing charges. Net earnings for the six months ended June 30, 2024 was $161 million, compared to a net loss of $80 million for the six months ended June 30, 2023. The increase in year to date net earnings is primarily a result of lower after-tax unrealized mark-to-market losses in 2024.

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

Other second quarter highlights include:

- On June 17, 2024, the AUC released its decision on the *Recovery of Land and Property Rights Tribunal (LPRT) order payments related to Remington lands matter*. This decision relates to land held, or formerly held, by Remington Development Corporation (Remington). The Commission approved ENMAX Power's application to recover $14 million related to historical payments that it was required to pay Remington pursuant to orders of the LPRT and carrying costs for those amounts. In the decision, the Commission directed ENMAX Power to include this amount in its 2025 revenue requirement, which is now considered final. In accordance with IFRS, the related revenue has been recorded in the financial statements in June 2024.

- The MPUC has initiated an audit of Versant Power's management and operations. Results of this audit are expected by the end of 2024, prior to a decision regarding Versant Power's current rate increase filing related to its distribution revenue requirement.

- Alberta Electric System Operator (AESO) pool prices averaged $45.28 per megawatt-hour (MWh) in Q2 2024, and $72.08 per MWh in the first six months of 2024, a decrease of 72 per cent and 52 per cent, respectively, from the same periods in 2023. Lower pool prices were driven by decreased natural gas prices and the addition of new gas fired power generation.

- Alberta natural gas daily index prices averaged $1.14 per gigajoule (GJ) in Q2 2024 and $1.53 per GJ in the first six months of 2024, a 52 per cent and 44 per cent decrease, respectively, from the same periods in 2023. Prices were lower as a result of robust natural gas production, storage inventories at near peak capacity and milder weather impacting demand.

- Spark spread, which is the difference between the wholesale electricity price and cost of natural gas to produce the electricity, is a proxy for 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 the three and six months ended June 30, 2024, was $36.76 per MWh and $60.57 per MWh, a decrease of 74 per cent and 53 per cent, respectively, from the same periods in 2023.

- The City experienced a major water main breakage in June 2024, resulting in the declaration of a state of emergency and water restrictions. ENMAX contributed to the crisis response by supporting repair efforts, coordinating with Calgary Emergency Management Agency, and voluntarily reducing water usage by running the Calgary Energy Centre at minimum stable generation in the majority of hours.

- ENMAX Energy and Capital Power completed a technical evaluation of carbon capture and storage at Shepard Energy Centre and have decided to not continue with the project due the lack of market, policy and regulatory certainty and adequate commercial drivers.

- On March 11, 2024, the Government of Alberta announced two interim regulations for the provincial electricity market to remain in effect for three years with the intent of stabilizing customer utility bills and ensuring grid reliability. These two temporary measures, the Market Power Mitigation Regulation and the Supply Cushion Regulation, took effect July 1, 2024, and are expected to be replaced with a different market mitigation approach as part of the final Restructured Energy Market design, targeted for 2027.

- On June 20, 2024, two bills containing new tax measures received Royal Assent: Bill C-59, *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023*, and Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024.* The

Corporation has performed an assessment on the impact of the tax measures in Bill C-59, which includes the Excessive Interest and Financing Expenses Limitation legislation, and determined that for the six months ended June 30, 2024, this Act will result in an estimated increase of $7 million to income tax expense. The Corporation is currently assessing Bill C-69 for potential exposure to Pillar Two income taxes for the 2024 fiscal year but does not expect any material impact on its consolidated financial statements.

- Capital expenditures for the three and six months ended June 30, 2024 were $139 million and $326 million, increases of 26 per cent and 28 per cent, respectively, from the same periods in 2023. These increases primarily relate to Substation No. 1 and higher costs for other substation upgrades in ENMAX Power as well as higher transmission rebuilds and advanced metering infrastructure in Versant Power. Of the total capital expenditures year to date, 89 per cent was invested in the regulated businesses.

NON-IFRS FINANCIAL MEASURES

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

CNE includes depreciation and amortization and finance charges, as well as income tax effects of core operations, but both Adjusted EBITDA and CNE exclude unrealized gains and losses on commodities, unrealized foreign exchange gains and losses, impairment charges (if any) and 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 and losses that will be realized on settlement. Furthermore, unlike commodity derivatives, ENMAX's generation capacity and future sales to retail customers are not fair valued under IFRS. Similarly, unrealized foreign exchange gains or losses do not necessarily reflect the actual gains and losses that will be realized on settlement. Impairments are by nature non-recurring adjustments that do not necessarily reflect ongoing core operations. Management believes Adjusted EBITDA and CNE are more representative of ongoing core operations as adjusted for the items noted above.

These financial measures do not have any standard meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. These financial measures and their reconciliation to IFRS financial measures are shown below. These non-IFRS financial measures are consistently applied in the previous period.

ADJUSTED EBITDA, COMPARABLE NET EARNINGS AND NET EARNINGS (LOSS)

	Three months ended, June 30		Six months ended, June 30	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Adjusted EBITDA [1]				
ENMAX Power	**109**	79	**198**	151
Versant Power	**26**	19	**64**	50
ENMAX Energy	**82**	114	**196**	146
Corporate	**(1)**	2	**(1)**	1
Consolidated Adjusted EBITDA	**216**	214	**457**	348
Add (deduct):				
Depreciation and amortization (excluding regulatory deferral movement)	**(93)**	(86)	**(187)**	(172)
Income tax (expense) recovery related to recurring core operations [2]	**(3)**	(6)	**(8)**	7
Finance charges	**(41)**	(35)	**(82)**	(68)
Comparable Net Earnings [1]	**79**	87	**180**	115
Add (deduct):				
Unrealized loss on commodities [3]	**(60)**	(110)	**(21)**	(218)
Unrealized foreign exchange gain (loss)	**2**	(1)	**2**	(1)
Net income tax recovery on unrealized loss on commodities and unrealized foreign exchange gain (loss) [2]	**7**	9	**-**	24
Net earnings (loss)	**28**	(15)	**161**	(80)

[1] Adjusted EBITDA and CNE omit the separate presentation of regulatory deferral changes that is required in the Condensed Consolidated Interim Statement of Earnings (Loss) under IFRS. See Note 5 to the Interim Statements.

[2] Presented as current income tax expense and deferred income tax recovery in the Condensed Consolidated Interim Statement of Earnings (Loss).

[3] Included in electricity and fuel purchases expense in the Condensed Consolidated Interim Statement of Earnings (Loss).

SEGMENT RESULTS

Results of operations are not necessarily indicative of future performance, due to factors including commodity prices, timing of receipt of regulatory decisions, performance of generation facilities and impact of government policies. ENMAX's regulated businesses represent 63 per cent of Q2 2024 Adjusted EBITDA and 57 per cent for the six months ended June 30, 2024.

(millions of Canadian dollars)	ENMAX Power	Versant Power	ENMAX Energy	Corporate	ENMAX Consolidated
Adjusted EBITDA [1] for the three months ended June 30, 2023	79	19	114	2	214
Increased (decreased) margins attributable to:					
Transmission and distribution	30	10	-	-	40
Electricity	-	-	(31)	(1)	(32)
Natural gas	-	-	3	-	3
Contractual services and other revenue	(1)	1	6	(1)	5
Decreased (increased) expense:					
Operations, maintenance and administration (OM&A) [2]	1	(4)	(10)	(1)	(14)
Adjusted EBITDA [1] for the three months ended June 30, 2024	**109**	**26**	**82**	**(1)**	**216**

[1] Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Financial Measures section.

[2] Normalized to exclude impact of intercompany transactions with no consolidated impact.

(millions of Canadian dollars)	ENMAX Power	Versant Power	ENMAX Energy	Corporate	ENMAX Consolidated
Adjusted EBITDA [1] for the six months ended June 30, 2023	151	50	146	1	348
Increased (decreased) margins attributable to:					
Transmission and distribution	45	22	-	-	67
Electricity	-	-	52	-	52
Natural gas	-	-	6	-	6
Contractual services and other revenue	(4)	-	7	(1)	2
Decreased (increased) expense:					
Operations, maintenance and administration (OM&A) [2]	6	(8)	(15)	(1)	(18)
Adjusted EBITDA [1] for the six months ended June 30, 2024	**198**	**64**	**196**	**(1)**	**457**

[1] Adjusted EBITDA is a non-IFRS financial measure. See Non-IFRS Financial Measures section.

[2] Normalized to exclude impact of intercompany transactions with no consolidated impact.

ENMAX POWER

ENMAX Power Adjusted EBITDA for the three and six months ended June 30, 2024, was $109 million and $198 million, respectively, compared with $79 million and $151 million for the same periods in 2023. Higher transmission and distribution margins were driven by higher rates from regulatory decisions and an increase in customer sites, energy and demand in the regulated distribution business, as well as a one time $14 million AUC approved collection of historical LPRT payments and the associated carrying costs. The year-to-date increase in regulated revenue and lower OM&A spending were partially offset by a decrease in margins related to contractual services, relative to the same period in 2023.

Management characterizes OM&A as other expenses recognized on the Condensed Consolidated Interim Statement of Earnings (Loss), excluding unrealized foreign exchange gains and losses and costs that are included in contractual service margin. OM&A spending for the three and six months ended June 30, 2024, was $1 million and $6 million lower than the same period in 2023, largely due to a higher percentage of labour costs that are capitalized due to an increase in capital investment.

KEY BUSINESS STATISTICS

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Distribution volume in gigawatt hours (GWh) [(1)]	**2,283**	2,306	**4,750**	4,700
System average interruption duration index (SAIDI) [(2)]	**0.17**	0.20	**0.27**	0.31
System average interruption frequency index (SAIFI) [(3)]	**0.25**	0.14	**0.33**	0.30

(1) 2024 GWh based on interim data due to timing of data availability.

(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 three months ended June 30, 2024, was lower than the same period in 2023, due to cooler spring weather. For the six months ended June 30, 2024, total electricity delivered was higher than the same period in 2023, due to extremely cold weather in January that resulted in significantly higher consumption offsetting the lower demand due to mild weather in the spring.

SAIDI was favourable as compared to 2023 mainly due to fewer wildlife contacts. SAIFI was unfavourable as compared to 2023 due to an increase in weather events, substation outages and a load shedding event directed by the AESO.

VERSANT POWER

Versant Power Adjusted EBITDA for the three and six months ended June 30, 2024, was $26 million and $64 million compared with $19 million and $50 million, respectively, for the same periods in 2023. Higher transmission and distribution margins were partially offset by an increase in OM&A spending. Transmission and distribution rate increases began to take effect on July 1, 2023. The increase in OM&A spending primarily relates to increased storm costs and bad debt expense, compared to the same periods in 2023.

KEY BUSINESS STATISTICS

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Distribution volume in gigawatt hours (GWh)	**418**	445	**968**	1,022
System average interruption duration index (SAIDI) (1)(3)	**1.93**	1.13	**5.11**	2.47
System average interruption frequency index (SAIFI) (2)(3)	**0.82**	0.58	**1.71**	1.13

(1) 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.

(2) 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.

(3) 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 the three and six months ended June 30, 2024, was lower than the same period in 2023. This decrease was driven by mild temperatures in Q2 and year to date 2024, compared to the same period in 2023.

Versant Power experienced elevated SAIFI and SAIDI levels for the three and six months ended June 30, 2024, compared to the same periods in 2023, due to an increase in storm events, increased vegetation contacts and wildlife contacts with energized equipment, partially offset by reduced outages related to equipment failures.

ENMAX ENERGY

ENMAX Energy Adjusted EBITDA for the three and six months ended June 30, 2024, was $82 million and $196 million, compared with $114 million and $146 million, respectively, for the same periods in 2023. The Q2 decrease in plant availability was largely driven by a planned maintenance outage at Shepard Energy Centre in Q2 2024. The year to date increase in electricity margin of $52 million was primarily driven by higher retail margins resulting from lower cost to supply and customer site growth in the retail business. Favourable margins in the first six months of 2024 were partially offset by an increase in OM&A due to insurance recoveries realized in the prior year.

KEY BUSINESS STATISTICS

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Natural gas-fuelled plant availability (%) (1)	**91.1**	94.1	**86.4**	91.2
Average flat pool price ($/MWh)	**45.28**	159.87	**72.08**	150.64
Average natural gas price ($/GJ)	**1.14**	2.39	**1.53**	2.73
Average spark spread ($/MWh) (2)	**36.76**	141.95	**60.57**	130.17

(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.

FINANCIAL PERFORMANCE

CHANGES IN NET EARNINGS (LOSS)

(millions of Canadian dollars)	Three Months Ended	Six Months Ended
Net loss for the periods ended June 30, 2023	(15)	(80)
Increase (decrease) attributable to:		
Transmission and distribution revenues	21	46
Electricity and natural gas revenues	(110)	(76)
Contractual services, CIAC and other revenues	16	18
Transmission and distribution expenses	(4)	(21)
Electricity, fuel and natural gas purchases and delivery expenses	131	369
Depreciation and amortization expenses	(7)	(15)
Other expenses	(23)	(31)
Finance charges	(6)	(14)
Income taxes	1	(39)
Net movement in regulatory deferral account balances	24	4
Net earnings for the periods ended June 30, 2024	**28**	**161**

Net earnings for the three and six months ended June 30, 2024, was $28 million and $161 million, respectively, compared to $15 million and $80 million net losses for the same periods in 2023. Year-to-date 2024 saw significantly lower mark-to-market losses in electricity and natural gas purchases, partially offset by increases in income taxes, other expenses, depreciation and amortization expenses and finance charges.

OTHER COMPREHENSIVE INCOME (LOSS) AND SHAREHOLDER'S EQUITY

Other Comprehensive Income (Loss) (OCI) illustrates earnings under the assumption of full income recognition of gains and losses on the market value of securities and derivatives, otherwise treated as hedges of future revenues and expenses, cumulative effects of currency translation of foreign operations, as well as remeasurement gains and losses on post-employment benefits.

For the three and six months ended June 30, 2024, OCI includes gains of $14 million and $52 million, compared with losses of $30 million and $32 million in the same periods in 2023. The fluctuation in OCI is primarily a result of cumulative foreign exchange translation on consolidation of foreign operations.

Accumulated other comprehensive income (loss) is reflected in shareholder's equity along with retained earnings and share capital. Retained earnings at June 30, 2024, increased by $66 million due to net earnings of $161 million in the six months ended June 30, 2024, partially offset by $95 million in dividends on common shares declared in the first quarter of 2024.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

Changes over $18 million (10 per cent of year-to-date CNE) and 10 per cent from December 31, 2023, are detailed below.

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**	**$ Change**	**% Change**	**Explanation for Change**
ASSETS					
Cash and cash equivalents	**46**	90	(44)	(49)	Cash on hand was used in combination with the long-term debt issuance in June 2024, to pay down short-term financing
Accounts receivable	**773**	938	(165)	(18)	Lower revenues in Q2 2024, as a result of lower electricity prices, resulting in decreased receivables. Partially offset by $14 million AUC approved collection of amounts previously paid to Remington and the associated carrying costs
Net other assets and liabilities (1)	**190**	145	45	(31)	Increase in emission offset credits, prepaid expenses and equity investment
LIABILITIES AND SHAREHOLDER'S EQUITY					
Short-term financing	**355**	444	(89)	(20)	Short-term financing was reduced mainly as a result of the long-term debt issuance in June 2024, and some additional pay-down through use of cash
Accounts payable and accrued liabilities	**559**	830	(271)	(33)	Lower commodity prices on purchased electricity and gas contributed to a decrease in related payables
Dividend payable	**48**	-	48	100	Dividend of $95 million declared in February 2024, to be paid in quarterly installments throughout 2024
Net financial assets and liabilities (1)	**34**	52	(18)	(35)	Change in market value of derivatives

(1) Includes current and long-term portions.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**
Total assets and regulatory deferral account debit balances	**9,524**	9,446
Long-term debt (non-current)	**3,172**	3,185

	Three months ended June 30,		**Six months ended June 30,**	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Total revenue	**778**	862	**1,832**	1,892
Adjusted EBITDA [1][2]	**216**	214	**457**	348
Comparable Net Earnings [1][2]	**79**	87	**180**	115
Net earnings (loss)	**28**	(15)	**161**	(80)
Capital expenditures	**139**	110	**326**	255

[1] See Non-IFRS Financial Measures section.

[2] Does not include unrealized gain (loss) on commodities and the related net income tax (expense) recovery.

LIQUIDITY AND CAPITAL RESOURCES

ENMAX actively monitors its cash position and anticipated cash flows to optimize funding and liquidity levels. ENMAX finances working capital requirements, capital investments and maturities of long-term debt 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 decreased to $46 million as at June 30, 2024, from $90 million as at December 31, 2023. Short-term financing of $355 million as at June 30, 2024, down from $444 million at December 31, 2023, reflects working capital management to address timing of expenditures.

ENMAX's credit facility agreements and trust indenture include events of default and covenant provisions, whereby accelerated repayment and/or termination of agreements may result if the Corporation were to default on payment or violate certain covenants. As at June 30, 2024, the Corporation was compliant with all debt covenants.

In April 2024, ENMAX Corporation amended and restated its committed credit facility agreements to include a multi-tranche staggered maturity profile ($200 million in April 2025, $400 million in April 2027 and $400 million in April 2028). ENMAX Corporation also reduced the size of its demand credit facilities to $1,000 million from $1,250 million. In June 2024, Versant Power increased the size of its committed credit facility to $120 million USD from $80 million USD and extended the maturity date to June 2029.

As at June 30, 2024, ENMAX Corporation had $263 million in commercial paper outstanding with a fair value of $263 million and an average interest rate of 5.61 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $92 million on existing credit facilities with a weighted average cost of borrowing of 6.19 per cent (December 31, 2023 - $230 million at 6.64 per cent). For additional information on the Corporation's credit facilities, refer to page 32.

In June 2024, ENMAX issued $232 million of promissory notes to The City bearing a weighted average interest rate of 4.93 per cent. During the six months ended June 30, 2024, ENMAX made $47 million of regularly scheduled repayments on its long-term debt.

As at June 30, 2024, Versant Power had $63 million USD outstanding on revolving debt at an average interest rate of 6.69 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at June 30, 2024, was $4,130 million (December 31, 2023 - $3,921 million). The increase in total debt was primarily to fund regulated capital investments and to meet working capital requirements.

CREDIT RATINGS

ENMAX Corporation		
DBRS Morningstar	BBB (high) with Stable Trends	Confirmed July 5, 2024
Fitch Ratings	BBB with Stable Outlook	Affirmed May 16, 2024
S&P Global	BBB- with Stable Outlook	Revised July 14, 2023

Versant Power		
S&P Global	BBB+ with Stable Outlook	Revised July 14, 2023

RISK AND RISK MANAGEMENT

ENMAX's approach to risk management addresses risk exposures across the Corporation's entire portfolio of business activities and risk types. ENMAX utilizes an Enterprise Risk Management (ERM) program to identify, analyze, evaluate, communicate and address the Corporation's risk exposures in a manner consistent with ENMAX's business objectives and risk tolerance.

Risk exposures are managed within levels approved by the Board and the Chief Executive Officer and monitored by senior leadership in the business units, the planning and risk departments and the senior management team. At a management level, each accountability area is responsible for assessing its risk exposures and implementing risk management plans. Enterprise level risk oversight is provided through the Board's Corporate Governance Committee (CGC). Together, the CGC and the Board oversee identified risk exposures and risk management programs, including the ERM program.

The Bank of Canada reduced its overnight lending rate by 25 basis points in June 2024, bringing it to 4.75 per cent, consistent with June 2023. Subsequent to quarter end, the rate was reduced by an additional 25 basis points to 4.5 per cent, on July 24, 2024. The U.S. Federal Reserve has made no change to the U.S. federal funds rate since July 2023, which was 5.5 per cent as at June 30, 2024, 25 basis points higher than at June 30, 2023. The Corporation's debt is largely long-term and fixed rate, therefore exposure to interest rate risk is not currently significant. ENMAX is exposed to rate changes on short-term debt and any new long-term issuances.

The Corporation's business and operational risks as described in the 2023 Annual Financial Report are materially unchanged as at June 30, 2024.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at *(unaudited), (millions of Canadian dollars)*		**June 30, 2024**		**December 31, 2023**
ASSETS				
Cash and cash equivalents (Note 8)	**$**	**46**	$	90
Accounts receivable		**773**		938
Current portion of financial assets (Note 6)		**141**		202
Other current assets (Note 9)		**48**		31
		1,008		1,261
Property, plant and equipment (PP&E) (Notes 10 and 13)		**6,718**		6,451
Intangible assets (Note 11)		**336**		335
Goodwill (Note 12)		**654**		632
Deferred income tax assets		**76**		81
Post-employment benefits		**30**		34
Financial assets (Note 6)		**141**		120
Other long-term assets (Note 9)		**228**		201
TOTAL ASSETS		**9,191**		9,115
Regulatory deferral account debit balances (Note 7)		**333**		331
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	**$**	**9,524**	$	9,446
LIABILITIES				
Short-term financing (Note 6)	**$**	**355**	$	444
Accounts payable and accrued liabilities		**559**		830
Dividend payable		**48**		-
Income taxes payable		**10**		2
Current portion of long-term debt (Notes 6 and 14)		**603**		292
Current portion of financial liabilities (Note 6)		**87**		180
Current portion of deferred revenue (Note 15)		**6**		5
Current portion of lease liabilities (Note 13)		**2**		3
Other current liabilities (Note 9)		**63**		69
Current portion of asset retirement obligations and other provisions		**4**		3
		1,737		1,828
Long-term debt (Note 6 and 14)		**3,172**		3,185
Deferred income tax liabilities		**298**		290
Post-employment benefits		**79**		76
Financial liabilities (Note 6)		**229**		194
Deferred revenue (Note 15)		**635**		614
Lease liabilities (Note 13)		**40**		39
Other long-term liabilities (Note 9)		**23**		18
Asset retirement obligations and other provisions		**109**		110
TOTAL LIABILITIES		**6,322**		6,354
Regulatory deferral account credit balances (Note 7)		**132**		140
TOTAL LIABILITIES AND REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES	**$**	**6,454**	$	6,494
SHAREHOLDER'S EQUITY				
Share capital		**280**		280
Retained earnings		**2,766**		2,700
Accumulated other comprehensive income (loss) (Note 16)		**24**		(28)
TOTAL SHAREHOLDER'S EQUITY		**3,070**		2,952
TOTAL LIABILITIES, REGULATORY DEFERRAL ACCOUNT CREDIT BALANCES AND SHAREHOLDER'S EQUITY	**$**	**9,524**	$	9,446

Commitments and contingencies (Note 21).
See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF EARNINGS (LOSS)

(unaudited) *(millions of Canadian dollars)*	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
REVENUE (Note 5)				
Transmission and distribution	**$ 319**	$ 298	**$ 665**	$ 619
Electricity	**288**	410	**683**	805
Natural gas	**78**	66	**307**	261
Local access fees (Note 19)	**45**	56	**99**	147
Contractual services	**33**	22	**53**	39
Contributions in aid of construction (CIAC) (Note 15)	**5**	5	**9**	11
Other revenue (Note 20)	**10**	5	**16**	10
TOTAL REVENUE	**778**	862	**1,832**	1,892
OPERATING EXPENSES (Note 5)				
Transmission and distribution	**123**	119	**266**	245
Electricity and fuel purchases	**230**	370	**438**	847
Natural gas and delivery	**61**	52	**262**	222
Local access fees (Note 19)	**45**	56	**99**	147
Depreciation and amortization	**93**	86	**187**	172
Other expenses (Note 20)	**165**	142	**322**	291
TOTAL OPERATING EXPENSES	**717**	825	**1,574**	1,924
OPERATING PROFIT (LOSS)	**61**	37	**258**	(32)
Finance charges	**41**	35	**82**	68
NET EARNINGS (LOSS) BEFORE TAX	**20**	2	**176**	(100)
Current income tax expense	**1**	-	**10**	-
Deferred income tax recovery	**(5)**	(3)	**(2)**	(31)
NET EARNINGS (LOSS) BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES	**24**	5	**168**	(69)
Net movement in regulatory deferral account balances (Note 7)	**4**	(20)	**(7)**	(11)
NET EARNINGS (LOSS)	**$ 28**	$ (15)	**$ 161**	$ (80)

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(unaudited) *(millions of Canadian dollars)*	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
NET EARNINGS (LOSS) EARNINGS	**$ 28**	$ (15)	**$ 161**	$ (80)
Items that will not be reclassified subsequently to statement of earnings				
Cumulative gain (loss) on translation adjustment	**15**	(29)	**51**	(30)
Remeasurement loss on retirement benefits [1]	**-**	-	**-**	(1)
Items that will be reclassified subsequently to statement of earnings				
Unrealized gain on investments [1]	**-**	-	**2**	-
Reclassification of losses on derivative instruments to net earnings	**(1)**	(1)	**(1)**	(1)
OTHER COMPREHENSIVE INCOME (LOSS)	**14**	(30)	**52**	(32)
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 42**	$ (45)	**$ 213**	$ (112)

[1] Net of deferred income tax expense.

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(unaudited) *(millions of Canadian dollars)*		Share Capital		Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Total
As at December 31, 2023	$	280	$	2,700	$	(28)	$	2,952
Net earnings		-		133		-		133
Other comprehensive income, net of income tax		-		-		38		38
Total comprehensive income		-		133		38		171
Dividends (Note 17)		-		(95)		-		(95)
As at March 31, 2024	$	280		2,738		10		3,028
Net earnings		-		28		-		28
Other comprehensive income, net of income tax		-		-		14		14
As at June 30, 2024	**$**	**280**	**$**	**2,766**	**$**	**24**	**$**	**3,070**
As at December 31, 2022	$	280	$	2,798	$	(5)	$	3,073
Net loss		-		(80)		-		(80)
Other comprehensive loss, net of income tax		-		-		(32)		(32)
Total comprehensive loss		-		(80)		(32)		(112)
Dividends (Note 17)		-		(82)		-		(82)
As at June 30, 2023		280		2,636		(37)		2,879
Net earnings		-		64		-		64
Other comprehensive income, net of income tax		-		-		9		9
As at December 31, 2023	$	280	$	2,700	$	(28)	$	2,952

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(unaudited) (millions of Canadian dollars)	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net earnings (loss)	**$ 28**	$ (15)	**$ 161**	$ (80)
Reconciliation of net earnings to cash flow from operating:				
CIAC additions (Note 15)	**23**	5	**30**	10
CIAC revenue (Note 15)	**(5)**	(5)	**(9)**	(11)
Depreciation and amortization	**93**	86	**187**	172
Finance charges	**41**	35	**82**	68
Income tax expense (recovery)	**(4)**	(3)	**8**	(31)
Loss on sale of assets	**2**	-	**3**	-
Change in unrealized market value of financial contracts	**59**	109	**21**	217
Post-employment benefits	**2**	(1)	**6**	(3)
Change in unrealized gain on investments	**-**	-	**(2)**	-
Foreign exchange gain	**(12)**	(7)	**(8)**	(5)
Change in non-cash working capital (Note 18)	**(13)**	(101)	**(178)**	(215)
Cash flow from operations	**214**	103	**301**	122
Interest paid [(1)]	**(65)**	(60)	**(87)**	(76)
Income taxes paid	**-**	-	**(2)**	(2)
Net cash flow provided by operating activities	**149**	43	**212**	44
INVESTING ACTIVITIES				
Purchases of PP&E and intangible assets [(1)]	**(207)**	(143)	**(390)**	(271)
Proceeds from disposal of PP&E	**1**	-	**2**	-
Cash flow used in investing activities	**(206)**	(143)	**(388)**	(271)
FINANCING ACTIVITIES				
Repayment of short-term debt	**(1,827)**	(1,769)	**(3,722)**	(3,545)
Proceeds from short-term debt	**1,662**	1,681	**3,633**	3,562
Repayment of long-term debt	**(118)**	(76)	**(145)**	(114)
Proceeds from long-term debt	**313**	277	**415**	347
Repayment of lease liability	**(1)**	(1)	**(2)**	(2)
Dividend paid (Note 17)	**(23)**	(21)	**(47)**	(41)
Cash flow provided by financing activities	**6**	91	**132**	207
Decrease in cash and cash equivalents	**(51)**	(9)	**(44)**	(20)
Cash and cash equivalents, beginning of period	**97**	84	**90**	95
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 46**	$ 75	**$ 46**	$ 75
Cash and cash equivalents, end of period consist of:				
Cash	**$ 32**	26	**$ 32**	$ 26
Restricted cash (Note 8)	**14**	49	**14**	49
	$ 46	75	**$ 46**	$ 75

[(1)] Interest paid for the three and six months ended June 30, 2024, excludes $3 million and $7 million of capitalized borrowing costs (2023 - $3 million and $4 million), which is included in PP&E and intangible assets. Including capitalized borrowing costs, total interest paid during the three and six months ended June 30, 2024, was $68 million and $94 million (2023 - $63 million and $80 million).

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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 and its subsidiaries (collectively, ENMAX or the 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 of Calgary (The City) is the sole shareholder of ENMAX Corporation.

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

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (Interim Statements) have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. These Interim Statements do not include all the disclosures required in annual consolidated financial statements and should be read in conjunction with the Corporation's consolidated financial statements for the years ended December 31, 2023 and 2022 (Annual Financial Statements).

These Interim Statements were approved and authorized for issuance by ENMAX's Board of Directors on August 15, 2024.

BASIS OF MEASUREMENT

These Interim 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 Interim Statements are presented in millions of Canadian dollars.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these Interim 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. Refer to Note 3 of the Annual Financial Statements for further details.

4. ACCOUNTING PRONOUNCEMENTS

INCOME TAXES - PILLAR TWO

On June 20, 2024, Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024,* received Royal Assent. This Act includes the Pillar Two tax legislation, which will be effective for fiscal years starting on or after December 31, 2023. The Pillar Two tax legislation imposes a 15 per cent global minimum tax applicable to large multinational enterprises, to be applied in each country of operations. ENMAX is currently assessing its potential exposure to Pillar Two incomes taxes for the 2024 fiscal year but does not expect any material impact on its consolidated financial statements.

ISSUED BUT NOT YET EFFECTIVE

There are new, revised and amended IFRS standards that are not yet effective until annual periods beginning on or after January 1, 2025, which have not been applied in preparing these Interim Statements. The Corporation does not anticipate the implementation of these new accounting standards to have a material impact on the consolidated financial statements.

5. SEGMENT INFORMATION

The Corporation has four main business segments representing separately managed business units, each of which offers different products and services.

ENMAX POWER

ENMAX Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 570,000 customer sites in the Calgary area (1,089 square kilometres in and around Calgary). ENMAX Power is regulated by the Alberta Utilities Commission (AUC), an economic regulator who 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 model, under which ENMAX Power applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on capital in service. The distribution business is regulated under a Performance-Based Regulation (PBR) model. Under this model, distribution rates paid by customers are set annually during the PBR term, using a formula that considers inflationary factors and operational efficiencies. PBR is intended to create additional incentives for utilities to find efficiencies in their operations. In the current year, approximately 18 per cent of ENMAX Power's electricity revenue is from transmission operations and 82 per cent is associated with distribution operations.

VERSANT POWER

Versant Power owns and operates electricity transmission and distribution assets that provide rate-regulated service to approximately 165,000 customer sites in the MPD and BHD, covering six counties in Maine, U.S., and a total operating area of 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, issuance of securities and other matters and by the United States Federal Energy Regulatory Commission (FERC) with respect to transmission services. Versant Power earns revenue by charging customers for delivery of electricity across its transmission and distribution facilities. This retail revenue is divided into separate transmission, distribution and stranded cost rates. Rates for each element are established in distinct regulatory proceedings. In the current year, approximately 36 per cent of Versant Power's electricity revenue is from transmission operations, 44 per cent is associated with distribution operations and 20 per cent relates to stranded cost recoveries and conservation charges.

ENMAX ENERGY

ENMAX Energy is an Alberta-based integrated competitive retail and generation business, providing electricity, natural gas and customer care services to approximately 747,000 customers throughout Alberta. ENMAX Energy also carries out retail energy supply and related functions for the Calgary Regulated Rate Option (RRO) through affiliated legal entities. The competitive retail business provides customers with either fixed or variable-priced electricity and natural gas. As at June 30, 2024, ENMAX Energy owned an interest in 1,486 megawatts (MW) of electricity generation capacity: 1,305 MW from natural gas-fuelled plants and 181 MW from wind power. ENMAX uses its generation capacity as a natural hedge to electricity retail customers 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 provides resources primarily for Canadian operations, including financing and shared legal, finance and accounting, human resources, corporate governance, information technology and other functions.

SEGMENTED TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT BALANCES

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**
ENMAX Power	**3,878**	3,651
Versant Power	**2,701**	2,548
ENMAX Energy	**2,468**	2,744
Corporate	**144**	172
Total assets	**9,191**	9,115
Regulatory deferral account debit balances (Note 7)	**333**	331
Total assets and regulatory deferral account debit balances	**9,524**	9,446

COMPARATIVE SEGMENT INFORMATION

Segment information reflects the presentation regularly reviewed by executive management, who use segmented operating profit as an input for making decisions around asset allocation or assessing performance. Items such as unrealized gain or loss on financial commodities contracts, unrealized foreign exchange gain or loss, impairment and separate presentation of net regulatory deferral movements are excluded from operating profit in the "Total" column below. The "IFRS Financial Total" column reflects what is reported in the Condensed Consolidated Interim Statement of Earnings (Loss).

Three months ended June 30, 2024 *(millions of Canadian dollars)*	ENMAX Power	Versant Power	ENMAX Energy	Corporate (1)	Total	Regulatory Deferral Movement	Other Presentation Reclass	IFRS Financial Total
REVENUE								
Transmission and distribution	228	97	-	-	325	(6)	-	319
Electricity	-	-	306	(21)	285	3	-	288
Natural gas	-	-	78	-	78	-	-	78
Local access fees	45	-	-	-	45	-	-	45
Contractual services	35	-	7	-	42	(9)	-	33
CIAC	5	-	-	-	5	-	-	5
Other revenue	-	2	8	-	10	-	-	10
TOTAL REVENUE	313	99	399	(21)	790	(12)	-	778
OPERATING EXPENSES								
Transmission and distribution	94	29	-	-	123	-	-	123
Electricity and fuel purchases	-	-	190	(20)	170	-	60	230
Natural gas and delivery	-	-	61	-	61	-	-	61
Local access fees	45	-	-	-	45	-	-	45
Depreciation and amortization	44	17	33	(1)	93	-	-	93
Other expenses	65	44	66	-	175	(8)	(2)	165
TOTAL OPERATING EXPENSES	248	90	350	(21)	667	(8)	58	717
OPERATING PROFIT	65	9	49	-	123	(4)	(58)	61
Unrealized loss on commodities					60	-	(60)	-
Unrealized foreign exchange gain					(2)	-	2	-
Finance charges					41	-	-	41
NET EARNINGS (LOSS) BEFORE TAX					24	(4)	-	20
Current income tax expense					1	-	-	1
Deferred income tax recovery					(5)	-	-	(5)
NET EARNINGS (LOSS) BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					28	(4)	-	24
Net movement in regulatory deferral account balances					-	4	-	4
NET EARNINGS					28	-	-	28

(1) Includes consolidation adjustments.

Three months ended June 30, 2023 *(millions of Canadian dollars)*	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate (1)**	**Total**	**Regulatory Deferral Movement**	**Other Presentation Reclass**	**IFRS Financial Total**
REVENUE								
Transmission and distribution	209	72	-	-	281	17	-	298
Electricity	-	-	436	(29)	407	3	-	410
Natural gas	-	-	66	-	66	-	-	66
Local access fees	56	-	-	-	56	-	-	56
Contractual services	25	-	5	-	30	(8)	-	22
CIAC	5	-	-	-	5	-	-	5
Other revenue	-	1	3	1	5	-	-	5
TOTAL REVENUE	295	73	510	(28)	850	12	-	862
OPERATING EXPENSES								
Transmission and distribution	105	14	-	-	119	-	-	119
Electricity and fuel purchases	-	-	289	(29)	260	-	110	370
Natural gas and delivery	-	-	52	-	52	-	-	52
Local access fees	56	-	-	-	56	-	-	56
Depreciation and amortization	39	16	33	(2)	86	-	-	86
Other expenses	55	40	55	(1)	149	(8)	1	142
TOTAL OPERATING EXPENSES	255	70	429	(32)	722	(8)	111	825
OPERATING PROFIT	40	3	81	4	128	20	(111)	37
Unrealized loss on commodities					110	-	(110)	-
Unrealized foreign exchange loss					1	-	(1)	-
Finance charges					35	-	-	35
NET (LOSS) EARNINGS BEFORE TAX					(18)	20	-	2
Deferred income tax recovery					(3)	-	-	(3)
NET (LOSS) EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					(15)	20	-	5
Net movement in regulatory deferral account balances					-	(20)	-	(20)
NET LOSS					(15)	-	-	(15)

(1) Includes consolidation adjustments.

Six months ended June 30, 2024 *(millions of Canadian dollars)*	ENMAX Power	Versant Power	ENMAX Energy	Corporate [(1)]	Total	Regulatory Deferral Movement	Other Presentation Reclass	IFRS Financial Total
REVENUE								
Transmission and distribution	449	216	-	-	665	-	-	665
Electricity	-	-	719	(44)	675	8	-	683
Natural gas	-	-	307	-	307	-	-	307
Local access fees	99	-	-	-	99	-	-	99
Contractual services	57	-	13	(1)	69	(16)	-	53
CIAC	9	-	-	-	9	-	-	9
Other revenue	-	3	12	1	16	-	-	16
TOTAL REVENUE	614	219	1,051	(44)	1,840	(8)	-	1,832
OPERATING EXPENSES								
Transmission and distribution	199	67	-	-	266	-	-	266
Electricity and fuel purchases	-	-	460	(43)	417	-	21	438
Natural gas and delivery	-	-	262	-	262	-	-	262
Local access fees	99	-	-	-	99	-	-	99
Depreciation and amortization	88	34	67	(2)	187	-	-	187
Other expenses	118	88	133	-	339	(15)	(2)	322
TOTAL OPERATING EXPENSES	504	189	922	(45)	1,570	(15)	19	1,574
OPERATING PROFIT	110	30	129	1	270	7	(19)	258
Unrealized loss on commodities					21	-	(21)	-
Unrealized foreign exchange gain					(2)	-	2	-
Finance charges					82	-	-	82
NET EARNINGS BEFORE TAX					169	7	-	176
Current income tax expense					10	-	-	10
Deferred income tax recovery					(2)	-	-	(2)
NET EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					161	7	-	168
Net movement in regulatory deferral account balances					-	(7)	-	(7)
NET EARNINGS					161	-	-	161

[(1)] Includes consolidation adjustments.

Six months ended June 30, 2023 *(millions of Canadian dollars)*	**ENMAX Power**	**Versant Power**	**ENMAX Energy**	**Corporate [1]**	**Total**	**Regulatory Deferral Movement**	**Other Presentation Reclass**	**IFRS Financial Total**
REVENUE								
Transmission and distribution	412	165	-	-	577	42	-	619
Electricity	-	-	900	(65)	835	(30)	-	805
Natural gas	-	-	261	-	261	-	-	261
Local access fees	147	-	-	-	147	-	-	147
Contractual services	41	-	11	-	52	(13)	-	39
CIAC	11	-	-	-	11	-	-	11
Other revenue	-	3	6	1	10	-	-	10
TOTAL REVENUE	611	168	1,178	(64)	1,893	(1)	-	1,892
OPERATING EXPENSES								
Transmission and distribution	207	38	-	-	245	-	-	245
Electricity and fuel purchases	-	-	693	(64)	629	-	218	847
Natural gas and delivery	-	-	222	-	222	-	-	222
Local access fees	147	-	-	-	147	-	-	147
Depreciation and amortization	78	32	64	(2)	172	-	-	172
Other expenses	106	80	117	(1)	302	(12)	1	291
TOTAL OPERATING EXPENSES	538	150	1,096	(67)	1,717	(12)	219	1,924
OPERATING (LOSS) PROFIT	73	18	82	3	176	11	(219)	(32)
Unrealized loss on commodities					218	-	(218)	-
Unrealized foreign exchange loss					1	-	(1)	-
Finance charges					68	-	-	68
NET (LOSS) EARNINGS BEFORE TAX					(111)	11	-	(100)
Deferred income tax recovery					(31)	-	-	(31)
NET (LOSS) EARNINGS BEFORE NET MOVEMENT IN REGULATORY DEFERRAL ACCOUNT BALANCES					(80)	11	-	(69)
Net movement in regulatory deferral account balances					-	(11)	-	(11)
NET LOSS					(80)	-	-	(80)

[1] Includes consolidation adjustments.

REVENUE

Types of Customers and Sales Channels	Nature and significant payment terms
Transmission	ENMAX Power receives revenue from the Alberta Electric System Operator (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	Through Versant Power, ENMAX 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 250,000 kilowatt hours per year. These customers can be supplied electricity through competitive contracts or the Regulated Rate Option, which fluctuates monthly. Natural gas is always supplied under a competitive contract.
Commercial Market	Commercial Market is business-to-business competitive contracting for electricity and/or natural gas. Commercial customers who do not negotiate a contract and consume more than 250 MWh on an annual basis are supplied electricity on a default supplier rate, which fluctuates 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 governments and municipalities (counties, cities and towns), entities backed by governments, universities, colleges and school boards for administrative services 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

Three months ended June 30, 2024 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Commercial Market	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	48	174	97	-	-	-	-	-	319
Electricity									
ENMAX Energy	-	-	-	108	152	-	-	-	260
Regulated	-	-	-	22	6	-	-	-	28
Natural gas	-	-	-	55	23	-	-	-	78
Local access fees	-	-	-	-	-	45	-	-	45
Contractual services	-	-	-	-	-	-	5	28	33
CIAC	-	-	-	-	-	-	-	5	5
Other revenue	-	-	2	-	-	-	-	8	10
TOTAL REVENUE	48	174	99	185	181	45	5	41	778

Three months ended June 30, 2023 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Commercial Market	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	30	196	72	-	-	-	-	-	298
Electricity									
ENMAX Energy	-	-	-	96	265	-	-	-	361
Regulated	-	-	-	37	12	-	-	-	49
Natural gas	-	-	-	47	19	-	-	-	66
Local access fees	-	-	-	-	-	56	-	-	56
Contractual services	-	-	-	-	-	-	8	14	22
CIAC	-	-	-	-	-	-	-	5	5
Other revenue	-	-	1	-	-	-	-	4	5
TOTAL REVENUE	30	196	73	180	296	56	8	23	862

Six months ended June 30, 2024 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Commercial Market	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	**82**	**367**	**216**	**-**	**-**	**-**	**-**	**-**	**665**
Electricity									
ENMAX Energy	**-**	**-**	**-**	**237**	**372**	**-**	**-**	**-**	**609**
Regulated	**-**	**-**	**-**	**60**	**14**	**-**	**-**	**-**	**74**
Natural gas	**-**	**-**	**-**	**223**	**84**	**-**	**-**	**-**	**307**
Local access fees	**-**	**-**	**-**	**-**	**-**	**99**	**-**	**-**	**99**
Contractual services	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**42**	**53**
CIAC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**9**
Other revenue	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**13**	**16**
TOTAL REVENUE	**82**	**367**	**219**	**520**	**470**	**99**	**11**	**64**	**1,832**

Six months ended June 30, 2023 *(millions of Canadian dollars)*	Transmission	Distribution	U.S. Operations	Mass Market	Commercial Market	The City Local Access Fees	Government and Institutional	Other	Total
Transmission and distribution	59	395	165	-	-	-	-	-	619
Electricity									
ENMAX Energy	-	-	-	204	522	-	-	-	726
Regulated	-	-	-	54	25	-	-	-	79
Natural gas	-	-	-	188	73	-	-	-	261
Local access fees	-	-	-	-	-	147	-	-	147
Contractual services	-	-	-	-	-	-	13	26	39
CIAC	-	-	-	-	-	-	-	11	11
Other revenue	-	-	3	-	-	-	-	7	10
TOTAL REVENUE	59	395	168	446	620	147	13	44	1,892

6. FINANCIAL INSTRUMENTS, HEDGES 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.

COMMODITY PRICE RISK

The Corporation uses electricity and 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 derivatives, resulting in unrealized mark-to-market adjustments.

FOREIGN EXCHANGE AND INTEREST RATE RISK

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 future cash flow risk related to interest rate volatility due to the issuance of fixed-rate long-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 the Canadian dollar relative to the U.S. dollar could impact the Canadian dollar 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 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 U.S. dollar from U.S. operations and investments, the net earnings from those operations and the acquisition of equipment and services from foreign suppliers.

CREDIT RISK

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 evaluates credit risks from wholesale and retail competitive supply activities separately. The Corporation's maximum financial statement exposure to credit risk is the carrying value of financial assets. This maximum exposure does not reflect losses expected by management nor does it reflect losses experienced in the past.

Provisions for expected credit losses on customer receivables were $24 million as at June 30, 2024 (December 31, 2023 - $22 million).

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach to managing liquidity risk is to maintain sufficient cash and credit facilities to meet its obligations when due.

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.

ENMAX Corporation amended and restated its credit facility agreements to include a multi-tranche staggered maturity profile and a reduction in its demand credit facilities. ENMAX Corporation also reduced the size of its demand credit facility to $1,000 million from $1,250 million. Versant Power increased the size of its committed credit facility to $120 million USD from $80 million USD and extended the maturity date to June 2029.

As at June 30, 2024, the Corporation had issued letters of credit amounting to $243 million (December 31, 2023 - $369 million).

As at	**June 30, 2024**		**December 31, 2023**	
	Borrowing capacity	**Available [4]**	**Borrowing capacity**	**Available [4]**
(millions of Canadian dollars)				
Committed credit facilities [1]	**1,000**	**705**	1,000	554
Demand credit facilities [2]	**1,000**	**696**	1,250	881
Total CAD	**2,000**	**1,401**	2,250	1,435
(millions of U.S. dollars)				
Committed credit facility [3]	**120**	**55**	80	78
Total USD	**120**	**55**	80	78

[1] ENMAX Corporation's committed credit facilities are in three tranches that mature in 2025 ($200 million), 2027 ($400 million) and 2028 ($400 million) and are provided by national and regional lenders.

[2] The demand credit facilities currently have $860 million allocated to letters of credit, and the remaining $140 million allocated for general corporate purposes.

[3] This U.S. dollar committed credit facility is strictly to fund Versant Power operations 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. As at June 30, 2024, the fair values were as follows:

As at *(millions of Canadian dollars)*	**June 30, 2024**		**December 31, 2023**	
	Hedge Instruments	**Non-Hedge Derivatives**	**Hedge Instruments**	**Non-Hedge Derivatives**
Assets				
Current	**1**	**140**	2	200
Non-current	**-**	**141**	-	120
Liabilities				
Current	**-**	**87**	-	180
Non-current	**-**	**229**	-	194

For non-hedge derivatives, there were unrealized losses of $21 million year to date for the balances as at June 30, 2024 (December 31, 2023 - $377 million loss), primarily recorded in electricity and fuel purchases. These derivatives contracts are expected to settle in 2024 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 or future sales to customers are not marked to market, resulting in a mismatch in the timing of earnings.

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.

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 DEBT

As at	June 30, 2024		December 31, 2023	
(millions of Canadian dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt [1] consisting of:				
The City promissory notes, maturing in:				
Less than 5 years	**79**	**78**	49	49
Years 6–10	**179**	**176**	124	124
Years 11–15	**460**	**421**	395	376
Years 16–20	**396**	**333**	410	366
Years 21–25	**794**	**725**	744	677
Private debentures				
Series 3 (3.81%)	**200**	**198**	199	197
Series 4 (3.84%)	**297**	**288**	296	287
Series 6 (3.33%)	**300**	**294**	300	291
Series 7 (3.88%)	**249**	**237**	249	237
Senior notes				
Unsecured note (4.34%)	**142**	**122**	137	123
Unsecured note (4.36%)	**63**	**54**	61	55
Unsecured note (4.71%)	**65**	**56**	63	57
Unsecured note (3.79%)	**69**	**57**	67	59
Unsecured note (2.80%)	**41**	**35**	40	34
Unsecured note (2.80%)	**81**	**70**	79	69
Unsecured note (3.15%)	**137**	**83**	132	84
Unsecured note (5.80%)	**136**	**130**	131	134
Revolving debt	**86**	**86**	-	-
Promissory note	**1**	**1**	1	1
Total long-term debt	**3,775**	**3,444**	3,477	3,220
Commercial paper	**263**	**263**	214	214
Credit facilities	**92**	**92**	230	230
Total debt	**4,130**	**3,799**	3,921	3,664

[1] Includes current portion of $603 million (December 31, 2023 - $292 million). Maturity dates range from December 2024 to August 2053.

As at June 30, 2024, the Corporation had $263 million in commercial paper outstanding with a fair value of $263 million and an average interest rate of 5.61 per cent (December 31, 2023 - $214 million at 6.11 per cent) and had drawn $92 million on existing credit facilities with a weighted average cost of borrowing of 6.19 per cent (December 31, 2023 - $230 million at 6.64 per cent).

As at June 30, 2024, Versant Power had $63 million USD outstanding on revolving debt at an average interest rate of 6.69 per cent (December 31, 2023 - $nil).

ENMAX's total consolidated debt balance as at June 30, 2024, was $4,130 million (December 31, 2023 - $3,921 million). The increase in total debt was primarily to fund regulated capital investments and to meet working capital requirements.

7. REGULATORY DEFERRAL ACCOUNT BALANCES

NATURE AND ECONOMIC EFFECT OF RATE REGULATION

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 Sections 37 and 102 of the *Electric Utilities Act*.

Transmission rates are set based on an AUC approved revenue requirement and are regulated under a cost-of-service framework, under which ENMAX applies for rates designed to recover the forecast cost of providing transmission service, including an allowed return on capital in service.

Distribution rates are subject to a PBR model, currently spanning a 2024–2028 term. Under this model, 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.

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.

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 for non-regulated operations. Balances arising in the period consist of new additions to regulatory deferral debits 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:

(millions of Canadian dollars)	**Accounts Receivable (a)**	**Inter-Company Profit (b)**	**Other Regulatory Debits (c)**	**U.S. Operations (e)**	**Total Regulatory Deferral Account Debit Balances**
Regulatory deferral account debit balances					
December 31, 2023	(11)	16	45	281	331
Balances arising in the period	(15)	1	5	(1)	(10)
Reversal	16	-	(14)	-	2
Foreign exchange translation	-	-	-	10	10
June 30, 2024	**(10)**	**17**	**36**	**290**	**333**
Expected reversal period	up to 24 months	25 years	up to 24 months		
December 31, 2022	55	16	11	214	296
Balances arising in the period	(16)	1	54	72	111
Reversal	(50)	(1)	(20)	-	(71)
Foreign exchange translation	-	-	-	(5)	(5)
December 31, 2023	(11)	16	45	281	331
Expected reversal period	up to 24 months	25 years	up to 24 months		

(millions of Canadian dollars)	**Other Regulatory Credits (d)**	**U.S. Operations (e)**	**Total Regulatory Deferral Account Credit Balances**
Regulatory deferral account credit balances			
December 31, 2023	1	139	140
Balances arising in the period	-	(13)	(13)
Foreign exchange translation	-	5	5
June 30, 2024	**1**	**131**	**132**
Expected reversal period	up to 24 months		
December 31, 2022	4	146	150
Balances arising in the period	-	(4)	(4)
Reversal	(3)	-	(3)
Foreign exchange translation	-	(3)	(3)
December 31, 2023	1	139	140
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 would require that actual amounts received from customers be included in revenue in the period they are collected.

(b) Inter-company profit

A subsidiary of the Corporation performs 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 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 and deferrals under the RRO price ceiling. 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, assets 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 purchase power contracts where Versant Power has been directed to purchase and resell by MPUC.

8. RESTRICTED CASH

As at *(millions of Canadian dollars)*	June 30, 2024	December 31, 2023
Funds held with a financial institution to cover margins	**13**	27
Restricted deposits with a financial institution to meet financial obligations	**1**	3
	14	30

9. OTHER ASSETS AND LIABILITIES

As at *(millions of Canadian dollars)*	June 30, 2024	December 31, 2023
Other current assets		
Prepaid expenses	**41**	20
Deferred asset	**1**	1
Emission offset credits	**5**	9
Other	**1**	1
	48	31
Other long-term assets		
Prepaid expenses	**7**	5
Long-term accounts receivable	**15**	16
Deferred asset	**5**	6
Equity investments	**118**	113
Emission offset credits	**58**	39
Other	**25**	22
	228	201
Other current liabilities		
Deposits	**19**	14
Other [1]	**44**	55
	63	69
Other long-term liabilities		
Other	**23**	18
	23	18

[1] Includes $16 million related to interest free government advances for RRO providers under Alberta Bill 2, the *Inflation Relief Statutes Amendment Act*, 2022 (December 31, 2023 - $24 million).

10. PROPERTY, PLANT AND EQUIPMENT

(millions of Canadian dollars)	Transmission, Distribution and Substation Equipment	Generation Facilities and Equipment	Buildings and Site Development	Work in Progress	Other [1]	Total
Cost						
As at December 31, 2023	4,867	2,345	640	342	459	8,653
Additions	35	-	1	288	58	382
Transfers	88	25	3	(116)	-	-
Disposals	(20)	(19)	(1)	(3)	(12)	(55)
Adjustments	(1)	-	-	(1)	-	(2)
Changes to asset retirement costs	-	(2)	-	-	-	(2)
Foreign exchange translation	60	-	2	3	7	72
As at June 30, 2024	**5,029**	**2,349**	**645**	**513**	**512**	**9,048**
Accumulated depreciation						
As at December 31, 2023	(871)	(1,103)	(158)	-	(70)	(2,202)
Depreciation	(84)	(52)	(11)	-	(14)	(161)
Disposals	24	18	1	-	10	53
Foreign exchange translation	(17)	-	-	-	(3)	(20)
As at June 30, 2024	**(948)**	**(1,137)**	**(168)**	**-**	**(77)**	**(2,330)**
Net book value						
As at June 30, 2024	**4,081**	**1,212**	**477**	**513**	**435**	**6,718**
As at December 31, 2023	3,996	1,242	482	342	389	6,451

[1] Other PP&E as at June 30, 2024, consists of land, tools, systems, equipment, capital spares and vehicles.

For the six months ended June 30, 2024, capitalized borrowing costs were $7 million (2023 - $4 million), with capitalization rates ranging from 2.80 to 7.07 per cent (2023 - 3.30 to 5.04 per cent). Interest is capitalized based on the actual cost of debt used to finance the capital construction projects. Interest rates ranged from 2.80 to 6.69 per cent (2023 - 2.80 to 6.40 per cent).

The above table includes the Corporation’s right-of-use assets, as further disclosed in Note 13.

11. INTANGIBLE ASSETS

(millions of Canadian dollars)	Computer Systems	Work in Progress	Other (1)	Total
Cost				
As at December 31, 2023	397	21	90	508
Additions	6	18	-	24
Transfers	1	(1)	-	-
Disposals	(14)	-	-	(14)
Foreign exchange translation	4	-	2	6
As at June 30, 2024	**394**	**38**	**92**	**524**
Accumulated amortization				
As at December 31, 2023	(157)	-	(16)	(173)
Amortization	(25)	-	(1)	(26)
Disposals	13	-	-	13
Foreign exchange translation	(2)	-	-	(2)
As at June 30, 2024	**(171)**	**-**	**(17)**	**(188)**
Net book value				
As at June 30, 2024	**223**	**38**	**75**	**336**
As at December 31, 2023	240	21	74	335

(1) Other intangible assets as at June 30, 2024, consists of renewable energy certificates, water licenses, land easements, rights and lease options.

12. GOODWILL

As at *(millions of Canadian dollars)*	June 30, 2024	December 31, 2023
Balance, beginning of the period	**632**	647
Net exchange rate difference	**22**	(15)
Balance, end of the period	**654**	632

Goodwill arose on the acquisition of Versant Power in March 2020.

13. 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 June 30, 2024, is 11.3 years (December 31, 2023 - 10.9 years).

Right-of-use assets

Changes in the net book value for the Corporation's right-of-use assets during the period are as follows:

(millions of Canadian dollars)	Generation Facilities and Equipment	Buildings and Site Development	Other [1]	Total
Cost				
As at December 31, 2023	28	17	20	65
Net changes	-	-	(6)	(6)
As at June 30, 2024	**28**	**17**	**14**	**59**
Accumulated depreciation				
As at December 31, 2023	(5)	(8)	(10)	(23)
Net changes	(1)	(1)	8	6
As at June 30, 2024	**(6)**	**(9)**	**(2)**	**(17)**
Net Book Value				
As at June 30, 2024	**22**	**8**	**12**	**42**
As at December 31, 2023	23	9	10	42

[1] Other leases as at June 30, 2024, consists of land, vehicles and tools, systems and equipment.

Amounts recognized in profit and loss

(millions of Canadian dollars)	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Depreciation expense	**1**	1	**2**	2
Interest expense on lease liabilities	**-**	-	**1**	1
Amounts expensed in profit and loss	**1**	1	**3**	3

Lease payments

Future lease payments as at June 30, 2024, are as follows:

(millions of Canadian dollars)	
Less than 1 year	**6**
Years 2–5	**20**
More than 5 years	**38**

Total cash outflow for lease payments for the three and six months ended June 30, 2024, was $1 million and $3 million (2023 - $2 million and $3 million). The Corporation does not have significant liquidity risk with regards to its lease liabilities, generation facilities and equipment.

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 21 years remaining.

Buildings and site development

ENMAX leases buildings to house various operations. As at June 30, 2024, the capitalized leases have 5 months to 25 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 June 30, 2024, 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.

14. LONG-TERM DEBT

As at *(millions of Canadian dollars)*	June 30, 2024	Weighted Average Interest Rates	December 31, 2023	Weighted Average Interest Rates
The City promissory notes [(1)] maturing in:				
Less than 5 years	**79**	**4.25%**	49	3.97%
Years 6–10	**179**	**4.56%**	124	4.44%
Years 11–15	**460**	**3.63%**	395	3.86%
Years 16–20	**396**	**3.08%**	410	3.30%
Years 21–25	**794**	**4.27%**	744	3.81%
Private debentures [(1)]	**1,046**	**3.70%**	1,044	3.70%
Senior notes [(1)]	**734**	**4.12%**	710	4.11%
Revolving debt	**86**	**6.69%**	-	-
Promissory note	**1**	**5.00%**	1	5.00%
Total long-term debt	**3,775**		3,477	
Less: Current portion	**(603)**		(292)	
	3,172		3,185	

[(1)] See Note 6 for further details.

CITY PROMISSORY NOTES

During 2021, a credit agreement between ENMAX and The City was entered into that governs the borrowing relationship between ENMAX and The City. During the six months ended June 30, 2024, the Corporation issued $232 million of promissory notes to The City and made $47 million of regularly scheduled repayments.

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

PRIVATE DEBENTURES

As at June 30, 2024, the outstanding unsecured private debentures of the Corporation had a face value of $1,050 million, bearing a weighted average interest rate of 3.70 per cent each payable semi-annually, with maturity dates ranging from 2024 to 2029.

SENIOR NOTES

Senior notes are U.S. dollar denominated and issued by Versant Power. These bear interest at an average rate of 4.12 per cent, payable semi-annually, with maturity dates ranging from 2030 to 2053.

REVOLVING DEBT

The revolving debt is U.S. dollar denominated and issued by Versant Power. As at June 30, 2024, Versant Power had $63 million USD outstanding at an average interest rate of 6.69 per cent.

PRINCIPAL AND INTEREST PAYMENTS

Required principal and interest payments on the long-term debt at June 30, 2024, are as follows:

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**
Less than 1 year	**324**	426
Years 2–3	**760**	715
Years 4–5	**740**	694
More than 5 years	**3,536**	3,203
	5,360	5,038

15. DEFERRED REVENUE

(millions of Canadian dollars)	**CIAC**	**Other**	**Total**
As at December 31, 2023	610	9	619
Net additions	30	2	32
Recognized as revenue	(9)	(1)	(10)
As at June 30, 2024	631	10	641
Less: current portion	-	6	6
	631	**4**	**635**

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**
Net unrealized gain on derivatives designated as cash flow hedges, including deferred income tax expense of $nil (December 31, 2023 - $nil)	**2**	1
Net actuarial gain on defined benefit plans, including deferred income tax expense of $1 million (December 31, 2023 - $1 million)	**72**	72
Cumulative translation adjustment	**(50)**	(101)
Accumulated other comprehensive income (loss), including deferred income tax expense of $1 million (December 31, 2023 - $1 million)	**24**	(28)

17. DIVIDENDS

On February 29, 2024, the Corporation declared a dividend of $95 million to The City (2023 - $82 million) to be paid in equal quarterly instalments during 2024.

18. CHANGES IN NON-CASH WORKING CAPITAL

	Three months ended June 30,		Six months ended June 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Accounts receivable	**175**	48	**164**	323
Other assets	**(26)**	(24)	**(36)**	(21)
Regulatory deferral account debit balances	**2**	12	**11**	3
Accounts payable and accrued liabilities	**(130)**	(56)	**(275)**	(393)
Other liabilities	**10**	5	**(1)**	37
Trading account margins	**(44)**	(73)	**(40)**	(147)
Deferred revenue (non-CIAC)	**-**	-	**1**	2
Provisions	**1**	-	**1**	(2)
Regulatory deferral account credit balances	**(1)**	(13)	**(3)**	(17)
Change in non-cash working capital	**(13)**	(101)	**(178)**	(215)

19. 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 EARNINGS

	Three months ended June 30,		Six months ended June 30,	
(millions of Canadian dollars)	**2024**	**2023**	**2024**	**2023**
Revenue [1]	**37**	35	**73**	76
Local access fees [2]	**45**	56	**99**	147
Other expenses	**1**	1	**1**	1
Finance charges [3]	**33**	28	**34**	29

[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 recovers this cost from distribution customers.

[3] For the three and six months ended June 30, 2024, the Corporation paid loan guarantees and administration fees of $1 million and $2 million (2023 - $1 million and $2 million) to The City (Note 14).

STATEMENT OF FINANCIAL POSITION

As at *(millions of Canadian dollars)*	**June 30, 2024**	**December 31, 2023**
Accounts receivable	**27**	35
Accounts payable and accrued liabilities	**36**	25
Long-term debt [1]	**1,908**	1,722

[1] Principal and interest payments for the three and six months ended June 30, 2024, amounted to $79 million and $79 million (2023 - $71 million and $71 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.

20. OTHER REVENUE AND EXPENSES

(millions of Canadian dollars)	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Other revenue				
Interest and penalty revenue	**3**	3	**6**	5
Miscellaneous	**7**	2	**10**	5
	10	5	**16**	10
Other expenses				
Contractual services costs	**26**	13	**39**	22
Staff costs	**45**	47	**96**	104
Consulting costs	**6**	8	**11**	13
Advertising and promotion	**1**	8	**5**	13
Administrative and office expenses	**34**	28	**67**	59
Operating costs	**38**	29	**70**	55
Building and property costs	**13**	13	**27**	26
Other costs	**2**	(3)	**7**	-
Foreign exchange loss	**-**	(1)	**-**	(1)
	165	142	**322**	291

21. 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.

The Corporation commits to the purchase of power, renewable energy certificates, carbon offset credits and long-term service arrangements on certain generating assets.

Aggregated minimum payments under these arrangements over the next five years and thereafter are as follows:

(millions of Canadian dollars)	
2024 balance of year	**253**
2025	**60**
2026	**28**
2027	**29**
2028	**16**
Thereafter	**6**

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. 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.

GLOSSARY OF TERMS

Adjusted EBITDA	Earnings before interest, income tax and depreciation and amortization (adjusted)
AESO	The Alberta Electric System Operator
AUC	Alberta Utilities Commission
BHD	Bangor Hydro District
CAD	Canadian dollars
CGC	Corporate Governance Committee
CIAC	Contributions in aid of construction
CNE	Comparable net earnings
Corporate	ENMAX Corporate
ENMAX	ENMAX Corporation and its Subsidiaries, collectively
ERM	Enterprise Risk Management
FERC	United States Federal Energy Regulatory Commission
GJ	Gigajoule
GWh	Gigawatt hour
IFRS	International Financial Reporting Standards
LPRT	Land and Property Rights Tribunal
MD&A	Management's Discussion and Analysis
MPD	Maine Public District
MPUC	Maine Public Utilities Commission
MW	Megawatt
MWh	Megawatt hour
OCI	Other comprehensive income
OM&A	Operations, maintenance and administration
PBR	Performance-Based Regulation
PP&E	Property, plant and equipment
RRO	Regulated Rate Option
SAIDI	System average interruption duration index
SAIFI	System average interruption frequency index
The Board	ENMAX's Board of Directors
The City	The City of Calgary
The Corporation	ENMAX Corporation and its Subsidiaries, collectively
USD	U.S. dollars

ADDITIONAL INFORMATION

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

ENMAX welcomes questions from stakeholders.

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