

EMERA INCORPORATED
Unaudited Condensed Consolidated
Interim Financial Statements
March 31, 2026 and 2025

Emera Incorporated

Condensed Consolidated Statements of Income (Unaudited)

For the millions of dollars (except per share amounts)	Three months ended March 31	
	2026	2025
Operating revenues		
Regulated electric	\$ 1,836	\$ 1,660
Regulated gas	568	605
Non-regulated	409	411
Total operating revenues (note 5)	2,813	2,676
Operating expenses		
Regulated fuel for generation and purchased power	642	575
Regulated cost of natural gas	155	220
Operating, maintenance and general expenses ("OM&G")	604	518
Provincial, state and municipal taxes	130	119
Depreciation and amortization	339	319
Total operating expenses	1,870	1,751
Income from operations	943	925
Income from equity investments (note 7)	21	19
Other income, net	18	31
Interest expense, net	271	255
Income before provision for income taxes	711	720
Income tax expense (note 8)	129	119
Net income	582	601
Preferred stock dividends	20	18
Net income attributable to common shareholders	\$ 562	\$ 583
Weighted average shares of common stock outstanding (in millions) (note 10)		
Basic	303.3	297.0
Diluted	304.2	297.3
Earnings per common share (note 10)		
Basic	\$ 1.85	\$ 1.96
Diluted	\$ 1.85	\$ 1.96
Dividends per common share declared	\$ 0.7325	\$ 0.7250

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

Emera Incorporated
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

For the millions of dollars	Three months ended March 31	
	2026	2025
Net income	\$ 582	\$ 601
Other comprehensive income (loss) ("OCI"), net of tax		
Foreign currency translation adjustment	230	(12)
Unrealized (losses) gains on net investment hedges (1)	(28)	2
Unrealized loss on available-for-sale investment	(1)	-
Net change in unrecognized pension and post-retirement benefit obligation	(5)	(4)
OCI	\$ 196	\$ (14)
Comprehensive Income of Emera Incorporated	\$ 778	\$ 587

1) The Company has designated \$1.2 billion US dollar ("USD") denominated Hybrid Notes as a hedge of the foreign currency exposure of its net investment in USD denominated operations.

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

Emera Incorporated
Condensed Consolidated Balance Sheets (Unaudited)

As at millions of dollars	March 31 2026	December 31 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 2,457	\$ 349
Restricted cash	13	16
Inventory	806	821
Derivative instruments (notes 12 and 13)	215	156
Regulatory assets (note 6)	351	409
Receivables and other current assets (note 15)	2,581	2,439
Assets held for sale (note 3)	163	199
	6,586	4,389
Property, plant and equipment ("PP&E"), net of accumulated depreciation and amortization of \$11,177 and \$10,845, respectively	28,270	27,408
Other assets		
Deferred income taxes (note 8)	333	421
Derivative instruments (notes 12 and 13)	41	42
Regulatory assets (note 6)	2,894	2,789
Net investment in direct finance and sales type leases	568	572
Investments subject to significant influence (note 7)	638	634
Goodwill	5,675	5,580
Other long-term assets (note 22)	919	894
Assets held for sale (note 3)	2,138	2,088
	13,206	13,020
Total assets	\$ 48,062	\$ 44,817

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

Emera Incorporated
Condensed Consolidated Balance Sheets (Unaudited) – Continued

As at millions of dollars	March 31 2026	December 31 2025
Liabilities and Equity		
Current liabilities		
Short-term debt (note 17)	\$ 1,497	\$ 1,807
Current portion of long-term debt (note 18)	1,254	1,201
Accounts payable	1,674	1,948
Derivative instruments (notes 12 and 13)	526	534
Regulatory liabilities (note 6)	198	211
Other current liabilities	712	535
Liabilities associated with assets held for sale (note 3)	315	391
	6,176	6,627
Long-term liabilities		
Long-term debt (note 18)	21,206	18,453
Deferred income taxes (note 8)	2,624	2,516
Derivative instruments (notes 12 and 13)	95	115
Regulatory liabilities (note 6)	1,489	1,458
Pension and post-retirement liabilities	270	268
Other long-term liabilities	950	960
Liabilities associated with assets held for sale (note 3)	1,048	1,024
	27,682	24,794
Equity		
Common stock (note 9)	9,658	9,387
Cumulative preferred stock (note 20)	1,422	1,422
Contributed surplus	87	86
Accumulated other comprehensive income ("AOCI") (note 11)	1,069	873
Retained earnings	1,954	1,614
Total Emera Incorporated equity	14,190	13,382
Non-controlling interest in subsidiaries ("NCI")	14	14
Total equity	14,204	13,396
Total liabilities and equity	\$ 48,062	\$ 44,817

Commitments and contingencies (note 19)

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

Approved on behalf of the Board of Directors

"Karen Sheriff"
Chair of the Board

"Scott Balfour"
President and Chief Executive Officer

Emera Incorporated

Condensed Consolidated Statements of Cash Flows (Unaudited)

For the millions of dollars	Three months ended March 31	
	2026	2025
Operating activities		
Net income	\$ 582	\$ 601
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	337	321
Income from equity investments, net of dividends	(5)	3
Allowance for funds used during construction ("AFUDC") – equity	(12)	(18)
Deferred income taxes, net	118	137
Net change in pension and post-retirement liabilities	(10)	(9)
Nova Scotia Power Inc. ("NSPI") fuel adjustment mechanism ("FAM")	(22)	(78)
Net change in fair value ("FV") of derivative instruments	(63)	(254)
Net change in regulatory assets and liabilities	12	38
Net change in capitalized transportation capacity	(168)	(41)
Other operating activities, net	6	33
Changes in non-cash working capital (note 21)	(40)	(34)
Net cash provided by operating activities	735	699
Investing activities		
Additions to PP&E	(879)	(724)
Proceeds on disposal of assets	9	16
Other investing activities	(2)	-
Net cash used in investing activities	(872)	(708)
Financing activities		
Change in short-term debt, net	162	(711)
Proceeds from long-term debt, net of issuance costs	2,049	905
Retirement of long-term debt	(5)	(7)
Net (repayments) proceeds under committed credit facilities	(25)	73
Issuance of common stock, net of issuance costs	198	20
Dividends on common stock	(150)	(139)
Dividends on preferred stock	(20)	(18)
Other financing activities	(1)	-
Net cash provided by financing activities	2,208	123
Effect of exchange rate changes on cash, cash equivalents, restricted cash and cash associated with assets held for sale	37	-
Net increase in cash, cash equivalents, restricted cash, and cash associated with assets held for sale	2,108	114
Cash, cash equivalents, restricted cash and cash associated with assets held for sale, beginning of period	371	221
Cash, cash equivalents, restricted cash and cash associated with assets held for sale, end of period	\$ 2,479	\$ 335
Cash, cash equivalents, restricted cash and cash associated with assets held for sale consists of:		
Cash	\$ 2,452	\$ 303
Short-term investments	5	5
Restricted cash	13	18
Cash associated with assets held for sale	9	9
Total	\$ 2,479	\$ 335

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

Emera Incorporated

Condensed Consolidated Statements of Changes in Equity (Unaudited)

millions of dollars	Common Stock	Preferred Stock	Contributed Surplus	AOCI	Retained Earnings	NCI	Total Equity
For the three months ended March 31, 2026							
Balance, December 31, 2025	\$ 9,387	\$ 1,422	\$ 86	\$ 873	\$ 1,614	\$ 14	\$ 13,396
Net income of Emera Incorporated	-	-	-	-	582	-	582
OCI, net of tax expense of nil	-	-	-	196	-	-	196
Dividends declared on preferred stock (1)	-	-	-	-	(20)	-	(20)
Dividends declared on common stock (\$0.7325/share)	-	-	-	-	(222)	-	(222)
Issuance of common stock under the at-the-market ("ATM") program, net of after-tax issuance costs	184	-	-	-	-	-	184
Issued under the Dividend Reinvestment Program ("DRIP"), net of discounts	71	-	-	-	-	-	71
Senior management stock options exercised and Employee Common Share Purchase Plan ("ECSP")	16	-	1	-	-	-	17
Balance, March 31, 2026	\$ 9,658	\$ 1,422	\$ 87	\$ 1,069	\$ 1,954	\$ 14	\$ 14,204

For the three months ended March 31, 2025							
Balance, December 31, 2024	\$ 9,042	\$ 1,422	\$ 84	\$ 1,261	\$ 1,468	\$ 14	\$ 13,291
Net income of Emera Incorporated	-	-	-	-	601	-	601
OCI, net of tax expense of nil	-	-	-	(14)	-	-	(14)
Dividends declared on preferred stock (2)	-	-	-	-	(18)	-	(18)
Dividends declared on common stock (\$0.7250/share)	-	-	-	-	(215)	-	(215)
Issued under the DRIP, net of discount	76	-	-	-	-	-	76
Issuance under ATM program, net of after-tax issuance costs	10	-	-	-	-	-	10
Senior management stock options exercised and ECSP	12	-	-	-	-	-	12
Balance, March 31, 2025	\$ 9,140	\$ 1,422	\$ 84	\$ 1,247	\$ 1,836	\$ 14	\$ 13,743

(1) Series A; \$0.3094/share, Series C; \$0.4021/share, Series E; \$0.2813/share, Series F; \$0.3593/share; Series H; \$0.3953/share; Series J; \$0.2656/share and Series L; \$0.2875/share

(2) Series A; \$0.1364/share, Series B; \$0.3630/share, Series C; \$0.4021/share, Series E; \$0.2813/share, Series F; \$0.2626/share; Series H; \$0.3953/share; Series J; \$0.2656/share and Series L; \$0.2875/share

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

Emera Incorporated
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
As at March 31, 2026 and 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Emera Incorporated (“Emera” or the “Company”) is an energy and services company that invests in electricity generation, transmission and distribution, and gas transmission and distribution. At March 31, 2026, Emera’s reportable segments include the following:

- Florida Electric Utility, which consists of Tampa Electric (“TEC”), a vertically integrated regulated electric utility in West Central Florida.

- Canadian Electric Utilities, which includes:
 - NSPI, a vertically integrated regulated electric utility and the primary electricity supplier in Nova Scotia;
 - a 100 per cent equity interest in NSP Maritime Link Inc. (“NSPML”), which developed the Maritime Link Project, a \$1.8 billion, including AFUDC, transmission project between the island of Newfoundland and Nova Scotia; and
 - a 50 per cent indirect voting equity interest in Wasoqonatl Transmission Incorporated (“WTI”), a transmission line project to create a reliability intertie between Nova Scotia and New Brunswick.

- Gas Utilities and Infrastructure, which includes:
 - Peoples Gas System, Inc. (“PGS”), a regulated gas distribution utility operating across Florida;
 - New Mexico Gas Company, Inc. (“NMGC”), a regulated gas distribution utility serving customers in New Mexico. On August 5, 2024, Emera announced an agreement to sell NMGC. The transaction is now expected to close mid-2026, subject to certain approvals, including approval by the New Mexico Public Regulation Commission (“NMPRC”). For more information on the pending transaction, refer to note 3;
 - Emera Brunswick Pipeline Company Limited (“Brunswick Pipeline”), a 145-kilometre pipeline delivering re-gasified liquefied natural gas from Saint John, New Brunswick to the United States (“US”) border under a 25-year firm service agreement with Repsol Energy North America Canada Partnership (“Repsol Energy”), which expires in 2034;
 - SeaCoast Gas Transmission, LLC (“SeaCoast”), a regulated intrastate natural gas transmission company offering services in Florida; and
 - a 12.9 per cent equity interest in Maritimes & Northeast Pipeline (“M&NP”), a 1,400-kilometre pipeline that transports natural gas throughout markets in Atlantic Canada and the northeastern US.

- Other Electric Utilities, which includes Emera (Caribbean) Incorporated (“ECI”), a holding company with regulated electric utilities that include:
 - The Barbados Light & Power Company Limited (“BLPC”), a vertically integrated regulated electric utility on the island of Barbados;
 - Grand Bahama Power Company Limited (“GBPC”), a vertically integrated regulated electric utility on Grand Bahama Island. On May 5, 2026, Emera entered into an agreement to sell GBPC. For more information on the pending sale, refer to note 3; and
 - a 19.5 per cent equity interest in St. Lucia Electricity Services Limited (“Lucelec”), a vertically integrated regulated electric utility on the island of St. Lucia.

- Emera's other segment includes investments in energy-related non-regulated companies that are below the required threshold for reporting as separate segments and corporate expense and revenue items that are not directly allocated to the operations of Emera's subsidiaries and investments. This includes:
 - Emera Energy, which consists of:
 - Emera Energy Services ("EES"), a physical energy business that purchases and sells natural gas and electricity and provides related energy asset management services;
 - Brooklyn Power Corporation ("Brooklyn Energy"), a 30 MW biomass co-generation electricity facility in Brooklyn, Nova Scotia; and
 - a 50 per cent joint venture interest in Bear Swamp Power Company LLC ("Bear Swamp"), a 660 MW pumped storage hydroelectric facility in northwestern Massachusetts.
 - Emera US Finance LP, Emera US Finance, LLC ("Emera Finance"), EUSHI Finance, Inc. ("EUSHI Finance") and TECO Finance, Inc., financing subsidiaries of Emera;
 - Emera US Holdings Inc. ("EUSHI"), a wholly owned holding company for certain of Emera's assets located in the US; and
 - Other investments.

Basis of Presentation

These unaudited condensed consolidated interim financial statements are prepared and presented in accordance with United States Generally Accepted Accounting Principles ("USGAAP"). The significant accounting policies applied to these unaudited condensed consolidated interim financial statements are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2025.

In the opinion of management, these unaudited condensed consolidated interim financial statements include all adjustments that are of a recurring nature and necessary to fairly state the financial position of Emera. Financial results for this interim period are not necessarily indicative of results that may be expected for any other interim period or for the year ending December 31, 2026.

All dollar amounts are presented in Canadian dollars, unless otherwise indicated.

Use of Management Estimates

The preparation of unaudited condensed consolidated interim financial statements in accordance with USGAAP requires management to make estimates and assumptions. These may affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during reporting periods. Significant areas requiring use of management estimates relate to rate-regulated assets and liabilities, accumulated reserve for cost of removal, pension and post-retirement benefits, unbilled revenue, useful lives for depreciable assets, goodwill and long-lived assets impairment assessments, income taxes, asset retirement obligations, and valuation of financial instruments. Management evaluates the Company's estimates on an ongoing basis based upon historical experience, current and expected conditions and assumptions believed to be reasonable at the time the assumption is made, with any adjustments recognized in income in the year they arise. There were no material changes in the nature of the Company's critical accounting estimates from those disclosed in Emera's 2025 annual audited consolidated financial statements.

Seasonal Nature of Operations

Interim results are not necessarily indicative of results for the full year, primarily due to seasonal factors. Electricity and gas sales, and related transmission and distribution, vary during the year. The first quarter provides strong earnings contributions from the Canadian Electric Utilities and Gas Utilities and Infrastructure segments, where winter is the peak electricity and gas usage season. The third quarter provides strong earnings contributions from the Florida Electric Utility segment due to summer being the heaviest electric consumption season. Certain quarters may also be impacted by weather and the number and severity of storms.

Cybersecurity Incident

On April 25, 2025, Emera and NSPI discovered a cybersecurity incident (the “Cybersecurity Incident”) involving unauthorized access into certain parts of its Canadian information technology (“IT”) network and servers supporting portions of its business applications. There was no disruption to the Canadian physical operations or to Emera’s US or Caribbean utilities’ operations.

The Company implemented business continuity processes for certain impacted business and administrative functions at its Canadian affiliates. The systematic restoration of affected IT systems and corresponding transition away from business continuity processes continues to progress in a planned, controlled and phased approach. The Company maintains cyber insurance coverage and is working with its insurer on the claims process.

2. FUTURE ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all Accounting Standard Updates (“ASU”) issued by the Financial Accounting Standards Board (“FASB”). The following updates have been issued by the FASB but, as allowed, have not yet been adopted by Emera. Any ASUs not included below were assessed and determined to be either not applicable to the Company or to have an insignificant impact on the consolidated financial statements.

Accounting for Government Grants Received by Business Entities

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832) – Accounting for Government Grants Received by Business Entities. The ASU adds guidance to ASC 832 on the recognition, measurement, and presentation of government grants. The guidance will be effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The standard updates are to be applied using either a modified prospective, modified retrospective, or full retrospective approach, as detailed in the ASU. The Company is currently evaluating the impact of adoption of the standard update on its consolidated financial statements.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The standard update modernizes accounting for internal-use software by eliminating references to project stages and clarifying the threshold to begin capitalizing costs. The standard update also specifies that the disclosure requirements under ASC 360, Property, Plant and Equipment, apply to capitalized software costs accounted under ASC 350-40. The guidance will be effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The standard updates are to be applied using either a prospective, retrospective, or modified transition approach. The Company is currently evaluating the impact of adoption of the standard update on its consolidated financial statements.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting – Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard updates are to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of adoption of the standard update on its consolidated financial statements disclosures.

3. DISPOSITIONS

Pending Sale of GBPC

On May 5, 2026, Emera entered into an agreement to sell its 100 per cent interest in GBPC. The transaction is expected to close by the end of May 2026.

Pending Sale of NMGC

On August 5, 2024, Emera entered into an agreement to sell its indirect wholly-owned subsidiary NMGC for a total enterprise value of approximately \$1.3 billion USD, consisting of cash proceeds and the transfer of debt and customary closing adjustments. The transaction is now expected to close in mid-2026. As a result of the pending sale, NMGC's assets and liabilities were classified as held for sale beginning Q3 2024 and the carrying value of the assets and liabilities were adjusted to FV less cost to sell. At each reporting date, the Company performs an assessment of the FV of the disposal group by comparing the FV of expected transaction proceeds, less costs to sell, to the carrying value of net assets, including goodwill. There were no impairment or FV less costs to sell adjustments recorded in Q1 2026.

The Company will continue to record depreciation on the NMGC assets through the transaction closing date, as the depreciation continues to be reflected in customer rates and will be reflected in the carryover basis of the assets when sold. Depreciation and amortization of \$115 million (\$83 million USD) was recorded on these assets from August 5, 2024, the date they were classified as held for sale, through March 31, 2026. Of the \$115 million (\$83 million USD) recorded to date, \$18 million (\$13 million USD) was recorded in 2026.

Details of the assets and liabilities classified as held for sale are as follows:

As at millions of dollars	March 31 2026	December 31 2025
Cash and cash equivalents	\$ 9	\$ 6
Inventory	7	10
Regulatory assets	44	41
Receivables and other current assets	103	142
Current assets held for sale	\$ 163	\$ 199
PP&E	1,904	1,856
Regulatory assets	4	4
Goodwill	294	289
Other long-term assets	26	28
Less: Adjustment to FV less costs to sell	(90)	(89)
Long-term assets held for sale	\$ 2,138	\$ 2,088
Total assets held for sale	\$ 2,301	\$ 2,287
Short-term debt	\$ 104	\$ 116
Current portion of long-term debt	98	96
Regulatory liabilities	12	25
Accounts payable and other current liabilities	101	154
Current liabilities associated with assets held for sale	315	391
Long-term debt	577	567
Deferred income taxes	196	185
Regulatory liabilities	264	261
Other long-term liabilities	11	11
Long-term liabilities associated with assets held for sale	\$ 1,048	\$ 1,024
Total liabilities associated with assets held for sale	\$ 1,363	\$ 1,415

4. SEGMENT INFORMATION

Emera manages its reportable segments separately due in part to their different operating, regulatory and geographical environments. Segments are reported based on each subsidiary's contribution of revenues, net income attributable to common shareholders and total assets, as reported to the Company's chief operating decision maker ("CODM"). Emera's CODM is the Chief Executive Officer.

millions of dollars	Florida Electric Utility	Canadian Electric Utilities	Gas Utilities and Infrastructure	Other Electric Utilities	Other	Inter- Segment Eliminations	Total
For the three months ended March 31, 2026							
Operating revenues from external customers (1)	\$ 1,098	\$ 612	\$ 573	\$ 127	\$ 403	-	\$ 2,813
Inter-segment revenues (1)	2	-	5	-	5	(12)	-
Total operating revenues	1,100	612	578	127	408	(12)	2,813
Regulated fuel for generation and purchased power	293	293	-	61	-	(5)	642
Regulated cost of natural gas	-	-	155	-	-	-	155
OM&G	271	129	120	34	60	(10)	604
Provincial, state and municipal taxes	81	12	36	1	-	-	130
Depreciation and amortization	184	79	53	21	2	-	339
Income from equity investments	-	12	5	1	3	-	21
Other income (expense), net	17	6	3	1	(6)	(3)	18
Interest expense, net (2)	81	44	37	5	104	-	271
Income tax expense (recovery)	27	(13)	49	-	66	-	129
Preferred stock dividends	-	-	-	-	20	-	20
Net income attributable to common shareholders	\$ 180	\$ 86	\$ 136	\$ 7	\$ 153	-	\$ 562
As at March 31, 2026							
Total assets	\$ 25,718	\$ 8,806	\$ 8,766	\$ 1,464	\$ 4,483	(1,175)	\$ 48,062
Investments subject to significant influence	\$ -	\$ 473	\$ 109	\$ 56	\$ -	-	\$ 638
Goodwill	\$ 4,877	\$ -	\$ 798	\$ -	\$ -	-	\$ 5,675
For the three months ended March 31, 2025							
Operating revenues from external customers (1)	\$ 930	\$ 599	\$ 611	\$ 131	\$ 405	-	\$ 2,676
Inter-segment revenues (1)	2	-	4	-	12	(18)	-
Total operating revenues	932	599	615	131	417	(18)	2,676
Regulated fuel for generation and purchased power	232	280	-	68	-	(5)	575
Regulated cost of natural gas	-	-	220	-	-	-	220
OM&G	212	120	123	36	35	(8)	518
Provincial, state and municipal taxes	72	12	34	1	-	-	119
Depreciation and amortization	175	73	51	18	2	-	319
Income from equity investments	-	11	6	1	1	-	19
Other income (expenses), net	23	7	5	(1)	(8)	5	31
Interest expense, net (2)	74	41	37	5	98	-	255
Income tax expense (recovery)	26	(30)	41	3	79	-	119
Preferred stock dividends	-	-	-	-	18	-	18
Net income attributable to common shareholders	\$ 164	\$ 121	\$ 120	\$ -	\$ 178	-	\$ 583
As at December 31, 2025							
Total assets	\$ 24,636	\$ 8,546	\$ 8,476	\$ 1,439	\$ 2,469	(749)	\$ 44,817
Investments subject to significant influence	\$ -	\$ 471	\$ 108	\$ 55	\$ -	-	\$ 634
Goodwill	\$ 4,796	\$ -	\$ 784	\$ -	\$ -	-	\$ 5,580

(1) All significant inter-company balances and transactions have been eliminated on consolidation except for certain transactions between non-regulated and regulated entities. Management believes elimination of these transactions would understate PP&E, OM&G, or regulated fuel for generation and purchased power. Inter-company transactions that have not been eliminated are measured at the amount of consideration established and agreed to by the related parties. Eliminated transactions are included in determining reportable segments.

(2) Segment net income is reported on a basis that includes internally allocated financing costs of \$6 million for the three months ended March 31, 2026, between the Gas Utilities and Infrastructure and Other segments (2025 – \$6 million).

5. REVENUE

The following disaggregates the Company's revenue by major source:

millions of dollars	Electric			Gas	Other		Total
	Florida Electric Utility	Canadian Electric Utilities	Other Electric Utilities	Gas Utilities and Infrastructure	Other	Inter- Segment Eliminations	
For the three months ended March 31, 2026							
Regulated Revenue:							
Residential	\$ 554	\$ 370	\$ 43	\$ 273	\$ -	\$ -	1,240
Commercial	272	154	66	164	-	-	656
Industrial	65	65	6	27	-	(6)	157
Other electric	206	15	2	-	-	-	223
Regulatory deferrals	(2)	-	7	-	-	-	5
Other (1)	5	8	3	94	-	(2)	108
Finance income (2)(3)	-	-	-	15	-	-	15
Regulated revenue	1,100	612	127	573	-	(8)	2,404
Non-Regulated Revenue:							
Marketing and trading margin (4)	-	-	-	-	183	-	183
Other non-regulated operating revenues	-	-	-	5	14	(9)	10
Mark-to-market (3)	-	-	-	-	211	5	216
Non-regulated revenue	-	-	-	5	408	(4)	409
Total operating revenues	\$ 1,100	\$ 612	\$ 127	\$ 578	\$ 408	\$ (12)	\$ 2,813

For the three months ended March 31, 2025

Regulated Revenue:							
Residential	\$ 483	\$ 361	\$ 42	\$ 314	\$ -	\$ -	1,200
Commercial	247	148	75	178	-	-	648
Industrial	66	68	6	26	-	(4)	162
Other electric	116	12	2	-	-	-	130
Regulatory deferrals	14	-	3	-	-	-	17
Other (1)	6	10	3	74	-	(2)	91
Finance income (2)(3)	-	-	-	17	-	-	17
Regulated revenue	932	599	131	609	-	(6)	2,265
Non-Regulated:							
Marketing and trading margin (4)	-	-	-	-	120	-	120
Other non-regulated operating revenues	-	-	-	6	9	(6)	9
Mark-to-market (3)	-	-	-	-	288	(6)	282
Non-regulated revenue	-	-	-	6	417	(12)	411
Total operating revenues	\$ 932	\$ 599	\$ 131	\$ 615	\$ 417	\$ (18)	\$ 2,676

(1) Other includes rental revenues, which do not represent revenue from contracts with customers.

(2) Revenue related to Brunswick Pipeline's service agreement with Repsol Energy.

(3) Revenue which does not represent revenues from contracts with customers.

(4) Includes gains (losses) on settlement of energy related derivatives, which do not represent revenue from contracts with customers.

Remaining Performance Obligations:

Remaining performance obligations primarily represent gas transportation contracts, and long-term steam supply arrangements with fixed contract terms. As of March 31, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was \$338 million (2025 – \$480 million), including \$10 million related to NMGC. This amount includes \$120 million of future performance obligations related to a gas transportation contract between SeaCoast and PGS through 2040, and \$21 million of future performance obligations related to asset management agreements between PGS and EES through 2030. This amount excludes contracts with an original expected length of one year or less and variable amounts for which Emera recognizes revenue at the amount to which it has the right to invoice for services performed. Emera expects to recognize revenue for the remaining performance obligations through 2040.

6. REGULATORY ASSETS AND LIABILITIES

A summary of regulatory assets and liabilities is provided below. For a detailed description regarding the nature of the Company's regulatory assets and liabilities, refer to note 7 in Emera's 2025 annual audited consolidated financial statements. Updates to regulatory environments are included below.

As at millions of dollars	March 31 2026	December 31 2025
Regulatory assets (1)		
Deferred income tax regulatory assets	\$ 1,431	\$ 1,385
TEC capital cost recovery for early retired assets	741	727
Pension and post-retirement medical plan	318	316
TEC capital cost recovery for retired Polk Unit 1 components	176	178
NSPI FAM	128	102
Storm cost recovery clauses	122	206
Cost recovery clauses	79	55
Environmental remediations	27	26
Deferrals related to derivative instruments	25	36
Stranded cost recovery	25	25
Other (2)	173	142
	\$ 3,245	\$ 3,198
Current	\$ 351	\$ 409
Long-term	2,894	2,789
Total regulatory assets	\$ 3,245	\$ 3,198
Regulatory liabilities (1)		
Accumulated reserve – cost of removal	\$ 757	\$ 729
Deferred income tax regulatory liabilities	752	751
Deferrals related to derivative instruments	46	25
Cost recovery clauses	43	75
BLPC Self-insurance fund ("SIF") (note 22)	31	30
Other (2)	58	59
	\$ 1,687	\$ 1,669
Current	\$ 198	\$ 211
Long-term	1,489	1,458
Total regulatory liabilities	\$ 1,687	\$ 1,669

(1) On August 5, 2024, Emera announced an agreement to sell NMGC. As a result, NMGC's assets and liabilities were classified as held for sale beginning in Q3 2024 and excluded from the table above. For further details on the pending transaction, refer to note 3.

(2) Comprised of regulatory assets and liabilities that are not individually significant.

Florida Electric Utility

On February 3, 2025, the Florida Public Service Commission ("FPSC") issued the final order approving the rate case decision, effective January 1, 2025. In March 2025, two intervening parties each filed a notice of appeal to the Florida Supreme Court regarding the outcome of TEC's 2024 base rate proceeding. To date, the intervening parties have not filed their briefs related to the appeal. On January 12, 2026, the intervening parties filed their briefs related to the appeal. On April 13, 2026, the FPSC and TEC filed responses to the briefs. To date, the Florida Supreme Court has not made a decision regarding this case.

Canadian Electric Utilities

NSPI

On April 30, 2026, the Nova Scotia Energy Board (“NSEB”) approved the General Rate Application (“GRA”) with changes effective May 1, 2026. This results in an average annual customer rate increase of 1.2 per cent, and a further average increase of 2.5 per cent on January 1, 2027. Any under or over-recovery of fuel costs is addressed through the NSEB’s established FAM process. NSPI’s return on equity range will continue to be 8.75 per cent to 9.25 per cent, based on a common equity component of up to 40 per cent. The NSEB also approved the depreciation study completed in 2025 and continuation of the storm rider for each of 2026 and 2027. Additionally, the NSEB approved deferral of depreciation and financing costs for assets within the scope of NSPI’s Decarbonization Deferral Account as of December 31, 2025. NSPI has proposed to recover these costs through a securitization transaction, the timing of which requires final support from the Province of Nova Scotia.

7. INVESTMENTS SUBJECT TO SIGNIFICANT INFLUENCE AND EQUITY INCOME

millions of dollars	Carrying Value		Equity Income		Percentage of Ownership
	March 31 2026	as at December 31 2025	for the three months ended March 31 2026	March 31 2025	
NSPML	464	462	12	11	100.0
M&NP (1)	109	108	5	6	12.9
Lucelec (1)	56	55	1	1	19.5
WTI (2)	9	9	-	-	50.0
Bear Swamp (3)	-	-	3	1	50.0
	\$ 638	\$ 634	\$ 21	\$ 19	

(1) Emera has significant influence over the operating and financial decisions of these companies through Board representation and therefore, records its investment in these entities using the equity method.

(2) NSPI has a 50 per cent indirect voting interest in WTI. As of March 31, 2026, NSPI's economic interest based on the \$9 million invested is 26 per cent. WTI is a regulated utility, formed to develop and operate the Wasoqonatl transmission line project which will create a 160 kilometre, 345 kilovolt transmission reliability intertie between Nova Scotia and New Brunswick. WTI is wholly-owned by a limited partnership between NSPI, the Canada Infrastructure Bank, the Wskijinu'k Mtmot'atquow Agency and Mi'gmaq United Investment Network. NSPI is responsible for providing construction, operation, maintenance and administrative services to WTI.

(3) The investment balance in Bear Swamp is in a credit position primarily as a result of a \$179 million distribution received in 2015. Bear Swamp's credit investment balance of \$83 million (2025 – \$84 million) is recorded in "Other long-term liabilities" on the Condensed Consolidated Balance Sheets.

Emera accounts for its variable interest investment in NSPML as an equity investment (note 22). NSPML's consolidated summarized balance sheet is as follows:

As at	March 31	December 31
millions of dollars	2026	2025
Current assets	\$ 69	\$ 40
PP&E	1,367	1,380
Regulatory assets	781	782
Non-current assets	27	27
Total assets	\$ 2,244	\$ 2,229
Current liabilities	\$ 95	\$ 87
Long-term debt (1)	1,495	1,495
Non-current liabilities	190	185
Equity	464	462
Total liabilities and equity	\$ 2,244	\$ 2,229

(1) The project debt has been guaranteed by the Government of Canada.

8. INCOME TAXES

The income tax provision, for the three months ended March 31, differs from that computed using the enacted Canadian federal statutory income tax rate for the following reasons:

millions of dollars	2026		2025			
Income before provision for income taxes	\$	711	\$	720		
Income taxes, at statutory income tax rate		107	15%	108	15%	
<i>Domestic reconciling items:</i>						
Investment tax credits		(10)	(1)%	(26)	(4)%	
Deferred income taxes on regulated income recorded as regulatory assets and regulatory liabilities		(10)	(1)%	(14)	(2)%	
Net Part VI.1 tax		8	1%	4	1%	
Valuation allowance		(3)	-%	(1)	-%	
Other		(2)	-%	(1)	-%	
Provincial income taxes (1)		35	4%	43	6%	
<i>Foreign reconciling items:</i>						
United States						
Federal tax rate variance		18	2%	16	2%	
State income tax, net of federal income tax benefit		13	2%	12	2%	
Production tax credits		(12)	(2)%	(9)	(1)%	
Amortization of deferred income tax regulatory liabilities		(8)	(1)%	(9)	(1)%	
Deferral and amortization of Investment tax credits		(5)	(1)%	18	2%	
Investment tax credits		-	-%	(21)	(3)%	
Other		(1)	-%	(2)	-%	
Other foreign jurisdictions		(1)	-%	1	-%	
Income tax expense	\$	129	18%	\$	119	17%

(1) The majority of provincial income taxes relate to Nova Scotia.

Canadian Tax Legislation Changes:

On March 26, 2026, Bill C-15, an Act to implement certain provisions of the 2025 budget tabled in Parliament on November 4, 2025, was enacted. Bill C-15, among other measures, reinstates the Accelerated Investment Incentive ("AII") and introduces the Clean Electricity Investment Tax Credit ("CEITC"). The AII provides enhanced first-year capital cost allowance deductions, while the CEITC is a refundable tax credit of 15 per cent, reduced to 5 per cent if prescribed labour requirements are not met, on eligible property, including interprovincial and territorial transmission assets and qualifying refurbishments on eligible property. The enactment of Bill C-15 did not have a material impact on the Company for the three months ended March 31, 2026.

9. COMMON STOCK

Authorized: Unlimited number of non-par value common shares.

Issued and outstanding:	millions of shares	millions of dollars
Balance, December 31, 2025	301.76	\$ 9,387
Issuance of common stock under ATM program (1)	2.66	184
Issued under the DRIP, net of discounts	1.08	71
Senior management stock options exercised and ECSP	0.28	16
Balance, March 31, 2026	305.78	\$ 9,658

(1) For the three months ended March 31, 2026, a total of 2,657,496 common shares were issued under Emera's ATM program at an average price of \$69.89 per share for gross proceeds of \$186 million (\$184 million net of after-tax issuance costs). As at March 31, 2026, an aggregate gross sales limit of \$414 million remained available for issuance under the ATM program, which expires on January 5, 2029.

10. EARNINGS PER SHARE

The following table reconciles the computation of basic and diluted earnings per share:

For the millions of dollars (except per share amounts)	Three months ended March 31	
	2026	2025
Numerator		
Net income attributable to common shareholders	\$ 561.7	\$ 583.4
Diluted numerator	561.7	583.4
Denominator		
Weighted average shares of common stock outstanding – basic	\$ 303.3	\$ 297.0
Stock-based compensation	0.9	0.3
Weighted average shares of common stock outstanding – diluted	\$ 304.2	\$ 297.3
Earnings per common share		
Basic	\$ 1.85	\$ 1.96
Diluted	\$ 1.85	\$ 1.96

11. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of AOCI, net of tax, are as follows:

millions of dollars	Unrealized (loss) gain on translation of self-sustaining foreign operations	Net change in investment hedges	Gains (losses) on derivatives recognized as cash flow hedges	Net change in available- for-sale investments	Net change in unrecognized pension and post- retirement benefit costs	Total AOCI
For the three months ended March 31, 2026						
Balance, January 1, 2026	\$ 773	\$ (81)	\$ 10	\$ 2	\$ 169	\$ 873
OCI before reclassifications	230	(28)	-	(1)	-	201
Amounts reclassified from AOCI	-	-	-	-	(5)	(5)
Net current period OCI	230	(28)	-	(1)	(5)	196
Balance, March 31, 2026	\$ 1,003	\$ (109)	\$ 10	\$ 1	\$ 164	\$ 1,069
For the three months ended March 31, 2025						
Balance, January 1, 2025	\$ 1,396	\$ (163)	\$ 12	\$ -	\$ 16	\$ 1,261
OCI before reclassifications	(12)	2	-	-	-	(10)
Amounts reclassified from AOCI	-	-	-	-	(4)	(4)
Net current period OCI	(12)	2	-	-	(4)	(14)
Balance, March 31, 2025	\$ 1,384	\$ (161)	\$ 12	\$ -	\$ 12	\$ 1,247

The reclassifications out of AOCI are as follows:

For the millions of dollars	Three months ended March 31	
	2026	2025
	Affected line item in the Condensed Consolidated Financial Statements	Amounts reclassified from AOCI
Net change in unrecognized pension and post-retirement benefit costs		
Amounts reclassified into obligations	Pension and post-retirement benefits	(5) (4)
Total reclassifications out of AOCI for the period	\$ (5)	\$ (4)

12. DERIVATIVE INSTRUMENTS

The Company enters into futures, forwards, swaps and option contracts as part of its risk management strategy to limit exposure to:

- commodity price fluctuations related to the purchase and sale of commodities in the course of normal operations;
- foreign exchange (“FX”) fluctuations on foreign currency denominated purchases and sales;
- interest rate fluctuations on debt securities; and
- share price fluctuations on stock-based compensation.

The Company also enters into physical contracts for energy commodities. Collectively, these contracts are considered “derivatives”. The Company accounts for derivatives under one of the following four approaches:

1. Physical contracts that meet the normal purchases normal sales (“NPNS”) exemption are not recognized on the balance sheet; they are recognized in income when they settle. A physical contract generally qualifies for the NPNS exemption if the transaction is reasonable in relation to the Company’s business needs, the counterparty owns or controls resources within the proximity to allow for physical delivery, the Company intends to receive physical delivery of the commodity, and the Company deems the counterparty credit worthy. The Company continually assesses contracts designated under the NPNS exemption and will discontinue treatment of these contracts under this exception if the criteria are no longer met.
2. Derivatives that qualify for hedge accounting are recorded at FV on the balance sheet. Derivatives qualify for hedge accounting if they meet stringent documentation requirements and can be proven to effectively hedge the identified cash flow risk both at the inception and over the term of the derivative. Specifically, for cash flow hedges, the change in the FV of derivatives is deferred to AOCI and recognized in income in the same period the related hedged item is realized.

Where documentation or effectiveness requirements are not met, the derivatives are recognized at FV with any changes in FV recognized in net income in the reporting period, unless deferred as a result of regulatory accounting.

3. Derivatives entered into by NSPI, NMGC and GBPC that are documented as economic hedges, and for which the NPNS exception has not been taken, are subject to regulatory accounting treatment. These derivatives are recorded at FV on the balance sheet as derivative assets or liabilities. The change in FV of the derivatives is deferred to a regulatory asset or liability. The gain or loss is recognized in the hedged item when the hedged item is settled. Management believes that any gains or losses resulting from settlement of these derivatives related to fuel for generation and purchased power will be refunded to or collected from customers in future rates. Based on current direction from the FPSC, TEC and PGS have no derivatives related to hedging.
4. Derivatives that do not meet any of the above criteria are designated as held-for-trading (“HFT”) derivatives and are recorded on the balance sheet at FV, with changes normally recorded in net income of the period, unless deferred as a result of regulatory accounting. The Company has not elected to designate any derivatives to be included in the HFT category where another accounting treatment would apply.

Derivative assets and liabilities relating to the foregoing categories consisted of the following:

As at millions of dollars	Derivative Assets		Derivative Liabilities	
	March 31 2026	December 31 2025	March 31 2026	December 31 2025
<i>Regulatory deferral:</i>				
Commodity swaps and forwards	\$ 42	\$ 22	\$ 24	\$ 33
FX forwards	5	3	-	2
	47	25	24	35
<i>HFT derivatives:</i>				
Power swaps and physical contracts	34	51	31	50
Natural gas swaps, futures, forwards, physical contracts	243	238	655	695
	277	289	686	745
<i>Other derivatives:</i>				
Equity derivatives	22	8	-	-
FX forwards	3	8	4	1
	25	16	4	1
Total gross derivatives	349	330	714	781
<i>Impact of master netting agreements:</i>				
Regulatory deferral	(1)	(1)	(1)	(1)
HFT derivatives	(92)	(131)	(92)	(131)
Total impact of master netting agreements	(93)	(132)	(93)	(132)
Total derivatives	\$ 256	\$ 198	\$ 621	\$ 649
Current (1)	215	156	526	534
Long-term (1)	41	42	95	115
Total derivatives	\$ 256	\$ 198	\$ 621	\$ 649

(1) Derivative assets and liabilities are classified as current or long-term based upon the maturities of the underlying contracts.

Cash Flow Hedges

On May 26, 2021, a treasury lock was settled for a gain of \$19 million that is being amortized through interest expense over 10 years as the underlying hedged item settles. As of March 31, 2026, the unrealized gain in AOCI was \$10 million, after-tax (December 31, 2025 – \$10 million, after-tax). The Company expects \$2 million of unrealized gains currently in AOCI to be reclassified into net income within the next twelve months.

Regulatory Deferral

The Company has recorded the following changes with respect to derivatives receiving regulatory deferral:

millions of dollars	Commodity swaps and forwards		Commodity swaps and forwards	
	FX forwards	FX forwards	FX forwards	FX forwards
For the three months ended March 31				
	2026		2025	
Unrealized gain (loss) in regulatory assets	\$ -	\$ 3	\$ (10)	\$ 5
Unrealized gain (loss) in regulatory liabilities	35	1	20	(4)
Realized (gain) loss in regulatory assets	(1)	-	(1)	-
Realized (gain) loss in regulatory liabilities	(1)	-	2	-
Realized (gain) loss in property, plant and equipment	(7)	-	-	-
Realized (gain) loss in inventory (1)	2	-	3	(4)
Realized (gain) loss in regulated fuel for generation and purchased power (2)	1	-	1	-
Other	-	-	-	(2)
Total change in derivative instruments	\$ 29	\$ 4	\$ 15	\$ (5)

(1) Realized (gains) losses will be recognized in fuel for generation and purchased power when the hedged item is consumed.

(2) Realized (gains) losses on derivative instruments settled and consumed in the period and hedging relationships that have been terminated or the hedged transaction is no longer probable.

As at March 31, 2026, the Company had the following notional volumes designated for regulatory deferral that are expected to settle as outlined below:

millions	2026	2027-2028
<i>Commodity swaps and forwards purchases:</i>		
Natural gas (MMBtu)	5	7
Power (MWh)	1	1
<i>FX forwards:</i>		
FX contracts (millions of USD)	\$ 140	\$ 92
Weighted average rate	1.3527	1.3522
% of USD requirements	66%	20%

HFT Derivatives

The Company has recognized the following realized and unrealized gains with respect to HFT derivatives:

For the millions of dollars	Three months ended March 31	
	2026	2025
Power swaps and physical contracts in non-regulated operating revenues	\$ 2	\$ -
Natural gas swaps, forwards, futures and physical contracts in non-regulated operating revenues	339	466
Total gains in net income	\$ 341	\$ 466

As at March 31, 2026, the Company had the following notional volumes of outstanding HFT derivatives that are expected to settle as outlined below:

millions	2026	2027	2028	2029	2030 and thereafter
Natural gas purchases (MMBtu)	452	154	53	31	47
Natural gas sales (MMBtu)	473	143	24	11	7
Power purchases (MWh)	2	-	-	-	-
Power sales (MWh)	2	1	-	-	-

Other Derivatives

As at March 31, 2026, the Company had equity derivatives in place to manage cash flow risk associated with forecasted future cash settlements of deferred compensation obligations and FX forwards in place to manage cash flow risk associated with forecasted USD cash inflows. The equity derivatives hedge the return on 3.2 million shares and extends until December of 2026. The FX forwards have a combined notional amount of \$323 million USD and expire in 2026 through 2028.

For the millions of dollars	Three months ended March 31			
	2026		2025	
	FX forwards	Equity derivatives	FX forwards	Equity derivatives
Unrealized gain (loss) in OM&G	\$ -	\$ 22	\$ -	\$ 20
Unrealized gain (loss) in other income, net	(7)	-	4	-
Realized loss in other income, net	-	-	(8)	-
Total gains (losses) in net income	\$ (7)	\$ 22	\$ (4)	\$ 20

Credit Risk

The Company is exposed to credit risk with respect to amounts receivable from customers, energy marketing collateral deposits, and derivative assets. Credit risk is the potential loss from a counterparty's non-performance under an agreement. The Company manages credit risk with policies and procedures for counterparty analysis, exposure measurement, and exposure monitoring and mitigation. Credit assessments are conducted on all new customers and counterparties, and deposits or collateral are requested on any high-risk accounts.

The Company assesses the potential for credit losses on a regular basis and, where appropriate, maintains provisions. With respect to counterparties, the Company has implemented procedures to monitor the creditworthiness and credit exposure of counterparties and to consider default probability in valuing the counterparty positions. The Company monitors counterparties' credit standing, including those that are experiencing financial problems, have significant swings in default probability rates, have credit rating changes by external rating agencies, or have changes in ownership. Net liability positions are adjusted based on the Company's current default probability. Net asset positions are adjusted based on the counterparty's current default probability. The Company assesses credit risk internally for counterparties that are not rated.

It is possible that volatility in commodity prices could cause the Company to have material credit risk exposures with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, the Company could suffer a material financial loss. The Company transacts with counterparties as part of its risk management strategy for managing commodity price, FX and interest rate risk. Counterparties that exceed established credit limits can provide a cash deposit or letter of credit to the Company for the value in excess of the credit limit where contractually required. The Company also obtains cash deposits from electric customers. The Company uses the cash as payment for the amount receivable or returns the deposit/collateral to the customer/counterparty where it is no longer required by the Company.

The Company enters into commodity master arrangements with its counterparties to manage certain risks, including credit risk to these counterparties. The Company generally enters into International Swaps and Derivatives Association agreements, North American Energy Standards Board agreements and/or Edison Electric Institute agreements. The Company believes entering into such agreements offers protection by creating contractual rights relating to creditworthiness, collateral, non-performance and default.

As at March 31, 2026, the Company had \$244 million (December 31, 2025 – \$207 million) in financial assets considered to be past due, which had been outstanding for an average 76 days. The FV of these financial assets was \$228 million (December 31, 2025 – \$192 million), the difference of which is included in the allowance for credit losses. These assets primarily relate to accounts receivable from electric and gas revenue.

Cash Collateral

The Company's cash collateral positions consisted of the following:

As at millions of dollars	March 31 2026	December 31 2025
Cash collateral provided to others	\$ 254	\$ 193
Cash collateral received from others	\$ 4	\$ 5

Collateral is posted in the normal course of business based on the Company's creditworthiness, including its senior unsecured credit rating as determined by certain major credit rating agencies. Certain derivatives contain financial assurance provisions that require collateral to be posted if a material adverse credit-related event occurs. If a material adverse event resulted in the senior unsecured debt falling below investment grade, the counterparties to such derivatives could request ongoing full collateralization.

As at March 31, 2026, the total FV of derivatives in a liability position was \$621 million (December 31, 2025 – \$649 million). If the credit ratings of the Company were reduced below investment grade, the full value of the net liability position could be required to be posted as collateral for these derivatives.

13. FV MEASUREMENTS

The Company is required to determine the FV of all derivatives except those which qualify for the NPNS exemption (see note 12) and uses a market approach to do so. The three levels of the FV hierarchy are defined as follows:

Level 1 – Where possible, the Company bases the fair valuation of its financial assets and liabilities on quoted prices in active markets (“quoted prices”) for identical assets and liabilities.

Level 2 – Where quoted prices for identical assets and liabilities are not available, the valuation of certain contracts must be based on quoted prices for similar assets and liabilities with an adjustment related to location differences. Also, certain derivatives are valued using quotes from over-the-counter clearing houses.

Level 3 – Where the information required for a Level 1 or Level 2 valuation is not available, derivatives must be valued using unobservable or internally developed inputs. The primary reasons for a Level 3 classification are as follows:

- While valuations were based on quoted prices, significant assumptions were necessary to reflect seasonal or monthly shaping and locational basis differentials.
- The term of certain transactions extends beyond the period when quoted prices are available, and accordingly, assumptions were made to extrapolate prices from the last quoted period through the end of the transaction term.
- The valuations of certain transactions were based on internal models, although quoted prices were utilized in the valuations.

Derivative assets and liabilities are classified in their entirety, based on the lowest level of input that is significant to the FV measurement.

The following tables set out the classification of the methodology used by the Company to FV its derivatives:

As at millions of dollars				March 31, 2026
	Level 1	Level 2	Level 3	Total
Assets				
<i>Regulatory deferral:</i>				
Commodity swaps and forwards	\$ 26	\$ 15	\$ -	\$ 41
FX forwards	-	5	-	5
	26	20	-	46
<i>HFT derivatives:</i>				
Power swaps and physical contracts	-	16	6	22
Natural gas swaps, futures, forwards, physical contracts and related transportation	2	148	13	163
	2	164	19	185
<i>Other derivatives:</i>				
FX forwards	-	3	-	3
Equity derivatives	22	-	-	22
	22	3	-	25
Total assets	50	187	19	256
Liabilities				
<i>Regulatory deferral:</i>				
Commodity swaps and forwards	18	5	-	23
	18	5	-	23
<i>HFT derivatives:</i>				
Power swaps and physical contracts	-	16	4	20
Natural gas swaps, futures, forwards and physical contracts	22	263	289	574
	22	279	293	594
<i>Other derivatives:</i>				
FX forwards	-	4	-	4
	-	4	-	4
Total liabilities	40	288	293	621
Net assets (liabilities)	\$ 10	\$ (101)	\$ (274)	\$ (365)

As at millions of dollars	Level 1		Level 2		Level 3		December 31, 2025 Total
Assets							
<i>Regulatory deferral:</i>							
Commodity swaps and forwards	\$	21	\$	-	\$	-	\$ 21
FX forwards		-		3		-	3
		21		3		-	24
<i>HFT derivatives:</i>							
Power swaps and physical contracts		(1)		29		7	35
Natural gas swaps, futures, forwards, physical contracts and related transportation		1		88		34	123
		-		117		41	158
<i>Other derivatives:</i>							
FX forwards		-		8		-	8
Equity derivatives		8		-		-	8
		8		8		-	16
Total assets		29		128		41	198
Liabilities							
<i>Regulatory deferral:</i>							
Commodity swaps and forwards		11		21		-	32
FX forwards		-		2		-	2
		11		23		-	34
<i>HFT derivatives:</i>							
Power swaps and physical contracts		(4)		31		7	34
Natural gas swaps, futures, forwards and physical contracts		1		115		464	580
		(3)		146		471	614
<i>Other derivatives:</i>							
FX forwards		-		1		-	1
		-		1		-	1
Total liabilities		8		170		471	649
Net assets (liabilities)	\$	21	\$	(42)	\$	(430)	\$ (451)

The change in the FV of the Level 3 financial assets and liabilities for the three months ended March 31, 2026 was as follows:

millions of dollars	HFT Derivatives		
	Power	Natural gas	Total
Assets			
Balance, beginning of period	\$ 7	\$ 34	\$ 41
Total realized and unrealized losses included in non-regulated operating revenues	(1)	(21)	(22)
Balance, March 31, 2026	\$ 6	\$ 13	\$ 19
Liabilities			
Balance, beginning of period	\$ 7	\$ 464	\$ 471
Total realized and unrealized losses included in non-regulated operating revenues	(3)	(175)	(178)
Balance, March 31, 2026	\$ 4	\$ 289	\$ 293

Significant unobservable inputs used in the FV measurement of Emera's natural gas and power derivatives include third-party sourced pricing for instruments based on illiquid markets. Significant increases (decreases) in any of these inputs in isolation would result in a significantly lower (higher) FV measurement. Other unobservable inputs used include internally developed correlation factors and basis differentials; own credit risk; and discount rates. Internally developed correlations and basis differentials are reviewed on a quarterly basis based on statistical analysis of the spot markets in the various illiquid term markets. Discount rates may include a risk premium for those long-term forward contracts with illiquid future price points to incorporate the inherent uncertainty of these points. Any risk premiums for long-term contracts are evaluated by observing similar industry practices and in discussion with industry peers.

The Company uses a modelled pricing valuation technique for determining the FV of Level 3 derivative instruments. The following table outlines quantitative information about the significant unobservable inputs used in the FV measurements categorized within Level 3 of the FV hierarchy:

As at millions of dollars	FV		Significant Unobservable Input	Low	High	March 31, 2026
	Assets	Liabilities				Weighted Average (1)
HFT derivatives – Power swaps and physical contracts	6	4	Third-party pricing	\$23.50	\$188.35	\$89.66
HFT derivatives – Natural gas swaps, futures, forwards and physical contracts	13	289	Third-party pricing	\$2.06	\$23.14	\$14.47
Total	\$ 19	\$ 293				
Net liability		\$ 274				

(1) Unobservable inputs were weighted by the relative FV of the instruments.

Long-term debt is a financial liability not measured at FV on the Condensed Consolidated Balance Sheets. The balance consisted of the following:

As at millions of dollars	Carrying Amount	FV	Level 1	Level 2	Level 3	Total
March 31, 2026	\$ 22,460	\$ 21,495	\$ -	\$ 21,116	\$ 379	\$ 21,495
December 31, 2025	\$ 19,654	\$ 18,956	\$ -	\$ 18,535	\$ 421	\$ 18,956

The Company has designated \$1.2 billion USD denominated Hybrid Notes as a hedge of the foreign currency exposure of its net investment in USD denominated operations. An after-tax foreign currency loss of \$28 million was recorded in AOCI for the three months ended March 31, 2026 (2025 – \$2 million gain after-tax).

14. RELATED PARTY TRANSACTIONS

In the ordinary course of business, Emera provides energy and other services and enters into transactions with its subsidiaries, associates and other related companies on terms similar to those offered to non-related parties. Intercompany balances and intercompany transactions have been eliminated on consolidation, except for the net profit on certain transactions between non-regulated and regulated entities, in accordance with accounting standards for rate-regulated entities. All material amounts are under normal interest and credit terms.

Significant transactions between Emera and its associated companies are as follows:

- Transactions between NSPI and NSPML related to the Maritime Link assessment are reported in the Condensed Consolidated Statements of Income. NSPI's expense is reported in "Regulated fuel for generation and purchased power", totalling \$40 million for the three months ended March 31, 2026 (2025 – \$49 million). NSPML is accounted for as an equity investment and therefore, the corresponding earnings related to this revenue are reflected in "Income from equity investments".
- Natural gas transportation capacity purchases from M&NP are reported in the Condensed Consolidated Statements of Income. Purchases from M&NP reported net in "Operating revenues, non-regulated", totalled \$7 million for the three months ended March 31, 2026 (2025 – \$8 million).

As at March 31, 2026, Emera and its associated companies had \$66 million due to related parties (December 31, 2025 – \$32 million) recorded in "Other Current Liabilities" on the Condensed Consolidated Balance Sheets.

15. RECEIVABLES AND OTHER CURRENT ASSETS

As at millions of dollars	March 31 2026	December 31 2025
Customer accounts receivable – billed	\$ 1,110	\$ 1,265
Customer accounts receivable – unbilled	409	400
Capitalized transportation capacity (1)	422	238
Cash collateral provided to others	254	193
Prepaid expenses	124	105
Sales tax receivable	90	84
Income tax receivable	29	19
Allowance for credit losses	(16)	(15)
Other	159	150
Total receivables and other current assets	\$ 2,581	\$ 2,439

(1) Capitalized transportation capacity represents the value of transportation/storage received by EES on asset management agreements at the inception of the contracts. The asset is amortized over the term of each contract.

16. EMPLOYEE BENEFIT PLANS

Emera maintains a number of contributory defined-benefit (“DB”) and defined-contribution (“DC”) pension plans, which cover substantially all of its employees. The Company also provides non-pension benefits for its retirees.

Emera’s net periodic benefit cost included the following:

For the millions of dollars	Three months ended March 31	
	2026	2025
DB pension plans		
Service cost	\$ 9	\$ 9
Non-service cost:		
Interest cost	28	29
Expected return on plan assets	(39)	(41)
Current year amortization of actuarial losses	1	-
Current year amortization of regulatory asset	4	3
Total non-service costs	(6)	(9)
Total DB pension plans	3	-
Non-pension benefits plan		
Service cost	1	1
Non-service cost:		
Interest cost	3	3
Expected return on plan assets	(1)	(1)
Current year amortization of actuarial gains	(1)	-
Total non-service costs	1	2
Total non-pension benefits plans	2	3
Total DB pension and non-pension plans	\$ 5	\$ 3

Emera’s contributions related to these DB pension plans for the three months ended March 31, 2026 were \$13 million (2025 – \$13 million). Annual employer cash contributions to the DB pension plans are estimated to be \$34 million for 2026. Emera’s cash contributions related to these DC pension plans for the three months ended March 31, 2026 were \$11 million (2025 – \$13 million).

17. SHORT-TERM DEBT

Emera's short-term borrowings consist of commercial paper issuances, advances on revolving and non-revolving credit facilities and short-term notes. For details regarding short-term debt, refer to note 24 in Emera's 2025 annual audited consolidated financial statements, and below for 2026 short-term debt financing activity.

Recent financing activity is discussed below:

Other

On February 20, 2026, Emera amended its \$200 million unsecured non-revolving facility to extend the maturity date from February 20, 2026 to February 19, 2027. There were no other material changes to the terms from the prior agreement.

18. LONG-TERM DEBT

For details regarding long-term debt, refer to note 26 in Emera's 2025 annual audited consolidated financial statements, and below for 2026 long-term debt financing activity.

Recent financing activities for Emera and its subsidiaries are discussed below by segment:

Canadian Electric Utilities

On May 1, 2026, NSPI amended its \$500 million non-revolving facility to extend the maturity date from May 21, 2026, to May 21, 2027. There were no other material changes in commercial terms from the prior agreement.

On April 17, 2026, NSPI issued \$300 million in unsecured notes that bear interest at 3.95 per cent with a maturity date of April 17, 2031.

Gas Utilities and Infrastructure

On May 5, 2026, PGS executed an agreement to issue \$200 million USD in senior notes. The agreement included \$50 million USD senior notes ("Series A") that bear interest at 4.91 per cent with a maturity date of May 5, 2031, \$100 million USD senior notes ("Series B") that bear interest at 5.39 per cent with a maturity date of May 5, 2036 and \$50 million USD senior notes ("Series C") that bear interest at 5.64 per cent with a maturity date of August 20, 2041. Proceeds from Series A and Series B were used for the repayment of short-term debt outstanding. Therefore, \$150 million USD of short-term debt was classified as long-term debt as of March 31, 2026.

Other Electric Utilities

On March 18, 2026, BLPC amended its \$10 million USD note to extend the maturity date from March 2026 to May 2031, reduce the interest rate from 2.05 per cent to 1.90 per cent, and change the principal payment from \$0.25 million USD quarterly to \$0.5 million USD semi-annually.

On February 9, 2026, BLPC entered into a \$46 million USD non-revolving facility which matures in 2031 and bears interest at 1.80 per cent. As of March 31, 2026, BLPC has not drawn on this facility.

Other

On March 4, 2026, EUSHI Finance, Emera Finance, EUSHI and Emera filed a new shelf registration statement on Form F-10 and Form F-3 (“Registration Statement”), with the Nova Scotia Securities Commission (“NSSC”) and the US Securities and Exchange Commission (“SEC”) under the US/Canada Multijurisdictional Disclosure System. The Registration Statement was filed in connection with the prospective offer and issue by EUSHI Finance or Emera Finance of one or more series of senior and/or subordinated unsecured debt securities (“Debt Securities”), in an aggregate principal amount of up to \$2.25 billion USD, during the 25-month period that the short form base shelf prospectus contained in the Registration Statement (“Base Shelf Prospectus”), including any further amendments thereto, remains valid. The Debt Securities may be offered in one or more transactions, at prices, with maturities and on terms to be set forth in one or more prospectus supplements to be filed with the NSSC and the SEC at the time of any such offering.

On March 23, 2026, Emera Finance completed an issuance of \$750 million USD aggregate principal amount of fixed-to-fixed reset rate junior subordinated notes, pursuant to the prospectus supplement, dated March 23, 2026, to the Base Shelf Prospectus. The issuance consisted of \$375 million USD aggregate principal amount of 6.65 per cent Series A fixed-to-fixed reset rate junior subordinated notes due 2056 and \$375 million USD aggregate principal amount of 6.85 per cent Series B fixed-to-fixed reset rate junior subordinated notes due 2056 (collectively, the “Notes”). The Notes are fully and unconditionally guaranteed, on a joint, several and subordinated basis, by Emera and EUSHI.

On March 27, 2026, Emera Finance completed an issuance of \$750 million USD aggregate principal amount of senior notes pursuant to the prospectus supplement, dated March 27, 2026, to the Base Shelf Prospectus. The issuance consisted of \$450 million USD aggregate principal amount of senior notes that bear interest at a rate of 4.50 per cent with a maturity date of April 1, 2029 and \$300 million USD aggregate principal amount of senior notes that bear interest at a rate of 5.20 per cent with a maturity date of April 1, 2033. The senior notes are fully and unconditionally guaranteed, on a joint and several basis, by Emera and EUSHI.

On April 30, 2026, Emera issued a notice of redemption for all \$1.2 billion of its remaining outstanding 6.75 per cent fixed-to-floating subordinated notes — Series 2016-A due 2076 (the “2016 Notes”). The redemption date is June 15, 2026 and the redemption price for the 2016 Notes is 100 per cent of the principal amount of the 2016 Notes together with accrued and unpaid interest to, but excluding, the redemption date.

19. COMMITMENTS AND CONTINGENCIES

A. Commitments

As at March 31, 2026, contractual commitments (excluding pensions and other post-retirement obligations, long-term debt and asset retirement obligations) for each of the next five years and in aggregate thereafter consisted of the following:

millions of dollars	2026	2027	2028	2029	2030	Thereafter	Total
Purchased power (1)	\$ 308	\$ 421	\$ 410	\$ 457	\$ 450	\$ 5,921	\$ 7,967
Transportation (2)(3)	736	701	536	459	396	3,049	5,877
Fuel, gas supply and storage (4)	563	288	189	195	81	61	1,377
Capital projects	261	76	47	4	-	-	388
Other	127	76	56	55	47	314	675
	\$ 1,995	\$ 1,562	\$ 1,238	\$ 1,170	\$ 974	\$ 9,345	\$ 16,284

As detailed below, commitments at March 31, 2026 include those related to NMGC. On completion of the sale of NMGC, all remaining future commitments will be transferred to the buyer. For further details on the pending transaction, refer to note 3.

(1) Annual requirement to purchase electricity from Independent Power Producers or other utilities over varying contract lengths.

(2) Purchasing commitments for transportation of fuel and transportation capacity on various pipelines. Includes a commitment of \$120 million related to a gas transportation contract between PGS and SeaCoast through 2040, and \$21 million of future performance obligations related to asset management agreements between PGS and EES through 2030.

(3) Includes \$167 million related to NMGC (2026: \$18 million, 2027: \$34 million, 2028: \$31 million, 2029: \$22 million, 2030: \$21 million, and \$41 million thereafter).

(4) Includes \$253 million related to NMGC (2026: \$75 million, 2027: \$51 million, 2028: \$44 million, 2029: \$41 million, 2030: \$41 million).

NSPI has a contractual obligation to pay NSPML for use of the Maritime Link over approximately 38 years from its January 15, 2018 in-service date. On December 23, 2025, NSPML received an interim order from the NSEB to collect up to \$199 million from NSPI for recovery of costs associated with the Maritime Link in 2026, subject to a monthly holdback of up to \$4 million. There was no holdback recorded in Q1 2026. The timing and amounts payable to NSPML for the remainder of the 38-year commitment period are subject to NSEB approval.

Emera has committed to obtain certain transmission rights in New Brunswick during summer periods (April through October, inclusive) for Newfoundland and Labrador Hydro's ("NLH") use, if requested, effective August 15, 2021 and continuing for 50 years. As transmission rights are contracted, the obligations are included within "Other" in the above table.

B. Legal Proceedings

Superfund and Former Manufactured Gas Plant Sites

Previously, TEC had been a potentially responsible party ("PRP") for certain superfund sites through its Tampa Electric and former PGS divisions, as well as for certain former manufactured gas plant sites through its PGS division. As a result of the separation of the PGS division into a separate legal entity, Peoples Gas System, Inc. is also now a PRP for those sites (in addition to third party PRPs for certain sites). While the aggregate joint and several liability associated with these sites has not changed as a result of the PGS legal separation, the sites continue to present the potential for significant response costs. As at March 31, 2026, the aggregate financial liability of the Florida utilities is estimated to be \$15 million (\$11 million USD), primarily at PGS. This estimate assumes that other involved PRPs are credit-worthy entities. This amount has been accrued and is primarily reflected in the long-term liability section under "Other long-term liabilities" on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

The estimated amounts represent only the portion of cleanup costs attributable to the Florida utilities. The estimates to perform the work are based on the Florida utilities' experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are believed to be currently credit-worthy and are likely to continue to be credit-worthy for the duration of remediation work. However, in those instances that they are not, the Florida utilities could be liable for more than their actual percentage of remediation costs. Other factors that could impact these estimates include additional testing and investigation which could expand the scope of cleanup activities, additional liability that might arise from cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in base rate proceedings.

Other Legal Proceedings

Emera and its subsidiaries may, from time to time, be involved in other legal proceedings, claims and litigation that arise in the ordinary course of business which the Company believes would not reasonably be expected to have a material adverse effect on the financial condition of the Company.

C. Principal Financial Risks and Uncertainties

For information on principal financial risks which could materially affect the Company in the normal course of business, refer to note 28 in Emera's 2025 annual audited consolidated financial statements. Risks associated with derivative instruments and FV measurements are discussed in note 12 and note 13. There have been no material changes to the principal financial risks as of March 31, 2026.

D. Guarantees and Letters of Credit

Emera's guarantees and letters of credit are consistent with those disclosed in the Company's 2025 audited annual consolidated financial statements, with material updates as noted below:

The Company has standby letters of credit and surety bonds in the amount of \$224 million USD (December 31, 2025 – \$271 million USD) to third parties that have extended credit to Emera and its subsidiaries. These letters of credit and surety bonds typically have a one-year term and are renewed annually, as required.

20. CUMULATIVE PREFERRED STOCK

For details regarding cumulative preferred stock, refer to note 29 in Emera's 2025 annual audited consolidated financial statements, and below for 2026 preferred stock activity.

On April 9, 2026, Emera announced that it would not redeem the currently outstanding Cumulative Minimum Rate Reset First Preferred Shares, Series J ("Series J Shares") on May 15, 2026 (the "Conversion Date"). There are currently 8.0 million Series J Shares outstanding.

On April 15, 2026, Emera announced a dividend rate of 6.345 per cent per annum on the Series J Shares during the five-year period commencing on May 15, 2026 and ending on (and inclusive of) May 14, 2031. Emera also announced a dividend rate of 5.598 per cent on the Cumulative Floating Rate First Series K Shares ("Series K Shares") for the three-month period commencing on May 15, 2026 and ending on (inclusive of) August 14, 2026.

During the conversion period between April 15, 2026 and April 30, 2026, the holders of Series J Shares had the right, at their option, to convert all or any of their Series J Shares, on a one-for-one basis, into Series K Shares. On May 5, 2026, Emera announced that after having taken into account all conversion notices received from holders of its outstanding Series J Shares by the April 30, 2026 deadline for conversion notices, less than the 1,000,000 Series J Shares required to give effect to conversions into Series K Shares were tendered for conversion. As a result, in accordance with certain rights, privileges, restrictions and conditions attaching to the Series J Shares, none of Emera's outstanding Series J Shares will be converted into Series K Shares on May 15, 2026. On the Conversion Date there will continue to be 8.0 million Series J Shares outstanding.

21. SUPPLEMENTARY INFORMATION TO CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the millions of dollars	Three months ended March 31	
	2026	2025
Changes in non-cash working capital:		
Inventory	\$ 23	\$ 25
Receivables and other current assets	107	(40)
Accounts payable	(315)	(151)
Other current liabilities	145	132
Total non-cash working capital	\$ (40)	\$ (34)
Supplemental disclosure of non-cash activities:		
Common share dividends reinvested	\$ 71	\$ 76
Increase (decrease) in accrued capital expenditures	\$ 65	\$ (83)
Accrued long-term debt issuance costs	\$ 7	\$ -
Reclassification of short-term debt to long-term debt	\$ 209	\$ -
Supplemental disclosure of operating activities:		
Net change in short-term regulatory assets and liabilities	\$ 21	\$ 93

22. VARIABLE INTEREST ENTITIES

Emera holds a variable interest in NSPML, a VIE for which it was determined that Emera is not the primary beneficiary since it does not have controlling financial interest of NSPML. When the critical milestones were achieved, NLH was deemed the primary beneficiary of the asset for financial reporting purposes as it has authority over the majority of the direct activities expected to most significantly impact the economic performance of the Maritime Link. Thus, Emera began recording the Maritime Link as an equity investment.

BLPC established a SIF, primarily for the purpose of building a fund to cover risk against damage and consequential loss to certain generating, transmission and distribution systems. ECI holds a variable interest in the SIF for which it was determined that ECI was the primary beneficiary and, accordingly, the SIF must be consolidated by ECI. In its determination that ECI controls the SIF, management considered that, in substance, activities of the SIF are being conducted on behalf of ECI's subsidiary BLPC and BLPC, alone, obtains the benefits from the SIF's operations. Additionally, because ECI, through BLPC, has rights to all the benefits of the SIF, it is also exposed to the risks related to the activities of the SIF. Any withdrawal of SIF fund assets by the Company would be subject to existing regulations. Emera's consolidated VIE in the SIF is recorded as an "Other long-term assets", "Restricted cash" and "Regulatory liabilities" on the Condensed Consolidated Balance Sheets. Amounts included in restricted cash represent the cash portion of funds required to be set aside for the BLPC SIF.

The Company has identified certain long-term purchase power agreements that meet the definition of variable interests as the Company has to purchase all or a majority of the electricity generation at a fixed price. However, it was determined that the Company was not the primary beneficiary since it lacked the power to direct the activities of the entity, including the ability to operate the generating facilities and make management decisions.

The following table provides information about Emera's portion of material unconsolidated VIEs:

As at	March 31, 2026		December 31, 2025	
millions of dollars	Total	Maximum	Total	Maximum
Unconsolidated VIEs in which Emera has variable interests	assets	exposure to	assets	exposure to
NSPML (equity accounted)	loss	loss	loss	loss
	\$ 464	\$ 6	\$ 462	\$ 6

23. SUBSEQUENT EVENTS

These unaudited condensed consolidated interim financial statements and notes reflect the Company's evaluation of events occurring subsequent to the balance sheet date through May 8, 2026, the date the unaudited condensed consolidated interim financial statements were issued.