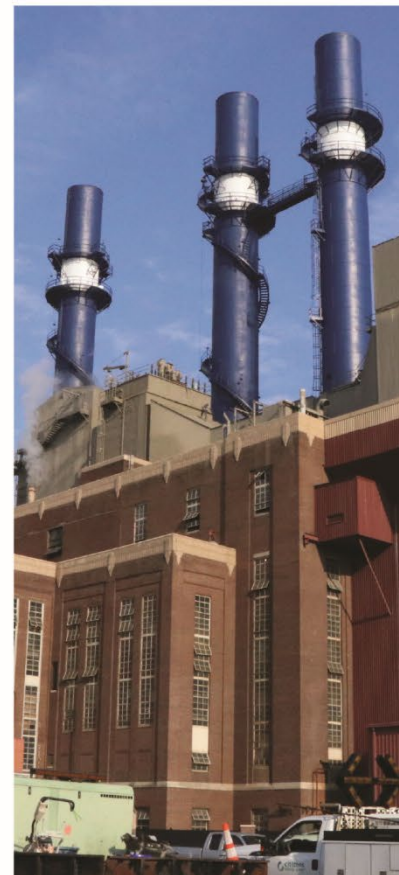




Quarterly Financial Report

Q2 - 2026



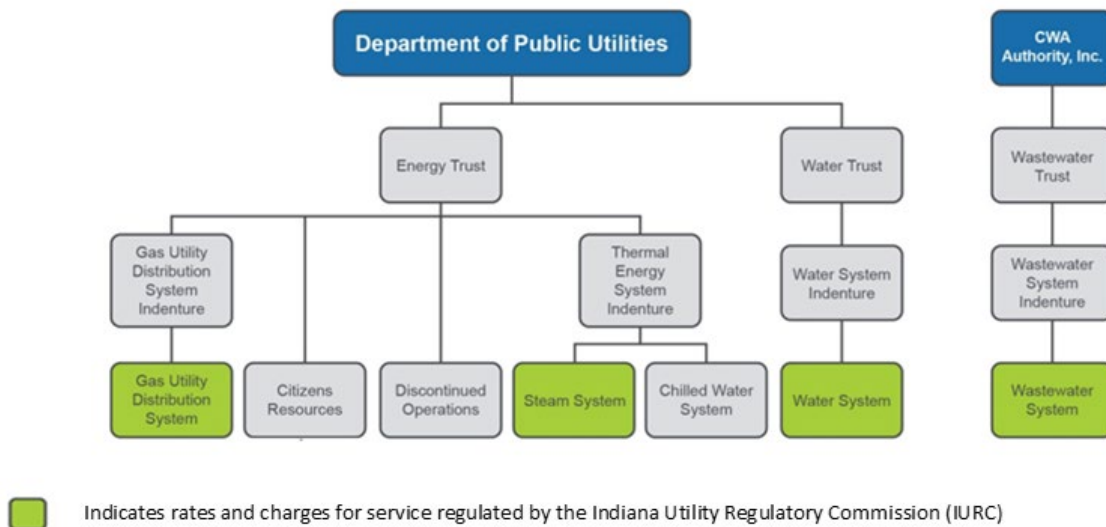
MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking Statements

Certain matters discussed in this report, except historical information, include forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates, are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements contained in this Management Discussion and Analysis would prove to be accurate. We do not undertake to update or revise any forward-looking statement as a result of future events, new information, or otherwise.

Organization Structure

The chart below provides a diagram of the organization structure of Citizens Energy Group and CWA Authority, Inc. (CWA). The organization structure is further described and explained below the chart.



Citizens Energy Group (Citizens) is the trade name in which the Department of Public Utilities of the City of Indianapolis, Indiana (the Department) acting by and through its Board of Directors (the Board) for Utilities functions. The Department was formed in 1929 pursuant to a state statute (now IC 8-1-11.1, the Act) adopted by the Indiana legislature to provide the governance structure for the City of Indianapolis to act as a successor trustee of a public charitable trust (the Energy Trust) providing natural gas utility services in the City of Indianapolis and to own and operate other utility systems serving areas within and outside the City of Indianapolis. The Department is the governmental entity that owns the Energy Trust and Water Trust assets described below. Each trust is not an entity but rather defines the nature in which the assets are held by the Department and the obligation imposed upon the Department to manage and operate those assets in accordance with the trust purposes which include the obligations to operate the facilities in public trust for the benefit of the inhabitants of Marion County, free from the influences of partisan political control or private interests. To preserve freedom from partisan political control, the Act creates the Board of Trustees (the Trustees) as a self-perpetuating body entrusted with the power to appoint the members of the Board annually. This two-board structure provides for oversight of the Board by the Trustees. Further, the Act intentionally insulates the Department from political control by isolating the two boards from the Mayor of Indianapolis or the City’s legislative bodies.

The Gas Utility Distribution System, the Thermal Energy System, Citizens Resources, and certain other properties are subject to the Energy Trust. The Water System is subject to a separate public charitable trust (the Water Trust) that operates substantially in the same manner as the Energy Trust.

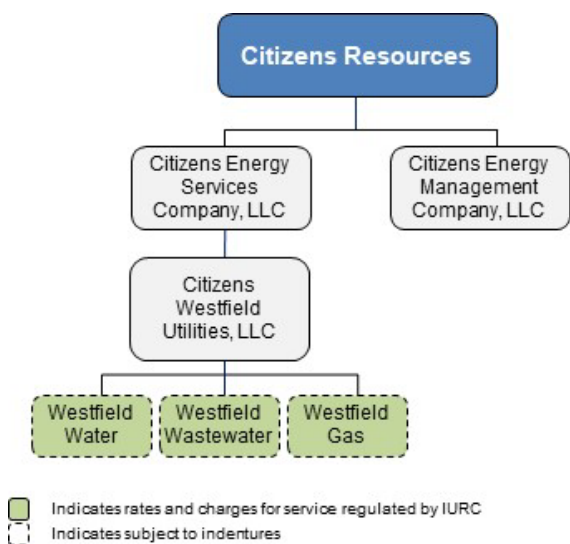
The Wastewater System is owned by CWA, a separate nonprofit corporation, which through an interlocal agreement entered into by and among Citizens, the City of Indianapolis, and the Sanitary District of the City (the “District”), acting by

and through its Board of Public Works, pursuant to Indiana Code 36-1-7, has the power to exercise all rights and powers of Citizens, the City, and the District in connection with the provision of wastewater utility services, excluding in the case of the City and the District, taxing power and taxing authority. CWA's board of directors comprises the same individuals who serve on the Board. The Wastewater System is managed by employees of Citizens under an operating agreement between Citizens and CWA. CWA is subject to a separate public charitable trust (the Wastewater Trust) that operates in substantially the same manner as the Energy Trust and the Water Trust.

Separate indentures exist to issue debt obligations for the Gas Utility Distribution System, the Thermal Energy System, the Water System, and the Wastewater System. Each indenture captures only the revenues from the respective System, pays the operating expenses of that System and then debt service on revenue bonds of that System. This structure is designed to achieve the desired separation of each System from other Systems or business segments owned or operated by Citizens and CWA. Each indenture permits Citizens or CWA, as applicable, authority to use residual revenues for other purposes permitted by the language of the respective indenture. Citizens' water indenture and CWA's wastewater indentures, however, permit only the use of the excess revenues for the water and wastewater systems, respectively.

In addition, as described above, each trust (i.e., the Energy Trust, the Water Trust, and the Wastewater Trust) exists separately from the other trusts. Thus, there are three separate public charitable trusts, each with a governmental entity serving as the trustee (the Energy Trust and the Water Trust assets being owned by the Department and the Wastewater Trust assets being owned by CWA). These separate trusts are designed to insulate one trust from liability for obligations of another trust, based on basic trust principles that two separate trusts do not become jointly liable solely because the same entity is the trustee of both.

The result of the foregoing is that Citizens and CWA have five distinct cash flow sources in which debt is isolated: (1) the Gas Utility Distribution System; (2) the Thermal Energy System; (3) the Water System; (4) the Wastewater System; (collectively, the four Systems) and (5) Citizens Resources. The cash flow for the four Systems is governed by the respective indentures for each System, which restricts the use of income and revenues of a respective System to the payment of operating expenses and debt service of the respective System before allowing any other use of funds by the System. The fifth source, Citizens Resources, is a separate corporation whose stock is owned by the Department in its capacity as trustee of the Energy Trust. The preservation of the corporate organization form of Citizens Resources and its ability to operate for-profit businesses in furtherance of the Energy Trust purposes was specifically authorized by the Act.



The assets, liabilities and operations of Citizens Resources are by design isolated within the separate corporate structure of Citizens Resources, as a subsidiary corporation of Citizens, and each of the direct and indirect subsidiaries of Citizens Resources is a limited liability company or corporation designed to limit the liability of the immediate parent to its investment in the subsidiary.¹ Those structures do not insulate the parent from liability for an express assumed contractual liability or guaranty or for the parent's own acts or omissions. In addition to the separate trusts for the Water System and the Wastewater System, those structures along with certain provisions of the Operating Agreements and applicable trust indentures of such subsidiaries of Citizens Resources are the primary protection of Citizens' cash flow from any financial losses in Citizens Resources or its subsidiaries and affiliates.² Profits of Citizens Resources may roll up to Citizens through dividends declared by the board of Citizens Resources, but Citizens' exposure to liabilities of Citizens Resources should be limited by its corporate structure (and by that of its subsidiaries) and thus not imposed as a burden on the cash flows available in any System. See nearby for a diagram of Citizens Resources' organizational structure.

¹ Under public policy reflected in state law governing corporations and limited liability companies ("LLCs"), the parent stockholder of a subsidiary corporation or the parent member of a subsidiary LLC is given substantial protection against liability for the acts or debts of the subsidiary, subject to the established inherent limitations of these structures under such applicable state law.

² Since Citizens includes the results of operations of Citizens Resources and its subsidiaries and affiliates in its condensed combined financial statements, an accounting loss within Citizens Resources will be reflected in Citizens' condensed combined financial statements. This accounting result, though, does not create the basis upon which the liabilities of Citizens Resources or its subsidiaries or affiliates can be imposed upon Citizens or the cash flows held under any Indentures.

FINANCIAL RESULTS

The tables and discussion below summarize the financial results for each segment (in millions) and present an analysis of the results of our operations for the six months ended March 31, 2026, and 2025. Because of the seasonal nature of the various business units, results of operations for the period ending March 31, 2026, are not necessarily indicative of the results of operations to be expected for the full fiscal year. For a more detailed understanding of these results, see the following notes to the condensed combined financial statements:

- Note 1C – Global Supply Chain and Related Economic Impacts
- Note 3 – Long-Term Debt
- Note 5 – Revenue Recognition
- Note 6 – Financial Segment Information
- Note 9 – Discontinued Operations and Related Asset Retirement Obligations
- Note 10 – Rate and Regulatory Matters
- Note 11 – Commitments and Contingencies

SHARED SERVICES

Shared Services is comprised of various administrative and operational departments which provide support services to each of Citizens and CWA business segments and the combined enterprise as a whole, allocating the associated cost of the services to the appropriate segment. Management reviews the allocation methodology for shared services on a regular basis and refines the methodology as necessary.

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Shared Services Expenses	\$ 29.3	\$ 27.8	\$ 1.5	\$ 59.5	\$ 56.2	\$ 3.3

These costs have been allocated to the appropriate business units and are reflected in the explanations that follow.

Three Months Ended March 31, 2026 as Compared with 2025

Shared services expenses were \$1.5 million higher, largely driven by increased costs for contracted services and employee-related expenses.

Six Months Ended March 31, 2026 as Compared with 2025

Shared services expenses were \$3.3 million higher, primarily due to increased costs for contracted services and employee-related expenses.

GAS

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 123.1	\$ 118.6	\$ 4.5	\$ 217.5	\$ 193.4	\$ 24.1
Cost of goods sold	63.6	60.9	2.7	113.4	92.6	20.8
Margin	59.5	57.7	1.8	104.1	100.8	3.3
Other operating expenses	28.7	26.1	2.6	56.6	52.6	4.0
Operating income (loss)	30.8	31.6	(0.8)	47.5	48.2	(0.7)
Other income (expense), net	2.4	2.5	(0.1)	4.1	4.1	-
Interest charges	0.7	0.9	(0.2)	1.4	1.8	(0.4)
Segment income (loss)	\$ 32.5	\$ 33.2	\$ (0.7)	\$ 50.2	\$ 50.5	\$ (0.3)
Volume sales, million Dth						
Retail	14.4	15.6	(1.2)	24.6	24.2	0.4
Transportation	4.1	5.2	(1.1)	7.7	9.5	(1.8)
Power generation and other	18.7	9.1	9.6	34.2	19.1	15.1
Cost of gas sold, per Dth	\$ 3.63	\$ 3.59	\$ 0.04	\$ 3.93	\$ 3.54	\$ 0.39
Heating degree days	2,520	2,704	(184)	4,376	4,280	96

Three Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$0.7 million was principally the result of:

- \$2.6 million higher operating expenses, primarily outside services costs and increases in various operating expenses, none of which were individually significant; **partially offset by**
- \$1.8 million higher margin, mostly due to increased customer-specific contract volume.

Six Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$0.3 million was largely the result of:

- \$4.0 million increased operating expenses, primarily outside services, depreciation, and provision for uncollectible accounts; **partially offset by**
- \$3.3 million higher margin, predominantly increased customer-specific contract volume.

STEAM

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 25.2	\$ 25.6	\$ (0.4)	\$ 46.6	\$ 45.0	\$ 1.6
Cost of goods sold	13.8	13.0	0.8	25.3	23.2	2.1
Margin	11.4	12.6	(1.2)	21.3	21.8	(0.5)
Other operating expenses	7.2	7.8	(0.6)	14.0	15.0	(1.0)
Operating income (loss)	4.2	4.8	(0.6)	7.3	6.8	0.5
Other income (expense), net	0.6	0.6	-	1.2	1.1	0.1
Interest charges	0.8	0.8	-	1.6	1.5	0.1
Segment income (loss)	\$ 4.0	\$ 4.6	\$ (0.6)	\$ 6.9	\$ 6.4	\$ 0.5
Volume sales, million therms	17.9	17.9	-	33.0	32.0	1.0
Heating degree days	2,520	2,704	(184)	4,376	4,280	96

Three Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$0.6 million is largely attributed to lower margin resulting from timing of revenue recognition for a special contract in the prior year, partially offset by reduced contract services costs.

Six Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$0.5 million is mostly driven by:

- \$1.0 million higher margin attributed to increased volume sold; and
- \$1.0 million lower operating expenses, primarily material costs and contract services; **partially offset by**
- \$1.4 million lower margin due to timing of revenue recognition for a special contract in the prior year.

CHILLED WATER

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 7.0	\$ 6.2	\$ 0.8	\$ 14.8	\$ 13.9	\$ 0.9
Cost of goods sold	2.0	1.6	0.4	4.5	4.2	0.3
Margin	5.0	4.6	0.4	10.3	9.7	0.6
Other operating expenses	4.5	4.3	0.2	8.8	8.6	0.2
Operating income (loss)	0.5	0.3	0.2	1.5	1.1	0.4
Other income (expense), net	0.3	0.4	(0.1)	0.7	0.8	(0.1)
Interest charges	-	-	-	-	0.1	(0.1)
Segment income (loss)	\$ 0.8	\$ 0.7	\$ 0.1	\$ 2.2	\$ 1.8	\$ 0.4
Volume sales, million ton hours	16.2	14.0	2.2	35.7	34.1	1.6
Cooling degree days	19	6	13	69	45	24

Three Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$0.1 million is largely driven by increased margin resulting from higher volume, partially offset by higher operating expenses, none of which were individually significant.

Six Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$0.4 million is substantially the result of higher margin resulting from increased volume, partially offset by higher operating expenses, none of which were individually significant.

WATER

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 59.3	\$ 61.3	\$ (2.0)	\$ 124.5	\$ 125.9	\$ (1.4)
Other operating expenses	39.1	38.2	0.9	77.1	74.8	2.3
Operating income (loss)	20.2	23.1	(2.9)	47.4	51.1	(3.7)
Other income (expense), net	1.6	1.5	0.1	9.8	3.5	6.3
Interest charges	5.8	6.7	(0.9)	12.5	13.6	(1.1)
Segment income (loss)	\$ 16.0	\$ 17.9	\$ (1.9)	\$ 44.7	\$ 41.0	\$ 3.7
Volume sales, billion gallons	8.6	8.7	(0.1)	18.3	18.1	0.2
Precipitation, inches	10.7	5.4	5.3	17.9	14.7	3.2

Three Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$1.9 million is primarily attributable to:

- \$2.0 million decreased operating revenues, largely driven by lower rate adjustment mechanism charges and reduced volume sales; and
- \$0.9 million increased operating expenses, mostly higher shared services expense allocations.

These reductions were partially offset by \$0.9 million reduced interest charges, driven by a lower level of outstanding debt.

Six Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$3.7 million was largely driven by:

- \$6.3 million additional other income, primarily the receipt of \$5.6 million of per- and polyfluoroalkyl substances (PFAS) litigation settlement proceeds; and
- \$1.1 million lower interest charges due to reduced outstanding debt; **partially offset by**
- \$2.3 million higher operating expenses, mostly shared services expense allocations and purchased power; and
- \$1.4 million decreased operating revenues, primarily driven by lower rate adjustment mechanism charges.

WASTEWATER

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 83.1	\$ 82.4	\$ 0.7	\$ 163.4	\$ 159.6	\$ 3.8
Other operating expenses	49.2	47.2	2.0	98.8	92.5	6.3
Operating income (loss)	33.9	35.2	(1.3)	64.6	67.1	(2.5)
Other income (expense), net	1.9	2.1	(0.2)	4.0	4.4	(0.4)
Interest charges	15.0	11.4	3.6	29.7	22.8	6.9
Segment income (loss)	\$ 20.8	\$ 25.9	\$ (5.1)	\$ 38.9	\$ 48.7	\$ (9.8)
Treatment volume sales, billion gallons	8.2	8.3	(0.1)	15.6	15.2	0.4
Strength surcharge, million pounds	14.3	6.7	7.6	22.7	15.1	7.6

Three Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$5.1 million is principally the result of:

- \$3.6 million additional interest expense from lower capitalized interest as a result of capitalizing consent decree projects; and
- \$2.0 million higher operating expenses, primarily increased depreciation driven by capitalization of consent decree projects and increases in various other operating expense categories, none of which were individually significant.

These decreases were partially offset by \$0.7 million higher revenues.

Six Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$9.8 million is substantially the result of:

- \$6.9 million additional interest expense primarily driven by lower capitalized interest as a result of capitalizing consent decree projects; and
- \$6.3 million higher operating expenses, mostly increased depreciation driven by capitalization of consent decree projects, shared services expense allocations, and increases in various other operating expense categories, none of which were individually significant.

These decreases were partially offset by \$3.8 million higher revenues, for which the primary components were:

- \$2.2 million increased revenues from higher strength surcharges; and
- \$1.6 million additional revenue primarily due to increased volume.

RESOURCES

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ 14.4	\$ 13.5	\$ 0.9	\$ 28.3	\$ 25.9	\$ 2.4
Cost of goods sold	1.7	1.8	(0.1)	3.1	2.9	0.2
Margin	12.7	11.7	1.0	25.2	23.0	2.2
Other operating expenses	8.2	7.9	0.3	16.5	15.7	0.8
Operating income (loss)	4.5	3.8	0.7	8.7	7.3	1.4
Other income (expense), net	0.2	0.3	(0.1)	0.6	0.5	0.1
Interest charges	1.0	1.3	(0.3)	2.0	2.5	(0.5)
Segment income (loss)	\$ 3.7	\$ 2.8	\$ 0.9	\$ 7.3	\$ 5.3	\$ 2.0

Three Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$0.9 million is primarily attributable to increased operating income at the Westfield utilities.

Six Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$2.0 million is largely driven by higher operating income at the Westfield utilities and increased capitalized interest.

OTHER

	Quarter-to-Date vs. Prior Year			Year-to-Date vs. Prior Year		
	Three Months Ended Mar 31			Six Months Ended Mar 31		
	2026	2025	Change	2026	2025	Change
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	-	-	0.1	0.1	-
Operating income (loss)	-	-	-	(0.1)	(0.1)	-
Other income (expense), net	(0.9)	(1.2)	0.3	(2.0)	(1.7)	(0.3)
Interest charges	-	-	-	-	-	-
Income (loss) from discontinued operations	0.1	0.1	-	0.3	0.2	0.1
Segment income (loss)	\$ (0.8)	\$ (1.1)	\$ 0.3	\$ (1.8)	\$ (1.6)	\$ (0.2)

In the table above, Other generally includes advertising and philanthropic costs which are not recoverable through rates and are funded by contributions from non-regulated segments. The former Manufacturing business segment has been reported as Discontinued Operations and is also included in Other.

Three Months Ended March 31, 2026 as Compared with 2025

The increase in earnings of \$0.3 million is due to lower levels of community support costs in the current period.

Six Months Ended March 31, 2026 as Compared with 2025

The decrease in earnings of \$0.2 million is mainly due to increased community support costs in the current period.

LIQUIDITY AND CAPITAL RESOURCES

Debt and Liquidity

Please see Notes 3 and 4 to the condensed combined financial statements for information regarding changes to Citizens' and CWA's outstanding long-term debt and short-term borrowings, respectively. Management believes existing sources of liquidity are sufficient to meet its cash requirements for the foreseeable future. Management will continue to assess liquidity needs and monitor capital markets and other financing sources based on business conditions and Citizens' and CWA's operations. Though not currently anticipated, no assurances can be provided that Citizens and CWA will be able to access financing in the future on acceptable terms.

Capital Spending

For the six months ended March 31, 2026, capital expenditures, on an accrual basis and net of reimbursements received, increased by \$47.0 million to \$200.3 million from \$153.3 million during the same period last year. This increase is summarized in the table below (in millions). Certain accrued expenditures, including all capitalized interest, have been included in Other for segment presentation of capital expenditures, while the capitalized interest amounts on the segmented statements of financial position are reflected as Property, Plant, and Equipment in their respective segments.

Year To Date	Gas	Steam	Chilled Water	Water	Wastewater	Resources	Other	Total
March 31, 2026	\$ 20.0	\$ 5.6	\$ 5.1	\$ 111.1	\$ 41.3	\$ 12.3	\$ 4.9	\$ 200.3
March 31, 2025	16.3	4.5	3.5	52.1	53.4	10.8	12.7	153.3
	\$ 3.7	\$ 1.1	\$ 1.6	\$ 59.0	\$ (12.1)	\$ 1.5	\$ (7.8)	\$ 47.0

Citizens' and CWA's projected capital spending requirement of \$460.4 million for fiscal year 2026 is summarized as follows (in millions):

	Gas	Steam	Chilled Water	Water	Wastewater	Resources	Other	Total
2026 Projection	\$ 36.5	\$ 27.2	\$ 14.7	\$ 253.2	\$ 75.5	\$ 39.8	\$ 13.5	\$ 460.4

Gas continues to invest in mains and services to maintain the safety and reliability of its underground distribution system. Gas had cash and cash equivalents of \$46.9 million at March 31, 2026. Gas expects to meet its capital spending requirements in 2026 through cash flows from operations and temporary seasonal borrowings.

Both Steam and Chilled Water continue to invest in distribution assets and production equipment for their existing systems as well as to meet future needs for customer growth. At March 31, 2026, cash and cash equivalents of Steam and Chilled Water amounted to \$17.2 million and \$25.9 million, respectively. Steam expects to meet its capital spending requirements in 2026 through cash flows from operations, and temporary seasonal borrowings, while Chilled Water expects to meet its 2026 capital spending requirements through cash flows from operations.

The Water business segment has a capital improvement plan to address system reliability, maintain compliance with regulations, and implement various distribution system and treatment plant improvements. Water had cash and cash equivalents of \$9.6 million at March 31, 2026. Water expects to meet its capital spending requirements in 2026 through cash flows from operations, temporary seasonal borrowings, issuance of new long-term debt, and certain forms of government assistance including forgivable, zero-interest, low interest, and non-recourse bonds.

The Wastewater business segment has a capital improvement plan to meet guidelines of the Combined Sewer Overflow Long-Term Control Plan and the overall needs of the Wastewater System. See Note 11 to the condensed combined financial statements for additional information regarding the Combined Sewer Overflow Long-Term Control Plan. The capital improvement plan also includes other improvements to and expansion of the Wastewater System. Wastewater had cash and cash equivalents of \$22.5 million at March 31, 2026. Wastewater expects to meet its capital spending requirements in 2026 through a combination of cash flows from operations, and temporary seasonal borrowings.

Resources' capital spending projection for 2026 includes activities at Westfield Gas, Westfield Water, and Westfield Wastewater. Resources had cash and cash equivalents of \$38.8 million at March 31, 2026. Resources expects to meet its capital spending requirements in 2026 through a combination of cash flows from operations and temporary seasonal borrowings.

Citizens Energy Group and Subsidiary and CWA Authority, Inc.

Combined Statements of Financial Position

(In Thousands)

	At March 31, 2026	At September 30, 2025
ASSETS		
Property, plant, and equipment, net	\$ 5,612,079	\$ 5,462,093
Intangible assets, net	33,712	35,598
Investments		
Bond restricted funds	267,850	313,858
Other	20,692	20,755
Total investments	288,542	334,613
Current assets		
Cash and cash equivalents	173,172	200,919
Short-term investments	23,431	23,025
Accounts receivable, net of allowances of \$5,078 and \$5,065, respectively	123,477	97,687
Accrued utility revenue	27,393	26,363
Natural gas in storage	13,153	37,762
Materials and supplies	21,381	21,280
Other current assets	31,104	11,146
Current assets directly related to discontinued operations	1,199	1,638
Total current assets	414,310	419,820
Deferred charges and other non-current assets		
Deferred charges	23,457	21,018
Prepaid retirement benefit costs	137,049	133,872
Non-current assets directly related to discontinued operations	6,291	5,944
Total deferred charges and other non-current assets	166,797	160,834
TOTAL ASSETS	\$ 6,515,440	\$ 6,412,958
CAPITALIZATION AND LIABILITIES		
Capitalization and non-current liabilities		
Retained earnings	\$ 2,139,658	\$ 1,991,369
Accumulated other comprehensive income	80,785	83,124
Long-term debt (excluding current maturities)	2,962,112	3,040,218
Retirement benefits	41,801	42,139
Contributions in aid of construction	732,401	666,988
Other long-term liabilities	111,633	122,121
Non-current liabilities directly related to discontinued operations	12,714	12,833
Total capitalization and non-current liabilities	6,081,104	5,958,792
Current liabilities		
Current maturities of long-term debt	126,381	119,483
Short-term borrowings	48,000	58,000
Accounts payable and accrued expenses	167,186	184,193
Accrued taxes	69,482	70,048
Customer deposits	20,523	17,880
Other current liabilities	2,696	4,262
Current liabilities directly related to discontinued operations	68	300
Total current liabilities	434,336	454,166
Commitments and contingencies (see note 11)		
TOTAL CAPITALIZATION AND LIABILITIES	\$ 6,515,440	\$ 6,412,958

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

Citizens Energy Group and Subsidiary and CWA Authority, Inc.

Condensed Combined Statements of Operations and Comprehensive Income

(In Thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Operating revenues	\$ 302,161	\$ 301,625	\$ 579,733	\$ 553,990
Operating expenses				
Cost of goods sold	71,894	72,091	132,354	114,478
Operations and maintenance	85,050	82,062	167,513	160,857
Depreciation and amortization	38,333	35,314	76,729	70,716
Taxes	12,886	13,180	26,280	26,511
Total operating expenses	208,163	202,647	402,876	372,562
Operating income	93,998	98,978	176,857	181,428
Other income (expense), net				
Interest income	3,107	3,307	6,448	7,099
Non-operating post-employment benefits, net	3,951	3,523	7,901	7,462
Other	(884)	(756)	4,063	(1,837)
Total other income (expense), net	6,174	6,074	18,412	12,724
Income before interest charges	100,172	105,052	195,269	194,152
Interest charges				
Interest on long-term debt	30,953	31,793	62,222	63,799
Other interest, including net premium amortization	(7,612)	(10,722)	(14,957)	(21,498)
Total interest charges	23,341	21,071	47,265	42,301
Income from continuing operations	76,831	83,981	148,004	151,851
Income (loss) from discontinued operations	144	133	285	229
Net income	\$ 76,975	\$ 84,114	\$ 148,289	\$ 152,080
Retirement benefit liability changes:				
Amortization of prior service credit	(341)	(429)	(683)	(858)
Amortization of (gain) loss	(444)	136	(886)	272
Total retirement benefit liability changes	(785)	(293)	(1,569)	(586)
Unrealized gain (loss) on available-for-sale investments	(488)	204	(770)	(386)
Total other comprehensive income (loss)	(1,273)	(89)	(2,339)	(972)
Total comprehensive income	\$ 75,702	\$ 84,025	\$ 145,950	\$ 151,108

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

Citizens Energy Group and Subsidiary and CWA Authority, Inc.

Condensed Combined Statements of Cash Flows

(In Thousands)

	Six Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 148,289	\$ 152,080
Depreciation and amortization	61,969	55,304
Allowance for credit losses	3,254	2,961
Changes in operating assets and liabilities:		
Accounts receivable and accrued utility revenue	(29,623)	(26,995)
Natural gas in storage	24,610	28,060
Accounts payable and accrued expenses	(29,022)	(24)
Retirement benefits	(5,087)	(3,934)
Other operating activities	(7,838)	(1,490)
Change in net liabilities of discontinued operations	(259)	(234)
Net cash provided by operating activities	<u>166,293</u>	<u>205,728</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction expenditures	(189,327)	(165,698)
Purchases of investment securities	(449)	(20,309)
Sales/maturities of investment securities	13,012	678
Other investing activities	(143)	(366)
Net cash used in investing activities	<u>(176,907)</u>	<u>(185,695)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings and bank lines of credit	47,000	53,000
Repayment of short-term borrowings and bank lines of credit	(82,000)	-
Principal payments of long-term debt and bond refunding	(97,426)	(87,388)
Proceeds from issuance of long-term debt and bond refunding	40,000	-
Bond issuance costs	(116)	(119)
Contributions in aid of construction and customer advances, net	45,280	11,153
Other financing activities	(212)	(15)
Net cash used in financing activities	<u>(47,474)</u>	<u>(23,369)</u>
Net change in cash, cash equivalents, and restricted cash	(58,088)	(3,336)
Cash, cash equivalents, and restricted cash at beginning of period	507,212	461,922
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 449,124</u>	<u>\$ 458,586</u>
Supplemental Cash Flows Information - Interest paid net of amounts capitalized	<u>\$ 63,653</u>	<u>\$ 54,019</u>
Non-cash Investing Activities		
Construction work-in-progress accrued at end of period	<u>\$ 59,306</u>	<u>\$ 35,303</u>
The table below provides a reconciliation of cash, cash equivalents, and restricted cash as reported in the Condensed Combined Statements of Financial Position to the amount reported in the Condensed Combined Statements of Cash Flows		
Cash and cash equivalents	\$ 173,172	\$ 211,429
Restricted cash included in Bond restricted funds	267,850	236,171
Restricted cash included in Other current assets	4,480	7,647
Restricted cash included in Investments, Other	3,622	3,339
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 449,124</u>	<u>\$ 458,586</u>

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

Citizens Energy Group and Subsidiary and CWA Authority, Inc.

Condensed Combined Statements of Equity
(In Thousands)

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at September 30, 2024	\$ 1,733,302	\$ 54,478	\$ 1,787,780
Comprehensive income			
Net income	152,080	-	152,080
Unrealized gain (loss) on available-for-sale investments	-	(386)	(386)
Retirement benefit liability changes	-	(586)	(586)
Total comprehensive income	152,080	(972)	151,108
Customer benefit distributions	-	-	-
Balance at March 31, 2025	\$ 1,885,382	\$ 53,506	\$ 1,938,888
Balance at September 30, 2025	\$ 1,991,369	\$ 83,124	\$ 2,074,493
Comprehensive income			
Net income	148,289	-	148,289
Unrealized gains (losses), net	-	(770)	(770)
Retirement benefit liability changes	-	(1,569)	(1,569)
Total comprehensive income	148,289	(2,339)	145,950
Customer benefit distributions	-	-	-
Balance at March 31, 2026	\$ 2,139,658	\$ 80,785	\$ 2,220,443

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

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS

Citizens Energy Group and Subsidiary and CWA Authority, Inc.

1. NATURE OF OPERATIONS AND PRESENTATION

A. Nature of Operations

Operations of Citizens Energy Group and Subsidiary (Citizens or the Company) include activities in five business segments: Gas, Steam, Chilled Water, Water, and Resources. Steam and Chilled Water comprise the Thermal Energy System (Citizens Thermal or Thermal). Operations of CWA Authority, Inc. (CWA) include activities for the Wastewater business segment. Resources includes several wholly-owned subsidiaries, the most significant of which is Citizens Energy Services Corporation, LLC (CESCO) which serves as a holding company for several subsidiaries, including Citizens Westfield Utilities, LLC (CWU). The rates and charges for gas, steam, water, and wastewater services are regulated by the Indiana Utility Regulatory Commission (IURC).

CWU serves as a holding company for the gas, water, and wastewater utilities for the Westfield service area, which includes Westfield Gas, LLC (Westfield Gas), Citizens Water of Westfield, LLC (Westfield Water), and Citizens Wastewater of Westfield, LLC (Westfield Wastewater), all of which operate as regulated investor-owned utilities.

B. Basis of Presentation

The accompanying condensed combined interim financial statements are unaudited and should be read in conjunction with the combined annual financial statements, and the notes thereto, included in the Citizens Energy Group Management Discussion and Financial Report for the year ended September 30, 2025. Because of the seasonal nature of the various business segments, the results of operations for the period ending March 31, 2026 are not necessarily indicative of the results of operations to be expected for the full fiscal year.

The accompanying financial statements reflect the combined operations of commonly controlled entities, including Citizens, CWA, and certain non-profit instrumentalities. The accounting records conform to the accounting standards prescribed by the Federal Energy Regulatory Commission, National Association of Regulatory Utility Commissioners and accounting principles generally accepted in the United States of America (GAAP). The effects of all intercompany transactions have been eliminated.

C. Global Supply Chain and Related Economic Impacts

As a result of economic conditions stemming from shifts in consumer demand, tariffs on imported goods, labor shortages, and current geopolitical events, among others, the Company is experiencing issues with its supply chain for certain materials, including increasing prices. These constraints in the supply chain could restrict availability and delay the construction, maintenance, and/or repair of items which are needed to support normal operations or are required to execute the Company's continued capital investment in utility plant and equipment.

While the Company to date has successfully navigated the operational challenges presented by supply chain issues, the extent of supply chain disruption and its future impact on the Company's financial position, results of operations and cash flows is uncertain and cannot be reasonably estimated at this time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of the condensed combined financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the condensed combined financial statements and the accompanying notes. Key estimates include the recoverability of regulatory assets; fair value estimates; asset lives used in computing depreciation and amortization; asset retirement obligations; other reserves and accruals; and the estimated impact of contingencies and ongoing litigation. While management believes that its estimates are reasonable when considered in conjunction with the Company's condensed combined financial position and results of operations, actual results could differ materially from those estimates.

B. Derivatives and Hedging

In fiscal years 2026 and 2025, Citizens entered into certain derivative and economic hedging transactions with the objective of decreasing the volatility associated with fluctuating natural gas prices. Through a combination of fixed-price purchases, call options, futures, contracted interstate pipeline storage, and on-system company-operated storage, Citizens mitigates the risk of price volatility on approximately 80 percent of its anticipated system supply demand. Citizens' Annual Hedging Plan sets guidelines to support prudent risk management strategies within designated

parameters. These instruments, in conjunction with physical gas supply contracts, are designated to cover estimated gas customer requirements. Such energy contracts, to the extent they are not considered "normal" as defined by Financial Accounting Standards Board (FASB) guidance, are recognized at fair value as derivative assets or liabilities on the Condensed Combined Statements of Financial Position. Gains/losses and fees associated with these derivatives, when realized, are generally included in the Gas and Fuel Cost Adjustment trackers. Accordingly, the offset to the change in fair value of these derivatives is recorded as a regulatory asset or liability.

The following tables present information (in thousands) about the Company's derivative instruments and hedging activities. The first table provides a financial position overview of the Company's derivative assets and liabilities at March 31, 2026 and September 30, 2025, while the latter table provides a breakdown of the related impact on the results of operations for the three months and six months ended March 31, 2026 and 2025. The Company generally recovers all derivative costs through its regulatory mechanism for gas cost adjustments; hence there is minimal financial risk to the Company with respect to these derivative instruments. Individual derivative asset and liability transactions are offset, and the net amount is reported in the Condensed Combined Statements of Financial Position if, and only if, there is currently an enforceable legal right to offset the amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously. Individual derivative transactions are typically offset at the legal entity and counterparty level. The impact of netting derivative assets and liabilities is presented in the table below (in thousands):

Derivative Instrument	Derivative Designation	Condensed Combined Statement of Financial Position Location	March 31, 2026		September 30, 2025	
			Derivative Assets Fair Value	Derivative Liabilities Fair Value	Derivative Assets Fair Value	Derivative Liabilities Fair Value
Commodity Contracts	Not accounted for as a hedge	Other current assets (liabilities)	\$ 4,236	\$ (4,107)	\$ 4,866	\$ (2,264)

Commodity contracts represent exchange-traded options and futures. At March 31, 2026 the margin receivable was \$3.9 million and at September 30, 2025, the margin payable was \$1.7 million. Margin receivable or payable is excluded from the table above. At March 31, 2026 and September 30, 2025, the Company had 30.7 million and 14.8 million dekatherms, respectively, of net energy derivative volumes outstanding related to its natural gas hedges.

Derivative Impact on Condensed Combined Statement of Operations

Derivative Instrument	Derivative Designation	Condensed Combined Statement of Operations Location	Three Months Ended March 31,		Six Months Ended March 31,	
			2026	2025	2026	2025
Commodity Contracts	Not accounted for as a hedge	(Gain)/loss in cost of goods sold	\$ (309)	\$ (2,603)	\$ 947	\$ (1,219)

As noted above, the derivative impact in utility cost of goods sold is recovered through regulatory gas rate adjustments in subsequent months. The derivative impact on cash flow for the six months ended March 31, 2026 and 2025 is included in cash flows from operating activities.

Interest Rate Swaption Contract

On September 23, 2025, the Company executed an interest rate swaption contract with an expiration date of June 29, 2026. The contract qualifies as a cash flow hedge, has a notional amount of \$27.2 million, and manages exposure to fluctuations in benchmark interest rates associated with the anticipated issuance of long-term fixed rate bonds to fund the Town of Whitestown Municipal Water Utility Acquisition by capping fixed rates at 4.492% (see footnote 10, Regulatory Matters, and footnote 12, Town of Whitestown Water Utility Acquisition, for additional information). At inception, the Company recorded a swaption contract asset related to premiums paid of \$397 thousand as Other current assets on the Company's Condensed Combined Balance Sheet. Changes to the fair market value of this cash flow hedge are temporarily reported in Accumulated Other Comprehensive Income in the Company's Condensed Combined Balance Sheet and will be reclassified to the income statement upon execution or termination of the agreement. On May 15, 2026, the hedge was terminated at the direction of Company management and the hedge's market value of \$248 thousand was paid to the Company. Upon receipt of the cash proceeds, any remaining fair market value adjustments recorded in Accumulated Other Comprehensive Income will be recognized as interest expense.

C. Fair Value Measurements

FASB guidance requires additional disclosures about Citizens' and CWA's financial assets and liabilities which are measured at fair value. Assets and liabilities recorded at fair value in the Condensed Combined Statements of Financial Position are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined in FASB guidance and explained in the following paragraphs, are directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at Level 1 fair value generally are financial derivatives, investments and equity securities listed in active markets. The fair values of the bond restricted funds, Grantor Trust investments, and commodity contracts have been determined using quoted prices in an active market.

Level 2—Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets, and inputs other than quoted prices that are observable for the asset or liability. Fair value assets and liabilities that are generally included in this category are derivatives with fair values based on inputs from actively quoted markets.

Level 3—Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the financial assets and liabilities measured at fair value on a recurring basis, based on the hierarchy, at March 31, 2026 and September 30, 2025 (in thousands). There were no financial liabilities at March 31, 2026 and September 30, 2025.

Description	March 31, 2026 Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:			
Cash equivalents	\$ 10,606	\$ -	\$ -
Short-term investments	23,431	-	-
Bond restricted funds	267,850	-	-
Grantor Trust investments	16,270	-	-
Derivative assets	129	-	-
Total financial assets measured at fair value	\$ 318,286	\$ -	\$ -
Description	September 30, 2025 Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:			
Cash equivalents	\$ 10,766	\$ -	\$ -
Short-term investments	23,025	-	-
Bond restricted funds	300,845	-	-
Grantor Trust investments	16,616	-	-
Derivative assets	2,602	401	-
Total financial assets measured at fair value	\$ 353,854	\$ 401	\$ -

Under the terms of various trust indentures, Citizens and CWA are required to maintain bond restricted funds. These bond restricted funds are invested primarily in short-term securities, commercial paper, and cash equivalents. Due to the nature of these investments, cost approximates fair market value of \$267.9 and \$313.9 million at March 31, 2026, and September 30, 2025, respectively. In accordance with fair value disclosure guidance, \$13.0 million of investments in a guaranteed investment contract are excluded in determining the fair value of bond restricted funds pursuant to ASC 825-10-50-8c at September 30, 2025. Gross deposits to the bond restricted fund investments during the first six months of fiscal years 2026 and 2025 were \$122.8 million and \$128.8 million, respectively.

The Grantor Trust investments are a variety of debt and equity mutual funds invested per the investment policy of the Grantor Trust.

Gains/losses and fees associated with the commodity-based derivatives, when realized, are recoverable through the Gas and Fuel Cost Adjustment trackers. There were no transfers between levels during the year.

Management has estimated the fair value of the outstanding debt securities based on the coupons of the outstanding bonds and current market yields. These are Level 2 fair value measurements. Management established the

corresponding price to the call date as well as the price to maturity. The fair value was determined based on the lower of these two prices. Using this method, the estimated fair value of debt is \$2.9 billion at March 31, 2026, and \$3.0 billion at September 30, 2025, versus the carrying value of \$3.1 billion at March 31, 2026, and \$3.2 billion at September 30, 2025. In the case of Resources debt, the carrying value approximates fair value.

Customers' advances for construction have a carrying value at March 31, 2026, for Water, Wastewater, and Resources of \$26.3 million, \$10.8 million, and \$22.9 million, respectively, versus the carrying values at September 30, 2025, for Water, Wastewater, and Resources of \$23.9 million, \$10.5 million, and \$21.4 million, respectively. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. Portions of these non-interest-bearing instruments are payable annually through 2036 and amounts not paid by the respective contract expiration dates become non-refundable. The fair value of these amounts would, however, be less than their carrying value due to the non-interest-bearing feature.

D. Comprehensive Income (Loss)

Comprehensive income (loss) is primarily a measure of all changes in equity of an enterprise which result from the transactions or other economic events during the period. This information is reported in the Condensed Combined Statements of Operations and Comprehensive Income. Citizens' components of accumulated other comprehensive (loss) income (AOCI) primarily include the impact of pension and other post-employment benefits and mark to market valuation adjustments for available-for-sale investments. The following table presents changes in accumulated other comprehensive (loss) income by component for the six months ending March 31, 2026 (in thousands):

	Pension Plan	Postemployment Benefits	Other	Total
Balance at September 30, 2025	\$ 67,639	\$ 14,630	\$ 855	\$ 83,124
Net current-period other comprehensive income (loss)	(665)	(904)	(770)	(2,339)
Balance at March 31, 2026	\$ 66,974	\$ 13,726	\$ 85	\$ 80,785

3. LONG-TERM DEBT

Long-term debt consisted of the following (due dates are presented on a calendar-year basis):

	(In Thousands)					
	March 31, 2026			September 30, 2025		
	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)
Gas						
Gas Utility Distribution System Series 2017A, Second Lien Revenue Refunding Bonds 5.00%, due 2026 to 2027	\$ 16,080	\$ 17,285	\$ 631	\$ 16,080	\$ 17,285	\$ 997
Gas Utility Distribution System Series 2024A Second Lien Revenue Refunding Bonds 5.0%, due 2028 to 2035	47,555	-	5,328	47,555	-	5,728
Subtotal Gas	63,635	17,285	5,959	63,635	17,285	6,725
Thermal						
Thermal Energy System Series 2016A, First Lien Revenue Refunding Bonds, 5.00%, due 2026 to 2029	1,925	580	143	2,505	11,790	176
Thermal Energy System Series 2025A First Lien Revenue Bonds 5.00 to 5.50%, due 2026 to 2055	58,660	2,575	4,011	61,235	2,105	4,103
Subtotal Thermal	60,585	3,155	4,154	63,740	13,895	4,279

	(In Thousands)					
	March 31, 2026			September 30, 2025		
	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)
Water						
Water Utility Series 2014A, First Lien Net Revenue Bonds, 4.00% to 5.00%, due 2026 to 2044	6,640	610	274	7,250	180	305
Water Utility Series 2016A, First Lien Revenue Bonds, 5.00%, due 2026 to 2046	41,935	1,605	6,252	43,540	1,530	6,464
Water Utility Series 2016B, First Lien Refunding Revenue Bonds, 4.00% to 5.00%, due 2026 to 2038	149,105	9,430	14,233	158,535	7,950	15,311
Water Utility Series 2018A, First Lien Refunding Revenue Bonds, 3.50% to 5.00%, due 2026 to 2038	263,440	22,490	22,006	285,930	16,420	23,561
Water Utility Series 2021A First Lien Revenue Bonds 3.00% to 5.00%, due 2026 to 2051	69,140	2,090	12,149	71,230	1,995	12,646
Water Utility Series 2023A First Lien Revenue Refunding Bonds 4.00% to 5.00%, due 2029 to 2044	89,385	-	9,901	89,385	235	10,382
Water Utility Series 2023B First Lien Revenue Bonds (SRF) 0.00%, due 2026 to 2043	4,250	250	(70)	4,500	250	(74)
Water Utility Series 2023C First Lien Revenue Bond Anticipation Note 0.00%, due 2027	-	6,000	-	6,000	-	-
Water Utility Series 2025A First Lien Revenue Bonds (SRF) 0.0%, due 2026 to 2044	4,500	250	(23)	4,750	250	(32)
Water Utility Series 2025B First Lien Revenue Bond Anticipation Note 0.0%, due 2028	5,000	-	(23)	5,000	-	(32)
Water Utility Series 2025C First Lien Revenue Bonds 4.10%, due 2026 to 2044	16,280	605	(43)	16,885	115	(29)
Subtotal Water	649,675	43,330	64,656	693,005	28,925	68,502
Wastewater						
CWA Wastewater Utility Series 2012A, First Lien Revenue Bonds, 4.00% to 5.00%, due 2038 to 2042	53,925	-	3,299	53,925	-	3,385
CWA Wastewater Utility Series 2014A, First Lien Revenue Bonds, 4.25% to 5.00%, due 2026 to 2044	27,510	6,105	2,540	33,615	5,815	2,658
CWA Wastewater Utility Series 2015A, First Lien Revenue Bonds, 3.25% to 5.00%, due 2026 to 2034	10,820	3,965	1,885	14,785	3,775	2,085
CWA Wastewater Utility Series 2016A, First Lien Revenue Bonds 5.00%, due 2026 to 2046	137,090	4,275	21,584	141,365	4,070	22,286

	(In Thousands)					
	March 31, 2026			September 30, 2025		
	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)
CWA Wastewater Utility Series 2016B, Second Lien Revenue Refunding Bonds, 3.00% to 5.00%, due 2026 to 2046	34,260	1,105	856	35,365	1,055	936
CWA Wastewater Series 2016C, First Lien Revenue Bonds (SRF), 2.00%, due 2026 to 2036	6,935	620	(32)	6,935	620	(34)
CWA Wastewater Series 2017A, First Lien Revenue Bonds (SRF), 3.53%, due 2026 to 2047	130,676	4,152	(47)	130,675	4,152	(49)
CWA Wastewater Series 2019A, First Lien Revenue Bonds, 4.00% to 5.00%, due 2026 to 2049	36,400	850	6,199	37,250	810	6,378
CWA Wastewater Series 2019B, First Lien Revenue Bonds (SRF), 2.99%, due 2027 to 2050	151,520	4,539	(51)	156,059	4,407	(53)
CWA Wastewater Series 2020A, First Lien Revenue Bonds 4.00% to 5.00% due 2026 to 2050	50,865	1,145	9,973	52,010	1,100	10,256
CWA Wastewater Series 2020B, First Lien Revenue Bonds (SRF) 2.56%, due 2027 to 2051	60,304	1,804	(54)	62,108	1,759	(56)
CWA Wastewater Series 2021-1, First Lien Revenue Refunding Bonds 3.00% to 5.00%, due 2026 to 2041	377,810	16,960	66,324	394,770	16,150	70,433
CWA Wastewater Series 2021-2, Second Lien Revenue Refunding Bonds 3.00% to 5.00%, due 2026 to 2041	150,765	6,745	29,261	157,510	6,425	30,934
CWA Wastewater Series 2021A, First Lien Revenue Bonds 3.00% to 5.00%, due 2026 to 2051	40,495	885	6,571	41,380	845	6,788
CWA Wastewater Series 2021B, First Lien Revenue Bonds (SRF) 2.38%, due 2027 to 2052	46,158	1,341	(41)	47,498	1,310	(43)
CWA Wastewater Series 2022A, First Lien Revenue Refunding Bonds 5.00%, due 2026 to 2037	72,600	4,870	4,826	77,470	4,635	5,159
CWA Wastewater Series 2022B, First Lien Revenue Refunding Bonds 5.00% to 5.25%, due 2026 to 2052	140,695	2,570	5,135	143,265	2,450	5,223
CWA Wastewater Series 2023A, First Lien Revenue Refunding Bonds 4.00% to 5.00%, due 2027 to 2041	122,025	-	12,979	122,025	-	13,605
CWA Wastewater Series 2024A, First Lien Revenue Refunding Bonds 5.00%, due 2027 to 2045	126,910	-	7,505	126,910	-	7,730
CWA Wastewater Series 2025A, First Lien Revenue Bonds (SRF) 4.25%, due 2027 to 2056	39,320	680	(81)	-	-	-

	(In Thousands)					
	March 31, 2026			September 30, 2025		
	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)	Long-term debt excl. current maturities	Current maturities	Unamortized (Discount), Premium, and (Issuance Costs)
Subtotal Wastewater	1,817,083	62,611	178,631	1,834,920	59,378	187,621
Resources						
Citizens Westfield Water Series 2019A, Revenue Bonds, 4.00%, due 2048	20,000	-	(55)	20,000	-	(57)
Citizens Westfield Wastewater Series 2019A, Revenue Bonds, 5.00%, due 2048	22,660	-	2,121	22,660	-	2,140
Citizens Westfield Water Series 2022A, Revenue Bonds, 4.00%, due 2052	16,000	-	(1,104)	16,000	-	(1,118)
Citizens Westfield Gas Series 2022A Revenue Bonds 4.05%, due 2029	4,000	-	(70)	4,000	-	(80)
Citizens Westfield Water Series 2024A Revenue Bonds 5.25%, due 2044	20,000	-	2,132	20,000	-	2,168
Citizens Westfield Wastewater Series 2024A Revenue Bonds 5.25%, due 2044	20,000	-	2,131	20,000	-	2,176
Citizens Westfield Gas Series 2024A Utility Revenue Bond 4.76%, due 2029	10,000	-	(81)	10,000	-	(98)
Subtotal Resources	112,660	-	5,074	112,660	-	5,131
Total	\$2,703,638	\$126,381	\$ 258,474	\$ 2,767,960	\$ 119,483	\$ 272,258

Recent Debt Transaction Activity

On November 25, 2025, CWA issued \$40.0 million of First Lien Revenue Bonds through the Indiana Finance Authority's State Revolving Fund, Series 2025A. The bonds were issued at par, have principal maturities between 2027 and 2056, and bear interest at 4.25%. Proceeds were primarily used to pay a portion of the outstanding balances on CWA's lines of credit, which were used to fund specified consent decree capital projects for the Wastewater system.

On May 18, 2026, Water issued \$202.6 million of First Lien Revenue Refunding Bonds, Series 2026A. The Series 2026A bonds were issued at a premium of \$25.7 million, have principal maturities between 2025 and 2045, and a coupon rate of 5.00%. Approximately \$100.0 million of the Series 2026A proceeds will be used to fund capital improvements and acquisition of the Whitestown water utility assets, with remaining proceeds used to partially refund Series 2014A First Lien Revenue Bonds and Series 2018A First Lien Refunding Revenue Bonds.

On May 18, 2026, Water also executed a forward refunding commitment whereby Water will issue \$172.6 million of First Lien Revenue Refunding Bonds, Series 2026B, with a settlement date of July 7, 2026. The bonds will be issued at a premium of \$14.5 million, have principal maturities between 2027 and 2047, and a coupon rate of 5.00%. Proceeds from the forward refunding bonds will be issued to partially refund the Series 2016A First Lien Revenue Bonds and Series 2016B First Lien Revenue Bonds.

On May 20, 2026, Water issued \$5.0 million of First Lien Revenue Bonds through the Indiana Finance Authority's State Revolving Fund, Series 2026D. The Series 2026D bonds were issued at par, have principal maturities between 2026 and 2045, and bear interest of 0.0%. The bonds were issued to fund planning, design, and construction costs for specified Water system lead service line replacement projects.

On May 20, 2026, Water issued a \$5.0 million First Lien Revenue Bond Anticipation Note through the Indiana Finance Authority's State Revolving Fund, Series 2026E. The Series 2026E Bond Anticipation Note (BAN) was issued at par and bears interest of 0.00%. Proceeds from the BAN are to fund planning, design, and construction costs for specified Water system lead service line replacement projects. If Citizens meets the requirements of the funding agreement, the Series 2026E BAN is eligible to be forgiven and discharged in March 2029.

4. SHORT-TERM AND OTHER BORROWINGS

Citizens Gas, Thermal, Water, and Wastewater have established lines of credit with terms and conditions as outlined in the table below:

Entity	Credit Capacity	Maturity Date	Interest Rate	Commitment Fee	Amount Outstanding at (in millions)	
					March 31, 2026	September 30, 2025
Gas	50.0 million	September 27, 2027	SOFR + 0.62%	0.250%	\$ -	\$ -
Gas	25.0 million	August 1, 2028	SOFR + 0.90%	0.200%	-	-
Thermal	20.0 million	July 22, 2028	SOFR + 1.225%	0.125%	-	-
Thermal	30.0 million	February 2, 2027	SOFR + 0.62%	0.250%	-	-
Water	15.0 million	April 30, 2028	SOFR + 1.60%	0.200%	-	-
Water	25.0 million	November 2, 2026	83% of SOFR + 1.40%	0.300%	-	-
Water	25.0 million	November 18, 2027	82% of SOFR + 1.31%	0.250%	3.0	25.0
Wastewater	45.0 million	July 15, 2026	80% of SOFR + 0.65%	0.325%	45.0	45.0
Wastewater	50.0 million	October 1, 2025	SOFR + 0.68%	0.240%	*	13.0
Wastewater	50.0 million	October 1, 2028	SOFR + 0.52%	0.240%		**

* Line of credit matured prior to March 31, 2026

** Line of credit initiated after September 30, 2025

Recent Short-Term Borrowing Activity

The table below summarizes, in chronological order, activity occurring subsequent to September 30, 2025 related to the Company's lines of credit.

Entity	Activity Date	Activity	Capacity	Interest Rate	Maturity Date
Wastewater	October 1, 2025	Renewal	50.0 million	SOFR + 0.52%	October 1, 2028

Citizens Resources

Westfield Gas, Westfield Water, and Westfield Wastewater have established lines of credit with terms and conditions as outlined in the table below.

Entity	Credit Capacity	Maturity Date	Interest Rate	Commitment Fee	Amount Outstanding at (in millions)	
					March 31, 2026	September 30, 2025
Westfield Gas	7.0 million	March 30, 2028	SOFR + 1.75%	0.250%	\$ -	\$ -
Westfield Water	7.0 million	March 10, 2028	SOFR + 1.00%	0.100%	-	-
Westfield Wastewater	5.0 million	March 10, 2028	SOFR + 1.00%	0.100%	-	-

Outstanding borrowings with maturities of twelve months or less from the balance sheet date are presented as current liabilities in the Condensed Combined Statements of Financial Position in the line item labeled, "Short-term borrowings." Outstanding borrowings with maturities greater than twelve months from the balance sheet date are classified as non-current liabilities in the Condensed Combined Statements of Financial Position in the line item labeled, "Other long-term liabilities." Certain line of credit agreements require the Company to maintain a zero balance on the line of credit for a stipulated time period each year. Borrowings under these agreements are presented as current liabilities in the Condensed Combined Statements of Financial Position in the line item labeled, "Short-term borrowings."

5. REVENUE RECOGNITION

Citizens recognizes revenue consistent with amounts billed under tariff offerings or at contractually agreed upon rates based on actual delivery of utility service, including estimated volumes delivered when billings have not yet occurred. The majority of the Company's revenues have fixed pricing based on the contractual terms of the published tariffs, with variability in expected cash flows attributable to the customer's volumetric demand during the billing period.

Performance obligations are satisfied over time as utility services are delivered and consumed with billings generally occurring monthly and related payments due within 30 days. Using this output method for revenue recognition provides a

faithful depiction of the transfer of utility services as customers obtain control of the service provided and simultaneously benefit from its use at delivery.

Substantially all the Company's revenues result from tariff-based or fixed-price at-will contracts which either have an expected duration of one year or less, or, in the case of longer-term contracts, are based on a single performance obligation (the delivery of utility services) which will not have future performance obligations for disclosure.

Revenues from Contracts with Customers

Utility services for gas, steam, water, and wastewater are marketed throughout the Company's service territory using published tariff rates. The tariff rates are established by the IURC. Each tariff, which is assigned to customers based on customer class, has multiple components, such as a commodity charge, demand charge, facility or service charge and transportation costs. The Company considers each of these components to be aggregated into a single performance obligation for providing utility service which is satisfied over time and is provided and consumed over the billing period (generally one month). As such, revenue from contracts with customers for such contracts is equivalent to the service supplied and billed in that period, including unbilled estimates. Additionally, utility services are typically at-will and customers can cancel service at any time, without a substantive penalty. The Company maintains common utility credit risk mitigation practices, including requiring deposits and actively pursuing collection of past due amounts with the exception of the temporary suspension of shutoffs noted below. Contracts with chilled water customers are based on a fixed capacity charge and a variable usage charge, resulting in performance obligations similar to those of the regulated utilities.

Monthly billing dates for utility services provided to customers are depicted in the table below.

<u>Gas</u>	<u>Steam</u>	<u>Chilled Water</u>	<u>Water</u>	<u>Wastewater</u>	<u>Westfield Utilities</u>
Cycle basis throughout month	Billed at end of month	Billed at end of month	Cycle basis throughout month	Cycle basis throughout month	Billed near end of month

Unbilled revenues, if applicable, are recognized by applying customer billing rates to the estimated volumes delivered but not yet billed. Unbilled revenues can vary significantly from period to period as a result of factors such as seasonality, weather, customer usage patterns, average price in effect per customer class, timing of rendering bills and meter reading schedules. The accrual for unbilled revenues is reversed in the subsequent accounting period when meters are read, and customers are billed.

Revenues and, where applicable, costs are influenced by seasonal weather patterns, with peak sales for gas and steam occurring during the winter heating months, and during the summer months for chilled water and water. Revenues for wastewater are generally independent of seasonality. Residential and commercial customers are more impacted by weather than industrial customers. The Normal Temperature Adjustment (NTA) adjusts monthly billings to normalize Gas and Steam margin collected from certain customer classes during heating months.

Alternative Revenue Programs

Alternative Revenue Programs represent regulator-approved programs which allow for the adjustment of billings and revenue for certain broad, external factors such as normalization programs that adjust revenues for the effects of weather or programs designed to compensate for fluctuations in consumer demand. Such programs typically enable the Company to adjust rates in the future, usually as a surcharge applied to future billings, in response to past activities or completed events. Alternative Revenue Programs represent a contract between the utility and its regulators, not customers, and are therefore not within the scope of the accounting guidance for recognizing revenue from contracts with customers. When the criteria to recognize revenues from Alternative Revenue Programs have been met in accordance with ASC 980-605-25, a regulatory asset is established, and the revenue is presented as a component of operating revenues. When amounts previously recognized under Alternative Revenue Programs accounting guidance are billed, the regulatory asset is reduced, and a customer account receivable is recorded.

Disaggregated Revenues

Revenue by customer class is most meaningful to the Company as each respective customer class collectively represents unique customer expectations of service, generally has different energy and demand requirements, and operates under custom pricing structures approved by the IURC. Additionally, each customer class is impacted differently by weather and a variety of economic factors. Analyzing revenues disaggregated by customer class allows management to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Disaggregated revenues are presented as follows (in thousands):

Three Months Ended March 31, 2026

	Gas	Steam	Chilled Water	Water	Waste- Water	Resources	Intercompany Eliminations	Total
Residential	\$ 73,468	\$ -	\$ -	\$ 35,425	\$ 43,118	\$ 9,241	\$ -	\$ 161,252
Commercial	30,952	15,277	6,887	19,152	24,846	2,758	(1,393)	98,479
Industrial	16,031	9,841	122	2,328	9,494	40	(8,025)	29,831
Other	2,642	102	-	2,402	5,621	2,255	(517)	12,505
Revenues - Contracts w/Customers	123,093	25,220	7,009	59,307	83,079	14,294	(9,935)	302,067
Alternative Revenue Programs	-	-	-	-	-	94	-	94
Gross Operating Revenues	\$ 123,093	\$ 25,220	\$ 7,009	\$ 59,307	\$ 83,079	\$ 14,388	\$ (9,935)	\$ 302,161

Three Months Ended March 31, 2025

	Gas	Steam	Chilled Water	Water	Waste- Water	Resources	Intercompany Eliminations	Total
Residential	\$ 75,586	\$ -	\$ -	\$ 36,613	\$ 44,300	\$ 8,750	\$ -	\$ 165,249
Commercial	32,066	14,391	6,128	19,742	24,907	2,558	(1,339)	98,453
Industrial	8,128	10,991	100	2,327	7,447	37	(4,004)	25,026
Other	2,870	236	-	2,618	5,786	2,164	(825)	12,849
Revenues - Contracts w/Customers	118,650	25,618	6,228	61,300	82,440	13,509	(6,168)	301,577
Alternative Revenue Programs	-	-	-	-	-	48	-	48
Gross Operating Revenues	\$ 118,650	\$ 25,618	\$ 6,228	\$ 61,300	\$ 82,440	\$ 13,557	\$ (6,168)	\$ 301,625

Six Months Ended March 31, 2026

	Gas	Steam	Chilled Water	Water	Waste- Water	Resources	Intercompany Eliminations	Total
Residential	\$ 131,766	\$ -	\$ -	\$ 74,737	\$ 85,158	\$ 18,384	\$ -	\$ 310,045
Commercial	55,370	28,145	14,553	39,591	51,266	5,214	(3,027)	191,112
Industrial	25,302	18,287	227	4,786	17,255	67	(11,080)	54,844
Other	5,060	123	-	5,419	9,686	4,567	(1,223)	23,632
Revenues - Contracts w/Customers	217,498	46,555	14,780	124,533	163,365	28,232	(15,330)	579,633
Alternative Revenue Programs	-	-	-	-	-	100	-	100
Gross Operating Revenues	\$ 217,498	\$ 46,555	\$ 14,780	\$ 124,533	\$ 163,365	\$ 28,332	\$ (15,330)	\$ 579,733

Six Months Ended March 31, 2025

	Gas	Steam	Chilled Water	Water	Waste- Water	Resources	Intercompany Eliminations	Total
Residential	\$ 123,703	\$ -	\$ -	\$ 75,201	\$ 84,699	\$ 16,737	\$ -	\$ 300,340
Commercial	51,037	25,916	13,679	40,169	50,249	4,668	(2,885)	182,833
Industrial	13,496	18,876	201	4,660	15,040	107	(5,553)	46,827
Other	5,157	228	-	5,898	9,626	4,299	(1,339)	23,869
Revenues - Contracts w/Customers	193,393	45,020	13,880	125,928	159,614	25,811	(9,777)	553,869
Alternative Revenue Programs	-	-	-	-	-	121	-	121
Gross Operating Revenues	\$ 193,393	\$ 45,020	\$ 13,880	\$ 125,928	\$ 159,614	\$ 25,932	\$ (9,777)	\$ 553,990

Accounts Receivable and Unbilled Revenue

Amounts due from customers are reflected on the Condensed Combined Statements of Financial Position in the line items labeled "Accounts receivable" for revenue billed to customers and "Accrued utility revenue" which represents unbilled customer revenues. Unbilled revenues relate to a portion of a customer's consumption of utility services from the date of the last cycle billing date through the last day of the month (balance sheet date). Factors taken into consideration when estimating unbilled revenue include historical usage and customer rates. The Company had no contract assets or liabilities during the periods presented. Additionally, the Company has not incurred any significant costs to obtain or fulfill contracts. The opening and closing balances for customer accounts receivable and accrued utility revenue for the six months ended March 31, 2026, and 2025 are presented in the tables below.

Citizens and CWA offer flexible payment plans to customers experiencing hardship. At March 31, 2026, the Company's allowance for credit losses is \$5.1 million, which is unchanged compared with the balance at September 30, 2025. Consistent enforcement of the Company's credit policies and strong collection efforts on past due balances result in a stable allowance for credit losses in the comparative periods. The adverse impact economic conditions may have on customers' ability to pay is unknown and difficult to predict; however, management frequently monitors changing circumstances and will adjust, if necessary, the allowance for credit losses as additional information becomes available.

Accounts Receivable, net

<u>\$ Thousands</u>	<u>Gas</u>	<u>Steam</u>	<u>Chilled Water</u>	<u>Water</u>	<u>Wastewater</u>	<u>Resources</u>	<u>Total</u>
Balance at March 31, 2026	\$ 42,882	\$ 8,970	\$ 3,511	\$ 33,959	\$ 28,356	\$ 5,799	\$ 123,477
Balance at September 30, 2025	15,979	4,927	6,669	33,350	32,177	4,585	97,687
Increase (Decrease)	\$ 26,903	\$ 4,043	\$ (3,158)	\$ 609	\$ (3,821)	\$ 1,214	\$ 25,790
Balance at March 31, 2025	\$ 41,003	\$ 9,738	\$ 3,956	\$ 24,285	\$ 29,539	\$ 3,608	\$ 112,129
Balance at September 30, 2024	14,759	6,989	6,371	31,651	30,897	3,289	93,956
Increase (Decrease)	\$ 26,244	\$ 2,749	\$ (2,415)	\$ (7,366)	\$ (1,358)	\$ 319	\$ 18,173

Accrued Utility Revenue

<u>\$ Thousands</u>	<u>Gas</u>	<u>Steam</u>	<u>Chilled Water</u>	<u>Water</u>	<u>Wastewater</u>	<u>Resources</u>	<u>Total</u>
Balance at March 31, 2026	\$ 5,079	\$ -	\$ -	\$ 8,809	\$ 12,828	\$ 677	\$ 27,393
Balance at September 30, 2025	3,121	-	-	10,774	11,765	703	26,363
Increase (Decrease)	\$ 1,958	\$ -	\$ -	\$ (1,965)	\$ 1,063	\$ (26)	\$ 1,030
Balance at March 31, 2025	\$ 7,744	\$ -	\$ -	\$ 9,971	\$ 13,881	\$ 728	\$ 32,324
Balance at September 30, 2024	2,805	-	-	9,681	13,328	649	26,463
Increase (Decrease)	\$ 4,939	\$ -	\$ -	\$ 290	\$ 553	\$ 79	\$ 5,861

Accounts receivable and unbilled revenues can vary significantly from period to period as a result of weather, customer usage patterns, customer mix, commodity costs, changes in tariff rates, timing of customer collections, timing of rendering customer bills, and meter reading schedules.

6. FINANCIAL SEGMENT INFORMATION

Operations of Citizens include activities in five reportable segments: Gas, Steam, Chilled Water, Water, and Resources. In addition to these business segments, Other is utilized to capture non-revenue generating segment costs (see discussion below). Operations of CWA include activities for the Wastewater business segment. The Chief Executive Officer is the chief operating decision maker (CODM) for Citizens and CWA.

Gas activities include purchasing natural gas, operating underground natural gas storage facilities in Indiana, and distributing natural gas to residential, commercial, and industrial customers located in Marion County, Indiana.

Steam activities include the production, purchase, and distribution of steam for use in industrial processes and heating buildings in the downtown Indianapolis area.

Chilled Water activities include the production and distribution of chilled water for use in cooling buildings in the central downtown Indianapolis area.

Water activities include the treatment and distribution of drinking water to residential, commercial, and industrial customers located in and around Marion County, Indiana.

Wastewater activities include wastewater collection and treatment services for residential, commercial, and industrial customers located in and around Marion County, Indiana.

Resources conducts for-profit business activities to ultimately provide enhanced benefits to Citizens' beneficiaries. Resources includes several wholly-owned subsidiaries under CESCO, which serves as a holding company for several LLC subsidiaries. CESCO subsidiaries include: Citizens Westfield Utilities, which is the holding company for the three utilities serving Westfield (Westfield Gas, Westfield Water, and Westfield Wastewater). In addition, Resources provides stormwater management services to the Cities of Indianapolis and Beech Grove through Citizens Energy Management Company, LLC.

Other includes certain non-profit instrumentalities, as well as advertising and philanthropic costs that are not recoverable through rates and are funded by contributions from non-regulated segments. Other also includes shared services comprised of various administrative and operational departments that provide support services to each of Citizens and CWA business segments and the combined enterprise as a whole and allocates the associated cost of the services to the appropriate segment. Management reviews the allocation methodology for shared services on a regular basis and refines the methodology as necessary. The former Manufacturing business segment has been reported as Discontinued Operations and is also included in Other. To the extent certain business segments purchase services from one another,

these amounts have been eliminated on the face of the condensed combined financial statements. Such transactions are reported gross for segment presentation, with eliminating entries reported as Eliminations.

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280); Improvements to Reportable Segment Disclosures (“ASU 2023-07”). The objective of ASU 2023-07 is to improve segment disclosure requirements by requiring entities to disclose a reportable segment’s significant expenses which are regularly provided to the Company’s CODM and included within each reported measure of segment profit or loss. Upon review of information regularly provided to the Company’s CODM, management concluded the Company’s current segment reporting disclosures meet the compliance requirements of ASU 2023-07. Accordingly, the Company adopted ASU 2023-07 beginning with the period ending September 30, 2025, and application of this new guidance did not have a material impact on the Company’s Combined Financial Statements and related notes to the Combined Financial Statements.

Operating revenues and operating expenses are set forth in the Condensed Combined Statements of Operations. Operating income represents operating revenues less operating expenses directly attributable to the segments and an allocation of certain operating expenses benefiting each. Segment Statements of Financial Position at March 31, 2026 and September 30, 2025, Statements of Operations for the three months and six months ended March 31, 2026 and 2025, and Statements of Cash Flows for the six months ended March 31, 2026 and 2025 are summarized as follows:

Segment Footnote - Condensed Combined Statement of Financial Position*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**At March 31, 2026*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Assets									
Property, plant, and equipment	\$442,272	\$101,095	\$85,468	\$1,667,524	\$2,822,008	\$472,094	\$21,618	\$-	\$5,612,079
Intangibles	-	8,680	25,032	-	-	-	-	-	33,712
Investments	19,779	10,668	6,870	96,895	163,485	2,614	1,400	(13,169)	288,542
Cash and cash equivalents	46,948	17,206	25,852	9,596	22,489	38,811	12,270	-	173,172
Other current assets	108,616	16,800	5,885	52,641	51,786	7,869	(1,287)	(1,172)	241,138
Deferred charges and other non-current assets	37,583	11,365	2,161	21,077	8,116	2,552	83,943	-	166,797
Total assets	\$655,198	\$165,814	\$151,268	\$1,847,733	\$3,067,884	\$523,940	\$117,944	\$(14,341)	\$6,515,440
Capitalization and Liabilities									
Equity	\$522,840	\$66,476	\$144,448	\$569,490	\$672,088	\$186,609	\$58,492	\$-	\$2,220,443
Long-term debt	69,594	63,696	1,043	714,331	1,995,714	117,734	-	-	2,962,112
Retirement benefit and Other long-term liabilities	6,114	18,235	698	442,238	212,558	207,123	24,752	(13,169)	898,549
Current mat. of long-term debt	17,285	2,863	292	43,330	62,611	-	-	-	126,381
Short-term borrowings	-	-	-	3,000	45,000	-	-	-	48,000
Other current liabilities	39,365	14,544	4,787	75,344	79,913	12,474	34,700	(1,172)	259,955
Total capitalization and liabilities	\$655,198	\$165,814	\$151,268	\$1,847,733	\$3,067,884	\$523,940	\$117,944	\$(14,341)	\$6,515,440

Segment Footnote - Condensed Combined Statement of Financial Position*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**At September 30, 2025*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Assets									
Property, plant, and equipment	\$432,157	\$98,143	\$81,966	\$1,560,922	\$2,813,510	\$454,055	\$21,340	\$-	\$5,462,093
Intangibles	-	9,205	26,393	-	-	-	-	-	35,598
Investments	11,241	17,054	13,006	117,961	185,496	2,596	900	(13,641)	334,613
Cash and cash equivalents	51,888	21,165	26,895	35,989	15,305	34,857	14,820	-	200,919
Other current assets	87,514	11,221	8,909	52,756	52,307	8,120	(315)	(1,611)	218,901
Deferred charges and other non-current assets	35,842	10,952	2,066	20,023	8,155	2,838	80,958	-	160,834
Total assets	\$618,642	\$167,740	\$159,235	\$1,787,651	\$3,074,773	\$502,466	\$117,703	\$(15,252)	\$6,412,958
Capitalization and Liabilities									
Equity	\$480,797	\$59,698	\$144,412	\$525,753	\$633,256	\$171,548	\$59,029	\$-	\$2,074,493
Long-term debt	70,360	66,667	1,352	761,507	2,022,541	117,791	-	-	3,040,218
Retirement benefit and Other long-term liabilities	6,522	18,851	706	403,612	208,550	194,859	24,622	(13,641)	844,081
Current mat. of long-term debt	17,285	7,950	5,945	28,925	59,378	-	-	-	119,483
Short-term borrowings	-	-	-	-	58,000	-	-	-	58,000
Other current liabilities	43,678	14,574	6,820	67,854	93,048	18,268	34,052	(1,611)	276,683
Total capitalization and liabilities	\$618,642	\$167,740	\$159,235	\$1,787,651	\$3,074,773	\$502,466	\$117,703	\$(15,252)	\$6,412,958

Segment Footnote - Condensed Combined Statement of Operations*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**For the Three Months Ended March 31, 2026*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Operating revenues									
Customer revenues	\$ 113,970	\$ 24,864	\$ 7,009	\$ 59,140	\$ 82,791	\$ 14,387	\$ -	\$ -	\$ 302,161
Intercompany revenues	9,123	356	-	167	288	1	-	(9,935)	-
Total operating revenues	123,093	25,220	7,009	59,307	83,079	14,388	-	(9,935)	302,161
Operating expenses:									
Cost of goods sold	63,617	13,772	2,046	-	-	1,680	-	(9,221)	71,894
Operations and maintenance	21,588	5,338	2,429	26,816	24,326	5,228	38	(713)	85,050
Depreciation and amortization	5,484	1,605	1,521	8,485	19,117	2,121	-	-	38,333
Taxes	1,645	239	560	3,834	5,742	866	-	-	12,886
Total operating expenses	92,334	20,954	6,556	39,135	49,185	9,895	38	(9,934)	208,163
Operating income (loss)	30,759	4,266	453	20,172	33,894	4,493	(38)	(1)	93,998
Other income (expense), net:									
Interest income	754	175	223	677	1,253	22	146	(143)	3,107
Non-operating post-employment benefits, net	1,736	397	109	390	1,170	149	-	-	3,951
Other	(114)	-	(1)	575	(523)	55	(1,020)	144	(884)
Total other income (expense), net	2,376	572	331	1,642	1,900	226	(874)	1	6,174
Income (loss) before interest charges	33,135	4,838	784	21,814	35,794	4,719	(912)	-	100,172
Interest charges:									
Interest on long-term debt	1,011	954	15	7,568	20,077	1,328	-	-	30,953
Other interest, including net (premium) discount amortization	(358)	(130)	(11)	(1,726)	(5,037)	(350)	-	-	(7,612)
Total interest charges	653	824	4	5,842	15,040	978	-	-	23,341
Income (loss) from continuing operations	32,482	4,014	780	15,972	20,754	3,741	(912)	-	76,831
Income from discontinued operations	-	-	-	-	-	-	144	-	144
Net income (loss)	\$ 32,482	\$ 4,014	\$ 780	\$ 15,972	\$ 20,754	\$ 3,741	\$ (768)	\$ -	\$ 76,975

Segment Footnote - Condensed Combined Statement of Operations*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**For the Three Months Ended March 31, 2025*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Operating revenues									
Customer revenues	\$ 113,161	\$ 25,351	\$ 6,228	\$ 61,151	\$ 82,178	\$ 13,556	\$ -	\$ -	\$ 301,625
Intercompany revenues	5,489	267	-	149	262	1	-	(6,168)	-
Total operating revenues	118,650	25,618	6,228	61,300	82,440	13,557	-	(6,168)	301,625
Operating expenses:									
Cost of goods sold	60,933	13,041	1,641	-	-	1,841	-	(5,365)	72,091
Operations and maintenance	19,378	5,948	2,311	26,316	23,886	4,990	35	(802)	82,062
Depreciation and amortization	5,121	1,567	1,438	8,244	17,148	1,796	-	-	35,314
Taxes	1,598	225	516	3,617	6,133	1,091	-	-	13,180
Total operating expenses	87,030	20,781	5,906	38,177	47,167	9,718	35	(6,167)	202,647
Operating income (loss)	31,620	4,837	322	23,123	35,273	3,839	(35)	(1)	98,978
Other income (expense), net:									
Interest income	718	182	270	635	1,450	44	160	(152)	3,307
Non-operating post-employment									
benefits, net	1,744	382	103	528	626	140	-	-	3,523
Other	29	-	-	280	16	77	(1,310)	152	(756)
Total other income (expense), net	2,491	564	373	1,443	2,092	261	(1,150)	-	6,074
Income (loss) before interest charges	34,111	5,401	695	24,566	37,365	4,100	(1,185)	(1)	105,052
Interest charges:									
Interest on long-term debt	1,218	565	90	8,264	20,329	1,327	-	-	31,793
Other interest, including net (premium) discount amortization	(341)	214	(50)	(1,569)	(8,907)	(69)	-	-	(10,722)
Total interest charges	877	779	40	6,695	11,422	1,258	-	-	21,071
Income (loss) from continuing operations	33,234	4,622	655	17,871	25,943	2,842	(1,185)	(1)	83,981
Income from discontinued operations	-	-	-	-	-	-	132	1	133
Net income (loss)	\$ 33,234	\$ 4,622	\$ 655	\$ 17,871	\$ 25,943	\$ 2,842	\$(1,053)	\$ -	\$ 84,114

Segment Footnote - Condensed Combined Statement of Operations*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**For the Six Months Ended March 31, 2026*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Operating revenues									
Customer revenues	\$204,115	\$ 45,602	\$ 14,780	\$124,173	\$162,732	\$ 28,331	\$ -	\$ -	\$ 579,733
Intercompany revenues	13,383	953	-	360	633	1	-	(15,330)	-
Total operating revenues	217,498	46,555	14,780	124,533	163,365	28,332	-	(15,330)	579,733
Operating expenses:									
Cost of goods sold	113,443	25,262	4,499	-	-	3,127	-	(13,977)	132,354
Operations and maintenance	42,292	10,300	4,670	52,375	48,467	10,691	71	(1,353)	167,513
Depreciation and amortization	10,942	3,196	3,000	17,118	38,444	4,029	-	-	76,729
Taxes	3,332	468	1,156	7,639	11,862	1,823	-	-	26,280
Total operating expenses	170,009	39,226	13,325	77,132	98,773	19,670	71	(15,330)	402,876
Operating income (loss)	47,489	7,329	1,455	47,401	64,592	8,662	(71)	-	176,857
Other income (expense), net:									
Interest income	1,145	405	493	1,739	2,609	47	297	(287)	6,448
Non-operating post-employment benefits, net	3,472	794	218	1,300	1,819	298	-	-	7,901
Other	(496)	1	(1)	6,754	(431)	233	(2,284)	287	4,063
Total other income (expense), net	4,121	1,200	710	9,793	3,997	578	(1,987)	-	18,412
Income (loss) before interest charges	51,610	8,529	2,165	57,194	68,589	9,240	(2,058)	-	195,269
Interest charges:									
Interest on long-term debt	2,023	1,909	31	15,652	39,951	2,656	-	-	62,222
Other interest, including net (premium) discount amortization	(667)	(251)	(21)	(3,116)	(10,218)	(684)	-	-	(14,957)
Total interest charges	1,356	1,658	10	12,536	29,733	1,972	-	-	47,265
Income (loss) from continuing operations:	50,254	6,871	2,155	44,658	38,856	7,268	(2,058)	-	148,004
Income from discontinued operations	-	-	-	-	-	-	285	-	285
Net income (loss)	\$ 50,254	\$ 6,871	\$ 2,155	\$ 44,658	\$ 38,856	\$ 7,268	\$(1,773)	\$ -	\$ 148,289

Segment Footnote - Condensed Combined Statement of Operations*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**(In Thousands)**For the Six Months Ended March 31, 2025*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Elimin- ations	Total
Operating revenues									
Customer revenues	\$ 185,425	\$ 44,166	\$ 13,880	\$ 125,586	\$ 159,002	\$ 25,931	\$ -	\$ -	\$ 553,990
Intercompany revenues	7,968	854	-	342	612	1	-	(9,777)	-
Total operating revenues	193,393	45,020	13,880	125,928	159,614	25,932	-	(9,777)	553,990
Operating expenses:									
Cost of goods sold	92,594	23,244	4,190	-	-	2,884	-	(8,434)	114,478
Operations and maintenance	39,171	11,382	4,625	51,100	45,639	10,213	69	(1,342)	160,857
Depreciation and amortization	10,233	3,213	2,874	16,453	34,250	3,693	-	-	70,716
Taxes	3,236	428	1,081	7,208	12,682	1,876	-	-	26,511
Total operating expenses	145,234	38,267	12,770	74,761	92,571	18,666	69	(9,776)	372,562
Operating income (loss)	48,159	6,753	1,110	51,167	67,043	7,266	(69)	(1)	181,428
Other income (expense), net:									
Interest income	1,279	347	576	1,697	3,077	103	324	(304)	7,099
Non-operating post-employment benefits, net	3,488	765	206	1,472	1,252	279	-	-	7,462
Other	(616)	-	-	344	99	89	(2,057)	304	(1,837)
Total other income (expense), net	4,151	1,112	782	3,513	4,428	471	(1,733)	-	12,724
Income (loss) before interest charges	52,310	7,865	1,892	54,680	71,471	7,737	(1,802)	(1)	194,152
Interest charges:									
Interest on long-term debt	2,435	1,130	180	16,691	40,708	2,655	-	-	63,799
Other interest, including net (premium) discount amortization	(667)	383	(100)	(3,041)	(17,897)	(176)	-	-	(21,498)
Total interest charges	1,768	1,513	80	13,650	22,811	2,479	-	-	42,301
Income (loss) from continuing operations:	50,542	6,352	1,812	41,030	48,660	5,258	(1,802)	(1)	151,851
Income from discontinued operations	-	-	-	-	-	-	228	1	229
Net income (loss)	\$ 50,542	\$ 6,352	\$ 1,812	\$ 41,030	\$ 48,660	\$ 5,258	\$(1,574)	\$ -	\$ 152,080

Segment Footnote - Condensed Combined Statement of Cash Flows*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**For the Six Months Ended March 31, 2026 (In Thousands)*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Total
Net cash provided by (used in) operating activities	37,543	2,981	4,812	48,570	62,733	10,648	(994)	\$ 166,293
Investing Activities:								
Construction expenditures	(22,695)	(5,376)	(3,739)	(84,826)	(51,409)	(18,143)	(3,139)	(189,327)
Purchases of investment securities	(446)	-	-	-	-	-	(3)	(449)
Sales/maturities of investment securities	-	-	-	13,012	-	-	-	13,012
Other investing activities	-	-	-	191	166	-	(500)	(143)
Net cash provided by (used in) investing activities	(23,141)	(5,376)	(3,739)	(71,623)	(51,243)	(18,143)	(3,642)	(176,907)
Financing Activities:								
Proceeds from bank line of credit	-	-	-	27,000	20,000	-	-	47,000
Repayment of bank line of credit	-	-	-	(49,000)	(33,000)	-	-	(82,000)
Principal payments of long-term debt and bond refunding	-	(7,950)	(5,945)	(28,925)	(54,606)	-	-	(97,426)
Proceeds from issuance of long-term debt and bond refunding	-	-	-	-	40,000	-	-	40,000
Bond issuance costs	-	-	-	(33)	(83)	-	-	(116)
Contributions in aid of construction	-	-	-	40,274	1,539	3,467	-	45,280
Other financing activities	(8,212)	-	(2,086)	-	-	8,000	2,086	(212)
Net cash provided by (used in) financing activities	(8,212)	(7,950)	(8,031)	(10,684)	(26,150)	11,467	2,086	(47,474)
Net change in cash, cash equivalents, and restricted cash	6,190	(10,345)	(6,958)	(33,737)	(14,660)	3,972	(2,550)	(58,088)
Cash, cash equivalents & restricted cash - beginning of period	57,988	38,219	33,540	125,604	199,588	37,453	14,820	507,212
Cash, cash equivalents & restricted cash - end of period	\$ 64,178	\$ 27,874	\$ 26,582	\$ 91,867	\$ 184,928	\$ 41,425	\$ 12,270	\$ 449,124
Reconciliation:								
Cash and cash equivalents	\$ 46,948	\$ 17,206	\$ 25,852	\$ 9,596	\$ 22,489	\$ 38,811	\$ 12,270	\$ 173,172
Restricted cash included in Bond restricted funds	12,750	10,668	730	80,296	160,792	2,614	-	267,850
Restricted cash included in Other current assets	4,480	-	-	-	-	-	-	4,480
Restricted cash included in Investments, Other	-	-	-	1,975	1,647	-	-	3,622
Cash, cash equivalents & restricted cash - end of period	\$ 64,178	\$ 27,874	\$ 26,582	\$ 91,867	\$ 184,928	\$ 41,425	\$ 12,270	\$ 449,124

Segment Footnote - Condensed Combined Statement of Cash Flows*Citizens Energy Group and Subsidiary and CWA Authority, Inc.**For the Six Months Ended March 31, 2025 (In Thousands)*

	Gas	Steam	Chilled Water	Water	Waste- water	Resources	Other	Total
Net cash provided by (used in) operating activities	56,571	6,877	3,059	59,518	67,082	9,179	3,442	\$ 205,728
Investing Activities:								
Construction expenditures	(17,120)	(6,662)	(2,502)	(48,530)	(75,199)	(10,509)	(5,176)	(165,698)
Purchases of investment securities	(20,261)	-	-	-	-	-	(48)	(20,309)
Sales/maturities of investment securities	-	-	-	-	-	-	678	678
Other investing activities	-	-	(31)	(109)	154	1	(381)	(366)
Net cash provided by (used in) investing activities	(37,381)	(6,662)	(2,533)	(48,639)	(75,045)	(10,508)	(4,927)	(185,695)
Financing Activities:								
Proceeds from bank line of credit	-	20,000	-	-	33,000	-	-	53,000
Repayment of bank line of credit	-	-	-	-	-	-	-	-
Principal payments of long-term debt and bond refunding	-	(7,650)	(5,660)	(21,895)	(52,183)	-	-	(87,388)
Proceeds from issuance of long-term debt and bond refunding	-	-	-	-	-	-	-	-
Bond issuance costs	-	(50)	-	-	-	(69)	-	(119)
Contributions in aid of construction	-	-	-	9,624	1,370	159	-	11,153
Other financing activities	(15)	-	-	-	-	-	-	(15)
Net cash provided by (used in) financing activities	(15)	12,300	(5,660)	(12,271)	(17,813)	90	-	(23,369)
Net change in cash, cash equivalents, and restricted cash	19,175	12,515	(5,134)	(1,392)	(25,776)	(1,239)	(1,485)	(3,336)
Cash, cash equivalents & restricted cash - beginning of period	63,603	17,301	30,608	79,632	205,777	51,627	13,374	461,922
Cash, cash equivalents & restricted cash - end of period	\$ 82,778	\$ 29,816	\$ 25,474	\$ 78,240	\$ 180,001	\$ 50,388	\$ 11,889	\$ 458,586
Reconciliation:								
Cash and cash equivalents	\$ 63,243	\$ 20,208	\$ 21,900	\$ 22,827	\$ 23,548	\$ 47,814	\$ 11,889	\$ 211,429
Restricted cash included in Bond restricted funds	11,888	9,608	3,574	53,715	154,812	2,574	-	236,171
Restricted cash included in Other current assets	7,647	-	-	-	-	-	-	7,647
Restricted cash included in Investments, Other	-	-	-	1,698	1,641	-	-	3,339
Cash, cash equivalents & restricted cash - end of period	\$ 82,778	\$ 29,816	\$ 25,474	\$ 78,240	\$ 180,001	\$ 50,388	\$ 11,889	\$ 458,586

7. ADDITIONAL FINANCIAL INFORMATION – CITIZENS WESTFIELD UTILITIES

Operations of CWU include the activities of Westfield Gas, Westfield Water, and Westfield Wastewater. CWU (Parent) is the holding company for the three utilities serving residential, commercial, and industrial customers in Westfield, Indiana:

- Westfield Gas activities include purchasing and distributing natural gas.
- Westfield Water activities include treatment and distribution of drinking water.
- Westfield Wastewater activities include wastewater collection and treatment services.

Condensed Consolidated Statement of Financial Position

Citizens Westfield Utilities, LLC

(In Thousands)

At March 31, 2026

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Assets						
Property, plant, and equipment	\$ -	\$ 29,318	\$ 220,276	\$ 222,059	\$ -	\$ 471,653
Investments	173,116	171	1,303	1,140	(173,116)	2,614
Cash and cash equivalents	447	4,529	5,775	15,343	-	26,094
Other current assets	-	2,553	2,453	3,351	-	8,357
Other non-current assets	-	1,718	833	-	-	2,551
Total assets	\$ 173,563	\$ 38,289	\$ 230,640	\$ 241,893	\$ (173,116)	\$ 511,269
Capitalization and Liabilities						
Member's equity	\$ 172,722	\$ 21,939	\$ 67,354	\$ 83,823	\$ (173,116)	\$ 172,722
Long-term debt	-	13,849	56,973	46,913	-	117,735
Other long-term liabilities	-	612	100,235	106,276	-	207,123
Other current liabilities	841	1,889	6,078	4,881	-	13,689
Total capitalization and liabilities	\$ 173,563	\$ 38,289	\$ 230,640	\$ 241,893	\$ (173,116)	\$ 511,269

Condensed Consolidated Statement of Financial Position

Citizens Westfield Utilities, LLC

(In Thousands)

At September 30, 2025

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Assets						
Property, plant, and equipment	\$ -	\$ 27,739	\$ 212,120	\$ 213,745	\$ -	\$ 453,604
Investments	167,206	169	1,294	1,133	(167,206)	2,596
Cash and cash equivalents	266	4,540	10,007	16,134	-	30,947
Other current assets	-	2,258	3,083	2,322	-	7,663
Other non-current assets	-	1,848	990	-	-	2,838
Total assets	\$ 167,472	\$ 36,554	\$ 227,494	\$ 233,334	\$ (167,206)	\$ 497,648
Capitalization and Liabilities						
Member's equity	\$ 166,813	\$ 20,331	\$ 65,909	\$ 80,966	\$ (167,206)	\$ 166,813
Long-term debt	-	13,821	56,994	46,976	-	117,791
Other long-term liabilities	-	612	94,025	100,222	-	194,859
Other current liabilities	659	1,790	10,566	5,170	-	18,185
Total capitalization and liabilities	\$ 167,472	\$ 36,554	\$ 227,494	\$ 233,334	\$ (167,206)	\$ 497,648

Condensed Consolidated Statement of Operations
Citizens Westfield Utilities, LLC
For the Three Months Ended March 31, 2026
(In Thousands)

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Operating revenues	\$ -	\$ 3,981	\$ 3,596	\$ 4,868	\$ -	\$ 12,445
Operating expenses						
Cost of goods sold	-	1,679	-	-	-	1,679
Other operating expenses	-	807	1,580	1,839	-	4,226
Depreciation and amortization	-	257	786	1,072	-	2,115
Taxes	-	54	464	348	-	866
Total operating expenses	-	2,797	2,830	3,259	-	8,886
Total operating (loss) income	-	1,184	766	1,609	-	3,559
Other income (expense)	-	41	119	59	-	219
Equity in earnings of subsidiaries	2,802	-	-	-	(2,802)	-
Interest charges						
Interest on long-term debt	-	159	622	545	-	1,326
Other interest	-	(7)	(194)	(149)	-	(350)
Total interest charges	-	152	428	396	-	976
Net income (loss)	\$ 2,802	\$ 1,073	\$ 457	\$ 1,272	\$ (2,802)	\$ 2,802

Condensed Consolidated Statement of Operations
Citizens Westfield Utilities, LLC
For the Three Months Ended March 31, 2025
(In Thousands)

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Operating revenues	\$ -	\$ 3,900	\$ 3,049	\$ 4,719	\$ -	\$ 11,668
Operating expenses						
Cost of goods sold	-	1,841	-	-	-	1,841
Other operating expenses	4	644	1,536	1,708	-	3,892
Depreciation and amortization	-	200	593	996	-	1,789
Taxes	-	55	546	490	-	1,091
Total operating expenses	4	2,740	2,675	3,194	-	8,613
Total operating (loss) income	(4)	1,160	374	1,525	-	3,055
Other income (expense)	-	43	149	62	-	254
Equity in earnings of subsidiaries	2,054	-	-	-	(2,054)	-
Interest charges						
Interest on long-term debt	-	160	623	545	-	1,328
Other interest	-	(14)	(24)	(31)	-	(69)
Total interest charges	-	146	599	514	-	1,259
Net income (loss)	\$ 2,050	\$ 1,057	\$ (76)	\$ 1,073	\$ (2,054)	\$ 2,050

Condensed Consolidated Statement of Operations
Citizens Westfield Utilities, LLC
For the Six Months Ended March 31, 2026
(In Thousands)

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Operating revenues	\$ -	\$ 7,009	\$ 7,491	\$ 9,956	\$ -	\$ 24,456
Operating expenses						
Cost of goods sold	-	3,122	-	-	-	3,122
Other operating expenses	1	1,486	3,125	3,567	-	8,179
Depreciation and amortization	-	486	1,434	2,095	-	4,015
Taxes	-	111	975	735	-	1,821
Total operating expenses	1	5,205	5,534	6,397	-	17,137
Total operating (loss) income	(1)	1,804	1,957	3,559	-	7,319
Other income (expense)	-	80	363	118	-	561
Equity in earnings of subsidiaries	5,910	-	-	-	(5,910)	-
Interest charges						
Interest on long-term debt	-	319	1,245	1,091	-	2,655
Other interest	-	(42)	(369)	(273)	-	(684)
Total interest charges	-	277	876	818	-	1,971
Net income (loss)	\$ 5,909	\$ 1,607	\$ 1,444	\$ 2,859	\$ (5,910)	\$ 5,909

Condensed Consolidated Statement of Operations
Citizens Westfield Utilities, LLC
For the Six Months Ended March 31, 2025
(In Thousands)

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Eliminations	Total
Operating revenues	\$ -	\$ 6,371	\$ 6,394	\$ 9,432	\$ -	\$ 22,197
Operating expenses						
Cost of goods sold	-	2,884	-	-	-	2,884
Other operating expenses	4	1,211	2,955	3,358	-	7,528
Depreciation and amortization	-	408	1,223	2,049	-	3,680
Taxes	-	104	962	809	-	1,875
Total operating expenses	4	4,607	5,140	6,216	-	15,967
Total operating (loss) income	(4)	1,764	1,254	3,216	-	6,230
Other income (expense)	-	87	243	129	-	459
Equity in earnings of subsidiaries	4,213	-	-	-	(4,213)	-
Interest charges						
Interest on long-term debt	-	319	1,245	1,091	-	2,655
Other interest	-	(21)	(39)	(115)	-	(175)
Total interest charges	-	298	1,206	976	-	2,480
Net income (loss)	\$ 4,209	\$ 1,553	\$ 291	\$ 2,369	\$ (4,213)	\$ 4,209

Condensed Consolidated Statement of Cash Flows
Citizens Westfield Utilities, LLC
(In Thousands)
For the Six Months Ended March 31, 2026

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Total
Net cash provided by (used in) operating activities	\$ 181	\$ 2,272	\$ 3,945	\$ 5,112	\$ 11,510
Investing Activities:					
Construction expenditures	-	(2,281)	(9,160)	(6,702)	(18,143)
Net cash provided by (used in) investing activities	-	(2,281)	(9,160)	(6,702)	(18,143)
Financing Activities:					
Bond issuance costs	-	-	-	-	-
Additional paid-in capital and dividends	-	-	-	-	-
Contributions in aid of construction and customer advances, net	-	-	992	806	1,798
Net cash provided by (used in) financing activities	-	-	992	806	1,798
Net change in cash, cash equivalents, and restricted cash	181	(9)	(4,223)	(784)	(4,835)
Cash, cash equivalents & restricted cash - beginning of period	266	4,709	11,301	17,267	33,543
Cash, cash equivalents & restricted cash - end of period	\$ 447	\$ 4,700	\$ 7,078	\$ 16,483	\$ 28,708
Reconciliation:					
Cash and cash equivalents	\$ 447	\$ 4,529	\$ 5,775	\$ 15,343	\$ 26,094
Restricted cash included in Bond restricted funds	-	171	1,303	1,140	2,614
Cash, cash equivalents & restricted cash - end of period	\$ 447	\$ 4,700	\$ 7,078	\$ 16,483	\$ 28,708

Condensed Consolidated Statement of Cash Flows
Citizens Westfield Utilities, LLC
(In Thousands)
For the Six Months Ended March 31, 2025

	Parent	Westfield Gas	Westfield Water	Westfield Wastewater	Total
Net cash provided by (used in) operating activities	\$ (381)	\$ 2,083	\$ 2,777	\$ 3,611	\$ 8,090
Investing Activities:					
Construction expenditures	-	(1,794)	(4,276)	(4,439)	(10,509)
Net cash provided by (used in) investing activities	-	(1,794)	(4,276)	(4,439)	(10,509)
Financing Activities:					
Bond issuance costs	-	(69)	-	-	(69)
Additional paid-in capital and dividends	-	2,000	-	(2,000)	-
Contributions in aid of construction and customer advances, net	-	-	(1,145)	665	(480)
Net cash provided by (used in) financing activities	-	1,931	(1,145)	(1,335)	(549)
Net change in cash, cash equivalents, and restricted cash	(381)	2,220	(2,644)	(2,163)	(2,968)
Cash, cash equivalents & restricted cash - beginning of period	552	6,390	20,946	21,992	49,880
Cash, cash equivalents & restricted cash - end of period	\$ 171	\$ 8,610	\$ 18,302	\$ 19,829	\$ 46,912
Reconciliation:					
Cash and cash equivalents	\$ 171	\$ 8,445	\$ 17,018	\$ 18,705	\$ 44,339
Restricted cash included in Bond restricted funds	-	165	1,284	1,124	2,573
Cash, cash equivalents & restricted cash - end of period	\$ 171	\$ 8,610	\$ 18,302	\$ 19,829	\$ 46,912

8. LEASES

The Company has operating leases for certain Thermal Steam property, plant, and equipment. The Company does not have any finance leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet but are expensed on a straight-line basis over the lease term. The Company's leases do not contain any material residual value guarantees, restrictive covenants, or subleases. There were no lease transactions with related parties for the six months ending March 31, 2026, and 2025.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and lease liabilities are recognized on commencement of the lease based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses the respective business unit's incremental borrowing rate, on a collateralized basis over a similar term, based on the information available at commencement date in determining the present value of lease payments. The lease term includes the option to extend or terminate the lease if it is reasonably certain that the option will be exercised. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Variable payments, which are immaterial, are excluded from right-of-use assets and lease liabilities are recognized as incurred.

The following table summarizes the amounts recognized on the Condensed Combined Statements of Financial Position related to lease asset and liability balances as of the period indicated (in thousands):

	<u>Condensed Combined Statement of Financial Position Classification</u>	<u>March 31, 2026</u>	<u>September 30, 2025</u>
Assets			
Right-of-use assets - operating leases	Property, plant, and equipment, net	\$ 2,075	\$ 2,231
Liabilities			
Operating lease liabilities - current	Other current liabilities	\$ 326	\$ 318
Operating lease liabilities - non-current	Other long-term liabilities	\$ 1,749	\$ 1,913

The following table presents the components of lease expense recognized in operations and maintenance expense (in thousands):

	<u>Three Months Ended March 31,</u>		<u>Six Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Operating lease expense	\$ 105	\$ 105	\$ 210	\$ 210
Short-term lease expense	335	361	846	981
Variable lease expense	149	125	205	158
Total lease expense	<u>\$ 589</u>	<u>\$ 591</u>	<u>\$ 1,261</u>	<u>\$ 1,349</u>

The following table presents operating lease maturities and a reconciliation of the undiscounted cash flows to operating lease liabilities (in thousands) on a fiscal-year basis:

	<u>March 31, 2026</u>
2026	\$ 210
2027	420
2028	420
2029	420
2030	420
Thereafter	490
Total operating lease payments	2,380
Less: imputed interest	305
Total operating lease liabilities	<u>\$ 2,075</u>

The following table contains additional information related to leases (in thousands):

	<u>March 31, 2026</u>
Weighted-average remaining lease term (months)	68
Weighted-average discount rate	4.9%
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ -

Operating cash outflows from operating leases included in the measurement of lease liabilities were \$210 thousand for each of the six months ended March 31, 2026, and 2025, respectively.

9. DISCONTINUED OPERATIONS AND RELATED ASSET RETIREMENT OBLIGATIONS

The Manufacturing segment, d/b/a Indianapolis Coke, ceased operations on July 13, 2007. Prior to the cessation of operations, Manufacturing (reported as Discontinued Operations) produced manufactured gas, coke, and various chemical by-products for industrial use. Indianapolis Coke had been in operation since 1909 and once produced all of the gas used for heating and other purposes in Marion County. With the introduction of natural gas transported to Indianapolis via interstate pipelines in the 1950's, the percentage of manufactured gas in the gas distribution system gradually declined and reached zero when the Manufacturing segment ceased operation in 2007.

Estimated costs relating to the closure, including liquidation of inventories, plant demolition, and environmental remediation are reflected in the accompanying condensed combined financial statements in accordance with FASB guidance related to asset retirement obligations (ASC 410-20) and exit or disposal cost obligations (ASC 420). Citizens enrolled this facility in the Indiana Department of Environmental Management Voluntary Remediation Program to address historical environmental impacts associated with these operations. Demolition costs concluded in 2017, and costs of remediation will continue for several years. As the full nature and extent of the environmental impacts can be difficult to determine with certainty, Citizens, in conjunction with internal and external environmental consultants, has estimated and accrued costs associated with environmental remediation of this site based on currently available information. Estimates of these costs are included in the condensed combined financial statements as part of the asset retirement obligation. Citizens reviews the asset retirement obligation annually, evaluating newly assumed costs or substantive changes in previously assumed costs to determine if cost estimate impacts are sufficiently material to warrant application of the updated estimates to the asset retirement obligation. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost to the extent applicable.

Activity for the six months ended March 31, 2026, for the asset retirement obligation liability is as follows (in thousands):

Asset retirement obligation at September 30, 2025	\$ 12,036
Accretion expense	108
Remediation liabilities settled	(125)
Asset retirement obligation at March 31, 2026	<u>\$ 12,019</u>

The major classes of assets and liabilities of the Manufacturing segment (reported as Discontinued Operations in Other) at March 31, 2026, and September 30, 2025, are as follows (in thousands):

	March 31, 2026	September 30, 2025
Current assets	\$ 1,199	\$ 1,638
Non-current assets	6,291	5,944
Total assets	<u>\$ 7,490</u>	<u>\$ 7,582</u>
Equity (deficiency)	\$ (5,292)	\$ (5,551)
Retirement benefit and other long-term liabilities	12,714	12,833
Current liabilities	68	300
Total capitalization and liabilities	<u>\$ 7,490</u>	<u>\$ 7,582</u>

For the six months ended March 31, 2026, and 2025, Discontinued Operations operating expenses were \$(0.3) million and \$(0.2) million, respectively. Although Gas has not provided cash to Discontinued Operations in fiscal year 2025 or the first six months of fiscal year 2026, additional cash funding from Gas to settle liabilities may be provided to Discontinued Operations in future periods.

10. RATE AND REGULATORY MATTERS

A. Regulatory Developments

Gas

The gas utility's most recent general rate case order was issued by the IURC in September 2011.

On January 17, 2025, the gas utility filed a petition and testimony with the IURC supporting a request for approval of two special contracts for gas transportation service to two liquefied natural gas ("LNG") plants owned by the same customer. The combined volumes of gas delivered to the two plants make the customer the gas utility's second largest transportation customer. Each special contract is for a ten-year term and incorporates a demand charge into the pricing

structure, which will provide the gas utility certainty over a longer period of time and a more stable revenue stream. On March 14, 2025, the OUCC filed testimony recommending approval of the transportation agreements. An evidentiary hearing was held on April 15, 2025. On May 28, 2025, the IURC issued an order approving special contracts for transportation of gas to both plants.

On September 16, 2025, the gas utility filed a petition and testimony with the IURC supporting a request for approval of an amendment to a special contract with one of the utility's largest customers for gas transportation service to the customer's electric generating plant. On November 20, 2025, the OUCC filed testimony recommending approval of the proposed amendment. An evidentiary hearing was held on January 5, 2026 and the gas utility submitted a proposed order on January 12, 2026. On February 18, 2026, the IURC approved the special contract amendment without modification.

Citizens Thermal Steam

The steam utility's most recent general rate case order was issued by the IURC in November 2023.

On December 20, 2024, the steam utility filed with the IURC a petition and testimony supporting a request for approval of a special contract for steam utility service to one of its largest customers. The special contract is a proposed second amendment to a contract initiated in April 1998. A first amendment to that contract was approved by the IURC in May 2023. The first amendment was a short-term stop-gap measure to allow the steam utility to continue providing service to the customer while the parties negotiated a long-term amendment to the 1998 contract. The second amendment, like the first amendment, incorporates a demand charge into the pricing structure, which will provide the steam utility with a more stable revenue stream. The pricing structure also provides for annual increases. The second amendment will extend the term to December 31, 2034 and includes provisions for renewal terms. On February 7, 2025, the OUCC filed a notice with the IURC indicating the OUCC would not file testimony in the case. Thus, there was no opposition to the approval requested by the steam utility. An evidentiary hearing was held on March 11, 2025. On April 16, 2025, the IURC issued an order approving the special contract without modification.

Water

The water utility's most recent general rate case order was issued by the IURC in April 2016. In accordance with a statute enacted by the Indiana General Assembly authorizing the recovery of costs related to replacement of customer-owned lead service lines, certain rate adjustment mechanisms have also been approved by the IURC which facilitate Citizens Water's recovery of such costs.

Lead Service Line Replacement

On August 19, 2021, Citizens Water filed a petition and testimony with the IURC seeking approval of a Lead Service Line Replacement ("LSLR") Plan pursuant to which it would replace customer-owned lead service lines in its service territory. The LSLR Plan contemplated Citizens Water spending approximately \$2.5 to \$5.0 million each year on lead service line replacements during the first five years of the plan. On March 2, 2022, the IURC approved Citizens Water's proposed LSLR Plan, finding it to be reasonable and in the public interest.

On May 11, 2022, the IURC approved rate schedules designed to recover expected costs of \$2.5 million during year 1 of the LSLR Plan, and \$5.1 million annually during years 2 -5. The Order directed Citizens Water to make a compliance filing at the end of each 12-month period reconciling the difference between the billed charges and the actual costs incurred for the 12-month period. Citizens Water has made compliance filings reconciling the differences between charges billed and actual costs incurred for the first two years of the LSLR Plan. Revised rate schedules based on both compliance filings were approved by the IURC.

On July 16, 2024, Citizens Water filed a petition and testimony with the IURC seeking approval of revised rate schedules to provide for recovery of increased LSLR costs ranging from \$10.0 - \$25.0 million per year. The petition additionally sought approval to recover approximately \$3.5 million of unrecovered costs incurred during year 2 of the LSLR Plan, which were incurred as a result of accelerating certain LSLR projects to take advantage of overall savings achieved by coordinating with public improvement projects being completed by the City of Indianapolis. On August 15, 2024, the OUCC filed testimony generally supporting the Citizens Water proposal. On September 11, 2024, the IURC issued an order approving the relief requested in the petition.

Distribution System Improvement Charge

On November 23, 2022, the IURC issued an order approving recovery of \$15.0 million of infrastructure improvement costs over a four-year period via a Distribution System Improvement Charge ("DSIC"), which is designed to recover "infrastructure improvement costs" associated with "eligible infrastructure improvements" as those terms are defined in a statute enacted by the Indiana General Assembly (the "DSIC statute").

On September 19, 2023, Citizens Water filed a petition and supporting testimony with the IURC seeking approval to implement a second DSIC designed to generate total revenues of \$31.3 million over a one-year period. On November 22, 2023, the IURC issued an order approving recovery of \$31.3 million of infrastructure improvement costs over a one-year period.

On September 20, 2024, Citizens Water filed a petition and supporting testimony with the IURC seeking approval to implement a third DSIC designed to generate total revenues of approximately \$26 million over a one-year period. On November 22, 2024, the IURC issued an order approving recovery of \$24.5 million of infrastructure improvement costs over a one-year period.

On September 22, 2025, Citizens Water filed a petition and supporting testimony with the IURC seeking approval to implement a fourth DSIC designed to generate total revenues of approximately \$16.7 million over a one-year period. On October 24, 2025, Citizens Water revised its request for relief to recover approximately \$15.5 million over a one-year period. On October 24, 2025, the OUCC filed its report in response to Citizens Water's request, recommending approval of the requested amount. An evidentiary hearing was held on November 5, 2025. On November 19, 2025, the IURC issued an order approving recovery of \$15.5 million of infrastructure improvement costs over a one-year period.

Service Enhancement Improvement Costs Rider

On February 17, 2026, Citizens Water filed a petition requesting approval of a plan for proposed service enhancement improvements ("SEI") as well as authority to recover 80% of SEI costs through an SEI Rider and defer and recover in its next general rate case the remaining 20% of SEI costs. On April 6, 2026, the IURC issued an order establishing a procedural schedule for the case. The OUCC filed testimony on May 4, 2026. In its testimony, the OUCC agreed with the components of Citizens Water's SEI plan except for a \$955,000 downward adjustment resulting from its disagreement regarding the inclusion of portions of a project the OUCC argues are not eligible for recovery under the SEI statute. Additionally, the OUCC recommends the Commission order Citizens Water to issue debt to fund the proposed SEI projects as opposed to funding the projects with cash generated by an SEI rider. Citizens Water will file rebuttal testimony on or before May 27, 2026. An evidentiary hearing is scheduled for June 25, 2026.

Town of Whitestown Municipal Water Utility Acquisition

On October 1, 2025, Citizens Water, CWR Whitestown, LLC ("CWR"), and the Town of Whitestown, Indiana ("Whitestown") (Citizens Water, CWR and Whitestown collectively the "Joint Petitioners") filed a joint petition requesting approvals related to Citizens Water and CWR's proposed acquisition of Whitestown's municipal water utility assets. Under the proposed transaction, Whitestown would transfer its water utility assets to CWR. CWR would hold title to the assets on behalf of and for the exclusive use and benefit of Citizens Water, which would operate the assets as part of its existing municipal water distribution utility system. The proposed purchase price for the assets is \$37.0 million. See footnote 12, Town of Whitestown Water Utility Acquisition, for additional information. On December 17, 2025, the OUCC filed testimony recommending approval of the proposed acquisition subject to the condition that Citizens Water treat customers in Whitestown without distinction from existing customers. On January 13, 2026, the Joint Petitioners filed a Notice of Intent to Not File Rebuttal Testimony in which Citizens Water noted that, as explained in the Joint Petition, the same rates and charges and terms and conditions that apply to Citizens Water's existing customers will apply to newly acquired customers in Whitestown and, therefore, Citizens Water accepted the OUCC's proposed condition. An evidentiary hearing was held on February 13, 2026. On March 31, 2026, the IURC issued an order finding the proposed acquisition in the public interest, thereby authorizing the Joint Petitioners to consummate the transaction. In connection with its order, the IURC required Citizens Water to obtain a certificate of public convenience and necessity ("CPCN") to serve the Whitestown community, stating "Since Citizens Water is not a municipal utility, it is not exempt from obtaining a CPCN." Management believes the order's statement that Citizens Water is not a municipal utility is an unintentional error by the IURC, and on April 9, 2026, Citizens Water filed a petition requesting the IURC to issue a revised order correcting that error. On May 6, 2026, the IURC issued a Nunc pro Tunc order correcting the foregoing sentence and changing it to read, "Since Citizens Water operates under a consolidated city, which is not subject to Ind. Code ch. 8-1.5-2, it is not exempt from obtaining a CPCN." Citizens Water, CWR, and the Town of Whitestown closed the acquisition effective May 19, 2026.

Wastewater

The wastewater utility's most recent general rate case order was issued by the IURC in July 2019.

Resources – Westfield Gas

Westfield Gas's rates were approved by the IURC in April 2023.

On January 13, 2026, Westfield Gas and the Town of Lapel, Indiana ("Lapel") (Westfield Gas and Lapel collectively the "Joint Petitioners") filed a joint petition and testimony requesting approvals related to Westfield Gas's proposed acquisition of Lapel's municipal gas utility assets. Under the proposed transaction, Lapel would transfer its gas utility assets to Westfield Gas. The proposed purchase price for the assets is \$4.3 million. In connection with the proposed

acquisition, the joint petition seeks approval of the transfer of certain service territory rights in and around Lapel from Indiana Gas Company, Inc. d/b/a CenterPoint Energy Indiana North (“CEI North”) to Westfield Gas. On January 15, 2026, CEI North filed a petition to intervene in the case in which it stated it does not oppose the proposed acquisition and supports Westfield Gas’s request for service territory rights in and around Lapel as described in Westfield Gas’s testimony. On March 24, 2026, the OUC filed testimony stating it does not oppose the acquisition or the proposed transfer of CEI North’s service territory rights to Westfield Gas. The OUC further stated it does not oppose Westfield Gas’s request to adjust its net operating income for purposes of the earnings test used in Westfield Gas’s GCA proceedings to reflect the impact the acquisition will have on Westfield Gas’s net operating income. On April 6, 2026, Westfield Gas filed a notice of intent not to file rebuttal testimony. An evidentiary hearing was held on April 28, 2026. The Joint Petitioners are now awaiting an order from the IURC.

Resources – Westfield Water

Westfield Water’s most recent rates were approved by the IURC in November 2024 as described below.

On March 6, 2024, Westfield Water filed a petition and supporting testimony with the IURC seeking approval, among other things, to increase its base rate charges. On August 14, 2024, Westfield Water and the OUC filed a signed settlement agreement which contemplates an overall revenue increase of \$2.7 million to be implemented in two steps. The step 1 increase of \$1.3 million in authorized revenues would take effect after issuance of a final order in the case, and the step 2 increase of \$1.4 million in authorized revenues would take effect the later of January 1, 2026 or 12 months after the implementation of the step 1 increase. On November 27, 2024, the IURC issued an order approving the settlement agreement.

Resources – Westfield Wastewater

Westfield Wastewater’s most recent general rate case order was issued by the IURC in May 2017.

11. COMMITMENTS AND CONTINGENCIES

A. Environmental Commitments and Contingencies

Citizens and CWA are subject to various environmental laws and regulations and believe they are in compliance with existing federal, state, and local statutes, ordinances, rules, and regulations governing environmental matters. Citizens and CWA have no way of estimating the enactment or promulgation of future environmental laws and regulations. See Note 9 for additional information regarding demolition and environmental remediation of the former Indianapolis Coke Manufacturing facility. For operating facilities, accruals for environmental commitments and contingencies are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated based on current law and existing technologies. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

Water System

The Water System is currently in compliance with the requirements of the Clean Water Act, the Safe Drinking Water Act, the Disinfectants and Disinfection Byproducts Rule, the Enhanced Surface Water Treatment Rule, the Radon Rule and other applicable laws, except to the extent that such non-compliance would not have a material adverse effect on the Water System.

In 1991, the United States Environmental Protection Agency (EPA) issued federal regulations which establish acceptable concentrations of lead and copper in public water supplies, as measured at the customer’s tap (the “EPA Lead and Copper Rule”). Samples of the Water System have never exceeded the action levels established in the existing EPA Lead and Copper Rule. In January 2021, the EPA finalized revisions to the Lead and Copper Rule (the “Lead and Copper Rule Revisions” or “LCRR”) which include several new requirements, including revised sampling procedures and a trigger level, obligations to create an inventory of lead service lines served by the Water System, as well as development of a lead service line replacement program which would be triggered if certain regulatory triggers are exceeded. The Water system does not have any active water mains containing lead. The Water System has finalized its customer-owned Lead Service Line inventory, submitting the inventory and its plan to comply with public education obligations in the LCRR to the regulatory agency on October 14, 2024.

On October 30, 2024, the EPA published additional revisions to the EPA Lead and Copper Rule, styled as the Lead & Copper Rule Improvements rule (“LCRI”). Management continues to review the final rule to understand the breadth of the new requirements, which include changes to the customer tap sampling program, implementation of a sampling program for schools and childcare facilities, and the obligation for public water systems to replace all lead service lines under their control no later than December 31, 2037. In addition to these federal regulatory actions, the Indiana General Assembly has enacted statutes which authorize the IURC to approve a water utility’s plan for the replacement of the customer-owned portion of the lead service lines within or connected to the water utility’s system. See Note 10, Rate and

Regulatory Matters, Water for additional information. Management is reviewing and revising its previously-approved Lead Service Line Replacement Program to ensure it satisfies the obligations of the LCRI and will be identifying the funding needed to comply with LCRI. Additionally, LCRI is currently the subject of certain legal actions and under review by the new leadership team at the EPA. Ultimately the Water System will ensure its actions align with any subsequent rule revisions which may be promulgated. Although it is difficult to project the ultimate costs of complying with LCRI and any potential revisions at this point, the Company expects a significant portion of the requirements to implement the LCRI and any related revisions to be recoverable through the regulatory process.

In 2023, Citizens Water of Indianapolis and Citizens Water of Westfield became class members of the Aqueous Film-Forming Foam (AFFF) Products Liability Litigation filed in the District Court for the District of South Carolina. This litigation consists of a series of settlements to resolve claims against manufacturers of certain per- and polyfluoroalkyl substances (collectively, "PFAS") contamination in public water systems' drinking water. Both Citizens Water of Indianapolis and Citizens Water of Westfield expect to receive funds from this settlement through a series of payments over the course of the next several years. Upon receipt, settlement proceeds are recorded in the Condensed Combined Statement of Operations in the line item labeled, "Other income (expense), net." The table below reflects payments received to date:

<u>\$ millions</u>	Fiscal Year	
	2026 as of March 31, 2026	Fiscal Year 2025
Citizens Water of Indianapolis	\$ 5.6	\$ -
Citizens Water of Westfield	0.1	0.7

For fiscal year 2026, all payments were received as of December 31, 2025 (no payments were received for the three months ending March 31, 2026).

Wastewater System

The Wastewater System is subject to wastewater collection and treatment requirements under both federal and state law. Those requirements are contained in a National Pollutant Discharge Elimination System (NPDES) permit. Both United States Environmental Protection Agency and Indiana Department of Environmental Management have jurisdiction over the Wastewater System. As authorized by the Clean Water Act, the NPDES permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

Combined Sewer Overflow Long-Term Control Plan Consent Decree

As was the common engineering practice during the late 1800's through the early 1900's, the older portion of the Wastewater System was designed to carry both stormwater and sanitary waste (also referred to as a "combined sewer system"). In times of wet weather, the capacity of the combined portion of the System can be overloaded. Combined Sewer Overflow (CSO) outfalls that discharge to Indianapolis' waterways were constructed as relief points to prevent combined stormwater and sewage from backing up into homes, businesses, and streets. The EPA requires communities to implement specific minimum controls and to develop and implement long-term control plans (LTCPs) to reduce CSOs by capturing or eliminating these overflows. The City of Indianapolis (the City), Indiana Department of Environmental Management (IDEM), U.S. Environmental Protection Agency, and the U.S. District Court entered into a Consent Decree in 2006 that established a LTCP to address the City's combined sewer system. The plan established a 20-year schedule for the required combined sewer system and advanced wastewater treatment plant (AWTP) improvements. In 2020, the EPA and IDEM approved a Use Attainability Analysis (UAA) for the long-term sewer overflow control plan.

Upon acquisition of the Wastewater System in August 2011, CWA assumed the City's obligations under the order of the U.S. District Court for the Southern District of Indiana (the Court) dated December 19, 2006, among the EPA, IDEM, and the City, as amended (the Consent Decree). CWA has a capital improvement plan to meet guidelines of the Consent Decree and the overall needs of the Wastewater System. The DigIndy program, the most significant element of the Consent Decree, is the largest sewer infrastructure project in Indianapolis' history. The Deep Rock Tunnel Connector (DRTC) and the Eagle Creek Tunnel were the first two segments online of the 250 feet deep, 28-mile underground tunnel system designed to store 250 million gallons of combined sewage during wet weather events to prevent overflows from entering area rivers and streams. The stored flows are pumped to the Southport AWTP, which was expanded as a part of this Consent Decree. The Belmont AWTP was also expanded as part of the Consent Decree and this work was completed in 2012. On December 29, 2017, the first ten miles of the DigIndy Tunnel system and the DRTC pump station were operational and placed in use. The White River and Lower Pogue Run tunnels, which comprise approximately 7.4 miles of the DigIndy tunnel system, were operational and in use as of June 3, 2022. The Fall Creek and Pleasant Run tunnels, which comprise 11.6 miles of the DigIndy tunnel system, were operational and in use as of November 17, 2025. On December 3, 2025, Citizens submitted achievement of full operation (AFO) status, indicating all 26 control measures are operational and the entire DigIndy tunnel system has been constructed. For the next five years, Citizens will complete post-construction monitoring to demonstrate the consent decree's required level of control is being met or exceeded.

CWA continues to estimate the overall cost of the Consent Decree, including capital and operation and maintenance costs, is approximately \$2.4 billion in 2021 dollars.

IDEM Investigation

In the final week of 2023, IDEM alerted Citizens to a claim against one of its contractors; the claim alleges improper past activities including the disposal of materials on a property owned by CWA. Since IDEM made contact, Citizens has fully cooperated with state and federal investigators to uncover evidence of any improper disposal activities at or near this location. IDEM has issued three Violation Letters to Citizens and its contractor. These Violation Letters assess violations to various environmental rules against the contractor and require both Citizens (as property owner) and the contractor to provide a plan to investigate the entire site. A Sitewide Investigation Plan, a plan for further investigation of the final location identified by the claimant, and a Waste Characterization Plan of the containers discovered during the investigation were submitted to and approved by IDEM. Investigation and proper disposal of all materials at this site have been completed. Citizens also received a Notice of Violation and entered into an Agreed Order with IDEM – resulting in no civil penalty but requiring clean-up and proper disposal of all materials at the site as a result of the investigation. The EPA is no longer pursuing criminal charges in this matter; however, IDEM expects to pursue criminal charges on the employee of the Company's contractor, and Citizens is fully cooperating. Finally, Citizens received a request for information from the EPA under the Comprehensive Environmental Response, Compensation, and Liability Act – Citizens timely submitted the requested information to the EPA. At this time, management cannot predict the final outcome of the investigation. Citizens is seeking full reimbursement of costs it incurs arising from the activities of the contractor.

B. Legal Contingencies

Citizens and CWA are party to litigation in the normal course of business in which the payments for damages may be substantial but cannot be determined. Management regularly analyzes current information and, as necessary, provides accruals for probable liabilities on the eventual disposition of these matters. Management believes that these matters ultimately will be resolved in a manner which will not materially adversely affect the financial position, operations, equity or cash flows of Citizens and CWA.

C. Citizens Lebanon Water System

The Indiana Economic Development Corporation (IEDC) has created the Limitless Exploration Advanced Pace (LEAP) district in the City of Lebanon and Boone County, a large-scale research and innovation development focusing on sites for manufacturing, research and development facilities, and corporate campuses. The IEDC and the Indiana Finance Authority (IFA), in concert with Lebanon Utilities, approached Citizens Energy Group regarding the need for a reliable water supply for the LEAP District.

On November 25, 2024, Lebanon Utilities reached a wholesale customer agreement with Citizens Energy Group whereby Citizens Water will supply, at established wholesale tariff rates, up to two million gallons of water per day (MGD) to Lebanon Utilities by 2027, and ultimately, 25 MGD by 2031, unless Citizens provides notice of revised delivery dates in accordance with the agreement. With the addition of service to Lebanon Utilities, Citizens Water's current maximum treatment capacity of 256 MGD will be expanded accordingly to meet the increased requirements. Estimated costs to increase capacity and supply water to Lebanon Utilities are currently projected to be approximately \$565 million. Construction is anticipated to last approximately six years, with interim water-delivery milestones throughout the construction period. This forecast is based on available information at the time of estimation and is subject to change based on various factors, including variation in material costs, additional requirements, or unforeseen circumstances inherent in multi-year construction projects.

Citizens Energy Group is committed to protecting its current customers from bearing costs associated with serving Lebanon Utilities. In order to accomplish this goal, on December 10, 2024, Citizens Energy Group and the IFA signed a Financial Assistance Agreement. This agreement funds the initial loan of \$104.8 million for the Citizens Water expansion via issuance of non-recourse bonds through Indiana's State Revolving Fund (SRF) and absolves Citizens Energy Group, or any of its affiliates, from any liability associated with repayment of said funding. Through provisions in associated transaction agreements, IFA will only seek repayment of the non-recourse, limited obligation bonds from the City of Lebanon and the IEDC. Funding for subsequent improvements needed to supply water to Lebanon will be through a series of financial assistance agreements structured similar to the initial \$104.8 million loan.

Since December 2024, the program has progressed from the planning phase to the implementation phase. Design document development, stakeholder engagement, easement acquisition, and material procurement are progressing. As of March 31, 2026, Citizens has incurred approximately \$67.2 million of costs related to the Citizens Lebanon Water System Project, of which approximately \$43.0 million have been reimbursed by IFA. The Company anticipates submitting requests to IFA monthly for reimbursement and expects reimbursement for remaining costs incurred as of March 31, 2026 in a subsequent period. Payments received are recorded as Contributions in Aid of Construction on the Company's balance sheet and will be amortized as projects are placed in service.

12. TOWN OF WHITESTOWN WATER UTILITY ACQUISITION

On September 17, 2025, the Company signed an agreement to purchase the assets and service territory rights of the Town of Whitestown's municipal water utility (Whitestown) for \$37.0 million in cash, an action which was approved by Whitestown Town Council on August 13, 2025 and the Company's Board of Directors on August 20, 2025. Citizens Water currently supplies wholesale water to Whitestown. The IURC issued an order authorizing the transaction on March 31, 2026 as described in Note 10, Regulatory Matters – Water. The acquisition is in line with the Company's ongoing efforts to provide safe, reliable, and affordable water service to customers and communities within the central Indiana region. On May 19, 2026, the Company completed the acquisition using proceeds from the Water Series 2026A bonds which is described in footnote 3, Long-Term Debt. The company also commissioned an independent appraisal of the assets acquired, noting the fair value of the assets approximated the transaction purchase price of \$37.0 million. Operating assets acquired in this transaction will be reflected in the Company's Condensed Combined Statement of Financial Position in the line item labeled, "Property, Plant, and Equipment, net" in future reporting periods.

13. SUBSEQUENT EVENTS

Management has considered the impact of subsequent events through May 27, 2026, the date at which these condensed combined financial statements were issued.