

May 2, 2024

CANADIAN UTILITIES REPORTS FIRST QUARTER 2024 EARNINGS

CALGARY, Alberta - Canadian Utilities Limited (TSX: CU)

Canadian Utilities Limited (Canadian Utilities or the Company) today announced first quarter 2024 adjusted earnings of \$225 million (\$0.83 per share), which were \$8 million (\$0.02 per share) higher compared to \$217 million (\$0.81 per share) in the first quarter of 2023.

First quarter earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$242 million (\$0.82 per Class A and Class B share), which were \$50 million (\$0.19 per Class A and Class B share) lower compared to \$292 million (\$1.01 per Class A and Class B share) in the first quarter of 2023.

IFRS earnings include timing adjustments related to rate-regulated activities, unrealized gains or losses on mark-to-market forward and swap commodity contracts, one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. These items, as well as dividends on equity preferred shares of the Company, are not included in adjusted earnings.

RECENT DEVELOPMENTS

- On March 27, 2024, the Alberta Utilities Commission (AUC) issued a decision for Natural Gas Transmission's 2024-2026 General Rate Application. In December 2023, a comprehensive Negotiated Settlement Agreement (NSA) was reached with all participating interveners, and an application was filed with the AUC in January 2024. This recent decision approved the NSA for 2024 and 2025 in its entirety but limited the approval to two years.
- In the first quarter of 2024, Canadian Utilities changed its operating segment structure to better align current strategy and future growth objectives. This change involved creating a new operating segment, ATCO Australia, which includes natural gas distribution (ATCO Gas Australia) and electricity generation operations (ATCO Power Australia) based in Australia. Previously, ATCO Australia's natural gas distribution operations were reported in the ATCO Energy Systems operating segment and the electricity generation operations were reported in the ATCO EnPower operating segment. In addition, ATCO Australia's corporate office was included in Corporate & Other.
- Incurred \$316 million in capital expenditures in the first quarter of 2024, of which 94 per cent was invested in our regulated utilities in ATCO Energy Systems and ATCO Australia, and 6 per cent mainly in ATCO EnPower.

Corporate

- Effective March 1, 2024, Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, broadened her portfolio to include Chief Financial Officer for Canadian Utilities.

- On April 11, 2024, Canadian Utilities declared a second quarter dividend of 45.31 cents per share or \$1.81 per Class A and Class B share on an annualized basis.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to equity owners of the Company is provided below:

(\$ millions except share data)	Three Months Ended March 31	
	2024	2023
Adjusted Earnings	225	217
Unrealized gains on mark-to-market forward and swap commodity contracts ⁽¹⁾	11	61
Rate-regulated activities ⁽²⁾	(7)	9
IT Common Matters decision ⁽³⁾	(6)	(5)
Transition of managed IT services ⁽⁴⁾	—	(9)
Dividends on equity preferred shares of Canadian Utilities Limited	19	19
Earnings attributable to equity owners of the Company	242	292
Weighted average shares outstanding (millions of shares)	271.0	269.5

(1) The Company's electricity generation and retail electricity and natural gas businesses in Alberta enter into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. These contracts are measured at fair value. Unrealized gains and losses due to changes in the fair value of the fixed-price swap commodity contracts in the electricity generation and electricity and natural gas retail businesses are recognized in the earnings of the ATCO EnPower and Corporate & Other segments, respectively. Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

(2) The Company records significant timing adjustments as a result of the differences between rate-regulated accounting and International Financial Reporting Standards with respect to additional revenues billed in the current year, revenues to be billed in future years, regulatory decisions received, and settlement of regulatory decisions and other items.

(3) Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings.

(4) In the first quarter of 2023, the Company recognized legal and other costs of \$9 million (after-tax) related to the Wipro Ltd. master services agreements matter that was concluded on February 26, 2023.

This news release should be read in concert with the full disclosure documents. Canadian Utilities' unaudited consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2024 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR+ (www.sedarplus.ca) or can be requested from the Company.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast with Katie Patrick, Executive Vice President & Chief Financial Officer, Wayne Stensby, Chief Operating Officer, ATCO Energy Systems, and Bob Myles, Chief Operating Officer, ATCO EnPower, at 9:00 am Mountain Time (11:00 am Eastern Time) on Thursday, May 2, 2024 at 1-844-763-8274. No pass code is required.

Opening remarks will be followed by a question and answer period with investment analysts. Participants are asked to please dial-in 10 minutes prior to the start and request to join the Canadian Utilities teleconference.

Management invites interested parties to listen via live webcast at: <https://www.canadianutilities.com/en-ca/investors/events-presentations.html>.

A replay of the teleconference will be available approximately two hours after the conclusion of the call until June 2, 2024. Please call 1-855-669-9658 and enter pass code 0791.

Canadian Utilities Limited and its subsidiary and affiliate companies have approximately 9,000 employees and assets of \$23 billion. Canadian Utilities, an ATCO company, is a diversified global energy infrastructure corporation delivering essential services and innovative business solutions. ATCO Energy Systems delivers energy for an evolving world through its electricity and natural gas transmission and distribution, and international operations segments. ATCO EnPower creates sustainable energy solutions in the areas of renewables, energy storage, industrial water and clean fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. ATCOenergy and Rumi provide retail electricity and natural gas services, home maintenance services and professional home advice that bring exceptional comfort, peace of mind and freedom to homeowners and customers. More information can be found at www.canadianutilities.com.

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Other Financial and Non-GAAP Measures

This news release includes references to "adjusted earnings" which is a "total of segments measure" as that term is defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. The most directly comparable measure that is reported in accordance with International Financial Reporting Standards is "earnings attributable to equity owners of the Company". For additional information, see "Financial Summary and Reconciliation of Adjusted Earnings" in this news release, and "Other Financial and Non-GAAP Measures" in the Company's Management's Discussion and Analysis for the three months ended March 31, 2024, which is available on www.sedarplus.ca.

Forward-Looking Information

Certain statements contained in this news release constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this news release includes, but is not limited to, references to: the payment of dividends.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the development and performance of technology and technological innovations; continuing collaboration with certain business partners, and regulatory and environmental groups; the performance of assets and equipment; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws, regulations and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing market and economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; future demand for resources; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; the termination or breach of contracts by contract counterparties; the occurrence of unexpected events such as fires, extreme weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; global pandemics; geopolitical tensions and wars; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see "Business Risks and Risk Management" in the Company's Management's Discussion and Analysis for the year ended December 31, 2023.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.