

February 23, 2022

CANADIAN UTILITIES REPORTS 2021 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced adjusted earnings in 2021 of \$586 million (\$2.17 per share), which were \$51 million (\$0.21 per share) higher compared to \$535 million (\$1.96 per share) in 2020. Fourth quarter adjusted earnings in 2021 of \$192 million (\$0.71 per share), were \$6 million (\$0.03 per share) higher compared to \$186 million (\$0.68 per share) in the fourth quarter of 2020.

2021 earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings), were \$393 million (\$1.21 per Class A and Class B share), which were \$34 million (\$0.11 per Class A and Class B share) lower compared to \$427 million (\$1.32 per Class A and Class B share) in 2020. Fourth quarter 2021 IFRS earnings were \$176 million (\$0.59 per Class A and Class B share), which were \$72 million (\$0.27 per Class A and Class B share) higher compared to \$104 million (\$0.32 per Class A and Class B share) in the fourth quarter of 2020.

IFRS earnings include timing adjustments related to rate-regulated activities, dividends on equity preferred shares of the Company, 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 are not included in adjusted earnings.

RECENT DEVELOPMENTS IN THE FOURTH QUARTER OF 2021

- Invested \$334 million in capital projects in the fourth quarter of 2021, of which 75 per cent was invested in regulated utilities and 25 per cent mainly in Energy Infrastructure.
- Announced the acquisition of the Alberta Hub natural gas storage facility near Edson, Alberta. The Alberta Hub underground natural gas storage facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission (NGTL) system.
- On January 18, 2022, Canadian Utilities' parent company, ATCO, announced a comprehensive set of 2030 environmental, social and governance targets, and a commitment to achieve net zero greenhouse gas (GHG) emissions by 2050.
- On January 13, 2022, Canadian Utilities declared a first quarter dividend of 44.42 cents per share or \$1.78 per Class A non-voting and Class B common share on an annualized basis, a 1 per cent increase over the 43.98 cents paid in each of the four previous quarters. Canadian Utilities has increased its dividend per share for 50 consecutive years, the longest track record of annual dividend increases of any publicly traded Canadian company.

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)	For the Three Months Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Consolidated adjusted earnings	192	186	586	535
Impairment and other costs ⁽¹⁾	—	—	(65)	(30)
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts ⁽²⁾	7	(8)	(18)	(8)
Rate-regulated activities ⁽³⁾	(27)	(27)	(118)	(59)
IT Common Matters decision ⁽⁴⁾	(4)	(9)	(14)	(19)
Transition of managed IT services ⁽⁵⁾	(8)	(55)	(42)	(55)
Dividends on equity preferred shares of Canadian Utilities Limited	16	17	65	67
Other	—	—	(1)	(4)
Earnings attributable to equity owners of the Company	176	104	393	427
Weighted average shares outstanding (millions of shares)	268.9	272.8	269.9	272.8

(1) In 2021, Canadian Utilities recorded impairments and other costs not in the normal course of business of \$65 million (after-tax). The Company incurred \$54 million of these costs in Mexico, related mainly to its Veracruz hydro facility within its Energy Infrastructure segment. The charge reflects an adverse arbitration decision, changes in market regulations, ongoing political uncertainty, and a challenging operating environment, resulting in an impairment of the carrying value of the assets. Other costs recorded were individually immaterial.

(2) The Company's retail electricity and natural gas business in Alberta enters 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 are recognized in the earnings of the Corporate & Other segment. Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

(3) 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 current year, revenues to be billed in future years, regulatory decisions received, and settlement of regulatory decisions and other items.

(4) 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.

(5) In the fourth quarter of 2020 and first quarter of 2021, the Company signed Master Services Agreements (MSA) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed IT services. These services were previously provided by Wipro under a ten-year MSA expiring in December 2024. The transition of the managed IT services from Wipro to IBM commenced on February 1, 2021 and is complete.

This news release should be read in concert with the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the year ended December 31, 2021 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast at 9:00 am Mountain Time (11:00 am Eastern Time) on Thursday, February 24, 2022 at 1-800-319-4610. No pass code is required.

Brian Shkrobot, Executive Vice President & Chief Financial Officer, will discuss year-end 2021 financial results and recent developments. 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 March 24, 2022. Please call 1-800-319-6413 and enter pass code 8318. An archive of the webcast will be available on February 24, 2022 and a transcript of the call will be posted on <https://www.canadianutilities.com/en-ca/investors/events-presentations.html> within a few business days.

With approximately 4,800 employees and assets of \$21 billion, Canadian Utilities Limited is an ATCO company. Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services and innovative business solutions in Utilities (electricity and natural gas transmission and distribution, and international operations); Energy Infrastructure (energy storage, energy generation, industrial water solutions, and clean fuels); and Retail Energy (electricity and natural gas retail sales, and whole-home solutions). More information can be found at www.canadianutilities.com.

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Non-GAAP and Other Financial 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 (IFRS) 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 "Non-GAAP and Other Financial Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company" in Management's Discussion and Analysis for the year-ended December 31, 2021.

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 general strategic plans and targets, including with respect to reducing GHG emissions.

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 Company's ability to successfully achieve its net zero GHG target by 2050; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and other environmental, social and governance targets; continuing collaboration with certain regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; 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 and government policies; regulatory decisions; competitive factors in the industries in which the Company operates; prevailing economic conditions (including as may be affected by the COVID-19 pandemic); credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; 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 occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; 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 Management's Discussion and Analysis for the year-ended December 31, 2021.

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.