

April 27, 2022

CANADIAN UTILITIES REPORTS FIRST QUARTER 2022 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced first quarter 2022 adjusted earnings of \$219 million (\$0.81 per share), \$28 million (\$0.11 per share) higher compared to \$191 million (\$0.70 per share) in the first quarter of 2021.

First quarter earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$227 million (\$0.78 per Class A and Class B share), \$86 million (\$0.32 per Class A and Class B share) higher compared to \$141 million (\$0.46 per Class A and Class B share) in the first quarter of 2021.

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 FIRST QUARTER OF 2022

- On April 14, 2022, a joint settlement agreement was filed with the AUC with respect to the AUC enforcement proceeding with an agreed administrative penalty of \$31 million. Customers were never impacted as these costs were not included in customer rates and the administrative penalty and excluded project costs will not be recovered from customers.
- Invested \$263 million in capital projects of which 83 per cent was invested in regulated utilities and 17 per cent mainly in Energy Infrastructure.
- Entered into a share purchase agreement with Denendeh Investments Incorporated (DII) to increase DII's ownership interest from 14 per cent to 50 per cent in Northland Utilities Enterprises Ltd. (NUE). NUE is an electric utility company operating in the Northwest Territories, Canada and a subsidiary of ATCO Electric Ltd. The transaction results in ATCO Electric Ltd. and DII each having a 50 per cent ownership interest in NUE and highlights our continued commitment to foster community ownership and self-sustaining economic development.
- Closed the transaction to transfer a 30-km segment of the Pioneer Natural Gas Pipeline to Nova Gas Transmission Ltd. for \$63 million in the Natural Gas Transmission business on February 25, 2022.
- Announced a 15-year power purchase agreement with Microsoft Corporation to purchase all renewable energy generated by ATCO's Deerfoot solar project in Calgary, Alberta. Once operational, the Deerfoot solar project will be one of the largest solar installations in a major urban centre in Western Canada, at 37-MW.

- On April 14, 2022, Canadian Utilities declared a second 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.

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	
	2022	2021
Adjusted Earnings	219	191
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts ⁽¹⁾	(12)	1
Rate-regulated activities ⁽²⁾	36	(52)
IT Common Matters decision ⁽³⁾	(4)	(4)
Transition of managed IT services ⁽⁴⁾	—	(11)
Dividends on equity preferred shares of Canadian Utilities Limited	18	17
AUC enforcement proceeding ⁽⁵⁾	(27)	—
Workplace COVID-19 vaccination standard ⁽⁶⁾	(8)	—
Gain on sale ⁽⁷⁾	5	—
Other	—	(1)
Earnings attributable to equity owners of the Company	227	141
Weighted average shares outstanding (millions of shares)	268.9	272.0

(1) 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.

(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 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 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.

(5) In the fourth quarter of 2021 and first quarter of 2022, the Company recognized the \$31 million penalty, \$11 million of project costs and other costs of \$2 million (\$14 million in Q4 2021 and \$27 million in Q1 2022 (after tax)) related to the potential outcome of the AUC enforcement proceeding. The settlement was filed with the AUC on April 14, 2022 and the AUC is currently determining the next process steps.

(6) In the three months ended March 31, 2022, the Company incurred \$8 million (after-tax) in severance and related costs associated with the Workplace COVID-19 vaccination standard.

(7) On March 31, 2022, the Company sold 36 per cent of its ownership interest in a subsidiary, Northland Utilities Enterprises Ltd., for \$8 million, net of cash disposed. The transaction resulted in a gain on sale of \$5 million (after-tax). With this transaction, ATCO Electric Ltd. and DII each have a 50 per cent ownership interest.

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, 2022 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, April 28, 2022 at 1-800-319-4610. No pass code is required.

Brian Shkrobot, Executive Vice President & Chief Financial Officer, will discuss first quarter 2022 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 May 28, 2022. Please call 1-800-319-6413 and enter pass code 8782. An archive of the webcast will be available on April 28, 2022 and a transcript of the call will be posted on <https://www.canadianutilities.com/en-ca/about-us/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 "Other Financial and Non-GAAP Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Equity Owners of the Company" in Management's Discussion and Analysis for the three months ended March 31, 2022, which is available on www.sedar.com.

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 the timing for construction, completion or commencement of the projects highlighted under "Recent Developments in the First Quarter of 2022" and the expected revenues or anticipated size of such projects; and the reference to the AUC's determination of the next process steps with respect to the settlement filed on April 14, 2022.

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 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 the Company's Management's Discussion and Analysis for the year ended December 31, 2021.

This news release may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, the future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this news release.

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.