

March 2, 2023

CANADIAN UTILITIES REPORTS 2022 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced adjusted earnings in 2022 of \$655 million (\$2.43 per share), which were \$69 million (\$0.26 per share) higher compared to \$586 million (\$2.17 per share) in 2021. Fourth quarter adjusted earnings in 2022 of \$180 million (\$0.66 per share) were \$12 million (\$0.05 per share) lower compared to \$192 million (\$0.71 per share) in the fourth quarter of 2021.

2022 earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$632 million (\$2.07 per Class A and Class B share), which were \$239 million (\$0.86 per Class A and Class B share) higher compared to \$393 million (\$1.21 per Class A and Class B share) in 2021. Fourth quarter 2022 IFRS earnings of \$145 million (\$0.46 per Class A and Class B share) were \$31 million (\$0.13 per Class A and Class B share) lower compared to \$176 million (\$0.59 per Class A and Class B share) in the fourth quarter of 2021.

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

- Invested \$452 million in capital expenditures in the fourth quarter of 2022, of which 85 per cent was invested in regulated utilities and 15 per cent mainly in Energy Infrastructure.
- Subsequent to year-end, on January 3, 2023, Canadian Utilities closed the previously announced acquisition of a portfolio of wind and solar assets and development projects located in Alberta and Ontario from Suncor Energy Inc. Concurrent with the close of this acquisition, Canadian Utilities entered into a new 15-year renewable energy purchase agreement with Microsoft Corporation. Under the terms of the agreement, Microsoft will purchase 150-MW per year of renewable energy generated by the Forty Mile Wind Phase 1 Project in Alberta, acquired as part of the acquisition from Suncor.
- In December 2022, The Yukon Electrical Company Limited, a subsidiary of Canadian Utilities, and Copper Niisüü Limited Partnership (CNLP), finalized a landmark Electricity Purchase Agreement to underpin the Saa Sè Energy Project in Beaver Creek and enhance energy autonomy for White River First Nation. Under the terms of the agreement, CNLP will build, own and operate the Beaver Creek solar facility. Upon completion, Canadian Utilities will purchase the solar electricity generated, connect it to the grid and redistribute it back to the community. The facility is expected to be fully operational by 2024.
- In December 2022, Canadian Utilities announced the commissioning of two hydrogen projects at the Clean Energy Innovation Hub in Australia. These include the blending of hydrogen into the Western Australian (WA) natural gas network and the first hydrogen fuelling station in

partnership with Fortescue Future Industries. This will enable Fortescue, Canadian Utilities and third parties such as the WA Police to support their fleets of hydrogen fuel cell vehicles.

- Subsequent to year-end, on February 3, 2023, Canadian Utilities executed an extension to the current Power Purchase Agreement with Origin Energy Electricity Limited (Origin) for the Osborne electricity cogeneration facility in South Australia. The extension is for a period of three years, commencing on January 1, 2024, with an option for Origin to extend the term until December 31, 2027.
- On January 12, 2023, Canadian Utilities declared a first quarter dividend of 44.86 cents per share or \$1.79 per Class A non-voting and Class B common share on an annualized basis, a 1 per cent increase over the 44.42 cents per share paid in each of the four previous quarters. Canadian Utilities has increased its dividend per share for 51 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:

	Three Months Ended December 31		Year Ended December 31	
	2022	2021	2022	2021
<i>(\$ millions except share data)</i>				
Adjusted Earnings	180	192	655	586
Impairment reversal (charge) and other costs ⁽¹⁾	4	—	4	(65)
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts ⁽²⁾	(19)	7	(67)	(18)
Rate-regulated activities ⁽³⁾	(36)	(27)	10	(118)
IT Common Matters decision ⁽⁴⁾	(4)	(4)	(15)	(14)
Transition of managed IT services ⁽⁵⁾	—	(8)	—	(42)
Dividends on equity preferred shares of Canadian Utilities Limited	20	16	75	65
AUC enforcement proceeding ⁽⁶⁾	—	(14)	(27)	(14)
Workplace COVID-19 vaccination standard ⁽⁷⁾	—	—	(8)	—
Gain on sale of ownership interest in a subsidiary company ⁽⁸⁾	—	—	5	—
Project cost recovery ⁽⁹⁾	—	17	—	17
Other	—	(3)	—	(4)
Earnings attributable to equity owners of the Company	145	176	632	393
Weighted average shares outstanding (millions of shares)	269.3	268.9	269.1	269.9

(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 reflected 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. In 2022, a reversal of impairment of \$4 million (after-tax) was recorded mainly related to Energy Infrastructure's joint venture investment in the Osborne electricity cogeneration facility located in Southern Australia. The reversal resulted from an improvement in the future outlook of power market prices.

(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 the 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 (MSAs) 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 ten-year MSAs expiring in December 2024. The transition of the managed IT services from Wipro to IBM commenced on February 1, 2021 and is complete.
- (6) On April 14, 2022, the AUC Enforcement branch and ATCO Electric Transmission filed a settlement with the AUC regarding a sole source contract for the Jasper interconnection project. On June 29, 2022, the AUC issued its decision approving the settlement in its entirety. In the fourth quarter of 2021 and first quarter of 2022, the Company recognized costs of \$14 million and \$27 million (after-tax), respectively, related to the proceeding.
- (7) In 2022, the Company incurred \$8 million (after-tax) in severance and related costs associated with its Workplace COVID-19 vaccination standard.
- (8) 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 Denendeh Investments Incorporated (DII) each have a 50 per cent ownership interest.
- (9) In 2021, the Company recorded earnings of \$17 million (after tax) following the conclusion of the Company's involvement in an international project.

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, 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, March 2, 2023 at 1-800-319-4610. No pass code is required.

Brian Shkrobot, Executive Vice President & Chief Financial Officer, will discuss year-end 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 April 2, 2023. Please call 1-800-319-6413 and enter pass code 9761. An archive of the webcast will be available on March 2, 2023 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 5,000 employees and assets of \$22 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.

Investor & Analyst Inquiries:

Colin Jackson
Senior Vice President, Finance, Treasury, Risk & Sustainability
Colin.Jackson@atco.com
(403) 808 2636

Media Inquiries:

Kurt Kadatz
Director, Corporate Communications
Kurt.Kadatz@atco.com
(587) 228 4571

Subscription Inquiries:

To receive Canadian Utilities Limited news releases, please click [here](#).

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 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 the Company's Management's Discussion and Analysis for the year ended December 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: the expected timing of commencement and term of contracts; the expected commencement of facility operations; and the purchase and sale of electricity pursuant to the applicable Purchase and Sale Agreements.

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; 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; 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 termination or breach of contracts by contract counterparties; 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, 2022.

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.