

November 14, 2024

CANADIAN UTILITIES REPORTS THIRD QUARTER 2024 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced third quarter 2024 adjusted earnings of \$102 million (\$0.38 per share), which were \$15 million (\$0.06 per share) higher compared to \$87 million (\$0.32 per share) in the third quarter of 2023.

Third quarter earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$12 million (\$0.03 per Class A and Class B share), which were \$(113) million (\$0.42 per Class A and Class B share) lower compared to \$125 million (\$0.39 per Class A and Class B share) in the third 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

- In September 2024, ATCO Energy Systems announced the filing of a comprehensive regulatory application that establishes the need for the Yellowhead Mainline natural gas project and represents the first of two applications to the Alberta Utilities Commission. This is a significant milestone for the advancement of the project. Subject to regulatory and company approvals, construction is expected to commence in 2026 and the pipeline is expected to be on-stream in the fourth quarter of 2027.
- ATCO EnPower remains committed to hydrogen development within Alberta's Industrial Heartland and has signed a Letter of Intent with Linde Canada Inc. (Linde). ATCO EnPower and Linde are working alongside other parties to further the development and commercial success of the AH3 project, with the objective to commence Front End Engineering Design (FEED) in the fourth quarter of 2024 and advance both domestic and export offtake opportunities. The project has significant potential to supply hydrogen to domestic and international markets, including the Alberta gas grid, industrial, municipal, and commercial transport users. The parties continue to work with supportive Federal and Provincial governments to establish policy and frameworks that facilitate investment in the Canadian hydrogen economy of both export and domestic opportunities, and to work with First Nations for their participation in the development of and ownership in the project.
- In September 2024, ATCO EnPower successfully produced hydrogen through two 1-MW electrolyzers that were constructed and commissioned in Edmonton and Calgary. This is a significant milestone for ATCO EnPower's partnership with Canadian Pacific Kansas City Limited that was announced in the second quarter of 2022, to provide engineering, procurement and

construction services for two hydrogen production and refueling facilities in Calgary and Edmonton.

- Subsequent to quarter end, on November 8, 2024, ATCO Gas Australia received the final AA6 decision from the Economic Regulation Authority (ERA). This final decision is a result of a constructive and collaborative regulatory process. The decision from the ERA approves the prices for ATCO Gas Australia's gas distribution network for the next five years. Their decision is underpinned by a five-year capital expenditure program, a five-year operating cost forecast, the demand forecast of throughput on the natural gas distribution network in Western Australia, and included an evaluation of the capital expenditure program completed during the AA5 period to confirm the capital expenditures met the regulatory criteria. The decision also determines the rate of return for the AA6 period, which adopts a ROE of 8.23 per cent, compared to 5.02 per cent in the previous Access Arrangement.
- Incurred \$414 million in capital expenditures in the third 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

- On October 10, 2024, Canadian Utilities declared a fourth 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:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
<i>(\$ millions except share data)</i>				
Adjusted Earnings	102	87	444	404
Loss on sale of ownership interest in a subsidiary company ⁽¹⁾	(14)	—	(14)	—
Restructuring ⁽²⁾	—	—	(36)	—
ATCO Electric settlement application ⁽³⁾	—	—	(8)	—
Unrealized (losses) gains on mark-to-market forward and swap commodity contracts ⁽⁴⁾	(76)	70	(83)	138
Rate-regulated activities ⁽⁵⁾	(15)	(47)	(29)	(46)
IT Common Matters decision ⁽⁶⁾	(5)	(5)	(16)	(15)
Impairment ⁽⁷⁾	—	—	—	(8)
Transition of managed IT services ⁽⁸⁾	—	—	—	(9)
Dividends on equity preferred shares of Canadian Utilities Limited	20	20	58	58
Earnings attributable to equity owners of the Company	12	125	316	522
Weighted average shares outstanding (millions of shares)	271.6	270.3	271.3	269.9

(1) In the third quarter of 2024, the Company sold its 100 per cent investment in ATCO Energy Ltd. to its parent, ATCO Ltd. for an agreed sale price of \$85 million resulting in a loss on sale of \$14 million. As this loss on sale is not in the normal course of business, it has been excluded from adjusted earnings.

(2) In the second quarter of 2024, the Company recorded restructuring costs of \$36 million (after-tax) mainly related to staff reductions and associated severance costs.

(3) In the second quarter of 2024, the Company recognized costs of \$8 million (after-tax) related to an AUC enforcement proceeding on the settlement agreement of two matters the Electric Transmission business had self-reported to AUC Enforcement staff.

(4) The Company's electricity generation and electricity and natural gas retail businesses 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 fixed-price swap commodity contracts, together with reclassifications of unrealized gains or losses from

other comprehensive income or loss, in the electricity generation business are recognized in the ATCO EnPower segment and electricity and natural gas retail business in Corporate & Other. Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

- (5) The Company records significant timing adjustments as a result of the differences between rate-regulated accounting and IFRS 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.
- (6) 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.
- (7) In the second quarter of 2023, the Company recognized an impairment of \$8 million (after-tax) relating to certain electricity generation assets in Electricity Transmission. These assets had been removed from service and it was determined that they no longer had any remaining value.
- (8) 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 September 30, 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, November 14, 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 December 14, 2024. Please call 1-855-669-9658 and enter pass code 5199285.

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 alternative fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. 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 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” in the Company’s Management’s Discussion and Analysis for the nine months ended September 30, 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: expectations regarding the Yellowhead Mainline project, including the timing for commencement of construction and bringing the project on-stream; expectations regarding the AH3 project, including the timing for commencement of FEED, the significant potential of the project and continued collaboration with governments and First Nations on the project; and 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, including uncertainty with respect to recent amendments to the Competition Act (Canada); 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.