

February 26, 2026

## CANADIAN UTILITIES REPORTS 2025 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced adjusted earnings <sup>(1)</sup> in 2025 of \$658 million (\$2.42 per share), which were \$11 million (\$0.04 per share) higher compared to \$647 million (\$2.38 per share) in 2024. Fourth quarter adjusted earnings in 2025 of \$197 million (\$0.72 per share) were \$6 million (\$0.02 per share) lower compared to \$203 million (\$0.74 per share) in the fourth quarter of 2024. In 2025, Canadian Utilities was impacted (\$57 million) by the temporary decrease in the regulated 2025 return on equity, the completion of the regulated efficiency carryover mechanism at the end of 2024, and the strategic decision to redeploy capital from ATCO Energy Ltd. (ATCO Energy) into our core businesses with the sale of ATCO Energy to ATCO Ltd. Our continued adjusted earnings growth in the face of 2025 headwinds highlights the strength and resiliency of the Company's portfolio and its people.

2025 earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) of \$119 million (\$0.15 per Class A and Class B share), were \$361 million (\$1.33 per Class A and Class B share) lower compared to \$480 million (\$1.48 per Class A and Class B share) in 2024. Fourth quarter 2025 IFRS (loss) earnings of \$(328) million (\$(1.28) per Class A and Class B share) were \$492 million (\$1.81 per Class A and Class B share) lower compared to earnings of \$164 million (\$0.53 per Class A and Class B share) in the fourth quarter of 2024. IFRS earnings were negatively impacted by certain non-cash impairments and write offs. For further information please refer to Canadian Utilities' Financial Statements and Management's Discussion & Analysis (MD&A) for the year ended December 31, 2025.

### RECENT DEVELOPMENTS

- In 2025, ATCO Energy Systems continued to work on many utility infrastructure opportunities, including two previously announced projects: the Yellowhead Pipeline Project (Yellowhead) in Natural Gas Transmission and the Central East Transfer-Out Project (CETO) in Electricity Transmission.
  - Yellowhead consists of approximately 235 kilometres of high-pressure natural gas pipeline with the projected spend estimated at \$2.9 billion, based on a Class III estimate with an expected accuracy of +/-20 per cent. The pipeline is 100 per cent contracted with customers, and is on track for construction to commence in 2026, subject to both Alberta Utilities Commission (AUC) and corporate approvals. In the third quarter of 2025, the AUC approved the Need Assessment Application for the project. As one of two key regulatory filings that require approval from the AUC for the project, this approval marks a major milestone in the development of Alberta's energy infrastructure. ATCO Energy Systems filed a separate facility application on November 4, 2025 to seek AUC approval for construction and operation of the physical infrastructure. The AUC is expected to render a decision on this application in the third quarter of 2026.

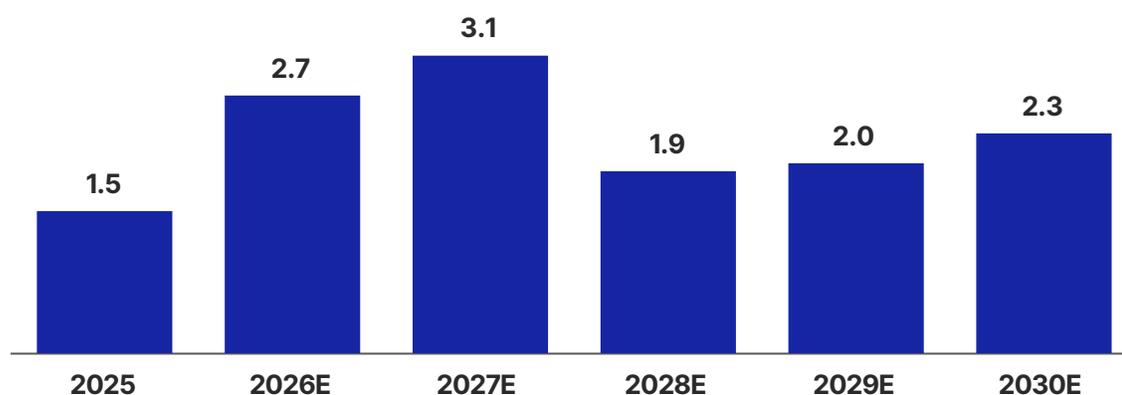
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<sup>(1)</sup> Adjusted earnings is a total of segments measure (as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure (NI 52-112)). See "Other Financial and Non-GAAP Measures Advisory" in this news release for additional information.

In 2025, Canadian Utilities raised \$500 million fixed to fixed rate subordinate notes and \$200 million preferred shares to substantially pre-fund its equity contribution. Canadian Utilities expects to fund Yellowhead's development within CU Inc., according to the applicable regulated capital structure, which is 63 per cent regulated debt and 37 per cent regulated equity. The regulated debt is expected to be funded with CU Inc. debenture issuances throughout 2026 and 2027.

- CETO consists of a 135-km 240kV transmission line, of which Electricity Transmission is building 85-km of the transmission line and AltaLink LP is constructing the remaining 50-km. Electricity Transmission completed the winter season construction in the first quarter of 2025, including substation tendering for civil, structural and electrical works, began fall season construction in the third quarter of 2025, and continues to progress on target timelines. Electricity Transmission's 85-km of the transmission line is on track to be energized by June 2026 with an approximate \$255 million project spend. CETO will support renewable energy integration in Alberta and transport electricity in the counties of Red Deer, Lacombe and Stettler, supplying more than 1,500-MW of electricity to Alberta's grid.
- In December 2025, ATCO EnPower acquired a 100 per cent ownership interest in Northstone Power Corp., a privately owned Alberta-based independent power producer. Northstone is located near Grande Prairie, Alberta and owns and operates the 18.6-MW Elmworth generating station.
- Canadian Utilities incurred \$415 million and \$1,600 million in capital expenditures in the fourth quarter and full year of 2025, of which 94 per cent was invested in the regulated utilities in ATCO Energy Systems and ATCO Australia.
- Canadian Utilities' five-year (2026-2030) capital expenditure plan for its regulated utilities approximates \$12 billion of capital spending which would support a consolidated mid-year rate base <sup>(2)</sup> CAGR <sup>(3)</sup> of 6.9 per cent from 2026 to 2030 across our regulated jurisdictions in Canada and Australia. Primary contributors to the capital expenditure plan are expected to be customer growth, system reliability, resilience and safety, and the Yellowhead project. A five-year 6.9 per cent consolidated rate base CAGR implies consolidated mid-year rate base will grow from \$16.6 billion in 2025 to \$23.2 billion in 2030.

### 2026-2030 Capital Expenditures Plan (\$ billions)



<sup>(2)</sup> Consolidated mid-year rate base is a non-GAAP financial measure and consolidated mid-year rate base CAGR is a non-GAAP ratio (each as defined in NI 52-112). Consolidated mid-year rate base and consolidated mid-year rate base CAGR are not standardized measures under the reporting framework used to prepare the Company's financial statements and may not be comparable to similar measures disclosed by other issuers. The most directly comparable measures to consolidated mid-year rate base reported in accordance with International Financial Reporting Standards (IFRS) are property, plant and equipment and intangible assets. See "Other Financial and Non-GAAP Measures Advisory" in this news release for additional information.

<sup>(3)</sup> CAGR means compound annual growth rate.

## **Corporate**

- On January 8, 2026, Canadian Utilities declared a first quarter dividend of 46.23 cents per share or \$1.85 per Class A and Class B share on an annualized basis continuing its 54 year track record of consecutive annual dividend increases.

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, 2025 will be available on the Canadian Utilities website ([www.canadianutilities.com](http://www.canadianutilities.com)), via SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or can be requested from the Company.

## **TELECONFERENCE AND WEBCAST**

Canadian Utilities will hold a live teleconference and webcast with Bob Myles, Chief Executive Officer, and Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, at 9:00 am Mountain Time (11:00 am Eastern Time) on Thursday, February 26, 2026 at 1-833-821-3314. 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 March 26, 2026. Please call 1-855-669-9658 and enter pass code 5266912.

**Canadian Utilities Limited and its subsidiary and affiliate companies have approximately 8,600 employees and assets of \$25 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 electricity operations segments. ATCO EnPower creates sustainable energy solutions in the areas of electricity generation, energy storage, industrial water and cleaner fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. More information can be found at [www.canadianutilities.com](http://www.canadianutilities.com).**

## **Investor & Analyst Inquiries:**

Colin Jackson  
Senior Vice President, Financial Operations  
[Colin.Jackson@atco.com](mailto:Colin.Jackson@atco.com)  
(403) 808 2636

## **Media Inquiries:**

Kurt Kadatz  
Director, Corporate Communications  
[Kurt.Kadatz@atco.com](mailto:Kurt.Kadatz@atco.com)  
(587) 228 4571

## **Subscription Inquiries:**

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

## **Other Financial and Non-GAAP Measures Advisory**

### **Adjusted Earnings**

Consolidated adjusted earnings is a "total of segments measure", as defined in NI 52-112. The most directly comparable measure to adjusted earnings reported in accordance with IFRS is earnings attributable to equity owners of the Company. IFRS earnings include timing adjustments related to rate-regulated activities, dividends on equity preferred shares, 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. A 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	
(\$ millions except share data)	2025	2024	2025	2024
Adjusted Earnings	197	203	658	647
Impairments <sup>(1)</sup>	(471)	—	(471)	—
Transition of managed IT services <sup>(2)</sup>	(4)	—	(18)	—
Restructuring <sup>(3)</sup>	—	(7)	(14)	(43)
Unrealized losses on mark-to-market forward and swap commodity contracts <sup>(4)</sup>	(2)	—	(2)	(83)
Rate-regulated activities <sup>(5)</sup>	(64)	(45)	(104)	(74)
IT Common Matters decision <sup>(6)</sup>	(2)	(6)	(4)	(22)
Loss on sale of ATCO Energy <sup>(7)</sup>	—	—	—	(14)
ATCO Electric settlement <sup>(8)</sup>	—	—	—	(8)
Dividends on equity preferred shares of Canadian Utilities Limited	19	19	77	77
Other	(1)	—	(3)	—
<b>Earnings (loss) attributable to equity owners of the Company</b>	<b>(328)</b>	164	<b>119</b>	480
<b>Weighted average shares outstanding (millions of shares)</b>	<b>272.0</b>	271.6	<b>271.8</b>	271.4

(1) In the fourth quarter and year ended December 31, 2025, the Company recorded impairments of \$471 million (after-tax) mainly related to the Alberta Renewables Portfolio in ATCO EnPower that was primarily driven by elevated curtailment from inadequate transmission infrastructure and electricity grid deficiencies. In addition, certain hydrogen assets in Natural Gas Distribution were impaired due to the uncertainty of utility hydrogen regulations, and ATCO Gas Australia recognized an impairment related to the phasing out of an aging liquefied petroleum gas distribution network in Albany, Western Australia due to large sections of the system nearing the end of their service life.

(2) In the fourth quarter and year ended December 31, 2025, the Company recognized IT transition costs of \$4 million (after-tax) and \$18 million (after-tax). The transition costs were primarily related to activities to shift the managed IT services from a single-vendor service provider to a hybrid model of multiple new vendors and internal teams. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

(3) In the fourth quarter and year ended December 31, 2025, the Company recorded restructuring costs of nil and \$14 million (after-tax) mainly related to staff reductions and associated severance costs. As these costs are not in the normal course of business, they have been excluded from adjusted earnings.

(4) The Company's electricity generation business enters into, and, until the date of sale of ATCO Energy Ltd. (ATCO Energy) to ATCO Ltd. (ATCO) on August 1, 2024, the Company's electricity and natural gas retail business entered into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. These contracts are measured at fair value. For both the Company's electricity generation business, and electricity and natural gas business up to the time of its sale to ATCO, unrealized gains and losses resulting from changes in the fair value of fixed-price swap commodity contracts where hedge accounting is/was not applied, together with reclassifications of unrealized gains and losses from other comprehensive income or loss, are/were recognized in the ATCO EnPower and Financing & Other segments, respectively. 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 third quarter of 2024, the Company sold its 100 per cent investment in ATCO Energy to its parent, ATCO, 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.

(8) In the second quarter of 2024, the Company recorded an \$8 million (after-tax) reduction to earnings related to an AUC enforcement decision on two historical matters the Electric Transmission business had self-reported to AUC Enforcement staff.

### Consolidated Mid-Year Rate Base and Consolidated Mid-Year Rate Base CAGR

Canadian Utilities' regulated utilities had a consolidated mid-year rate base of \$16.6 billion in 2025. The five-year 6.9 per cent consolidated rate base CAGR implies consolidated mid-year rate base of \$17.9 billion in 2026, \$19.8 billion in 2027, \$21.4 billion in 2028, \$22.3 billion in 2029, and \$23.2 billion in 2030.

Consolidated mid-year rate base is a "non-GAAP financial measure" and consolidated mid-year rate base CAGR is a "non-GAAP ratio" each as defined in NI 52-112. Growth in consolidated mid-year rate base is a leading indicator of a utility's earnings trend. Rate base is a measure specific to rate regulated utilities and is used by the regulatory authorities in the jurisdictions in which

the utility companies operate. Our ATCO Energy Systems businesses are governed by the AUC and ATCO Gas Australia is governed by the Economic Regulation Authority of Western Australia.

The regulated utilities finance infrastructure investments, referred to as rate base, through a combination of equity and debt. Regulatory proceedings establish the approved rate of return on equity (ROE) and the equity ratio – the proportion of utility investments financed with equity, with the remainder financed by debt.

Both the ROE and the equity ratio are determined based on the concept of “fair return,” which includes three main components: (i) comparability, (ii) financial integrity, and (iii) financial attractiveness. The costs of equity and debt are included in the amounts collected as revenues.

Consolidated mid-year rate base for a given year is calculated as the average of the opening rate base and the closing rate base. The Company determines its customer rates by multiplying its rate base by the approved equity ratio and the approved rate of ROE, as well as recovering forecast costs and return of capital. As such, Canadian Utilities' earnings will trend based on changes in the approved ROE, the approved equity ratio, and the consolidated mid-year rate base.

The most directly comparable measures to consolidated mid-year rate base reported in accordance with IFRS are "property, plant and equipment" and "intangible assets". The following tables reconcile rate base and consolidated mid-year rate base to property, plant and equipment and intangible assets for the year ended December 31, 2025.

### ATCO Energy Systems

(\$ billions)	Year Ended December 31	
	2025	2024
Property, plant and equipment <sup>(1)</sup>	19.7	19.3
Intangible assets <sup>(1)</sup>	1.0	1.0
	20.7	20.3
<i>Adjustments:</i>		
Property, plant and equipment, and intangible assets of non-regulated businesses	(1.4)	(1.6)
Customer contributions <sup>(2)</sup>	(2.1)	(2.0)
Removal costs collected from customer rates	(1.7)	(1.6)
Other	(0.1)	(0.3)
<b>Rate Base <sup>(3)</sup></b>	<b>15.4</b>	14.8
<b>Consolidated Mid-Year Rate Base <sup>(3)</sup></b>	<b>15.1</b>	14.5

(1) Please refer to Note 3 - Geographic Information section (Canada) of the Company's 2025 Consolidated Financial Statements.

(2) Please refer to Note 10 - Customer Contributions section of the Company's 2025 Consolidated Financial Statements.

(3) Non-GAAP financial measure.

### ATCO Gas Australia

(\$ billions)	Year Ended December 31	
	2025	2024
Property, plant and equipment, and intangible assets <sup>(1)</sup>	1.4	1.3
	1.4	1.3
<i>Adjustments:</i>		
Other	0.1	0.1
<b>Rate Base <sup>(2)</sup></b>	<b>1.5</b>	1.4
<b>Mid-Year Rate Base <sup>(2)</sup></b>	<b>1.5</b>	1.4

(1) Please refer to Note 3 - Geographic Information section (Australia) of the Company's 2025 Consolidated Financial Statements.

(2) Non-GAAP financial measure.

### Forward-Looking Information Advisory

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 anticipated size, specifications and incremental natural gas delivery capacity of Yellowhead, the anticipated capital spend on Yellowhead and expected accuracy of the estimate, the number of regulatory applications and expected timing for commencement of construction and bringing Yellowhead on-stream, and expectations regarding Yellowhead's funding structure, including sources of funding for the project; expectations regarding

*CETO, including the anticipated size, capacity and benefits of the project, the anticipated timing for energization of the project, and the anticipated total investment in the project; the Company's approximately \$12 billion five-year (2026-2030) capital expenditure plan for its regulated utilities; expectations regarding the regulated utilities' mid-year rate base CAGR; 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 Yellowhead project and other utility capital spending associated with customer growth, system reliability, resilience and safety underpinning Canadian Utilities' approximately \$12 billion five-year capital plan (2026-2030) for its regulated utilities; the applicability and stability of legal and regulatory requirements in the jurisdictions in which we invest and/or operate; the approval of capital expenditures; regulatory approvals to allow for the recovery of prudently incurred capital expenditures and to earn a fair return on investment; certain other regulatory applications being made and approved; the growth of energy demand; inflation; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve business objectives; continuing collaboration with certain business partners and engagement with new business partners, and 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 complete proposed development projects at currently estimated budgets; the availability of financing sources on acceptable terms; expected future borrowing costs and interest rates; 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 regulations and the interpretation and manner of enforcement of such laws and regulations; changes to government policies; regulatory decisions; competitive factors in the industries in which the Company operates; evolving market or economic conditions; credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, infrastructure, and future demand for resources; the development and execution of projects, including development projects not proceeding on schedule or at all, or at currently estimated budgets; the availability of financing sources for development projects on acceptable terms; 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; potential cancellation, termination, default, non-compliance, or breach of contract by contract counterparties; the risk that payments owed may not be collected or received in a timely manner, or at all; risks associated with potential litigation proceedings; potential damage to our brand and/or reputation that may result from a failure to perform, or from factors outside of our control, or negative publicity related to significant projects, investments, operations or activities; the risk of operational disruptions, outages, or force majeure events; 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; the imposition of or changes to existing customs duties, tariffs or other trade restrictions; geopolitical tensions and wars; risks associated with operating in international jurisdictions; 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 MD&A for the year ended December 31, 2025.*

*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, such 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.*