

February 29, 2024

CANADIAN UTILITIES REPORTS 2023 EARNINGS

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

Canadian Utilities Limited (Canadian Utilities or the Company) today announced adjusted earnings in 2023 of \$596 million (\$2.21 per share), which were \$59 million (\$0.22 per share) lower compared to \$655 million (\$2.43 per share) in 2022. Fourth quarter adjusted earnings in 2023 of \$192 million (\$0.71 per share), were \$12 million (\$0.05 per share) higher compared to \$180 million (\$0.66 per share) in the fourth quarter of 2022.

2023 earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$707 million (\$2.33 per Class A and Class B share), which were \$75 million (\$0.26 per Class A and Class B share) higher compared to \$632 million (\$2.07 per Class A and Class B share) in 2022. Fourth quarter earnings attributable to equity owners of the Company reported in accordance with International Financial Reporting Standards (IFRS earnings) were \$185 million (\$0.61 per Class A and Class B share), \$40 million (\$0.15 per Class A and Class B share) higher compared to \$145 million (\$0.46 per Class A and Class B share) in the fourth quarter of 2022.

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

- Received the Alberta Utilities Commission (AUC) decisions with respect to the parameters of the third generation of performance-based regulation and the future Generic Cost of Capital parameters, on October 4, 2023 and October 9, 2023, respectively. We began operating under these new frameworks in 2024.
- The Alberta Court of Appeal issued a favourable decision in the second quarter of 2023 in connection with the Fort McMurray (Wood Buffalo) wildfire. This decision resulted in the AUC issuing its decision in December 2023 permitting ATCO Electric to include the net book value of its electric distribution assets destroyed in the Wood Buffalo fire within rate base.
- In October 2023, the South Australian Government announced an Early Contractor Involvement agreement with ATCO Australia and our joint venture partner, BOC Linde, for the South Australian Hydrogen Jobs Plan project, a 250-MW Hydrogen production facility, a 200-MW Hydrogen-fuelled electricity generation facility and a Hydrogen storage facility. Activities under this agreement include developing a contract offer price, and negotiation of engineering, procurement, construction and operations and maintenance contracts for delivery and operations of the project.
- Incurred \$394 million in capital expenditures in the fourth quarter of 2023, of which 91 per cent was invested in ATCO Energy Systems and 9 per cent mainly in ATCO EnPower.

Corporate

- On January 19, 2024, the Company announced the retirement of Executive Vice President and Chief Financial Officer, Brian P. Shkrobot, effective March 1, 2024. Concurrently, it was announced that with the support of the Canadian Utilities' Board of Directors, Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, ATCO, will broaden her portfolio to include Chief Financial Officer for Canadian Utilities effective March 1, 2024.
- On January 11, 2024, Canadian Utilities declared a first quarter dividend of 45.31 cents per share or \$1.81 per Class A and Class B shares 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 December 31		Year Ended December 31	
(\$ millions except share data)	2023	2022	2023	2022
Adjusted Earnings	192	180	596	655
Impairment (charge) reversal ⁽¹⁾	(36)	4	(44)	4
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts ⁽²⁾	47	(19)	185	(67)
Rate-regulated activities ⁽³⁾	(32)	(36)	(78)	10
IT Common Matters decision ⁽⁴⁾	(5)	(4)	(20)	(15)
Transition of managed IT services ⁽⁵⁾	—	—	(9)	—
Dividends on equity preferred shares of Canadian Utilities Limited	19	20	77	75
AUC enforcement proceeding ⁽⁶⁾	—	—	—	(27)
Workplace COVID-19 vaccination standard ⁽⁷⁾	—	—	—	(8)
Gain on sale of ownership interest in a subsidiary company ⁽⁸⁾	—	—	—	5
Earnings attributable to equity owners of the Company	185	145	707	632
Weighted average shares outstanding (millions of shares)	270.6	269.2	270.1	269.1

(1) In the fourth quarter of 2023, the Company recognized an impairment of \$36 million (after-tax) of certain computer software assets that are no longer expected to be used in the business. Also, in the second quarter of 2023, the Company recognized an impairment of \$8 million (after-tax) relating to certain electricity generation assets as it was determined that they no longer had any remaining value. In 2022, a reversal of impairment for \$4 million (after-tax) was recorded mainly related to a joint venture investment in a co-generation facility.

(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 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.

(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 first quarter of 2022, the Company recognized costs of \$27 million (after-tax) related to the proceeding.

(7) In the first quarter of 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 each have a 50 per cent ownership interest.

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, 2023 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 at 9:00 am Mountain Time (11:00 am Eastern Time) on Thursday, February 29, 2024 at 1-800-319-4610. No pass code is required.

Brian Shkrobot, Executive Vice President & Chief Financial Officer, Wayne Stensby, Chief Operating Officer, ATCO Energy Systems, and Bob Myles, Chief Operating Officer, ATCO EnPower, will discuss year-end 2023 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 29, 2024. Please call 1-800-319-6413 and enter pass code 0640. An archive of the webcast will be available on February 29, 2024 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.

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 clean fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. ATCOenergy and Rümi provide retail electricity and natural gas services, home maintenance services and professional home advice that bring exceptional comfort, peace of mind and freedom to homeowners and customers. 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 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" in the Company's Management's Discussion and Analysis for the year ended December 31, 2023, 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: the expected hydrogen production, electricity generation and hydrogen storage capabilities of the facilities planned in connection with the South Australian Hydrogen Jobs Plan 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; 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.