

May 1, 2020

CANADIAN UTILITIES REPORTS FIRST QUARTER 2020 EARNINGS

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

Canadian Utilities announced first quarter 2020 adjusted earnings of \$179 million, or \$0.66 per share, compared to \$200 million, or \$0.73 per share, in the first quarter of 2019.

Canadian Utilities adjusted earnings in the first quarter of 2020 were \$21 million lower than the same period in 2019 mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and the sale of Alberta PowerLine in the fourth quarter of 2019.

Excluding the forgone earnings impact from these business sales in 2019, Canadian Utilities' earnings in the first quarter of 2020 were \$8 million higher than the same period in 2019. Higher earnings were mainly due to continuing cost efficiencies, utility rate base growth and lower income taxes.

In the first quarter of 2020, Canadian Utilities invested \$259 million in capital projects, of which \$249 million or 96 per cent was invested in regulated utilities.

COVID-19 AND GLOBAL MACROECONOMIC CONDITIONS

The COVID-19 pandemic, oil price decline and slowing global economic activity have caused far-reaching concern and economic hardship for consumers, businesses and communities across the globe.

“Since activating our Pandemic Response Plan in February 2020, we have implemented critical health, safety and operational measures to ensure we can continue to safely and responsibly provide the essential services our communities and our customers rely on,” said Siegfried Kiefer, President & Chief Executive Officer, Canadian Utilities. “The commitment of our people has allowed us to protect public health while continuing to deliver our essential services that are vital in supporting the critical activities of our communities, and our industrial and commercial customers.”

Please see management's discussion and analysis for the quarter ended March 31, 2020 for a summary of the impact of these factors on Canadian Utilities' businesses.

RECENT DEVELOPMENTS

- Completed and placed in-service the Pembina-Keephills transmission pipeline ahead of schedule and below the \$230 million approved budget. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day.
- Declared a second quarter dividend for 2020 on March 31, 2020 of 43.54 cents per Class A non-voting and Class B common share.

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)	For the Three Months Ended March 31	
	2020	2019
Adjusted earnings ⁽¹⁾	179	200
Unrealized gains on mark-to-market forward and swap commodity contracts ⁽²⁾	6	6
Rate-regulated activities ⁽²⁾	(31)	(7)
IT Common Matters decision ⁽²⁾	(4)	—
Dividends on equity preferred shares	17	17
Other ⁽³⁾	(7)	1
Earnings attributable to equity owners of the Company	160	217
Weighted average shares outstanding (millions of shares)	272.7	272.6

(1) Adjusted earnings are defined as earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of Canadian Utilities' earnings with other Canadian rate-regulated companies.

(2) Refer to Note 3 of the Unaudited Interim Consolidated Financial Statements for the three months ended March 31, 2020 for detailed descriptions of this adjustment and others.

(3) Each quarter, the Company adjusts the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast to discuss our first quarter 2020 financial results. Siegfried Kiefer, President & Chief Executive Officer and Dennis DeChamplain, Executive Vice President & Chief Financial Officer, will discuss first quarter 2020 recent developments and financial results at 9:00 am Mountain Time (11:00 am Eastern Time) on Friday, May 1, 2020 at 1-800-319-4610. 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 May 30, 2020. Please call 1-800-319-6413 and enter pass code 4296. An archive of the webcast will be available on May 1, 2020 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.

This news release should be used as preparation for reading the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2020 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 4,600 employees and assets of \$20 billion, Canadian Utilities Limited is an ATCO company. Canadian Utilities is a diversified global energy infrastructure corporation delivering essential services service excellence and innovative business solutions in Utilities (electricity and natural gas transmission and distribution), Energy Infrastructure (electricity generation, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.canadianutilities.com.

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Forward-Looking Information:

Certain statements contained in this news release may 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", and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of 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), and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

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.