

July 30, 2020

CANADIAN UTILITIES REPORTS SECOND QUARTER 2020 EARNINGS

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

Canadian Utilities today announced second quarter 2020 adjusted earnings of \$94 million, or \$0.34 per share, compared to \$126 million, or \$0.46 per share, in the second quarter of 2019.

Lower adjusted earnings in the second quarter of 2020 were mainly due to the sale of the Canadian fossil fuel-based electricity generation business and 80 per cent ownership interest in Alberta PowerLine in 2019, which together contributed \$17 million in adjusted earnings in the second quarter of 2019. Lower earnings were also due to \$15 million in prior period adjusted earnings from Electricity and Natural Gas Transmission regulatory decisions received in the second quarter of 2019.

Excluding the forgone earnings impact from the sale of these businesses in 2019 and the prior period earnings impacts from the regulatory decisions received in the second quarter of 2019, Canadian Utilities' adjusted earnings in the second quarter of 2020 were comparable to the same period in 2019.

COVID-19 AND GLOBAL MACROECONOMIC CONDITIONS

The COVID-19 pandemic, continued low oil prices and slowing global economic activity have caused far-reaching concern and economic hardship for consumers, businesses and communities across the globe. In this time of uncertainty, our people are working hard to ensure that we continue to support our customers and the communities that depend on our essential services.

Canadian Utilities' Pandemic Response Plan was activated in February 2020 by our Crisis Management Committee. Since then our teams across the globe have been responding to this rapidly changing situation to ensure a coordinated approach across Canadian Utilities. In late second quarter 2020, Canadian Utilities commenced a phased return to office plan.

Please see management's discussion and analysis for the quarter ended June 30, 2020 for a summary of the impact of these economic conditions on Canadian Utilities' businesses.

RECENT DEVELOPMENTS

- Announced on June 22, 2020, LUMA Energy, LLC, a newly-formed company owned 50 per cent by Canadian Utilities and 50 per cent by Quanta Services, had been selected by the Puerto Rico Public-Private Partnerships Authority to transform, modernize and operate Puerto Rico's 30,000 km electricity transmission and distribution system over a term of 15 years after a one year transition period, which commenced in the second quarter of 2020.
- Awarded funding from Emission Reductions Alberta's Natural Gas Challenge to advance a first-of-its-kind hydrogen blending project in Fort Saskatchewan, Alberta.
- Declared a third quarter dividend for 2020 on July 8, 2020 of 43.54 cents per share or \$1.74 per Class A non-voting and Class B common share on an annualized basis.
- Dominion Bond Rating Service affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities subsidiary CU Inc. on July 20, 2020.

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 June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Adjusted earnings ⁽¹⁾	94	126	273	326
Transaction Costs	—	(8)	—	(8)
Impairment and other costs ⁽²⁾	(30)	—	(30)	—
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts ⁽²⁾	3	(5)	9	1
Rate-regulated activities ⁽²⁾	(9)	184	(40)	177
IT Common Matters decision ⁽²⁾	(3)	(14)	(7)	(14)
Dividends on equity preferred shares of Canadian Utilities Limited	16	16	33	33
Other ⁽²⁾	1	—	(6)	1
Earnings attributable to equity owners of the Company	72	299	232	516
Weighted average shares outstanding (millions of shares)	272.8	272.6	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) Impairment and other costs mainly relate to certain assets that no longer represent strategic value to the Company. 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. Refer to Note 3 of the Unaudited Interim Consolidated Financial Statements for the six months ended June 30, 2020 for detailed descriptions of these adjustments and others.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast to discuss our second quarter 2020 financial results. Siegfried Kiefer, President & Chief Executive Officer, and Dennis DeChamplain, Executive Vice President & Chief Financial Officer, will discuss second quarter 2020 recent developments and financial results at 8:00 am Mountain Time (10:00 am Eastern Time) on Thursday, July 30, 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 August 30, 2020. Please call 1-800-319-6413 and enter pass code 4786. An archive of the webcast will be available on July 30, 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 June 30, 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 and international electricity operations), 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.

Investor & Analyst Inquiries:

Myles Dougan
Director, Investor Relations & External Disclosure
T: 403-292-7879 C: 403-828-2908

Media Inquiries:

Kurt Kadatz
Senior Manager, Corporate Communications
T: 587-228-4571

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.