



May 15, 2024

Caribbean Utilities Company, Ltd. Announces the Closing of US\$80 Million Private Placement of Senior Unsecured Notes and Inaugural Offering of Green Notes

Caribbean Utilities Company, Ltd. Class A Ordinary Shares are listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol "CUP.U".

Grand Cayman, Cayman Islands- Caribbean Utilities Company, Ltd. ("CUC" or "the Company") announced the closing of a US\$80 million of Senior Unsecured Notes (the "Notes") consisting of US\$40 million 6.17% Senior Unsecured Green Notes due May 15, 2039, US\$10 million 6.37% Senior Unsecured Green Notes due May 15, 2049, and US\$30 million 6.37% Senior Unsecured Notes due May 15, 2049.

The debt offering was privately placed with institutional investors with CIBC acting as sole placement agent and sole green structuring agent. Proceeds from the offering will be used to repay short-term indebtedness, and to finance ongoing additions and upgrades to CUC's generation, transmission, and distribution systems.

This offering marks the Company's inaugural release of notes under its Green Financing Framework (the "Framework"), established in April 2024, and is also the premier instance of green bonds being issued by a corporate entity in the Cayman Islands to date. The Company plans to dedicate \$50 million of the net proceeds from the sale of these Notes towards the funding or refinancing of new and/or current qualifying green initiatives, in accordance with the standards outlined in the Framework.

The Framework was assessed by second-party opinion provider, Sustainable Fitch, a leading provider of second-party opinions. Sustainable Fitch assessed the Framework as "Excellent" on a scale of Not Aligned, Aligned, Good and Excellent. This endorsement underscores the Framework's robustness and the Company's dedication to transparency and accountability in its environmental initiatives. The Framework has been developed in conjunction with the Green Bond Principles issued by International Capital Markets Association and Green Loan Principles

Caribbean Utilities Company, Ltd.

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issued by the Loan Market Association, the Loans Syndications and Trading Association and the Asia Pacific Loan Market Association.

Proceeds from transactions under the Framework can be allocated to four categories: renewable energy, energy efficiency, climate change adaptation, and clean transportation. These categories are deemed to be in alignment with CUC's sustainability strategy and the Cayman Islands' National Energy Policy.

President and Chief Executive Officer, Mr. Richard Hew stated, "We are pleased to secure this long-term financing on favourable terms, a reflection of the continued sustainability and strong credit ratings of the Company and the jurisdiction. At CUC, we recognize the crucial role of environmental responsibility, transparency, and accountability in fostering sustainable development. Hence, we are delighted to meet energy demands and climate parameters through the establishment of CUC's inaugural green financing framework to refinance and finance eligible projects that will enhance the sustainability of investment opportunities, prioritizing projects with positive environmental impacts. We aim to propel measurable environmental impacts by financing projects that contribute to carbon reduction, energy efficiency, climate adaptation, and clean transportation."

Mark St. Hill, Chief Executive Officer, CIBC Caribbean commended the CUC team on the successful closing and stated: "Our CIBC team is honoured to have been able to support the CUC team in delivering on their sustainability objectives, and this aligns with our strategic focus and commitment to support the energy transition in the region."

The Notes will not be registered under the United States Securities Act of 1933 (the "Securities Act") as amended, nor will they be registered under any state securities laws. Unless so registered, the notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The principal activity of the Company is to generate, transmit and distribute electricity in its licence area of Grand Cayman, Cayman Islands, pursuant to a 20-year Transmission & Distribution ("T&D") Licence and a 25-year non-exclusive Generation Licence (the "Generation License" and together with the T&D Licence, the "Licences") granted by the Cayman Islands Government (the "Government", "CIG"). The T&D Licence, which expires in April 2028, contains provisions for an automatic 20-year renewal and the Company has reasonable expectation of renewal until April 2048. The Generation Licence expires in November 2039. Further information is available at www.cuc-cayman.com.

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Caribbean Utilities Company, Ltd. ("CUC" or "the Company"), on occasion, includes forward-looking statements in its media releases, Canadian securities regulatory authorities filings, shareholder reports and other communications. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "plan", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedule", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to certain risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Such risks and uncertainties include but are not limited to operational, general economic, market and business conditions, regulatory developments and weather conditions. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

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