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## **Caribbean Utilities Company, Ltd. Announces Rights Offering**

Caribbean Utilities Company, Ltd. is listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol “CUP.U”.

**Grand Cayman, Cayman Islands, September 26, 2024** - Caribbean Utilities Company, Ltd. (TSX: CUP.U) (“CUC” or the “Company”) announces that it will be making a rights offering (the “Offering”) under which holders (the “Shareholders”) of Class A Ordinary shares (the “Class A Ordinary Shares”) of the Company as at the close of business on the record date of September 27, 2024 (the “Record Date”) will be issued rights (the “Rights”) to subscribe for Class A Ordinary Shares on the basis of one Right for each Class A Ordinary Share held. The Offering will be made in the Cayman Islands and in all of the provinces of Canada (the “Eligible Jurisdictions”).

Pursuant to the Offering, Shareholders will receive one Right for each Class A Ordinary Share held. Each Right entitles the holder thereto to subscribe for 0.10 of a Class A Ordinary Share and every 10 Rights entitle the holder thereto to subscribe for one Class A Ordinary Share upon payment of the subscription price of US\$13.41 (the “Subscription Price”) per Class A Ordinary Share (the “Basic Subscription Privilege”) on or before 4:00 p.m. (Toronto time) on October 31, 2024 (the “Expiry Time”), after which time unexercised Rights will be void and of no value. No fractional Class A Ordinary Shares will be issued under the Offering.

Shareholders who fully exercise their Rights in accordance with their Basic Subscription Privilege will also be entitled to subscribe for additional Class A Ordinary Shares in the Offering, if available as a result of unexercised Rights prior to the Expiry Time (as defined below), subject to certain limitations set out in the rights offering circular of the Company (the “Circular”).

The Rights are expected to trade on the TSX under the trading symbol “CUP.RT.U” commencing on September 27, 2024 until 12:00 p.m. (Toronto time) on October 31, 2024. The TSX has

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conditionally approved the listing of the Class A Ordinary Shares issuable upon exercise of the Rights, subject to the Company fulfilling all of the listing requirements of the TSX.

There are currently 38,222,985 Class A Ordinary Shares issued and outstanding. Assuming all of the Rights issued under the Offering are validly exercised, the Company expects to raise gross proceeds of approximately US\$51.3 million from the Offering. The Company intends to use the net proceeds of the Offering to finance alternative energy projects, ongoing additions and upgrades to CUC's generation, transmission, and distribution systems, and for general corporate purposes.

The rights offering notice (the "Notice"), a Rights direct registration statement and a Rights subscription form ("Subscription Form") will be mailed to each registered Shareholder as at the Record Date that is resident in the Eligible Jurisdictions. Registered Shareholders who wish to exercise their Rights must deliver or mail the completed Subscription Form, together with applicable funds, to the rights agent, TSX Trust Company or Scotiabank & Trust (Cayman) Ltd., as applicable, on or before the Expiry Time. Shareholders resident in the Eligible Jurisdictions who own their Class A Ordinary Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Subject to the detailed provisions of the Circular, Rights will not be delivered to, nor will they be exercisable by, persons resident outside of the Eligible Jurisdictions unless such holders can establish that the transaction is exempt under applicable legislation. Rather, such Rights may be sold on their behalf. If you are a Shareholder and reside outside of the Cayman Islands or the provinces of Canada, please review the Notice, Circular and notice to U.S. Shareholders or ineligible Shareholders, as applicable, to determine your eligibility and the process and timing requirements to receive and exercise your Rights.

### **The Stand-By Commitment**

In connection with the Offering, the Company has entered into a stand-by purchase agreement dated the date hereof (the "Stand-By Agreement") with Fortis Energy Caribbean Inc. ("FECCI"), a wholly-owned subsidiary of Fortis Inc. (the "Stand-By Purchaser"), the Company's controlling

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Shareholder. The Stand-By Purchaser has agreed, subject to certain terms and conditions, to purchase from the Company, at the Subscription Price, all of the Class A Ordinary Shares that are not otherwise subscribed for and purchased under the Offering by holders of Rights so that the maximum number of Class A Ordinary Shares that may be issued in connection with the Offering will have been issued (the “Stand-By Commitment”).

As of the date hereof, FECCI owns 58% of the issued and outstanding Class A Ordinary Shares on a non-diluted basis. Following completion of the Offering, assuming the Offering is fully subscribed, FECCI will own 58% of the issued and outstanding Class A Ordinary Shares on a non-diluted basis.

There is no fee payable by the Company to FECCI in respect of the Stand-By Commitment. The Company has agreed to pay the reasonable fees and out-of-pocket expenses of FECCI in connection with the negotiation and execution of the Stand-By Agreement.

FECCI is a “related party” of the of the Company under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as FECCI owns more than 10% of the issued and outstanding Class A Ordinary Shares. The Offering is not subject to the related party provisions of MI 61-101 based on a prescribed exception for rights offerings. Entry into the Stand-By Agreement on behalf of the Company was considered and approved by the non-conflicted members of the board of directors of the Company.

### **Additional Information**

The Rights and the Class A Ordinary Shares issuable upon exercise of the Rights have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and accordingly, the Rights and the Class A Ordinary Shares are not being publicly offered for sale in the “United States” or to “U.S. persons” (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended). This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. There shall be no sale

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of the securities in any jurisdiction in which an offer to sell, a solicitation of an offer to buy or a sale would be unlawful.

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## **About CUC**

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](http://www.cuc-cayman.com).

## ***Cautionary Statement Regarding Forward-Looking Statements***

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”. The forward-looking statements contained in this news release include, but are not limited to, the Company’s intention to undertake the Offering; the terms of the Offering, the terms of the Stand-By Agreement; the intended use of proceeds; the listing of the Rights on the TSX; and the listing of the Class A Ordinary Shares issuable upon exercise of the Rights on the TSX. 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.

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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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