

ATLAS REPORTS FIRST QUARTER 2022 RESULTS

Adjusted EBITDA⁽¹⁾ growth of 16.5% to \$277.1 million driven by highly differentiated business model

LONDON, UK, May 11, 2022 /CNW/ - Atlas ("Atlas" or the "Company") (NYSE: ATCO) announced today its results for the quarter ended March 31, 2022.

Financial Highlights:

- First quarter 2022 financial performance compared to first quarter 2021:
 - Revenue growth of 9.5% to \$408.1 million
 - Net earnings of \$169.4 million and Diluted EPS of \$0.56
 - Adjusted EBITDA⁽¹⁾ growth of 16.5% to \$277.1 million
 - Adjusted diluted EPS⁽¹⁾ growth of 56.0% to \$0.39
 - FFO per diluted share⁽¹⁾ growth of 21.7% to \$0.73
- Robust balance sheet with liquidity of \$951.3 million, total borrowings⁽¹⁾ to total assets of 53.2%

(1) Non-GAAP financial measure. A reconciliation of each non-GAAP financial measure to the most closely comparable GAAP measure is included in this release beginning on page 12.



Comments from Management:

Bing Chen, President and CEO of Atlas, commented: "Following a strong 2021 performance, Atlas continued its solid financial results in the first quarter of 2022. Seaspan strengthened its customer partnership with a global liner by forward fixing charters for 18 vessels, leveraging our creative customer solutions and differentiated business model. Despite the pandemic and European conflict, Seaspan continued diligently executing its newbuild program with one newbuild delivery in April ahead of schedule. Our entire newbuild program remains on track thanks to our experienced teams and integrated platform that have now delivered 114 newbuilds."

"APR Energy also delivered solid performance as we continue to leverage Atlas' five key competencies to pivot the business to longer-term, predictable cash flow opportunities. APR secured three new deployments, which includes the renewal of APR's IID contract in California for 74 MW, a new market contract in Brazil for 226 MW, and the dry leasing of five turbines for 120 MW. Focusing on operational excellence and creative partnership, APR successfully extended its Brazil contract from 12 months to 44 months, furthering its growth strategy of providing longer-term energy capacity solutions."

"With our customers' trusted partnerships, our dedicated team and differentiated business model, we are well positioned to drive future quality growth and continue delivering increasing shareholder value."

Graham Talbot, CFO of Atlas, commented, "I am very proud of our entire team's consistent high-performance during a period of considerable global uncertainty. These results demonstrate the resilience of our fully integrated platform which provides consistent delivery in all market conditions. Our continued focus on optimizing our capital structure, coupled with a gross contracted cash flow balance of \$18.1 billion and liquidity balance of \$951.3 million as of quarter end, positions Atlas to continue executing on our track-record of disciplined capital allocation and quality growth."

"We are pleased to see a strong vote of confidence from our strategic shareholder, Fairfax Financial, who exercised warrants to purchase 25 million common shares of Atlas in April. This resulted in proceeds of over \$200.0 million dollars to Atlas which will be used to repay outstanding debt and for other general corporate purposes. This is yet another demonstration of our shareholders' continued confidence in our highly differentiated, risk-adjusted, capital allocation business model."

Significant Developments in the First Quarter of 2022 & Subsequent Events

Containership Sale Developments

In February 2022, Seaspan completed the sale of one vessel for gross proceeds of \$32.8 million. Seaspan continues to manage the ship operations of this vessel pursuant to a management agreement entered into in connection with the sale. As of March 31, 2022, Seaspan had also entered into agreements for five more vessel sales, one of which closed in April 2022. The remaining four vessel sales are expected to complete in the second quarter of 2022, subject to closing conditions.

In April 2022, Seaspan entered into agreements for the sale of an additional four 4,250 TEU vessels. The sales are expected to be completed in the second and third quarters of 2022, subject to closing conditions.

The table below summarizes our Containership Leasing fleet:

Containership Leasing (# of vessels)	Actual	Expected		
	Q1 2022	Remainder of 2022	2023	2024
Beginning of period balance	133	132	137	160
Delivered/Acquired	—	—	—	—
Future scheduled deliveries	—	8	23	36
Sold ⁽¹⁾	(1)	(3)	—	—
End of period balance	132	137	160	196
End of period balance (managed)⁽¹⁾				
(2)	2	4	4	4

(1) Excludes vessel sales that have not yet closed as at May 10, 2022 and includes assets held for sale

(2) Represents vessels that are operated on behalf of other owners

Containership Leasing and Newbuild Developments

Seaspan entered into proactive lease extensions for 18 operating vessels in the first quarter of 2022.

In April 2022, Seaspan accepted delivery of its fourth 12,200 TEU vessel which commenced an 18-year bareboat charter upon delivery.

Mobile Power Generation Developments

APR Energy entered into contracts to provide a customer with up to 226 MW of gas power generation capacity in Itaguaí, Rio De Janeiro, for a minimum of 12 consecutive months commencing in May 2022. In March 2022, APR Energy extended this 12-month gas generation capacity contract in Brazil to a 44-month contract. Additionally, APR Energy entered into a contract with a US counterparty to provide a dry rental of five turbines representing 120 MW for a minimum of 12 consecutive months which commenced in February 2022. APR Energy also entered into a contract with Imperial Irrigation District ("IID") for three turbines to provide grid stabilization solutions to Southern California. The contract with IID represents its first renewal with APR Energy.

Financing Development

On February 16, 2022, Seaspan closed its new \$250.0 million 3-year unsecured revolving credit facility (the "New Seaspan RCF"), which replaces a \$150.0 million 2-year unsecured revolving credit facility. The New Seaspan RCF includes several new lenders and improvements driven by Seaspan's improving credit quality, including greater liquidity, tenor and pricing.

Exercise of Fairfax Warrants

On April 7, 2022, Fairfax Financial Holdings Limited ("Fairfax") exercised warrants to purchase 25.0 million common shares of Atlas. The warrants, which were originally issued on July 16, 2018, had an exercise price of \$8.05 per common share for an aggregate exercise price of \$201.3 million. Immediately following this exercise, Fairfax and its affiliates held in aggregate 124,805,753 common shares, representing 45.1% of the then issued and outstanding common shares of Atlas. Fairfax continues to hold 6.0 million warrants.

Distribution

On April 7, 2022, the Board of Directors of Atlas declared a quarterly distribution in the amount of \$0.125 per common share. Regular quarterly dividends on the Series D, Series H, Series I and Series J preferred shares were also declared. All dividends were paid on May 2, 2022.

Common Shares Outstanding

As of May 1, 2022, there were 276.9 million common shares outstanding.

Consolidated Results:

The following table summarizes Atlas' consolidated results for the three months ended March 31, 2022, and March 31, 2021.

(in millions of U.S. dollars, except per share amounts, percentages and ratios, unaudited)	Three Months Ended	
	March 31, 2022	March 31, 2021
Key Metrics		
Revenue	\$ 408.1	\$ 372.6
Net earnings	169.4	97.6
Adjusted EBITDA ⁽¹⁾	277.1	237.9
FFO ⁽¹⁾	204.0	159.2
FFO per Share, diluted ⁽¹⁾	0.73	0.60
Adjusted EPS, diluted ⁽¹⁾	0.39	0.25
Diluted EPS	0.56	0.31
Financial Position		
Operating Net Debt to Adjusted EBITDA ⁽¹⁾	3.6x	4.3x
Ending Liquidity ⁽²⁾	\$ 951.3	\$ 837.5
Gross Contracted Cash Flow ⁽³⁾	18,096.3	12,086.5
Total Borrowings ⁽¹⁾⁽⁴⁾	5,637.2	4,604.4
Total Borrowings to Assets (%)	53.2 %	49.0 %
Operational		
Containership Leasing Utilization	98.5 %	99.2 %
Mobile Power Generation Utilization	61.9 %	63.7 %

(1) Non-GAAP financial measure. A reconciliation of each non-GAAP financial measure to the most closely comparable GAAP measure is included in this release beginning on page 12.

(2) This is the total cash and cash equivalents balance plus the total available undrawn committed credit facilities at period end, excluding committed and undrawn newbuild financings.

(3) Gross contracted cash flow as at March 31, 2022, includes \$5.8 billion of lease payments receivable from operating leases, \$1.5 billion of gross lease receivable from finance leases and \$10.8 billion of gross lease payments from newbuild vessels with signed charter agreements that are undelivered as at March 31, 2022. The gross contracted cash flow at March 31, 2022, excludes \$54.0 million of lease payments from three vessels that are classified as "Assets held for sale". Gross contracted cash flow includes purchase obligations and excludes purchase options, extension options, higher charter rate options and profit-sharing components. Gross contracted cash flow as at March 31, 2021, includes \$4.2 billion of lease payments receivable from operating leases, \$0.9 billion of gross lease receivable from financing leases and \$7.0 billion of gross lease payments for acquired vessels with signed charter agreements that are undelivered as at March 31, 2021. Gross contracted cash flow includes purchase obligations and excludes purchase options, extension options, higher charter rate options and profit-sharing components.

(4) Total borrowings do not include debt to be incurred in connection with certain undelivered vessels.

Financial Results Summary:

Revenue growth of 9.5% to \$408.1 million for the three months ended March 31, 2022, compared to the same period in 2021.

For the quarter ended March 31, 2022, 16.0% of revenue growth was attributable to the Containership Leasing segment, of which 67% was attributable to the existing asset base, and 33% was attributable to assets added during the year. For the quarter ended March 31, 2022, there was a 42.7% decrease attributable to the Mobile Power Generation segment. The lower revenue is primarily due to an injunction at one of our project sites which commenced in March 2021. We are indemnified for the lost revenue and have recognized a corresponding recovery under the acquisition agreement for this indemnity.

Adjusted EBITDA growth of 16.5% to \$277.1 million for the three months ended March 31, 2022, compared to the same period in 2021. The growth was primarily driven by the increase in revenue.

FFO Per Share growth of 21.7% to \$0.73 for the three months ended March 31, 2022, compared to the same period in 2021. The growth was primarily driven by the increase in revenue.

Diluted EPS was \$0.56 for the three months ended March 31, 2022, compared to \$0.31 for the same period in 2021. The increase in diluted EPS was primarily driven by the increase in revenue and non-cash gain on derivative instruments related to the increase in the forward LIBOR curve.

Adjusted Diluted EPS growth of 56.0% to \$0.39 for the quarter ended March 31, 2022, compared to \$0.25 for the same period in 2021. The increase in adjusted diluted EPS is primarily related to the increase in revenue.

Liquidity

As of March 31, 2022, Atlas had total liquidity of \$951.3 million, consisting of \$251.3 million of cash and cash equivalents and \$700.0 million of availability under undrawn committed credit facilities. As of March 31, 2022, we also had \$6.0 billion of undrawn committed financing related to our newbuild vessels and an unencumbered asset base including 38 vessels with a book value of \$1.4 billion.

Segmented Financial Results:

The following table summarizes selected segmented financial results for the three months ended March 31, 2022.

(in millions of U.S. dollars, unaudited)	Three Months Ended March 31, 2022			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
Revenue	\$ 384.6	\$ 23.5	\$ —	\$ 408.1
Operating expense	75.0	11.6	—	86.6
G&A expense	13.9	11.4	2.6	27.9
Indemnification claim (income) under acquisition agreement	—	(13.5)	—	(13.5)
Operating lease expense	32.9	0.7	—	33.6
Adjusted EBITDA ⁽¹⁾	262.8	13.3	1.0	277.1
FFO ⁽¹⁾	209.4	8.9	(14.3)	204.0
Gross Contracted Cash Flow ⁽²⁾	17,734.9	361.4	—	18,096.3

(1) Non-GAAP financial measure. A reconciliation of each non-GAAP financial measure to the most closely comparable GAAP measure is included in this release beginning on page 12.

(2) Gross contracted cash flow as at March 31, 2022, includes \$5.8 billion of lease payments receivable from operating leases, \$1.5 billion of gross lease receivable from finance leases and \$10.8 billion of gross lease payments from newbuild vessels with signed charter agreements that are undelivered as at March 31, 2022. The gross contracted cash flow at March 31, 2022, excludes \$54.0 million of lease payments from three vessels that are classified as "Assets held for sale". Gross contracted cash flow includes purchase obligations and excludes purchase options, extension options, higher charter rate options and profit-sharing components.

(3) Elimination and Other includes amounts relating to preferred shares, change in contingent consideration asset, elimination of intercompany transactions and unallocated amounts.

Conference Call and Webcast:

Atlas will host a conference call and webcast presentation for investors, analysts and interested parties to discuss its first quarter on May 12, 2022 at 8:30 a.m. ET. Participants should call, 1-877-246-9875, International Dial-In, 1-707-287-9353, Listen Only Toll-Free Dial-In Number, 1-888-556-5741, and Listen Only International Dial-In Number, 1-857-270-6226 and request the Atlas call (conference ID: 9398541). The live webcast and slide presentation are available under "Events & Presentations" at www.atlascorporation.com. A webcast replay will be available until February 17, 2023.

The replay telephone numbers are: US/Canada 1-855-859-2056 or 1-800-585-8367 and International 1-404-537-3406, and the replay passcode is: 9398541. The phone replay will be available until May 11, 2023.

About Atlas

Atlas is a leading global asset management company, differentiated by its position as a best-in-class owner and operator with a focus on disciplined capital deployment to create sustainable shareholder value. We target long-term, risk-adjusted returns across high-quality infrastructure assets in the maritime sector, energy sector and other infrastructure verticals. For more information visit atlascorporation.com.

About Seaspan

Seaspan is the largest global containership lessor, primarily focused on long-term, fixed-rate leases with the world's largest container shipping liners. As at March 31, 2022, Seaspan's operating fleet consisted of 132 vessels with a total capacity of 1,147,980 TEU, and an additional 67 vessels under construction, increasing total fleet capacity to 1,959,380 TEU, on a fully delivered basis. For more information, visit seaspancorp.com.

About APR

APR provides rapidly deployable, large-scale power and fast-track mobile power to underserved markets and industries. APR's mobile, turnkey power plants help run industries, cities and countries globally in both developed and developing markets. For more information, visit aprenergy.com.

ATLAS CORP. UNAUDITED CONSOLIDATED BALANCE SHEETS (IN MILLIONS OF U.S. DOLLARS)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 251.3	\$ 288.6
Accounts receivable	66.5	56.2
Inventories	49.6	46.4
Prepaid expenses and other	43.2	35.7
Net investment in lease	17.1	16.8
Assets held for sale	48.2	—
Acquisition related assets	96.4	104.0

		572.3		547.7
Property, plant and equipment		6,809.7		6,952.2
Vessels under construction		1,213.7		1,095.6
Right-of-use assets		728.3		724.9
Net investment in lease		736.8		741.5
Goodwill		75.3		75.3
Deferred tax assets		0.5		1.9
Derivative instruments		39.0		6.1
Other assets		421.1		424.4
		<u>\$ 10,596.7</u>		<u>\$ 10,569.6</u>
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$	166.2	\$	183.4
Deferred revenue		29.5		46.6
Income tax payable		94.3		96.9
Long-term debt - current		651.9		551.0
Operating lease liabilities - current		145.3		155.1
Finance lease liabilities - current		59.3		—
Other financing arrangements - current		100.8		100.5
Other liabilities - current		62.9		42.0
		<u>1,310.2</u>		<u>1,175.5</u>
Long-term debt		3,592.0		3,731.8
Operating lease liabilities		515.6		562.3
Other financing arrangements		1,212.2		1,239.3
Derivative instruments		14.6		28.5
Other liabilities		15.6		17.7
Total liabilities		<u>6,660.2</u>		<u>6,755.1</u>
Cumulative redeemable preferred shares		296.9		296.9
Shareholders' equity:				
Share capital		2.5		2.4
Additional paid in capital		3,531.4		3,526.8
Retained earnings		124.6		7.5
Accumulated other comprehensive loss		(18.9)		(19.1)
		<u>3,639.6</u>		<u>3,517.6</u>
		<u>\$ 10,596.7</u>		<u>\$ 10,569.6</u>

ATLAS CORP.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS OF U.S. DOLLARS, EXCEPT SHARES IN THOUSANDS AND PER SHARE AMOUNTS)

	<u>Three Months Ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	\$ 408.1	\$ 372.6
Operating expenses:		
Operating expenses	86.6	80.6
Depreciation and amortization	88.1	87.3
General and administrative	27.9	19.1
Indemnity claim under acquisition agreement	(13.5)	—
Operating leases	33.6	36.1
Loss (Gain) on sale	2.4	(0.5)
	<u>225.1</u>	<u>222.6</u>
Operating earnings	183.0	150.0
Other expenses (income):		
Interest expense	45.8	46.8
Interest income	(0.2)	(0.5)
Equity income on investment	(0.7)	—
Gain on derivative instruments	(40.7)	(8.7)
Other expenses	9.1	8.1
	<u>13.3</u>	<u>45.7</u>
Income tax expense	0.3	6.7
Net earnings	169.4	97.6
Dividends - preferred shares	(15.2)	(16.8)
Net earnings attributable to common shares	<u>154.2</u>	<u>80.8</u>
Interest on senior unsecured exchangeable notes ⁽¹⁾	1.9	—
Net earnings attributable to diluted shares	<u>\$ 156.1</u>	<u>\$ 80.8</u>
Weighted average number of shares, basic	247,020	246,033
Effect of dilutive securities:		
Share-based compensation	2,391	2,030

Fairfax warrants	12,098	9,384
Holdback shares	3,521	6,322
Senior unsecured exchangeable notes ⁽¹⁾	15,475	—
Weighted average number of shares, diluted	280,505	263,669
Earnings per share, basic	\$ 0.62	\$ 0.33
Earnings per share, diluted ⁽¹⁾	\$ 0.56	\$ 0.31

(1) Effective January 1, 2022, the Company adopted ASU 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20)", using the modified retrospective method. As a result of this adoption, the Company recognizes the maximum potential dilutive effect of its exchangeable notes in the calculation of diluted EPS using the if-converted method.

ATLAS CORP.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS OF U.S. DOLLARS)

	<u>Three Months Ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash from (used in):		
Operating activities:		
Net earnings	\$ 169.4	\$ 97.6
Items not involving cash:		
Depreciation and amortization	88.1	87.3
Change in right-of-use asset	29.6	30.8
Non-cash interest expense and accretion	5.6	11.9
Unrealized change in derivative instruments	(46.8)	(15.5)
Amortization of acquired revenue contracts	3.2	4.2
Equity income on investment	(0.7)	—
Loss (Gain) on sale	2.4	(0.5)
Other	4.5	8.3
Change in other operating assets and liabilities	(80.4)	(42.6)
Cash from operating activities	<u>174.9</u>	<u>181.5</u>
Investing activities:		
Expenditures for property, plant and equipment and vessels under construction	(123.2)	(199.9)
Payment on settlement of interest swap agreements	(5.0)	(5.3)
Loss on foreign currency repatriation	(3.2)	(6.0)
Receipt from contingent consideration asset	6.2	6.9
Other assets and liabilities	45.3	3.0
Capitalized interest relating to newbuilds	(9.3)	(0.7)
Cash used in investing activities	<u>(89.2)</u>	<u>(202.0)</u>
Financing activities:		
Repayments of long-term debt and other financing arrangements	(71.5)	(430.4)
Issuance of long-term debt and other financing arrangements	—	534.5
Financing fees	(5.1)	(2.5)
Dividends on common shares	(31.2)	(31.1)
Dividends on preferred shares	(15.2)	(16.8)
Cash (used in) / from financing activities	<u>(123.0)</u>	<u>53.7</u>
(Decrease) Increase in cash and cash equivalents	(37.3)	33.2
Cash and cash equivalents and restricted cash, beginning of period	326.8	342.5
Cash and cash equivalents and restricted cash, end of period	<u>\$ 289.5</u>	<u>\$ 375.7</u>

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the amounts shown in the consolidated statements of cash flows:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Cash and cash equivalents	\$ 251.3	\$ 337.5
Restricted cash	38.2	38.2
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 289.5</u>	<u>\$ 375.7</u>

ATLAS CORP.
NON-GAAP RECONCILIATIONS
NET EARNINGS TO FUNDS FROM OPERATIONS

(in millions of U.S. dollars, except shares in thousands and per share amounts, unaudited)	<u>Three Months Ended</u>	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
GAAP Net earnings	\$ 169.4	\$ 97.6
Preferred share dividends	(15.2)	(16.8)
Loss (Gain) on sale	2.4	(0.5)
Unrealized change in fair value on derivative instruments	(46.8)	(15.5)
Change in contingent consideration asset ⁽¹⁾	2.9	1.1
Loss on foreign currency repatriation ⁽²⁾	3.2	6.0
Depreciation and amortization	88.1	87.3
FFO	204.0	159.2
Interest on senior unsecured exchangeable notes ⁽³⁾	1.9	—

FFO attributable to diluted shares	\$ 205.9	\$ 159.2
Weighted average number of shares, basic	247,020	246,033
Effect of dilutive securities:		
Share-based compensation	2,391	2,030
Fairfax warrants	12,098	9,284
Holdback shares	3,521	6,322
Senior unsecured exchangeable notes ⁽³⁾	15,475	—
Weighted average shares outstanding, diluted	280,505	263,669
FFO per share, diluted⁽³⁾	\$ 0.73	\$ 0.60

- (1) The change in contingent consideration asset relates to the mark to market impact of contingent consideration related to the acquisition of APR Energy. Pursuant to the acquisition agreement, the sellers of APR agreed to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to cash generated from specified contracts less relevant costs. The sellers' indemnification obligations will end on April 30, 2022, or earlier if certain conditions are met. The sellers of APR further agreed to compensate the Company for losses on sale or disposal of certain fixed asset and inventory items. The value of compensation receivable from the sellers is accounted for as a contingent consideration asset.
- (2) Loss on foreign currency repatriation relates to losses recognized on cash repatriation from a foreign jurisdiction, where compensation is receivable through the peso contingent asset arrangement. Compensation is made by the sellers in cash or return of previously issued equity, which is offset against the contingent consideration asset when received and therefore, is not reflected in the income statement.
- (3) Effective January 1, 2022, the Company adopted ASU 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20)", using the modified retrospective method. As a result of this adoption, the Company recognizes the maximum potential dilutive effect of its exchangeable notes in the calculation of diluted EPS using the if-converted method.

ATLAS CORP.
NON-GAAP RECONCILIATIONS
NET EARNINGS TO FUNDS FROM OPERATIONS

(in millions of U.S. dollars, unaudited)	Three Months Ended March 31, 2022			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
GAAP Net earnings	\$ 175.8	\$ (4.4)	\$ (2.0)	\$ 169.4
Preferred share dividends	—	—	(15.2)	(15.2)
Loss on sale	2.0	0.4	—	2.4
Unrealized change in fair value on derivative instruments	(46.8)	—	—	(46.8)
Change in contingent consideration asset ⁽¹⁾	—	—	2.9	2.9
Loss on foreign currency repatriation ⁽²⁾	—	3.2	—	3.2
Depreciation and amortization	78.4	9.7	—	88.1
FFO	\$ 209.4	\$ 8.9	\$ (14.3)	\$ 204.0

- (1) The change in contingent consideration asset relates to the mark to market impact of contingent consideration related to the acquisition of APR. Pursuant to the acquisition agreement, the sellers of APR agreed to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to cash generated from specified contracts less relevant costs. The sellers' indemnification obligations will end on April 30, 2022, or earlier if certain conditions are met. The sellers of APR further agreed to compensate the Company for losses on sale or disposal of certain fixed asset and inventory items. The value of compensation receivable from the sellers is accounted for as a contingent consideration asset.
- (2) Loss on foreign currency repatriation relates to losses recognized on cash repatriation from a foreign jurisdiction, where compensation is receivable through the Peso Contingent Asset Arrangement. Compensation is made by the sellers in cash or return of previously issued equity, which is offset against the contingent consideration asset when received and therefore, is not reflected in the income statement.
- (3) Elimination and Other includes amounts relating to preferred shares, change in contingent consideration asset, elimination of intercompany transactions and unallocated amounts.

ATLAS CORP.
NON-GAAP RECONCILIATIONS
NET EARNINGS TO ADJUSTED EPS

(in millions of U.S. dollars, except shares in thousands and per share amounts, unaudited)	Three Months Ended	
	March 31, 2022	March 31, 2021
GAAP Net earnings	\$ 169.4	\$ 97.6
Preferred share dividends	(15.2)	(16.8)
Unrealized change in fair value on derivative instruments	(46.8)	(15.5)
Adjusted Earnings	107.4	65.3
Interest on senior unsecured exchangeable notes ⁽¹⁾	1.9	—
Adjusted Earnings attributable to diluted shares	\$ 109.3	\$ 65.3
Weighted average number of shares, basic	247,020	246,033
Effect of dilutive securities:		
Share-based compensation	2,391	2,030
Fairfax warrants	12,098	9,284
Holdback shares	3,521	6,322
Senior unsecured exchangeable notes ⁽¹⁾	15,475	—
Weighted average shares outstanding, diluted	280,505	263,669

Adjusted EPS, diluted⁽¹⁾\$ ~~0.39~~ \$ ~~0.25~~

(in millions of U.S. dollars, unaudited)	Three Months Ended March 31, 2022			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽²⁾	Total
GAAP Net earnings	\$ 175.8	\$ (4.4)	\$ (2.0)	\$ 169.4
Preferred share dividends	—	—	(15.2)	(15.2)
Unrealized change in fair value on derivative instruments	(46.8)	—	—	(46.8)
Adjusted Earnings	\$ 129.0	\$ (4.4)	\$ (17.2)	\$ 107.4

(1) Effective January 1, 2022, the Company adopted ASU 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20)", using the modified retrospective method. As a result of this adoption, the Company recognizes the maximum potential dilutive effect of its exchangeable notes in the calculation of diluted EPS using the if-converted method.

(2) Elimination and Other includes amounts relating to preferred shares, elimination of intercompany transactions and unallocated amounts.

**ATLAS CORP.
NON-GAAP RECONCILIATIONS
NET EARNINGS TO ADJUSTED EBITDA**

(in millions of U.S. dollars, unaudited)	Three Months Ended	
	March 31, 2022	March 31, 2021
GAAP Net earnings	\$ 169.4	\$ 97.6
Interest expense	45.8	46.8
Interest income	(0.2)	(0.5)
Income tax expense	0.3	6.7
Depreciation and amortization	88.1	87.3
Loss (Gain) on sale	2.4	(0.5)
Gain on derivative instruments	(40.7)	(8.7)
Change in contingent consideration asset ⁽¹⁾	2.9	1.1
Loss on foreign currency repatriation ⁽²⁾	3.2	6.0
Other expenses	5.9	2.1
Adjusted EBITDA	\$ 277.1	\$ 237.9

(in millions of U.S. dollars, unaudited)	Three Months Ended March 31, 2022			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
GAAP Net earnings	\$ 175.8	\$ (4.4)	\$ (2.0)	\$ 169.4
Interest expense	40.9	5.1	(0.2)	45.8
Interest income	(0.1)	(0.1)	—	(0.2)
Income tax expense	0.3	—	—	0.3
Depreciation and amortization	78.4	9.7	—	88.1
Loss on sale	2.0	0.4	—	2.4
Gain on derivative instruments	(40.7)	—	—	(40.7)
Change in contingent consideration asset ⁽¹⁾	—	—	2.9	2.9
Loss on foreign currency repatriation ⁽²⁾	—	3.2	—	3.2
Other expenses (income)	6.2	(0.6)	0.3	5.9
Adjusted EBITDA	\$ 262.8	\$ 13.3	\$ 1.0	\$ 277.1

(1) The change in contingent consideration asset relates to the mark to market impact of contingent consideration related to the acquisition of APR. Pursuant to the acquisition agreement, the sellers of APR agreed to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to cash generated from specified contracts less relevant costs. The sellers' indemnification obligations will end on April 30, 2022, or earlier if certain conditions are met. The sellers of APR further agreed to compensate the Company for losses on sale or disposal of certain fixed asset and inventory items. The value of compensation receivable from the sellers is accounted for as a contingent consideration asset.

(2) Loss on foreign currency repatriation relates to losses recognized on cash repatriation from a foreign jurisdiction, where compensation is receivable through the Peso Contingent Asset Arrangement. Compensation is made by the sellers in cash or return of previously issued equity, which is offset against the contingent consideration asset when received and therefore, is not reflected in the income statement.

(3) Elimination and Other includes amounts relating to preferred shares, change in contingent consideration asset, elimination of intercompany transactions and unallocated amounts.

**ATLAS CORP.
NON-GAAP RECONCILIATIONS
OPERATING NET DEBT TO ADJUSTED EBITDA**

(in millions of U.S. dollars, unaudited)	As at March 31, 2022			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽⁴⁾	Total

Long-term debt ⁽¹⁾	\$	4,037.6	\$	260.3	\$	(54.0)	\$	4,243.9
Other financing arrangements ⁽¹⁾		1,313.0		—		—		1,313.0
Deferred financing fees		75.2		5.1		—		80.3
Total Borrowings		5,425.8		265.4		(54.0)		5,637.2
Cash and cash equivalents		(170.1)		(81.2)		—		(251.3)
Restricted cash		—		(38.2)		—		(38.2)
Net Debt		5,255.7		146.0		(54.0)		5,347.7
Vessels under construction		(1,213.7)		—		—		(1,213.7)
Operating Net Debt	\$	4,042.0	\$	146.0	\$	(54.0)	\$	4,134.0

Twelve Months Ended March 31, 2022

(in millions of U.S. dollars, unaudited)	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽⁴⁾	Total
GAAP Net earnings	\$ 456.2	\$ 21.2	\$ (5.1)	\$ 472.3
Interest expense	177.0	20.2	(1.1)	196.1
Interest income	(0.3)	(2.5)	—	(2.8)
Income tax expense	1.0	25.6	—	26.6
Depreciation and amortization	311.1	56.4	—	367.5
Loss on debt extinguishment	127.0	—	—	127.0
(Gain) Loss on sale	(13.9)	0.4	—	(13.5)
Gain on derivative instruments	(46.1)	—	—	(46.1)
Change in contingent consideration asset ⁽²⁾	—	—	6.9	6.9
Loss on foreign currency repatriation ⁽³⁾	—	11.1	—	11.1
Other expenses (income)	12.9	(4.0)	1.4	10.3
Adjusted EBITDA	\$ 1,024.9	\$ 128.4	\$ 2.1	\$ 1,155.4
Net Debt to Adjusted EBITDA	5.1x	1.1x		4.6x
Operating Net Debt to Adjusted EBITDA	3.9x	1.1x		3.6x

(1) Debt and other financing arrangements include both current and long-term portions.

(2) The change in contingent consideration asset relates to the mark to market impact of contingent consideration related to the acquisition of APR. Pursuant to the acquisition agreement, the sellers of APR agreed to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to cash generated from specified contracts less relevant costs. The sellers' indemnification obligations will end on April 30, 2022, or earlier if certain conditions are met. The sellers of APR further agreed to compensate the Company for losses on sale or disposal of certain fixed asset and inventory items. The value of compensation receivable from the sellers is accounted for as a contingent consideration asset.

(3) Loss on foreign currency repatriation relates to losses recognized on cash repatriation from a foreign jurisdiction, where compensation is receivable through the Peso Contingent Asset Arrangement. Compensation is made by the sellers in cash or return of previously issued equity, which is offset against the contingent consideration asset when received and therefore, is not reflected in the income statement.

(4) Elimination and Other includes amounts relating to preferred shares, change in contingent consideration asset, elimination of intercompany transactions and unallocated amounts.

**ATLAS CORP.
NON-GAAP RECONCILIATIONS
OPERATING NET DEBT TO ADJUSTED EBITDA**

As at March 31, 2021

(in millions of U.S. dollars, unaudited)	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽⁴⁾	Total
Long-term debt ⁽¹⁾	\$ 3,470.2	\$ 259.9	\$ (49.8)	\$ 3,680.3
Other financing arrangements ⁽¹⁾	865.5	—	—	865.5
Deferred financing fees	58.6	—	—	58.6
Total Borrowings	4,394.3	259.9	(49.8)	4,604.4
Debt discount and fair value adjustment	131.4	—	—	131.4
Cash and cash equivalents	(296.5)	(41.0)	—	(337.5)
Restricted cash	—	(38.2)	—	(38.2)
Net Debt	4,229.2	180.7	(49.8)	4,360.1
Vessels under construction	(222.0)	—	—	(222.0)
Operating Net Debt	\$ 4,007.2	\$ 180.7	\$ (49.8)	\$ 4,138.1

Twelve Months Ended March 31, 2021

(in millions of U.S. dollars, unaudited)	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽⁴⁾	Total
GAAP Net earnings	\$ 352.4	\$ (122.1)	\$ 8.1	\$ 238.4
Interest expense	170.8	22.2	(4.2)	188.8
Interest income	(0.6)	(3.5)	—	(4.1)
Income tax expense	0.7	20.7	—	21.4
Depreciation and amortization	296.7	72.3	—	369.0
Gain on sale	—	(0.3)	—	(0.3)

Gain on derivative instruments	2.0	—	—	2.0
Change in contingent consideration asset ⁽²⁾	—	—	(2.4)	(2.4)
Loss on foreign currency repatriation ⁽³⁾	—	24.7	—	24.7
Goodwill impairment	—	117.9	—	117.9
Other expenses	0.7	7.7	1.5	9.9
Adjusted EBITDA	\$ 822.7	\$ 139.6	\$ 3.0	\$ 965.3
Net Debt to Adjusted EBITDA	5.1x	1.3x		4.5x
Operating Net Debt to Adjusted EBITDA	4.9x	1.3x		4.3x

(1) Debt and other financing arrangements include both current and long-term portions.

(2) The change in contingent consideration asset relates to the mark to market impact of contingent consideration related to the acquisition of APR. Pursuant to the acquisition agreement, the sellers of APR agreed to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to cash generated from specified contracts less relevant costs. The sellers' indemnification obligations will end on April 30, 2022, or earlier if certain conditions are met. The sellers of APR further agreed to compensate the Company for losses on sale or disposal of certain fixed asset and inventory items. The value of compensation receivable from the sellers is accounted for as a contingent consideration asset.

(3) Loss on foreign currency repatriation relates to losses recognized on cash repatriation from a foreign jurisdiction, where compensation is receivable through the Peso Contingent Asset Arrangement. Compensation is made by the sellers in cash or return of previously issued equity, which is offset against the contingent consideration asset when received and therefore, is not reflected in the income statement.

(4) Elimination and Other includes amounts relating to preferred shares, change in contingent consideration asset, elimination of intercompany transactions and unallocated amounts.

ATLAS CORP.
NON-GAAP RECONCILIATIONS
OPERATING BORROWINGS

(in millions of U.S. dollars, unaudited)	As at March 31,			
	2022			2021
	Total outstanding	Interest rate ⁽⁷⁾	Years to maturity	Total outstanding
Term loan credit facilities ⁽¹⁾⁽²⁾	\$ 2,295.5	2.2%	3.78	\$ 2,775.4
Fairfax Notes ⁽²⁾⁽⁴⁾	—	—	—	600.0
Senior unsecured notes ⁽²⁾⁽³⁾	1,302.4	5.9%	5.67	280.0
Senior unsecured exchangeable notes ⁽²⁾⁽⁵⁾	201.3	3.8%	3.71	201.3
Senior secured notes ⁽¹⁾⁽²⁾⁽⁶⁾	500.0	4.1%	11.16	—
Debt discount and fair value adjustment	—	—	—	(131.4)
Deferred financing fees on long term debt	(55.3)	—	—	(45.0)
Long term debt	4,243.9			3,680.3
Other financing arrangements ⁽²⁾	1,338.0	3.3%	10.00	879.1
Deferred financing fees on other financing arrangements	(25.0)	—	—	(13.6)
Other financing arrangement	1,313.0			865.5
Total deferred financing fees	80.3	—	—	58.6
Total borrowings	5,637.2			4,604.4
Vessels under construction ⁽⁸⁾	(1,213.7)	—	—	(222.0)
Operating borrowings	\$ 4,423.5			\$ 4,382.4

(1) As at March 31, 2022, \$2,584.1 million was secured by vessels.

(2) These exclude deferred financing fees and include both current and long-term portions.

(3) Corresponds to the following: (i) 7.125% senior unsecured notes due in 2027, (ii) 6.5% senior unsecured sustainability-linked bonds issued in the Nordic bond market, due in 2024 and 2026, and (iii) 5.5% senior unsecured notes due 2029.

(4) Corresponds to the 5.5% senior notes due in 2025, 2026 and 2027.

(5) Corresponds to the 3.75% senior unsecured notes where the holder has the option to exchange into Atlas common shares, cash or combination of Atlas common shares or cash, at Seaspan's discretion, on or after September 2025 or earlier upon the occurrence of certain conditions. The notes are due in December 2025.

(6) Corresponds to Sustainability-Linked Senior Secured Notes with fixed interest rates ranging from 3.91% to 4.26% and maturities between 2031 and 2036.

(7) As at March 31, 2022, the three month and six month average LIBOR on the Company's term loan credit facilities were 0.7% and 0.6%, respectively.

(8) As at March 31, 2022, this represents the installment payments and other capitalized costs related to 67 vessels.

Definitions of Non-GAAP Financial Measures

This release includes various financial measures that are non-GAAP financial measures as defined under the rules of the United States Securities and Exchange Commission ("SEC"). These non-GAAP financial measures, which include FFO, FFO Per Share, Diluted ("FFO Per Share"), Adjusted Earnings, Adjusted Earnings Per Share, Diluted ("Adjusted EPS"), Adjusted EBITDA, Net Debt, Operating Net Debt and Total Borrowings, are intended to provide additional information and are not prepared in accordance with, and should not be considered substitutes for financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Investors are cautioned that there are material limitations associated with the use of the non-GAAP financial measures as an analytical tool.

FFO and FFO Per Share represent net earnings adjusted for depreciation and amortization, gains/losses on sale, unrealized change in fair value of derivative instruments, loss on foreign currency repatriation, change in contingent consideration asset, preferred share dividends accumulated, impairment, loss on debt extinguishment and certain other items that management believes are not representative of its operating performance. FFO and FFO Per Share are useful performance measures because they exclude those items that management believes are not representative of its performance.

FFO and FFO Per Share are not defined by GAAP and should not be considered as an alternative to net earnings, earnings per share or any other indicator of the Company's performance required to be reported by GAAP. In addition, these measures may not be comparable to similar measures presented by other companies.

Adjusted Earnings and *Adjusted EPS* represent net earnings adjusted for preferred share dividends accumulated, impairment, loss on debt extinguishment, unrealized change in fair value on derivative instruments and certain other items that management believes are not representative of its ongoing performance.

Adjusted Earnings and Adjusted EPS are not defined by GAAP and should not be considered as an alternative to net earnings, net earnings per share or any other indicator of the Company's performance required to be reported by GAAP. In addition, these measures may not be comparable to similar measures presented by other companies and the closest measure is net earnings. Management believes that these metrics are helpful in providing investors with information to assess the ongoing operations of the business.

Adjusted EBITDA represents net earnings before interest expense and income, tax expense, depreciation and amortization, impairment, write-down and gains/losses on sale, gains/losses on derivative instruments, loss on foreign currency repatriation, change in contingent consideration asset, loss on debt extinguishment, other expenses and certain other items that management believes are not representative of its operating performance.

Adjusted EBITDA provides useful information to investors in assessing the Company's results from operations. Management believes that this measure is useful in assessing performance and highlighting trends on an overall basis. Management also believes that this performance measure can be useful in comparing its results with those of other companies, even though other companies may not calculate this measure in the same way. The GAAP measure most directly comparable to Adjusted EBITDA is net earnings. Adjusted EBITDA is not defined by GAAP and should not be considered as an alternative to net earnings, or any other indicator of the Company's performance required to be reported by GAAP.

Total Borrowings represents long-term debt and other financing arrangements, excluding deferred financing fees. *Operating borrowings* represents Total Borrowings less amounts related to vessels under construction.

Net Debt represents Total Borrowings before debt discount and fair value adjustments, net of cash and cash equivalents and restricted cash. *Operating Net Debt* represents Net Debt less amounts related to vessels under construction.

Net Debt and Total Borrowings provide useful information to investors in assessing the Company's leverage. Management believes these measures are useful in assessing the Company's ability to settle contracted debt payments. Management also believes that these leverage measurements can be useful in comparing the Company's position with those of other companies, even though other companies may not calculate these measures in the same way. The GAAP measure most directly comparable to Net Debt and Total Borrowings is the total of long-term debt and other financing arrangements. Net Debt and Total Borrowings are not defined by GAAP and should not be considered as an alternative to long-term debt and other financing arrangements, or any other indicator of the Company's financial position required to be reported by GAAP.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "will," "may," "potential," "should" and similar expressions are forward looking statements. These forward-looking statements represent Atlas' estimates and assumptions only as of the date of this release and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this release. Although these statements are based upon assumptions Atlas believes to be reasonable based upon available information, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to:

- Atlas' future operating and financial results;
- Atlas' future growth prospects;
- Atlas' business strategy and capital allocation plans, and other plans and objectives for future operations;
- Atlas' primary sources of funds for short, medium and long-term liquidity needs;
- potential acquisitions, financing arrangements and other investments, and the expected benefits from such transactions;
- Atlas' financial condition and liquidity, including its ability to realize the benefits of recent financing activities, borrow and repay funds under its credit facilities, its ability to obtain waivers or secure acceptable replacement charters under the credit facilities, its ability to refinance existing facilities and notes, and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- conditions in the public equity market and the price of Atlas' shares;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on Atlas' business;
- the financial condition of Seaspan's and APR's customers, lenders and other counterparties and their ability to perform their obligations under their agreements with Seaspan and APR, respectively;
- the continued ability to meet specified restrictive covenants in Atlas' and its subsidiaries' financing and lease arrangements, notes and preferred shares;
- any economic downturn in the global financial markets and potential negative effects of any recurrence of such disruptions on the demand for the services of Seaspan's containerhips or APR's mobile power solutions or on our customers' ability to charter our vessels, lease our power generation assets and pay for our services;
- the length and severity of the novel coronavirus (COVID-19) pandemic, including as a result of new variants of the virus, and its impact on Atlas' business;
- a major customer experiencing financial distress, due to the COVID-19 pandemic, bankruptcy or otherwise;
- global economic and market conditions and shipping industry trends, including charter rates and other factors affecting supply and demand for our containerhips and power generation solutions;
- disruptions in global credit and financial markets as the result of the COVID-19 pandemic or otherwise;
- Atlas' expectations as to impairments of its vessels and power generation assets, including the timing and amount of potential impairments;
- the future valuation of Atlas' vessels, power generation assets and goodwill;
- future time charters and vessel deliveries, including future long-term charters for certain existing vessels;
- estimated future capital expenditures needed to preserve the operating capacity of Seaspan's containerhip fleet and comply with regulatory standards, as well as Atlas' expectations regarding future dry-docking and operating expenses, including ship operating expense and expenses related to performance under our contracts for the supply of power generation capacity, and general and administrative expenses;
- availability of crew, number of off-hire days and dry-docking requirements;
- Seaspan's continued ability to maintain, enter into or renew primarily long-term, fixed-rate time charters for its vessels and leases of our power generation assets;
- the potential for early termination of long-term time charters and Seaspan's potential inability to enter into, renew or replace long-term time charters;

- Seaspan's ability to leverage to its advantage its relationships and reputation in the containership industry;
- changes in technology, prices, industry standards, environmental regulation and other factors which could affect Atlas' competitive position, revenues and asset values;
- disruptions and security threats to our technology systems;
- taxation of Atlas and of distributions to its shareholders;
- Atlas' exemption from tax on U.S. source international transportation income;
- the continued availability of services, equipment and software from subcontractors or third-party suppliers required to provide APR's power generation solutions;
- APR's ability to protect its intellectual property and defend against possible third-party infringement claims relating to its power generation solutions;
- Atlas' ability to achieve or realize expected benefits from ESG initiatives;
- potential liability from future litigation;
- other factors detailed from time to time in Atlas' periodic reports; and
- other risks that are not currently material or known to us.

Forward-looking statements in this release are estimates and assumptions reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond Atlas' control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, all forward-looking statements should be considered in light of various important factors listed above and including, but not limited to, those set forth in "Item 3. Key Information—D. Risk Factors" in Atlas' Annual Report for the year ended December 31, 2021 on Form 20-F filed with the SEC on March 24, 2022.

Atlas does not intend to revise any forward-looking statements in order to reflect any change in its expectations or events or circumstances that may subsequently arise. Atlas expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Atlas' views or expectations, or otherwise. You should carefully review and consider the various disclosures included in Atlas' Annual Report and in Atlas' other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect Atlas' businesses, prospects and results of operations.

SOURCE Atlas Corp.

For further information: Investors and Media Inquiries: Will Kostlivy, Investor Relations, Atlas Corp., Tel. +1-888-829-0013, Investors Email: IR@atlascorporation.com, Media Email: media.inquiries@atlascorporation.com

<https://ir.atlascorporation.com/2022-05-11-ATLAS-REPORTS-FIRST-QUARTER-2022-RESULTS>