



Atlas Corp.
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ATLAS REPORTS THIRD QUARTER 2020 RESULTS

Atlas Corp.

- Revenue growth of 36.6% to \$386.2 million compared to the same period in 2019.
- Funds From Operations (FFO)⁽¹⁾ growth of 96.0% to \$173.5 million compared to the same period in 2019.
- FFO, per diluted share growth of 70.0% to \$0.68 compared to the same period in 2019.
- Adjusted EBITDA⁽¹⁾ growth of 38.8% to \$249.8 million compared to the same period in 2019.

Seaspan Corporation

- Seaspan continues to execute quality growth during adversity, securing long-term contracted revenue
 - Received delivery of four high-quality vessels, (2-12,000 TEU and 2-13,000 TEU)
- Seaspan closed \$200 million sustainability-linked loan, expanding the company's innovative portfolio financing program to \$1.8 billion

London, UK, November 9, 2020 – Atlas Corp. (“Atlas or the “Company”) (NYSE: ATCO) announced today its results for the three and nine months ended September 30, 2020.

Comments from Management

Bing Chen, President and CEO of Atlas, commented, “Our third quarter performance highlights the resiliency of Atlas’ scalable platform and our focus on operational excellence, driving FFO per diluted share of \$0.68. Through our creative customer partnerships and delivery of fully integrated solutions to generate quality growth, we have added four large vessels under long-term charters bringing our total fleet to 127 vessels with contracted revenue of \$4.4 billion. Achieving year-over-year growth of 96.0% and 38.8% of FFO and Adjusted EBITDA, respectively, we are delivering consistent value creation for our stakeholders. With \$427.6 million of liquidity, a strong balance sheet, and trusted customer partnership, Atlas is well positioned to drive continued enterprise growth through fluctuating economic and industry cycles. I am proud of how our team’s consistent focus on operational excellence has resulted in solid performance and the delivery of best-in-class customer services.”

(1) This is a non-GAAP financial measure. Refer to “Definitions and Non-GAAP Financial Measures” and the Appendices for a definition of this term and a reconciliation of this non-GAAP financial measure, as used in this release, to the financial measures under GAAP

Consolidated Results

The following tables summarize Atlas' consolidated results for the three months ended September 30, 2020, June 30, 2020, and September 30, 2019.

(in millions of US dollars, except per share amounts, percentages and ratios, unaudited)	Three Months Ended		
	September 30, 2020	June 30, 2020	September 30, 2019 ⁽⁵⁾
GAAP Financial			
Revenue	\$ 386.2	\$ 363.8	\$ 282.7
Net earnings	84.1	82.7	43.0
Earnings per share, diluted	0.27	0.26	0.11
Non-GAAP Financial			
Adjusted EBITDA ⁽¹⁾	249.8	238.9	180.0
FFO ⁽¹⁾	173.5	161.3	88.5
FFO per Share, Diluted ⁽¹⁾	0.68	0.64	0.40
Net Debt to Adjusted EBITDA ⁽¹⁾	4.8x	5.2x	3.5x
Financial Position			
Ending Liquidity ⁽²⁾	427.6	382.9	912.9
Ending Contracted Revenue ⁽³⁾	4,442.4	4,625.0	4,080.9
Total Borrowings ⁽¹⁾	4,302.7	4,268.5	3,438.7
Operational			
Vessel Utilization	98.6%	97.4%	99.6%
Power Fleet Utilization ⁽⁴⁾	80.0%	68.4%	81.0%

- (1) This is a non-GAAP financial measure. Refer to "Definitions and Non-GAAP Financial Measures" and the Appendices for a definition of this term and a reconciliation of this non-GAAP financial measure, as used in this release, to the financial measures under GAAP.
- (2) This is the total cash and cash equivalents balance plus the total available undrawn committed credit facilities at period end.
- (3) Ending contracted revenue is on a pro-forma basis including operating and sales-type leases on vessels delivered in October and November 2020.
- (4) Power fleet utilization in comparative periods has been adjusted to reflect average utilization during the quarter.
- (5) The financial information for September 30, 2019 does not include APR Energy performance.

Guidance 2020

The following table is based on Atlas' current expectations for Seaspan and APR.

Operating Metrics (in millions of US dollars)	Previous Guidance		Updated Guidance	
	Low	High	Low	High
Seaspan				
Revenue	\$ 1,190.0	\$ 1,220.0	\$ 1,210.0	\$ 1,220.0
Operating expense	245.0	250.0	245.0	250.0
G&A expense	35.0	40.0	35.0	40.0
Operating lease expense	145.0	150.0	145.0	150.0
Adjusted EBITDA ⁽¹⁾	750.0	795.0	770.0	795.0
APR (for period from February 29, 2020 to December 31, 2020)				
Revenue	\$ 190.0	\$ 220.0	\$ 195.0	\$ 215.0
Operating expense	40.0	54.0	40.0	41.0
G&A expense	38.0	40.0	37.0	38.0
Operating lease expense	3.0	4.0	3.0	4.0
Adjusted EBITDA ⁽¹⁾	110.0	130.0	115.0	132.0

Segmental Financial Results

The following table summarizes segmental financial results for the three months ended September 30, 2020.

(in millions of US dollars, unaudited)	Three Months Ended September 30, 2020 (unaudited)			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
Revenue	\$ 305.9	\$ 80.3	\$ -	\$ 386.2
Operating expense	67.3	10.9	-	78.2
G&A expense	6.4	13.5	1.2	21.1
Operating lease expense	36.0	1.0	-	37.0
Adjusted EBITDA ⁽¹⁾	196.3	55.0	(1.5)	249.8
FFO ⁽¹⁾	148.0	42.8	(17.3)	173.5
Net earnings	79.0	5.4	(0.3)	84.1
Ending Contracted Revenue ⁽²⁾	4,118.0	324.4	-	4,442.4

- (1) This is a non-GAAP financial measure. Refer to "Definitions and Non-GAAP Financial Measures" and the Appendices for a definition of this term and a reconciliation of this non-GAAP financial measure, as used in this release, to the financial measures under GAAP.
- (2) Ending contracted revenue is on a pro-forma basis including operating and sales-types leases on vessels delivered in October and November 2020.
- (3) Elimination and other include amounts relating to preferred shares, corporate headquarters and elimination of intercompany transactions.

Financial Results Summary

Revenue increased by 36.6% to \$386.2 million for the three months ended September 30, 2020, compared with the same period in 2019. APR represented 77.6% and Seaspan represented 22.4% of the total increase compared to the third quarter of 2019. Revenue increase was driven primarily from thirteen vessels delivered between December 2019 and September 2020, and the contribution from APR.

Adjusted EBITDA was \$249.8 million for the three months ended September 30, 2020, an increase of 38.8% compared to the same period in 2019. This was driven by the contribution of APR and increased Seaspan contribution from the delivery of thirteen vessels, in addition to lower operating lease expense due to lower LIBOR.

FFO increased by 96.0% to \$173.5 million for the three months ended September 30, 2020, compared with the same period in 2019. This reflects revenue contributions from APR and new vessels, and lower interest expense.

Liquidity

As of September 30, 2020, Atlas had total liquidity of \$427.6 million, consisting of \$220.6 million of cash and cash equivalents and \$207.0 million of availability under undrawn committed revolving credit facilities. As of September 30, 2020, Atlas had an unencumbered asset base including 30 vessels with a book value of \$1.03 billion⁽¹⁾.

Seaspan Corporate Developments

In August and September 2020, Seaspan received delivery of two 13,000 TEU containerships that are on long-term charters with leading global liners.

In October and November 2020, Seaspan received delivery of two high-quality 12,000 TEU containerships, built in 2018, both with committed long-term charters with leading global liners.

In October 2020, Seaspan closed a \$200.0 million sustainability-linked loan, increasing the capacity of the company's innovative portfolio financing program to \$1.8 billion.

APR Corporate Developments

APR commenced an operational realignment program to enhance its fast power solutions and focus on developing and building longer-term power projects.

On September 30, 2020 APR concluded the term of its contract for three peaking power gas-fired plants in Mexicali, Baja California, Mexico.

Distribution

The Board of Directors of Atlas has declared a quarterly distribution in the amount of \$0.125 per common share, payable on October 30, 2020, unchanged from the prior quarter. Regular quarterly dividends on the Preferred Shares Series D, Series E, Series G, Series H and Series I were also declared.

(1) Balance Sheet value as at September 30, 2020.

Common Shares Outstanding

As of November 9, 2020, there were 246.0 million common shares outstanding, excluding 6.7 million shares reserved for future issuance to the sellers of APR in accordance with the terms and conditions of the APR acquisition agreement.

Conference Call and Webcast

Atlas will host a conference call and webcast presentation for investors, analysts, and interested parties to discuss its third quarter results on November 10, 2020 at 8:30 a.m. ET. Participants should call [1-877-246-9875](tel:1-877-246-9875) (US/Canada) or [1-707-287-9353](tel:1-707-287-9353) (International) and request the Atlas call (conference ID: 1678510). The live webcast and slide presentation are available under “Events & Presentations” at www.atlascorporation.com.

A replay will be available until November 25, 2020. The replay telephone numbers are: US/Canada 1-855-859-2056 and International 1-404-537-3406 and the replay passcode is:1678510

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 deploying capital 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 Seaspn

Seaspn is a leading independent owner and operator of containerships. We charter our vessels primarily pursuant to long-term, fixed-rate time charters to the world’s largest container shipping liners. Seaspn’s fleet consists of 127 containerships, representing total capacity of approximately 1,073,000 TEU. Seaspn’s operating fleet of vessels has an average age of approximately 7 years and an average remaining lease period of approximately 4 years, on a TEU-weighted 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, please visit aprenergy.com.

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 220.6	\$ 195.0
Accounts receivable	86.2	18.7
Inventories	72.0	14.2
Prepaid expenses and other	29.9	17.6
Net investment in lease	10.5	35.2
Acquisition related assets	<u>65.0</u>	<u>-</u>
	484.2	280.7
Property, plant and equipment	7,029.8	5,707.7
Right-of-use assets	872.0	957.2
Net investment in lease	421.6	723.6
Goodwill	84.1	75.3
Deferred tax assets	13.0	-
Other assets	<u>305.4</u>	<u>172.5</u>
	<u>\$ 9,210.1</u>	<u>\$ 7,917.0</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 151.5	\$ 83.4
Deferred revenue	20.7	20.3
Income tax payable	84.8	-
Long-term debt - current	246.7	363.7
Operating lease liabilities - current	160.3	159.7
Other financing arrangements - current	57.7	134.6
Other liabilities - current	<u>32.1</u>	<u>7.8</u>
	753.8	769.5
Long-term debt	3,207.7	2,696.9
Operating lease liabilities	699.4	782.6
Other financing arrangements	738.9	373.9
Deferred tax liabilities	7.5	-
Derivative instruments	68.3	50.2
Other liabilities	<u>42.3</u>	<u>11.2</u>
	5,517.9	4,684.3
Shareholders' equity:		
Share capital	2.4	2.1
Additional paid in capital	3,834.9	3,452.9
Deficit	(124.5)	(200.7)
Accumulated other comprehensive loss	<u>(20.6)</u>	<u>(21.6)</u>
	3,692.2	3,232.7
	<u>\$ 9,210.1</u>	<u>\$ 7,917.0</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue	\$ 386.2	\$ 282.7	\$ 1,058.4	\$ 843.5
Operating expenses (income):				
Operating expenses	78.2	56.8	205.0	170.4
Depreciation and amortization	103.9	63.9	264.6	189.9
General and administrative	21.1	7.7	51.3	23.3
Operating leases	37.0	38.2	113.7	116.3
Income related to modification of time charters	-	-	-	(227.0)
	<u>240.2</u>	<u>166.6</u>	<u>634.6</u>	<u>272.9</u>
Operating earnings	146.0	116.1	423.8	570.6
Other expenses (income):				
Interest expense	45.3	52.4	145.7	170.5
Interest income	(0.9)	(2.0)	(3.4)	(8.2)
Loss on derivative instruments	2.2	22.1	34.0	37.7
Other expenses	10.8	0.5	16.3	1.7
	<u>57.4</u>	<u>73.0</u>	<u>192.6</u>	<u>201.7</u>
Income tax expense	4.5	0.1	12.5	0.7
Net earnings	\$ 84.1	\$ 43.0	\$ 218.7	\$ 368.2
Dividends - preferred shares	(16.8)	(18.0)	(50.3)	(54.2)
Net earnings attributable to common shares	<u>\$ 67.3</u>	<u>\$ 25.0</u>	<u>\$ 168.4</u>	<u>\$ 314.0</u>
Weighted average number of shares, basic	245,924	216,142	240,120	213,938
Effect of dilutive securities:				
Share-based compensation	474	697	290	460
Fairfax warrants	210	5,696	2,322	3,841
Holdback shares	6,734	-	5,002	-
Weighted average number of shares, diluted	<u>253,342</u>	<u>222,535</u>	<u>247,734</u>	<u>218,239</u>
Earnings per share, basic	<u>\$ 0.27</u>	<u>\$ 0.12</u>	<u>\$ 0.70</u>	<u>\$ 1.47</u>
Earnings per share, diluted	<u>\$ 0.27</u>	<u>\$ 0.11</u>	<u>\$ 0.68</u>	<u>\$ 1.44</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Cash from (used in):				
Operating activities:				
Net earnings	\$ 84.1	\$ 43.0	\$ 218.7	\$ 368.2
Items not involving cash:				
Depreciation and amortization	103.9	63.9	264.6	189.9
Change in right-of-use asset	30.7	28.0	90.2	83.4
Non-cash interest expense and accretion	10.6	7.7	29.5	22.6
Unrealized change in derivative instruments	(4.6)	(0.4)	18.3	(13.7)
Amortization of acquired revenue contracts	4.6	4.0	12.7	9.8
Other	3.4	3.1	5.4	7.8
Change in other operating assets and liabilities	(39.6)	(3.4)	(156.8)	(22.8)
Cash from operating activities ⁽¹⁾	<u>193.1</u>	<u>145.9</u>	<u>482.6</u>	<u>645.2</u>
Investing activities:				
Expenditures for property, plant and equipment	(154.6)	(3.5)	(607.7)	(10.5)
Short-term investments	-	0.1	-	2.5
Prepayment of vessel purchase	(4.4)	(6.6)	(40.2)	(6.6)
Payment on settlement of interest swap agreements	(5.4)	(104.8)	(13.5)	(122.1)
Cash and restricted cash acquired from APR Energy acquisition	-	-	50.6	-
Loss on cash repatriation	(7.0)	-	(11.6)	-
Receipt from contingent consideration asset	3.2	-	3.2	-
Other assets	(2.0)	(1.2)	(11.7)	(6.1)
Cash used in investing activities	<u>(170.2)</u>	<u>(116.0)</u>	<u>(630.9)</u>	<u>(142.8)</u>
Financing activities:				
Repayments of long-term debt and other financing arrangements	(159.8)	(379.8)	(951.1)	(1,635.2)
Issuance of long-term debt and other financing arrangements	188.2	115.9	1,225.1	734.9
Notes and warrants issued	-	-	100.0	250.0
Proceeds from exercise of warrants	-	-	-	250.0
Redemption of preferred shares	-	(47.8)	-	(47.8)
Financing fees	(5.9)	(7.9)	(24.9)	(23.6)
Dividends on common shares	(31.2)	(26.7)	(88.9)	(75.1)
Dividends on preferred shares	(16.8)	(18.2)	(50.3)	(53.7)
Cash from (used in) financing activities	<u>(25.5)</u>	<u>(364.5)</u>	<u>209.9</u>	<u>(600.5)</u>
(Decrease) increase in cash, cash equivalents and restricted cash	(2.6)	(334.6)	61.6	(98.1)
Cash, cash equivalents and restricted cash, beginning of period	261.5	607.9	197.3	371.4
Cash, cash equivalents and restricted cash, end of period	<u>\$ 258.9</u>	<u>\$ 273.3</u>	<u>\$ 258.9</u>	<u>\$ 273.3</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:

	September 30,	September 30,
	2020	2019
Cash and cash equivalents	\$ 220.6	\$ 258.9
Restricted cash	38.3	14.4
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 258.9</u>	<u>\$ 273.3</u>

(1) Cash from operating activities for the nine months ended September 30, 2019 includes \$227.0 million received in connection with modification of time charters.

ATLAS CORP.
FUNDS FROM OPERATIONS

(in millions of U.S. dollars, except shares in thousands and per share amounts, unaudited)	Three Months Ended		
	September 30, 2020	June 30, 2020	September 30, 2019
GAAP Net Earnings	\$ 84.1	\$ 82.7	\$ 43.0
Preferred share dividends	(16.8)	(16.7)	(18.0)
Loss (gain) on sale	0.1	(0.6)	-
Unrealized change in fair value of derivative instruments	(4.6)	2.1	(0.4)
Change in contingent consideration asset ⁽¹⁾	(0.2)	0.7	-
Loss on foreign currency repatriation ⁽²⁾	7.0	4.6	-
Depreciation and amortization	103.9	88.5	63.9
FFO	\$ 173.5	\$ 161.3	\$ 88.5
Weighted average shares outstanding, diluted	253,342	253,365	222,535
FFO per Share, Diluted	\$ 0.68	\$ 0.64	\$ 0.40

(in millions of U.S. dollars)	Three Months Ended September 30, 2020			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
GAAP Net Earnings	\$ 79.0	\$ 5.4	\$ (0.3)	\$ 84.1
Preferred share dividends	-	-	(16.8)	(16.8)
Loss on sale	-	0.1	-	0.1
Unrealized change in fair value of derivative instruments	(4.6)	-	-	(4.6)
Change in contingent consideration asset ⁽¹⁾	-	-	(0.2)	(0.2)
Loss on foreign currency repatriation ⁽²⁾	-	7.0	-	7.0
Depreciation and amortization	73.6	30.3	-	103.9
FFO	\$ 148.0	\$ 42.8	\$ (17.3)	\$ 173.5

- (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 Energy 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 "Contingent Asset Arrangement"). The indemnification will end on April 30, 2022 or earlier if certain other conditions in the agreement are met. 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 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 include amounts relating to preferred shares, corporate headquarters and elimination of intercompany transactions.

**ATLAS CORP.
ADJUSTED EBITDA**

(in millions of U.S. dollars, unaudited)	Three Months Ended		
	September 30, 2020	June 30, 2020	September 30, 2019
GAAP Net Earnings	\$ 84.1	\$ 82.7	\$ 43.0
Interest expense	45.3	50.8	52.4
Interest income	(0.9)	(1.1)	(2.0)
Income tax expense	4.5	6.1	0.1
Depreciation and amortization	103.9	88.5	63.9
Loss (gain) on sale	0.1	(0.6)	-
Loss on derivative instruments	2.2	7.0	22.1
Change in contingent consideration asset ⁽¹⁾	(0.2)	0.7	-
Loss on foreign currency repatriation ⁽²⁾	7.0	4.6	-
Other expenses	3.8	0.2	0.5
Adjusted EBITDA	\$ 249.8	\$ 238.9	\$ 180.0

(in millions of U.S. dollars, unaudited)	Three Months Ended September 30, 2020			
	Containership Leasing	Mobile Power Generation	Elimination and Other ⁽³⁾	Total
GAAP Net Earnings	\$ 79.0	\$ 5.4	\$ (0.3)	\$ 84.1
Interest expense	40.7	5.6	(1.0)	45.3
Interest income	(0.1)	(0.8)	-	(0.9)
Income tax expense	0.4	4.1	-	4.5
Depreciation and amortization	73.6	30.3	-	103.9
Loss on sale	-	0.1	-	0.1
Loss on derivative instruments	2.2	-	-	2.2
Change in contingent consideration asset ⁽¹⁾	-	-	(0.2)	(0.2)
Loss on foreign currency repatriation ⁽²⁾	-	7.0	-	7.0
Other expenses (income)	0.5	3.3	-	3.8
Adjusted EBITDA	\$ 196.3	\$ 55.0	\$ (1.5)	\$ 249.8

- (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 Energy 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 "Contingent Asset Arrangement"). The indemnification will end on April 30, 2022 or earlier if certain other conditions in the agreement are met. 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 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 include amounts relating to preferred shares, corporate headquarters and elimination of intercompany transactions.

ATLAS CORP.
NET DEBT TO ADJUSTED EBITDA

(in millions of U.S. dollars, unaudited)	September 30, 2020	June 30, 2020	September 30, 2019
Long-term debt ⁽¹⁾	\$ 3,454.4	\$ 3,546.5	\$ 2,799.3
Other financing arrangements ⁽¹⁾	796.6	671.2	603.1
Deferred financing fee	51.7	50.8	36.3
Total Borrowings	4,302.7	4,268.5	3,438.7
Debt discount and fair value adjustment	136.0	141.1	155.8
Cash and cash equivalents	(220.6)	(221.8)	(258.9)
Restricted cash	(38.3)	(39.7)	(14.4)
Net Debt	\$ 4,179.8	\$ 4,148.1	\$ 3,321.2

(in millions of U.S. dollars, unaudited)	Twelve Months Ended		
	September 30, 2020	June 30, 2020	September 30, 2019
Net Earnings	\$ 289.5	\$ 248.4	\$ 431.4
Interest expense	194.1	201.2	228.0
Interest income	(4.5)	(5.5)	(9.5)
Income tax expense	13.0	8.6	0.7
Depreciation and amortization	329.1	289.0	254.5
Gain on sale	(0.5)	(0.6)	-
Loss on derivative instruments	31.6	51.4	51.9
Change in contingent consideration asset ⁽²⁾	(2.8)	(2.6)	-
Loss on foreign currency repatriation ⁽³⁾	11.6	4.6	-
Other expenses	5.0	1.8	2.2
Adjusted EBITDA	\$ 866.1	\$ 796.3	\$ 959.2

Net Debt to Adjusted EBITDA **4.8x** **5.2x** **3.5x**

- (1) Debt and other financial 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 Energy. Pursuant to the acquisition agreement, the sellers of APR Energy 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 "Contingent Asset Arrangement"). The indemnification will end on April 30, 2022 or earlier if certain other conditions in the agreement are met. 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 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.

**ATLAS CORP.
BORROWINGS**

(in millions of U.S. dollars, unaudited)

	As at September 30,			
	2019	2020		
	<u>Total Outstanding</u>	<u>Total Outstanding</u>	<u>Interest Rate ⁽²⁾</u>	<u>Years to Maturity</u>
Credit facilities ⁽¹⁾⁽⁵⁾	\$ 2,404.8	\$ 2,950.4	2.5%	3.71
Senior unsecured notes ⁽³⁾⁽⁵⁾	80.0	80.0	7.1%	7.07
Fairfax notes ⁽⁴⁾⁽⁵⁾	500.0	600.0	5.5%	5.09
Debt discount and fair value adjustment	(155.8)	(136.0)		
Other financing arrangements ⁽⁵⁾	609.7	808.3	3.2%	11.53
Total borrowings	<u>\$ 3,438.7</u>	<u>\$ 4,302.7</u>		

(1) As of September 30, 2020, \$2,708.7 million was secured by vessels.

(2) As at September 30, 2020, three month average LIBOR on the revolving facilities and term loan credit facilities were 0.2% and 0.3% respectively.

(3) These are the 7.125% senior unsecured notes due 2027.

(4) These are the 5.50% senior notes due 2025, 2026 and 2027.

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

ATLAS CORP.

Definitions and Non-GAAP Financial Measures

This release includes various financial measures that are non-GAAP financial measures as defined under the rules of the SEC. These non-GAAP financial measures, which include FFO, FFO Per Share, Diluted (FFO Per Share), Adjusted EBITDA, Net Debt and Total Borrowings, are intended to provide additional information and should not be considered substitutes for measures of performance prepared in accordance with GAAP.

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 and certain other items that the Company believes are not representative of its operating performance. FFO and FFO Per Share are useful performance measures because they exclude those items that the Company believes are not representative of its performance. Please refer to the *Funds From Operation* section of this release for a reconciliation of these non-GAAP financial measures to net earnings.

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, this measure may not be comparable to similar measures presented by other companies.

Adjusted EBITDA represents net income before interest, taxes, depreciation and amortization, impairments, write-down and gains/losses on sale, gains/losses on derivative instruments, loss on foreign currency repatriation, change in contingent consideration asset and other expenses.

Adjusted EBITDA provides useful information to investors in assessing the Company's results of operations. The Company believes that this measure is useful in assessing performance and highlighting trends on an overall basis. The Company 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.

The Company is unable to provide reconciliations of forward-looking Adjusted EBITDA to their most directly comparable GAAP financial measures on a forward-looking basis without unreasonable effort because items that impact those GAAP financial measures are out of the Company's control and/or cannot be reasonably predicted. These items include, but are not limited to, income tax expense, gains/losses on sale, loss on derivative instruments, change in contingent consideration asset and loss on foreign currency repatriation. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

Net Debt represents total borrowings before debt discount and fair value adjustments, net of cash and cash equivalents and restricted cash. *Total Borrowings* represents long-term debt and other financing arrangements, excluding deferred financing fees.

Net Debt and Total Borrowings provide useful information to investors in assessing the Company's leverage. The Company believes this measure is useful in assessing the Company's ability to settle contracted debt payments. The Company also believes that this leverage measurement can be useful in comparing its position 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 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.

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) concerning Atlas' operations, cash flows, and financial position, including, without limitation, Atlas' financial guidance and its ability to grow its business over the near and long-term. 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' 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 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 containerships 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 recent novel coronavirus (COVID-19) outbreak and its impact on Atlas' business;
- a major customer experiencing financial distress, particularly related to the COVID-19 pandemic;
- disruptions in global credit and financial markets as the result of the COVID-19 pandemic;
- Atlas' expectations as to impairments of Seaspan's vessels and power generation assets, including the timing and amount of potential impairments;

- the future valuation of Seaspan’s vessels, APR’s 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 containership 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;
- expectations about the availability of vessels to purchase and the useful lives of Seaspan’s vessels;
- availability of crew, number of off-hire days and dry-docking requirements;
- general market conditions and shipping market trends, including charter rates and other factors affecting supply and demand;
- 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;
- the values of Seaspan’s vessels and other factors or events that trigger impairment assessments or results;
- 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;
- potential liability from future litigation; and
- other factors detailed from time to time in Atlas’ periodic reports.

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, these 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, 2019 on Form 20-F filed on April 13, 2020 and in the “Risk Factors” in Reports on Form 6-K that are filed with the Securities and Exchange Commission from time to time relating to its quarterly financial results.

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 Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect Atlas' businesses, prospects and results of operations.

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