



July 29, 2021

ATCO REPORTS HIGHER SECOND QUARTER 2021 ADJUSTED EARNINGS

CALGARY, Alberta - ATCO Ltd. (TSX: ACO.X) (TSX: ACO.Y)

ATCO today announced second quarter 2021 adjusted earnings of \$80 million (\$0.70 per share), which were \$10 million (\$0.09 per share) higher compared to \$70 million (\$0.61 per share) in the second quarter of 2020.

Higher adjusted earnings in the second quarter of 2021 were mainly due to contributions from Canadian Utilities' International Electricity Operations segment related to ongoing transition work and commencement on June 1, 2021 under the Supplemental Agreement to LUMA Energy's 15-year contract to modernize and operate Puerto Rico's electricity transmission and distribution system. Higher earnings were also due to a return to more stable levels of inflation in Australia, which positively impacted earnings in Canadian Utilities' International Natural Gas Distribution segment.

IFRS earnings attributable to Class I and Class II Shares were \$12 million in the second quarter of 2021, \$33 million lower compared to 2020. Earnings attributable to Class I and Class II Shares include timing adjustments related to rate-regulated activities, unrealized gains or losses on mark-to-market forward and swap commodity contracts, one-time gains and losses, impairments, and items that are not in the normal course of business or a result of day-to-day operations. These items are not included in adjusted earnings.

RECENT DEVELOPMENTS

ATCO Structures

- Awarded a \$13 million contract with the Government of British Columbia's supportive housing program in Vernon, BC for a four-story, 61-unit building.
- Won a supply contract with a mining client in Nunavut for a 276-bed accommodation complex. The project consists of deployment of fleet product which has been repurposed to withstand the environment in the region.

ATCO Frontec

- UQSUQ Corporation, a joint venture between ATCO Frontec and Nunavut Petroleum Corporation, successfully won its bid with the Government of Nunavut to continue operating and maintaining the Iqaluit bulk fuel storage facility and pipeline distribution system. The new contract covers a 10-year period, plus a 5-year extension option, and commences on December 1, 2021.

Neltume Ports

- Held a grand opening on June 2, 2021 for the AutoMobile International Terminal, a 50/50 joint venture partnership with Terminal Zarate in Mobile, Alabama. The terminal is now in service and primarily supports the import and export requirements of the automotive market in the United States.

Canadian Utilities

- Received a decision from the Alberta Utilities Commission on June 15, 2021 approving the acquisition of the Pioneer Pipeline from Tidewater Midstream & Infrastructure and its partner TransAlta Corporation for the purchase price and associated integration costs of \$265 million, and the corresponding revenue requirement for 2021 to be included in Natural Gas Transmission's rates. As part of the transaction, Natural Gas Transmission will transfer approximately 30-km of the pipeline to Nova Gas Transmission Ltd. for \$65 million upon approval from the Canada Energy Regulator.
- LUMA Energy commenced operations on June 1, 2021 under the Supplemental Agreement to its 15-year contract to modernize and operate Puerto Rico's electricity transmission and distribution system after successful completion of the one-year transition period.
- Launched Rūmi, a solutions provider for home and business owners, offering lifestyle products, home maintenance services and professional advice for homeowners. Rūmi currently offers approximately 60 services in Edmonton and Calgary, and more than 750 products for purchase online.
- Announced a partnership with Suncor Energy in May 2021, to collaborate on early stage design and engineering of a potential clean hydrogen project near Fort Saskatchewan, Alberta. The project will produce more than 300,000 tons per year of clean hydrogen, while capturing greater than 90 per cent of the carbon emissions, reducing Alberta's carbon dioxide emissions by more than two million tons per year.
- Received notification of \$29 million AUD in conditional funding from the Australian Renewable Energy Agency (ARENA) to kick start the production of hydrogen through a large scale project at Canadian Utilities' proposed Clean Energy Innovation Park in Western Australia.

Corporate

- Declared a third quarter dividend of 44.83 cents per share or \$1.79 per Class I Non-Voting and Class II Voting Share on an annualized basis.

This news release should be read in concert with the full disclosure documents. ATCO's consolidated financial statements and management's discussion and analysis for the quarter ended June 30, 2021 will be available on the ATCO website (www.ATCO.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 6,200 employees and assets of \$22 billion, ATCO is a diversified global corporation with investments in the essential services of Structures & Logistics (workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services); Utilities (electricity and natural gas transmission and distribution, and international electricity operations); Energy Infrastructure (electricity generation, energy storage and industrial water solutions); Retail Energy (electricity and natural gas retail sales); Transportation (ports and transportation logistics); and Commercial Real Estate. More information can be found at www.ATCO.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions (including as may be affected by the COVID-19 pandemic), and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.