



February 23, 2022

ATCO REPORTS 2021 EARNINGS

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

ATCO Ltd. (ATCO or the Company) today announced adjusted earnings in 2021 of \$382 million (\$3.35 per share), which were \$30 million (\$0.27 per share) higher compared to \$352 million (\$3.08 per share) in 2020. Fourth quarter adjusted earnings in 2021 of \$114 million (\$1.01 per share), were \$8 million (\$0.06 per share) lower compared to \$122 million (\$1.07 per share) in the fourth quarter of 2020.

2021 earnings attributable to Class I and Class II Shares reported in accordance with International Financial Reporting Standards (IFRS earnings), were \$246 million (\$2.16 per share), which were \$6 million (\$0.05 per share) lower compared to \$252 million (\$2.21 per share) in 2020. Fourth quarter 2021 IFRS earnings of \$99 million (\$0.87 per share), were \$33 million (\$0.29 per share) higher compared to \$66 million (\$0.58 per share) in the fourth quarter of 2020.

IFRS earnings 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 IN THE FOURTH QUARTER OF 2021

ATCO Structures

- Awarded a second 150-person expansion camp valued at \$22 million for the China Lake Military Base rebuild and expansion project in southern California. The camp is expected to be completed in the first quarter of 2022.
- Received Full Notice to Proceed for the construction of a 2,500-person accommodation village to support the construction of a second LNG train for the Bechtel Pluto Train II project in Western Australia. In February 2020, ATCO Structures was initially awarded two Limited Notice to Proceed contracts related to this project, then in the second quarter of 2020 the project was suspended.

ATCO Frontec

- Received notification in December 2021 from BC Hydro that it had exercised its right to extend the agreement term for the Site C camp from December 31, 2022 to December 31, 2024.
- Secured two Facility Maintenance and Site Services contracts with Defence Construction Canada to maintain 15 different Department of National Defence sites and the associated infrastructure across Alberta for a 5-year base period for a combined contracted revenue of \$25 million. Both contracts contain options for an additional 6-year period, with a maximum contract term up to 11 years. Mobilization activities are underway and are on track for operations to commence in the second quarter of 2022.
- In December 2021, ATCO Frontec was awarded the Phase 2 expansion of the workforce lodging services contract (Naval Berthing Camp) to support additional construction work at the China Lake Military base, bringing camp capacity to 700-people. Operations of this expansion will begin in the second quarter of 2022.

- Subsequent to year-end, on February 1, 2022, Nasittuq Corporation (Nasittuq), a partnership between ATCO Frontec and the Pan Arctic Inuit Logistics Corporation (PAIL), was awarded by the Government of Canada a seven-year contract to operate and maintain the North Warning System (NWS), beginning April 1, 2022. Under the contract, Nasittuq will operate and maintain 47 remote NWS sites in the Canadian Arctic and three facilities in Ontario.

Canadian Utilities

- Announced the acquisition of the Alberta Hub natural gas storage facility near Edson, Alberta. The Alberta Hub underground natural gas storage facility has a capacity of approximately 49 petajoules and is connected to the NOVA Gas Transmission (NGTL) system.

Corporate

- On January 18, 2022, ATCO announced a comprehensive set of 2030 environmental, social and governance targets, and a commitment to achieve net zero greenhouse gas (GHG) emissions by 2050.
- On January 13, 2022, ATCO declared a first quarter dividend of 46.17 cents per share or \$1.85 per share on an annualized basis per Class I Non-Voting and Class II Voting Share, a 3 per cent increase over the 44.83 cents paid in each of the four previous quarters. ATCO has increased its dividend per share for 29 consecutive years.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary of the consolidated subsidiaries of ATCO and a reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is provided below:

	For the Three Months Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
<i>(\$ millions except share data)</i>				
Consolidated adjusted earnings	114	122	382	352
Impairment and other costs ⁽¹⁾	—	—	(33)	(20)
Unrealized gains (losses) on mark-to-market forward and swap commodity contracts ⁽²⁾	2	(4)	(10)	(4)
Rate-regulated activities ⁽³⁾	(15)	(15)	(64)	(32)
IT Common Matters decision ⁽⁴⁾	(2)	(5)	(7)	(10)
Transition of managed IT services ⁽⁵⁾	(1)	(32)	(24)	(32)
Other	1	—	2	(2)
Earnings attributable to Class I and Class II Shares	99	66	246	252
Weighted average shares outstanding (millions of shares)	114.1	114.4	114.2	114.4

(1) In 2021, ATCO recorded impairments and other costs not in the normal course of business of \$33 million (after-tax and non-controlling interests). Canadian Utilities incurred \$28 million of these costs in Mexico, related mainly to its Veracruz hydro facility within its Energy Infrastructure segment. The charge reflects an adverse arbitration decision, changes in market regulations, ongoing political uncertainty, and a challenging operating environment, resulting in an impairment of the carrying value of the assets. Other costs recorded were individually immaterial.

(2) The Company's retail electricity and natural gas business in Alberta enters into fixed-price swap commodity contracts to manage exposure to electricity and natural gas prices and volumes. These contracts are measured at fair value. Unrealized gains and losses due to changes in the fair value of the fixed-price swap commodity contracts are recognized in the earnings of the Corporate & Other segment. Realized gains or losses are recognized in adjusted earnings when the commodity contracts are settled.

(3) The Company records significant timing adjustments as a result of the differences between rate-regulated accounting and International Financial Reporting Standards with respect to additional revenues billed in current year, revenues to be billed in future years, regulatory decisions received, and settlement of regulatory decisions and other items.

(4) Consistent with the treatment of the gain on sale in 2014 from the IT services business by the Company, financial impacts associated with the IT Common Matters decision are excluded from adjusted earnings.

(5) In the fourth quarter of 2020 and first quarter of 2021, the Company signed Master Services Agreements (MSA) with IBM Canada Ltd. (subsequently novated to Kyndryl Canada Ltd.) and IBM Australia Limited, respectively, to provide managed IT services. These services were previously provided by Wipro under a ten-year MSA expiring in December 2024. The transition of the managed IT services from Wipro to IBM commenced on February 1, 2021 and is complete.

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 year ended December 31, 2021 will be available on the ATCO website (www.ATCO.com), via SEDAR (www.sedar.com) or can be requested from the Company.

TELECONFERENCE AND WEBCAST

ATCO will hold a live teleconference and webcast at 10:00 am Mountain Time (12:00 pm Eastern Time) on Thursday, February 24, 2022 at 1-800-319-4610. No pass code is required.

Katie Patrick, Executive Vice President, Chief Financial & Investment Officer, will discuss year-end 2021 financial results and recent developments. Opening remarks will be followed by a question and answer period with investment analysts. Participants are asked to please dial-in 10 minutes prior to the start and request to join the ATCO teleconference.

Management invites interested parties to listen via live webcast at: <https://www.atco.com/en-ca/about-us/investors/events-presentations.html>

A replay of the teleconference will be available approximately two hours after the conclusion of the call until March 24, 2022. Please call 1-800-319-6413 and enter pass code 8321. An archive of the webcast will be available on February 24, 2022 and a transcript of the call will be posted on <https://www.atco.com/en-ca/about-us/investors/events-presentations.html> within a few business days.

With approximately 6,400 employees and assets of \$23 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 operations); Energy Infrastructure (energy storage, energy generation, industrial water solutions, and clean fuels); Retail Energy (electricity and natural gas retail sales, and whole-home solutions); Transportation (ports and transportation logistics); and Commercial Real Estate. More information can be found at www.ATCO.com.

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Non-GAAP and Other Financial Measures

This news release includes references to "adjusted earnings" which is a "total of segments measure" as that term is defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. The most directly comparable measure reported in accordance with IFRS is "earnings attributable to Class I and Class II shares". For additional information, see "Financial Summary and Reconciliation of Adjusted Earnings" in this news release, and "Non-GAAP and Other Financial Measures" and "Reconciliation of Adjusted Earnings to Earnings Attributable to Class I and Class II Shares" in Management's Discussion and Analysis for the year-ended December 31, 2021.

Forward-Looking Information

Certain statements contained in this news release 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", "goals", "targets", "strategy", "future", and similar expressions. In particular, forward-looking information in this news release includes, but is not limited to, references to general strategic plans and targets, including with respect to reducing GHG emissions; the timing for construction, completion or the commencement of operations in relation to the projects highlighted under "Recent Developments in the Fourth Quarter of 2021" and the expected revenues or contract values associated with such projects.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct. Forward-looking information should not be unduly relied upon. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated in such forward-looking information. The forward-looking information reflects the Company's beliefs and assumptions with respect to, among other things, the Company's ability to successfully achieve its net zero GHG target by 2050; the development and performance of technology and technological innovations and the ability to otherwise access and implement all technology necessary to achieve GHG and other environmental, social and governance targets; continuing collaboration with certain regulatory and environmental groups; the performance of assets and equipment; demand levels for oil, natural gas, gasoline, diesel and other energy sources; certain levels of future energy use; future production rates; future revenue and earnings; the ability to meet current project schedules, and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things, risks inherent in the performance of assets; capital efficiencies and cost savings; applicable laws and government policies; 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); credit risk; interest rate fluctuations; the availability and cost of labour, materials, services, and infrastructure; the development and execution of projects; prices of electricity, natural gas, natural gas liquids, and renewable energy; the development and performance of technology and new energy efficient products, services, and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture, and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; and other risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. Readers are cautioned that the foregoing lists are not exhaustive. For additional information about the principal risks that the Company faces, see "Business Risks and Risk Management" in Management's Discussion and Analysis for the year-ended December 31, 2021.

This news release may contain information that constitutes future-oriented financial information or financial outlook information, all of which are subject to the same assumptions, risk factors, limitations and qualifications set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on such future-oriented financial information or financial outlook information. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, the future-oriented financial information or financial outlook information. The Company has included such information in order to provide readers with a more complete perspective on its future operations and its current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that such information should not be used for purposes other than those for which it has been disclosed herein. Future-oriented financial information or financial outlook information contained herein was made as of the date of this news release.

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.