



News Release

October 29, 2025

ATCO Makes Exchange Proposal to Non-Controlling Class II Share Owners

- **Simplifies Capital Structure and Improves Liquidity**
- **Continued Participation in ATCO's Growth and Income Opportunities**
- **Shareholder Meeting Expected to be Held in December 2025**

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

ATCO Ltd. ("**ATCO**" or the "**Company**") today announced that it has determined to make an exchange proposal to the holders of Class II voting shares ("**Class II Shares**") of ATCO other than Sentgraf Enterprises Ltd. (the "**Controlling Class II Share Owner**"). Subject to the approval of holders of Class II Shares ("**Class II Share Owners**"), the transaction will be effected by way of a court-approved plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**").

Under the terms of the Arrangement, each Class II Share held by a Class II Share Owner other than the Controlling Class II Share Owner ("**Non-Controlling Class II Share Owners**") will be exchanged for 1.15 Class I non-voting shares ("**Class I Shares**") of ATCO (the "**Exchange Ratio**").

The Class II Shares held by the Controlling Class II Share Owner, currently comprising approximately 93% of the outstanding Class II Shares, will not be exchanged pursuant to the Arrangement. As a result, upon completion of the Arrangement, the Controlling Class II Share Owner will be the only holder of Class II Shares.

KEY HIGHLIGHTS AND RATIONALE FOR THE ARRANGEMENT

Since ATCO implemented its dual class share structure in 1981, the Non-Controlling Class II Share Owners' relative ownership of Class II Shares has gradually decreased from approximately 48% to approximately 7% as Non-Controlling Class II Share Owners have elected to convert their Class II Shares into Class I Shares on a 1:1 basis in accordance with their terms. The Arrangement represents an opportunity to simplify ATCO's capital structure and reduce its administrative obligations, while offering the following expected benefits for Non-Controlling Class II Share Owners:

- **Premium to Existing Conversion Rights:** As the terms of the Class II Shares provide holders the right to convert Class II Shares into Class I Shares at any time at a ratio of 1:1, the Exchange Ratio represents an effective premium of 15% relative to the existing conversion right.

- Enhanced Liquidity: The Arrangement will provide Non-Controlling Class II Share Owners with immediate access to the enhanced liquidity provided through ownership of Class I Shares, at a premium represented by the Exchange Ratio, and without incurring any transaction costs.
- Tax Free Exchange: Non-Controlling Class II Share Owners can generally achieve a deferral for Canadian tax purposes of the capital gain that would otherwise have been realized upon a disposition of Class II Shares.
- Continued Participation in the Growth and Income Opportunities of ATCO: Non-Controlling Class II Share Owners will receive Class I Shares pursuant to the Arrangement and will therefore be able to continue to participate in the benefits of equity ownership in ATCO, including the right to continue to receive the same dividend per share as is paid in respect of Class II Shares and to participate in the anticipated growth opportunities being pursued by ATCO as a diversified global energy infrastructure business.

ADDITIONAL INFORMATION ON THE ARRANGEMENT

The Arrangement is subject to the approval by: (i) two-thirds of the votes cast by Class II Share Owners present or represented by proxy at a special meeting of Class II Share Owners (the "**Meeting**") called to consider the Arrangement; and (ii) a simple majority of the votes cast by Class II Share Owners present or represented by proxy at the Meeting after excluding the votes cast by the Controlling Class II Share Owner and any other Class II Share Owners whose votes are required to be excluded in determining whether "minority approval" for the Arrangement has been obtained pursuant to applicable Canadian securities laws (collectively, "**Excluded Class II Share Owners**").

The Controlling Class II Share Owner has indicated that it intends to vote in favour of the Arrangement. In addition, DPX Capital Inc., a Non-Controlling Class II Share Owner that is not related to ATCO or to the Controlling Class II Share Owner and which holds approximately 37% of the Class II Shares after excluding Class II Shares held by the Excluded Class II Share Owners, has entered into a support agreement with the Company, pursuant to which it has agreed to vote in favour of the Arrangement and to retain its Class II Shares until completion of the Meeting.

In addition to the required approvals of Class II Share Owners, closing of the Arrangement is also subject to obtaining the approval of the Court of King's Bench of Alberta and the Toronto Stock Exchange, as well as other customary closing conditions.

Further details regarding the Arrangement will be contained in a management information circular of ATCO (the "**Circular**") to be sent to holders of Class I Shares and Class II Shares in connection with the Meeting. The Circular is expected to be mailed on or about November 17, 2025, and the Meeting is expected to be held on or about December 10, 2025.

If all approvals are received and other closing conditions are satisfied in a timely manner, the Arrangement is expected to be completed on or about December 11, 2025.

The Circular, as well as other filings containing information about the Arrangement, will be available for viewing under ATCO's SEDAR+ profile at www.sedarplus.ca. All Class II Share Owners are urged to read the Circular once available, as it will contain additional important information concerning the Arrangement and how to vote their Class II Shares.

INDEPENDENT OVERSIGHT AND DECISION-MAKING PROCESS

The Arrangement is the result of a comprehensive review process overseen by the directors of ATCO who are independent of the Controlling Class II Share Owner in respect of the Arrangement (the "**Independent Directors**"). The board of directors of ATCO delegated to the Independent Directors the authority to, among other things, negotiate, examine, review and evaluate the merits and risks of the Arrangement.

BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), acting as independent financial advisor to the Independent Directors, has provided an opinion (the "**Fairness Opinion**") to the Board which states that, subject to certain assumptions, limitations and qualifications set forth therein, the consideration to be received by Non-Controlling Class II Share Owners pursuant to the Arrangement is fair, from a financial point of view, to Non-Controlling Class II Share Owners.

The Independent Directors, having undertaken a thorough review of, and having carefully considered, among other things, information concerning ATCO, including its share structure, the Controlling Class II Share Owner's ownership of Class II Shares and resulting voting control of ATCO, the Arrangement and its expected impact on ATCO and all relevant stakeholders, the alternatives to the Arrangement available to ATCO, including the status quo, the Fairness Opinion, the advice of Blake, Cassels & Graydon LLP, counsel to ATCO, regarding the legal aspects of the Arrangement and their duties as directors, and such other matters as they considered necessary or appropriate, unanimously: (i) determined that the Arrangement is in the best interests of ATCO and fair to Non-Controlling Class II Share Owners; (ii) approved the Arrangement; and (iii) directed that the Arrangement be submitted to Class II Share Owners for approval and recommend that Class II Share Owners vote FOR the Arrangement.

Shareholders who have any questions should contact ATCO's shareholder communications advisor, Laurel Hill Advisory Group, by phone at (877) 452-7184 (toll-free within North America), by phone or by text at 1-416-304-0211 (outside of North America), or by email at assistance@laurelhill.com.

ADVISORS

Blake, Cassels & Graydon LLP is acting as legal advisor to ATCO. Felesky Flynn LLP is acting as Canadian tax counsel to ATCO. Paul, Weiss, Rifkind, Wharton & Garrison LLP is acting as U.S. legal advisor to ATCO. BMO Capital Markets is acting as financial advisor to ATCO's board. ATCO has retained Laurel Hill Advisory Group as its shareholder communications advisor in connection with the Meeting.

ABOUT ATCO

As a global enterprise, ATCO Ltd. and its subsidiary and affiliate companies have approximately 21,000 employees and assets of \$27 billion. ATCO is committed to future prosperity by working to meet the world's essential energy, housing, security and transportation challenges. ATCO Structures designs, builds and delivers products to service the essential need for housing and shelter around the globe. ATCO Frontec provides operational support services to government, defence and commercial clients. ATCO Energy Systems delivers essential energy for an evolving world through its electricity and natural gas transmission and distribution, and international electricity operations. ATCO EnPower creates sustainable energy solutions in the areas of electricity generation, energy storage, industrial water and cleaner fuels. ATCO Australia develops, builds, owns and operates energy and infrastructure assets. ATCO Energy provides

retail electricity and natural gas services, home maintenance services and professional home advice that bring exceptional comfort, peace of mind and freedom to homeowners and customers. ATCO also has investments in ports and transportation logistics, the processing and marketing of ash, retail food services and commercial real estate. More information can be found at www.ATCO.com.

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FORWARD-LOOKING INFORMATION ADVISORY

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: the expected benefits of the Arrangement to Non-Controlling Class II Share Owners, including with respect to enhanced liquidity and continued participation in ATCO's anticipated growth and income opportunities; expectations with respect to the impact of the Arrangement on ATCO, including its anticipated impact on ATCO's administrative obligations, capital structure and the level of voting control exercised by the Controlling Class II Share Owner; the tax implications of the Arrangement for Non-Controlling Class II Share Owners; the anticipated date of the Meeting, the Circular sent in connection therewith and the expected mailing date thereof; the anticipated closing conditions and approvals required in connection with the Arrangement; and the expected structure and anticipated timing and completion of the Arrangement, including the expected closing date of the Arrangement.

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 satisfaction of the conditions to closing of the Arrangement in a timely manner, including the receipt of all necessary approvals; ATCO's ability to issue Class I Shares pursuant to the Arrangement in the manner expected; the anticipated Canadian income tax consequences of the Arrangement; and other assumptions inherent in management's expectations in respect of the forward-looking information identified herein.

Actual results could differ materially from those anticipated in this forward-looking information as a result of, among other things: the failure of ATCO to receive, in a timely manner, the necessary court, shareholder and stock exchange approvals and to satisfy the other conditions to closing of the Arrangement in a timely manner and on acceptable terms; the inability of ATCO to complete the Arrangement on the terms contemplated or at all; the inability of ATCO to realize the anticipated benefits of the Arrangement; negative reactions from investors in respect of the Arrangement; payments to Non-Controlling Class II Share Owners who validly exercise dissent rights in respect of the Arrangement; the focus of management's time and attention on the Arrangement and other disruptions arising from the Arrangement; the failure of ATCO to realize upon its anticipated growth opportunities; and other risk factors, many of which are beyond the control of ATCO. 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 the Company's Management's Discussion & Analysis for the year ended December 31, 2024, available for viewing under ATCO's SEDAR+ profile at www.sedarplus.ca.

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.