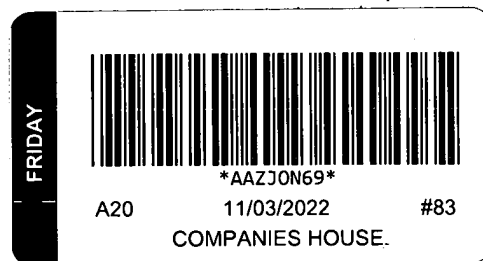


Apple Bidco Limited

Company number: 09822930

Company Financial Statements

For the Year Ended 31 December 2020



Apple Bidco Limited
31 December 2020

Contents

	Page
Company Information	2
Strategic Report	3
Directors' Report	5
Statement of Directors' Responsibilities	7
Independent Auditors' Report to the Members of Apple Bidco Limited	8
 Company Financial Statements	
Statement of Comprehensive Loss	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-29

Apple Bidco Limited

31 December 2020

Company Information

Directors

Bing Chen
Graham Talbot

Registered Office

C/O TMF Group 8th floor
20 Farringdon Street
London
United Kingdom
EC4A 4AB

Independent Auditors

KPMG LLP
66 Queen Square
Bristol BS1 4BE
United Kingdom

Country of Incorporation

England, United Kingdom

Company number

09822930

Apple Bidco Limited

31 December 2020

Strategic Report

The directors present their annual report and the audited financial statements of Apple Bidco Limited ("the Company") for the year ended 31 December 2020.

The Company is a private company, limited by shares, incorporated on 13 October 2015 in England, United Kingdom ("UK") under the Companies Act 2006. The Company was formed for the purpose of acquiring and acting as the holding company for its subsidiary, APR Energy Limited ("APR Energy").

Principal Activities

The principal activity of Apple Bidco Limited is to act as a holding company.

Business and Financial Review

In February 2020, the Company was acquired (the "Acquisition") by Seaspan Corp for \$750.0 million, less the amount of the Company's subsidiaries' net debt and certain selling expenses, in an all share transaction. In conjunction with the Acquisition, a new holding company called Atlas Corp ("Atlas") was formed which became the parent company of Apple Bidco and Seaspan Corp.

Prior to the Acquisition, the Company was jointly controlled by Fairfax Financial Holdings Limited, a Canadian company, and Albright Capital Management, LLC, a United States company.

Total comprehensive loss is \$485.9 million and \$19.5 million in the years ending 31 December 2020 and 2019, respectively. An impairment of the Company's investment in APR Energy of \$473.8 million and \$17.8 million is included in total comprehensive loss in the years ended 31 December 2020 and 2019, respectively, which represents the difference between the previous carrying value of the investment and estimated fair value of the asset. Additionally, the Company recorded \$15.0 million of transaction costs associated with the Acquisition in the year ending 31 December 2020.

In respect of the financial position of the company, net assets as of 31 December 2020 and 2019 were \$131.6 million and \$452.3 million, respectively, with the reduction predominantly due to the impairment of investment balances as outlined above.

Business Risk

As a holding company which does not trade itself, business risks are limited. Potential risks arise in respect of reduction in the value of investments which are reviewed annually for impairment. Substantially all of its transactions are with affiliates, including its parent company, who has pledged to support the Company and its subsidiaries.

Principal Risk and Uncertainties

Apple Bidco Limited and its subsidiary are parties to intercompany balances. The principal risk of the Company is related to a potential decrease in value of its investment in APR Energy.

Apple Bidco Limited

31 December 2020

Strategic report (continued)

Brexit Risk

For the UK as a whole Brexit was a high-profile issue throughout the year to 31 December 2020 and the Company committed much time and effort to assessing its potential impact. While the United Kingdom (UK) withdrew from the European Union on 31 January 2020, a period of transition meant that the UK continued to participate in the European Customs Union and the European Single Market until 31 December 2020; from 1 January 2021 these have been replaced by the EU-UK Trade and Cooperation Agreement. The Directors, having regard to the Company's sources of finance and future plans, do not consider that Brexit is likely to have a material impact on the activities of the Company.

COVID-19

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic and the virus has continued to spread throughout the UK after 31 December 2020. The Directors have reviewed the impact of COVID-19 on the Company's activities and do not consider that the pandemic will have any significant detrimental impact on the Company's future performance or balance sheet valuation.

Future Developments and Strategies

Apple Bidco Limited will remain a holding company for APR Energy. The Company may facilitate further borrowings or other transactions from affiliates or third parties to support APR Energy as required in the future.

Approved by the board of directors and signed on its behalf by



Bing Chen
Director
Date: 11 March 2022

Apple Bidco Limited

31 December 2020

Directors' Report

The directors present their report and audited financial statements of Apple Bidco Limited (the "Company") for the year ended 31 December 2020.

Dividend

There were no dividend payments in the years ended 31 December 2020 and 2019.

Directors

The directors of the Company who held office during the year and to the date of the report were:

Bing Chen (appointed 28 February 2020)
Graham Talbot, Director (Appointed 19 January 2022)
David Sokol (appointed 28 February 2020, Resigned 19 January 2022)
Ryan Courson (appointed 28 February 2020, resigned 20 May 2020)
Charles Ferry (appointed 28 February 2020, resigned 8 April 2020)
John Campion (resigned 28 February 2020)
Kazi Hasan (resigned 28 February 2020)
Quinn McLean (resigned 28 February 2020)
Wendy Teramoto (appointed 1 August 2019, resigned 28 February 2020)
Stephen Wallace (resigned 28 February 2020)
Pieter Alexander Wernink (resigned 28 February 2020)

Directors' Indemnities

The Company has maintained qualifying third-party indemnity insurance on behalf of its directors and officers during the period and this will continue to be maintained beyond the date of approval of the financial statements.

Significant Events after the Statement of Financial Position Date

Refer to Note 29 for a list of significant events that occurred after the statement of financial position date.

Significant Investments

The Company is a holding company with an investment in APR Energy. Refer to Note 10 for details of this investment.

Political Contributions

The Company did not make any political contributions during the years ended 31 December 2020 and 2019.

Registered Office

The registered office of the Company is shown on page 2, titled Company Information.

Ultimate Parent

The Company's ultimate parent is Atlas Corp, a Republic of the Marshall Islands corporation, registered at the following address: 23 Berkley Square, London United Kingdom W1J 6HE.

Apple Bidco Limited
31 December 2020

Directors' Report (continued)

Going Concern

Notwithstanding a loss for the year then ended of \$485.9m the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Atlas Corp, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Atlas Corp providing additional financial support during that period. Atlas Corp has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

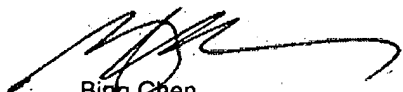
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the board of directors and signed on its behalf by:



Bing Chen
Director
Date: 11 March 2022

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Apple Bidco Limited

Opinion

We have audited the financial statements of Apple Bidco Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Loss, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Atlas Corp's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

Independent auditors' report to the members of Apple Bidco Limited
(continued)

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement due to fraud (continued)

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included investment entries made to unrelated accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditors' report to the members of Apple Bidco Limited

(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

NChrimes

Nathan Chrimes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
11 March 2022

Apple Bidco Limited
Statement of Comprehensive Loss
Years ended 31 December 2020 and 2019
(\$ in millions)

	Note	2020	2019
Selling, general and administrative expenses	4	\$ (15.0)	\$ (1.7)
Impairment charge	5	(473.8)	(17.8)
Other income/(expense)	6	2.1	(0.4)
Operating loss		(486.7)	(19.9)
Finance income	7	1.0	1.0
Finance costs	8	(0.2)	(0.6)
Loss before taxation		(485.9)	(19.5)
Taxation	9	-	-
Total comprehensive loss for the year		\$ (485.9)	\$ (19.5)

The notes on pages 15 to 29 form part of these financial statements.

Apple Bidco Limited
Statement of Financial Position
As of 31 December 2020 and 2019
(\$ in millions)

	Note	2020	2019
Assets			
Noncurrent assets			
Investment in subsidiaries	10	\$ 145.5	\$ 454.1
Due from parent	11	100.0	-
Note receivable from subsidiary	12	10.0	10.0
Other noncurrent assets	13	2.7	-
Total noncurrent assets		<u>258.2</u>	<u>464.1</u>
Current assets			
Other current assets	14	-	1.7
Cash	15	-	0.7
Total current assets		<u>-</u>	<u>2.4</u>
Total assets		<u>\$ 258.2</u>	<u>\$ 466.5</u>
Liabilities			
Noncurrent liabilities			
Put option liability	16	\$ -	\$ 2.1
Total noncurrent liabilities		<u>-</u>	<u>2.1</u>
Current liabilities			
Borrowings	17	-	10.3
Due to subsidiaries	18	126.6	-
Trade and other payables	19	-	1.8
Total current liabilities		<u>126.6</u>	<u>12.1</u>
Total liabilities		<u>126.6</u>	<u>14.2</u>
Equity			
Share capital	20	27.8	27.8
Share premium	20	238.3	83.3
Capital contribution reserve	21	10.2	-
Capital redemption reserve	21	3.4	3.4
Current year losses		(485.9)	(19.5)
Retained earnings, opening balance		337.8	357.3
Total equity		<u>131.6</u>	<u>452.3</u>
Total liabilities and equity		<u>\$ 258.2</u>	<u>\$ 466.5</u>

These financial statements of the Company, registered number 09822930 were approved by the Board of Directors on 11 March 2022.

Signed on behalf of the Board of Directors by



Bing Chen
Director

The notes on pages 15 to 29 form part of these financial statements.

Apple Bidco Limited
Statement of Changes in Equity
Years Ended 31 December 2020 and 2019
(\$ in millions)

	Ordinary Share Capital	Share Premium	Capital Contribution Reserve	Capital Redemption Reserve	Retained Earnings (Accumulated Deficit)	Total Equity
Balances at 1 January 2019	\$ 27.8	\$ 83.3	\$ -	\$ 3.4	\$ 357.3	\$ 471.8
Total comprehensive loss for the year	-	-	-	-	(19.5)	(19.5)
Balances at 31 December 2019	27.8	83.3	-	3.4	337.8	452.3
Total comprehensive loss for the year	-	-	-	-	(485.9)	(485.9)
Proceeds of shares issued	-	155.0	-	-	-	155.0
Proceeds of capital contributions	-	-	10.2	-	-	10.2
Balances at 31 December 2020	<u>\$ 27.8</u>	<u>\$ 238.3</u>	<u>\$ 10.2</u>	<u>\$ 3.4</u>	<u>\$ (148.1)</u>	<u>\$ 131.6</u>

The notes on pages 15 to 29 form part of these financial statements.

Apple Bidco Limited
Statement of Cash Flows
Years Ended 31 December 2020 and 2019
(\$ in millions)

	Note	2020	2019
Cash flows from operating activities			
Loss for the year before taxation		\$ (485.9)	\$ (19.5)
Adjustments for:			
Impairment charge	5	473.8	17.8
Finance costs	8	0.2	0.6
(Decrease) increase in put option liability	6	(2.1)	0.4
Movements in working capital:			
Increase in due from parent	11	(100.0)	-
Increase in other noncurrent assets	13	(2.7)	-
Decrease (increase) in other current assets	14	1.7	(1.0)
Increase in due to subsidiaries	18	126.6	1.2
Decrease in trade and other payables	19	(2.0)	(4.4)
Net cash used in operating activities		<u>9.6</u>	<u>(4.9)</u>
Cash flows from investing activities			
Investment in subsidiary	10	<u>(65.2)</u>	<u>-</u>
Net cash used in investing activities		<u>(65.2)</u>	<u>-</u>
Cash flows from financing activities			
Cash from borrowings	17	-	4.5
Repayment of borrowings	17	(10.3)	-
Proceeds of ordinary shares issued	20	55.0	-
Proceeds of capital contributions	21	10.2	-
Net cash generated from financing activities		<u>54.9</u>	<u>4.5</u>
Net change in cash and cash equivalents		<u>(0.7)</u>	<u>(0.4)</u>
Cash and cash equivalents			
Beginning of the year		0.7	1.1
End the year		<u>\$ -</u>	<u>\$ 0.7</u>

The notes on pages 15 to 29 form part of these financial statements.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

1. General Information

Apple Bidco Limited (the "Company" or "Apple Bidco"), is a private company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 09822930 and the registered address is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 3.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

These financial statements are presented in US dollars, in millions (to one decimal point) because that is the currency of the primary economic environments in which the Company operates.

In February 2020, the Company and all subsidiaries were acquired (the "Acquisition") by Seaspan Corp. In conjunction with the Acquisition, a new holding company called Atlas Corp ("Atlas") was formed which became the parent company of Apple Bidco and Seaspan Corp.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

Measurement Convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: put option liability.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

At each reporting date, the company reviews the carrying amount of its investments to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

2. Summary of Significant Accounting Policies (continued)

Investment in subsidiaries (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

Financial Instruments

The Company classifies its financial instruments, for both financial assets and liabilities, as either at fair value through profit/loss or at amortised cost. The classification depends on the purpose for which the financial assets or liabilities were acquired. The Company determines the classification of its financial assets and liabilities at initial recognition.

The classification of non-equity financial assets is based on a two-step test, applying the business model test and the cash flow characteristics test. There are three types of business models per IFRS 9: Hold to collect, Hold to collect and sell and Other. There are two cash flow models defined by IFRS 9: Cash flows that are solely payment of principal and interest ("SPPI") and Other.

Financial Assets at Fair Value through Profit or Loss

A financial asset is classified in this category if the cash flow model for recovering the asset is not SPPI, or if it is SPPI and the assets are not held to collect or held to collect and sell. The Company's financial assets which are not recovered through SPPI are classified and measured as financial assets at fair value through profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. The Company does not have any financial assets classified as fair value through profit or loss.

Financial Assets at Amortised Cost

Financial assets at amortised cost are non-derivative financial assets which will be collected with fixed or determinable payments and are held for collection via those payments, less any impairment losses. The "expected loss" impairment model, as set out in IFRS 9, is in line with the approach taken by the Company towards its provisioning against these financial assets. They are included in current assets, except for maturities expected to be received in greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's financial assets at amortised cost include "note receivable from affiliate", "other noncurrent assets", "due from parent", "other current assets", and "cash" in the statement of financial position.

Financial Liabilities at Fair Value through Profit or Loss

This category of financial liabilities is carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive loss. The Company's financial liabilities classified as fair value through profit or loss include the "put option liability" in the statement of financial position.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

2. Summary of Significant Accounting Policies (continued)

Financial Liabilities at Amortised Cost

Financial liabilities at amortised cost are financial liabilities, which do not meet the definition under IFRS 9 to be measured at fair value through profit or loss. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current liabilities. The Company's financial liabilities at amortised cost include "borrowings", "due to subsidiaries" and "trade and other payables" in the statement of financial position.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019
(\$ in millions)

2. Summary of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Directors do not consider that there are any specific estimates or judgements that impact on these financial statements in addition to the principal accounting policies set out.

Going Concern

Notwithstanding a loss for the year then ended of \$485.9m the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Atlas Corp, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Atlas Corp providing additional financial support during that period. Atlas Corp has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Changes in Accounting Policy and Disclosures

New Standards, Amendments and Interpretations

New standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these financial statements. None of these standards are expected to have a material effect on the financial statements of the Company.

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

3. Financial Risk Management

Financial risk management is carried out by the Company under policies approved by the board of directors. Management designs strategies for overall risk management, including market risk, credit risk and liquidity risk.

Market Risk

The Company's market is minimal since substantially all transactions are with affiliates of the Company.

Credit Risk

Credit risk arises from cash with financial institutions and exposures to outstanding receivables from affiliates. To minimize the risk related to cash, the Company does not hold a significant amount of cash with one financial institution. The Company's parent has pledged support for the Company minimizing any risk related to amounts due from parent. The Company actively manages the liquidity of its subsidiaries minimizing risk related to any receivables from subsidiaries.

Liquidity Risk

Liquidity risk results from insufficient funding being available to meet the Company's funding requirements as they arise. The Company's parent has pledged support for the Company and the Company manages the liquidity of its subsidiaries which includes access to a revolving credit facility with a significant amount of capacity available.

4. Selling, general and administrative expenses

	<u>2020</u>	<u>2019</u>
Selling, general and administrative expenses	\$ 15.0	\$ 1.7

The expenses incurred during the year ended 31 December 2020 primarily relate to transaction expenses associated with the Acquisition. The expenses incurred during the year ended 31 December 2019 primarily relate to transaction expenses associated with the Acquisition and expenses associated with a legal settlement.

5. Impairment of investment in subsidiaries

The Company assesses at the end of each reporting period whether there is objective evidence that an investment in subsidiary is impaired.

During the year ended 31 December 2020, impairment losses were taken on power generation equipment of the Company's subsidiaries including turbines, generators and transformation equipment. A change in market conditions caused this impairment most notably the industry transitioning away from high-carbon fossil fuels in favour of cleaner fuel and renewable energy solutions.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

5. Impairment of investment in subsidiaries (continued)

As a result, Group Management decided to shift its strategic focus toward longer term solutions focused on its natural gas assets and divest all of its unutilized diesel-powered assets.

For the Company's investment asset, the Company considers the CGU to be the full collection of assets owned the Company and its subsidiaries. These assets are deployed to different projects on an annual basis based on various customer contracts in place in any given year. Although the assets are associated with a given project at any time, each project is short term in nature resulting in the assets being used on several projects over the life of the assets. We have concluded that the core operating assets are a single CGU because they are used to service various customers over the life of the assets and these various customers collectively contribute to the cash inflows associated with the assets.

Due to the impairment losses recorded at the subsidiary levels and Group Managements strategic shift, the Company performed an impairment analysis on its investment in subsidiaries balance during the year ended 31 December 2020. The Company concluded the investment in subsidiaries balance should be revalued to equal the fair value of the net assets of its subsidiaries due to the strategic shift by Group Management. The property, plant and equipment of the Company's subsidiaries was already recorded at fair value due to the impairment losses recorded on those entities during the year ended 31 December 2020. The Company evaluated the remaining assets and liabilities of its subsidiaries and concluded the balances recorded by the subsidiaries approximated fair value due to the nature of the assets and liabilities. As a result, a \$473.8 million impairment charge was recorded during the year ended 31 December 2020.

During the year ended 31 December 2019, impairment losses were taken on idle generators owned by the Company's subsidiaries. Due to the impairment losses recorded at the subsidiary levels, the Company performed an impairment analysis on its investment in subsidiaries balance during the year ended 31 December 2020. As a result, a \$17.8 million impairment charge was recorded which represents the difference between the previous carrying value of the investment and the implied enterprise value of the Group.

6. Other (income) expense

	2020	2019
Other (income)/expense	\$ (2.1)	\$ 0.4

The other income in the year ended 31 December 2020 is related to the reversal of a liability associated with a put option agreement with a previous Director that expired as a result of the Acquisition. The other expense in the year ended 31 December 2019 is associated with this same put option agreement with a previous Director. Refer to Note 16 for further discussion of the put option agreement.

7. Finance income

	2020	2019
Finance income	\$ (1.0)	\$ (1.0)

The finance income for both years related to interest income from a note receivable from affiliate. Refer to Note 11 for further discussion of the note receivable from affiliate.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

8. Finance Costs

	<u>2020</u>	<u>2019</u>
Finance costs	\$ 0.2	\$ 0.6

The finance costs for both years related to a shareholder loan that was repaid as part of the Acquisition. Refer to Note 17 for further discussion of the shareholder loan.

9. Taxation

The Company did not have any current or deferred income tax for the years ended 31 December 2020 and 2019.

The reconciliation between the actual effective tax rate and the statutory UK income tax rate of 19.00% for both the years ended 31 December 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Loss before taxation	\$ (485.9)	\$ (19.5)
Tax at the UK Corporation tax rate	92.3	3.7
Impairment not deductible for tax purposes	(90.0)	(3.4)
Deferred tax assets not realisable	(2.7)	(0.2)
Permanent adjustments with no tax impact	0.4	(0.1)
Tax expense	<u>\$ -</u>	<u>\$ -</u>

The difference between the statutory rate and the effective tax rate is primarily a result of the impairment of investment in subsidiaries not deductible for tax purposes as shown above.

Deferred Taxes

The Company does not have any net deferred tax assets or liabilities as of 31 December 2020 and 2019, but there are unrecognised losses of \$16.4 million and \$2.4 million as of 31 December 2020 and 2019, respectively. The Company does not expect to generate income in the future for use of any deferred tax assets previously generated and the Company has not recognized any income in previous years to allow any deferred tax liabilities to be generated.

Enacted Tax Rates

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

10. Investment in subsidiaries

	<u>2020</u>	<u>2019</u>
Beginning	\$ 454.1	\$ 471.9
Investments during the period	165.2	-
Impairment	(473.8)	(17.8)
Ending	<u>\$ 145.5</u>	<u>\$ 454.1</u>

The Company's investment shown above is in the Company's wholly owned subsidiary APR Energy Limited (APR Energy), a United Kingdom Limited Company, registered at the following address: c/o TMF Group 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB. The Company owns 100% of the 183.9 million ordinary shares outstanding of APR Energy.

Refer to Notes 5 and 20 for further discussion of the impairment and investments, respectively.

Subsidiaries

The Company's direct wholly owned subsidiary is APR Energy Limited, a United Kingdom Limited Company, registered at the following address: c/o TMF Group 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its authority to direct the activities of the entity.

The company's indirect shareholdings in addition to the direct ownership of APR Energy at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The entity owned 100% of the shares of the entities outlined below for both years ended 31 December 2020 and 2019, with the exception of International Power Sales and Services, LLC, which was closed during the year ended 31 December 2020. This was a dormant entity registered in the United States, previously registered at 1209 Orange Street, Wilmington, DE, 19801.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

10. Investment in subsidiaries (continued)

Name	Principal activity	Country of operation	Country of registration	Registered address
APR Energy Holdings Limited	Holding company	UK	England and Wales	C/O TMF Group 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB
APR International LLC	Holding company	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
APR Energy LLC	Supply of temporary power	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
APR Energy SRL	Supply of temporary power	Argentina	Argentina	Av. Leandro N. Alem 1002 Piso 4, Buenos Aires, C101AAS Argentina
APR Energy II LLC	Holding company	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
Falconbridge Services LLC	Service company	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
APR Energy Spain SLU	Dormant (entity does not carry out any business activity)	Spain	Spain	Calle Principe de Vergara 131, Primera Planta, Madrid 28002, Spain
Power Rental Op Co LLC	Supply of temporary power	Iraq, Bangladesh, USVI	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
Power Rental Op Co Australia LLC	Supply of temporary power	Australia	United States	1209 Orange Street, Wilmington, DE, 19801
Power Rental Asset Co LLC	Holding company	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
Power Rental Asset Co Two LLC	Supply of temporary power	United States	United States	1209 Orange Street, Wilmington, DE, 19801
APR Energy FZE	Service company	United Arab Emirates	United Arab Emirates	Show room No. S3B5SR07, Jebel Ali, PO Box 261423, Dubai, United Arab Emirates
APR Energy Uruguay SA	Supply of temporary power	Uruguay	Uruguay	Menes Rosas 6937, Montevideo, 11500 Uruguay
APR Energy Australia Pty Ltd	Dormant	Australia	Australia	Level 18, 201 Elizabeth Street Sydney New South Wales 2000, Australia
APR Energy Guatemala S.A.	Supply of temporary power	Guatemala	Guatemala	Diagonal 6-10-01 Zona 10 Centro Genercial Las Margaritas Torre, 2 Oficina 402B, Guatemala City, Guatemala
APR Energy USA, LLC	Supply of temporary power	United States	United States	1200 South Pine Island Road, Suite 250, Plantation, FL 32224
PT APR Indonesia	Supply of temporary power	Indonesia	Indonesia	Mayapada Tower, 11th Floor, Jl. Jend. Sudirman Kav. 28, Jakarta 12920
APR Energy Bangladesh Limited	Supply of temporary power	Bangladesh	Bangladesh	216 Shaheed Syed Najrul Islam Sarani, 43 Topkhana Road (First Floor) Ramna, Dhaka, Bangladesh
APR Energy (Singapore) Private Limited	Service company	Singapore	Singapore	137 Telok Ayer Street #08-01, Singapore, 068802 Singapore
Power Rental Op Puerto Rico, LLC	Service company	United States	United States	CT Corporation 361 San Francisco Street 4th Floor San Juan, Puerto Rico, 00902
APR Energy MEX S. de R.L. de C.V.	Supply of temporary power	Mexico	Mexico	Santistevan & Duclaud Homero 1804 - Suite 902 Ciudad de Mexico 11570 Mexico

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

11. Due from parent

	<u>2020</u>	<u>2019</u>
Due from parent	\$ 100.0	\$ -

Amounts due from parent are shown as noncurrent as these balances are not expected to be repaid within twelve months of the statement of financial position date. The balance as of 31 December 2020 relates to an unfunded subscription for shares from Atlas made during the year ended 31 December 2020.

12. Note receivable from subsidiary

	<u>2020</u>	<u>2019</u>
Note receivable from subsidiary	\$ 10.0	\$ 10.0

In April 2018, the Company contributed \$10.0 million to APR Energy Holdings Limited in exchange for a subordinated unsecured promissory note. In November 2019, the note was amended to change the maturity date from 15 November 2019 to 15 May 2021. Subsequent to 31 December 2020, the note was amended again to extend the maturity date to 30 November 2030. The note receivable accrues interest at a rate of 10% and all principal and unpaid accrued interest are due at maturity.

13. Other noncurrent assets

	<u>2020</u>	<u>2019</u>
Other noncurrent assets	\$ 2.7	\$ -

The balance as of 31 December 2020 relates to interest income associated with a note receivable from subsidiary. Refer to Note 12 for further discussion of the note receivable from subsidiary.

14. Other current assets

	<u>2020</u>	<u>2019</u>
Other current assets	\$ -	\$ 1.7

The balance as of 31 December 2019 relates to interest income associated with a note receivable from subsidiary. Refer to Note 12 for further discussion of the note receivable from subsidiary.

15. Cash

	<u>2020</u>	<u>2019</u>
Cash	\$ -	\$ 0.7

Refer to the cash flow statement for further details on the change in cash balance.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

16. Put option liability

	2020	2019
Put option liability	\$ -	\$ 2.1

In September 2016, the Company entered into a put option agreement ("Put Option") with a Director of the Group. The Put Option allowed the holder to put up to a maximum of 1,299,893 ordinary shares at Corporation Fair Market Value, as defined in the Shareholder Agreement. The exercise period of the Put Option was to begin in February 2020; however, the Put Option was terminated in connection with the Acquisition. Upon termination of the Put Option, the liability was reversed and recorded as other income in the statement of comprehensive income.

17. Borrowings

	2020	2019
Borrowings	\$ -	\$ 10.3

In April 2018, certain shareholders contributed a combined \$5.0 million to the Company in the form of unsecured promissory notes to provide working capital for the Company. The loans accrued interest at a rate of 10% per annum, and any interest that accrues with respect to any calendar month and which remains unpaid beyond the expiration of two calendar months thereafter shall be capitalised and deemed to be added to the principal under these notes. The outstanding principal, together with all accrued and unpaid interest, is due on the third anniversary of the notes, unless payment is demanded in writing by the holders at an earlier date. At 31 December 2019, the principal balance of the loan was \$5.8 million. These notes and accrued interest were paid in full in February 2020 as part of the Acquisition.

In November 2019, certain shareholders also contributed a combined \$4.5 million to the Company in the form of unsecured convertible promissory notes. The loans accrued interest at a rate of 10% per annum, and any interest that accrues with respect to any calendar month and which remains unpaid beyond the expiration of two calendar months thereafter shall be capitalised and deemed to be added to the principal under these notes. The outstanding principal, together with all accrued and unpaid interest, is due on 15 February 2021, unless payment is demanded in writing by the holders at an earlier date. The holders also had the right, but not the obligation, to convert the principal amount of the note and all accrued and unpaid interest into ordinary shares of the Company at \$1 per ordinary share. At 31 December 2019, the principal balance of the loan was \$4.5 million. These notes and applicable interest were paid in full in February 2020 as part of the Acquisition.

18. Due to subsidiaries

	2020	2019
Due to subsidiaries	\$ 126.6	\$ -

Amounts due to subsidiaries are shown as current as these balances are repayable on demand and are interest free. The balance in the year ended 31 December 2020 is primarily comprised of \$100.0 million of unfunded subscription for shares to APR Energy (Note 20), \$15.0 million of acquisition related transaction expenses that were paid by subsidiaries on the Company's behalf (Note 4) and \$10.0 of shareholder loans principal payments made by subsidiaries on the Company's behalf (Note 17).

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

19. Trade and Other Payables

	2020	2019
Trade and other payables	\$ -	\$ 1.8

The balance as of 31 December 2019 relates to amounts due to subsidiaries and shareholder loans.

20. Share Capital

The Company issues ordinary shares which rank equally for voting purposes, any dividend declared, or any distribution made on a winding up.

The share capital activity is shown in the table as follows:

	Number of Shares (Millions)	Ordinary Share Capital	Share Premium
Balances at 1 January 2019	193.3	\$ 27.8	\$ 83.3
Ordinary shares issuance	-	-	-
Balances at 31 December 2019	193.3	27.8	83.3
Ordinary shares issuance	-	-	155.0
Balances at 31 December 2020	193.3	\$ 27.8	\$ 238.3

Under the Companies Act 2006, the Company's articles of association do not recognise the concept of authorised share capital. Ordinary shares in issuance are of £0.10 each.

In the year ended 31 December 2020, the Company issued 2 ordinary shares to Atlas Corp. for proceeds of \$155.0 million. Due to only 2 shares being issued, ordinary share capital proceeds were minimal and the \$155.0 million of proceeds were primarily related to share premium. \$100.0 million of the proceeds are unfunded as of 31 December 2020 and \$55.0 million of the proceeds were funded with cash. The Company used these proceeds to make an investment in APR Energy. The \$55.0 million of funded proceeds were ultimately used as a portion of the funds used to restructure the debt profile of the consolidated company.

21. Capital reserves

The Company has a capital contribution reserve and a capital redemption reserve. The capital contribution reserve is amounts received/capital contributed from the Company's parent for no issuance of shares. It is designated for investments in the Company's subsidiaries. The capital redemption reserve was created in 2016 from the redemption of preference shares. It is designated for future issuances of new, fully paid bonus shares.

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

21. Capital reserves (continued)

The capital reserve activity is shown in table below:

	Capital Contribution Reserve	Capital Redemption Reserve
Balances at 1 January 2019	\$ -	\$ 3.4
Ordinary shares issuance	-	-
Balances at 31 December 2019	-	3.4
Capital contributions	10.2	-
Balances at 31 December 2020	\$ 10.2	\$ 3.4

During the year ended 31 December 2020, Atlas Corp. contributed capital of \$10.2 million to the Company and the Company invested this capital in APR Energy.

22. Financial Instruments

Principal Financial Instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Notes receivable from affiliate including interest receivable
- Due from parent
- Cash
- Borrowings
- Due to subsidiaries
- Trade and other payables
- Put option liability

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

22. Financial Instruments (continued)

Categories of financial instruments

	2020	2019
Financial assets		
Financial assets at amortized cost		
Note receivable from subsidiary	\$ 10.0	\$ 10.0
Interest receivable from subsidiary	2.7	1.7
Due from parent	100.0	-
Cash	-	0.7
Total financial assets	<u>\$ 112.7</u>	<u>\$ 12.4</u>
Financial liabilities		
Financial liabilities at amortized cost		
Borrowings	\$ -	\$ 10.3
Due to subsidiaries	126.6	-
Trade and other payables	-	1.8
Financial liabilities at fair value through profit or loss		
Put option liability	-	2.1
Total financial liabilities	<u>\$ 126.6</u>	<u>\$ 14.2</u>

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 December 2020				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Total
Due to subsidiaries	\$ 126.6	\$ -	\$ -	\$ 126.6
	\$ 126.6	\$ -	\$ -	\$ 126.6
31 December 2019				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Total
Borrowings	\$ -	\$ -	\$ 10.3	\$ 10.3
Trade and other payables	1.8	-	-	1.8
Put option liability	-	-	2.1	2.1
	\$ 1.8	\$ -	\$ 12.4	\$ 14.2

Apple Bidco Limited
Notes to the Financial Statements
Years Ended 31 December 2020 and 2019

(\$ in millions)

23. Related Party Transactions

The Company is a holding company therefore substantially all of its transactions are with related parties. Transactions within the statement of comprehensive loss that are with related parties are as outlined in notes 6 to 8, and the statement of financial position balances are as per notes 11 to 14, and 16 to 19.

24. Auditors' Remuneration

Fees payable for the audit of the Company's annual accounts is \$0.1 million for both years ended 31 December 2020 and 2019. There were no non-audit services performed in the current year. In the prior year, the auditors provided financial and tax due diligence services of \$0.8 million.

25. Directors' remuneration

No remuneration was paid or is payable by the Company for the years ended 31 December 2020 and 2019. The Directors are employed by other companies in the group and consider their duties to the Company incidental to their other activities within the group. As a result, no qualifying services have been performed in either year.

The Company had no employees during the years ended 31 December 2020 and 2019 other than the Directors.

26. Dividends

For the years ended 2020 and 2019, the Company did not declare or pay dividends.

27. Contingent Liabilities

The Company does not have any contingent liabilities as of 31 December 2020 and 2019 and no contingent liabilities have arisen since 31 December 2020.

28. Ultimate Parent and Holding Company

The Company is a subsidiary undertaking of Atlas Corp. which is the ultimate parent company, incorporated in the Marshall Islands, registered at the following address: 23 Berkley Square, London United Kingdom W1J 6HE. The largest group in which the results of the Company are consolidated is that headed by Atlas Corp.

This is the largest (and smallest group) in which the companies results are consolidated. The consolidated financial statements of this group are available to the public.

29. Events After the End of the Reporting Period

Subsequent to 31 December 2020, the Company received \$32.9 million of capital contributions from Atlas which was then reinvested into APR Energy.

Subsequent to 31 December 2020, the note receivable to subsidiary, described in note 6 above, was amended to extend the maturity date to 30 November 2030.

No other events have occurred after the end of the reporting period that require disclosure.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

- ☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report
For the transition period from to
Commission file number 333-229312

ATLAS CORP.

(Exact Name of Registrant as Specified in Its Charter)
Republic of the Marshall Islands
(Jurisdiction of Incorporation or Organization)

23 Berkeley Square
London, United Kingdom

W1J 6HE
(Address of Principal Executive Offices)

Graham Tilbot
23 Berkeley Square
London, United Kingdom

W1J 6HE
Telephone: +44 20 7788 7819
Facsimile: +44 843 320 5270

(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Common Shares, par value of \$0.01 per share	ATCO	New York Stock Exchange
Series D Preferred Shares, par value of \$0.01 per share	ATCO-PD	New York Stock Exchange
Series E Preferred Shares, par value of \$0.01 per share	ATCO-PE	New York Stock Exchange
Series G Preferred Shares, par value of \$0.01 per share	ATCO-PG	New York Stock Exchange
Series H Preferred Shares, par value of \$0.01 per share	ATCO-PH	New York Stock Exchange
Series I Preferred Shares, par value of \$0.01 per share	ATCO-PI	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

246,277,338 Common Shares, par value of \$0.01 per share
5,093,728 Series D Preferred Shares, par value of \$0.01 per share
5,415,537 Series E Preferred Shares, par value of \$0.01 per share
7,800,800 Series G Preferred Shares, par value of \$0.01 per share
9,025,105 Series H Preferred Shares, par value of \$0.01 per share
6,000,000 Series I Preferred Shares, par value of \$0.01 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

ATLAS CORP.
INDEX TO REPORT ON FORM 20-F

PART I

Item 1.	<u>Identity of Directors, Senior Management and Advisors</u>	5
Item 2.	<u>Offer Statistics and Expected Timetable</u>	5
Item 3.	<u>Key Information</u>	5
Item 4.	<u>Information on the Company</u>	36
Item 4A.	<u>Unresolved Staff Comments</u>	56
Item 5.	<u>Operating and Financial Review and Prospects</u>	57
Item 6.	<u>Directors, Senior Management and Employees</u>	83
Item 7.	<u>Major Shareholders and Related Party Transactions</u>	90
Item 8.	<u>Financial Information</u>	92
Item 9.	<u>The Offer and Listing</u>	94
Item 10.	<u>Additional Information</u>	94
Item 11.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	105
Item 12.	<u>Description of Securities Other than Equity Securities</u>	106

PART II

Item 13.	<u>Defaults, Dividend Arrearages and Delinquencies</u>	107
Item 14.	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	107
Item 15.	<u>Controls and Procedures</u>	107
Item 16A.	<u>Audit Committee Financial Expert</u>	108
Item 16B.	<u>Code of Ethics</u>	108
Item 16C.	<u>Principal Accountant Fees and Services</u>	108
Item 16D.	<u>Exemptions from the Listing Standards for Audit Committees</u>	109
Item 16E.	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	109
Item 16F.	<u>Change in Registrants' Certifying Accountant</u>	109
Item 16G.	<u>Corporate Governance</u>	109
Item 16H.	<u>Mine Safety Disclosure</u>	109

PART III

Item 17.	<u>Financial Statements</u>	110
Item 18.	<u>Financial Statements</u>	110
Item 19.	<u>Exhibits</u>	111

PART I

Our disclosure and analysis in this Annual Report concerning our operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include 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. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including projections of revenues, operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in this Annual Report in the section titled “Risk Factors.”

These forward-looking statements represent our estimates and assumptions only as of the date of this Annual Report 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 Annual Report. These statements include, among others:

- future operating or financial results;
- future growth prospects;
- our business strategy and capital allocation plans, and other plans and objectives for future operations;
- our primary sources of funds for our short, medium and long-term liquidity needs;
- our expectations as to impairments of our vessels and power generation assets, including the timing and amount of potential impairments;
- the future valuation of our vessels, power generation assets and goodwill;
- potential acquisitions, financing arrangements and other investments, and our expected benefits from such transactions;
- future time charters and vessel deliveries, including replacement charters and future long-term charters for certain existing vessels;
- estimated future capital expenditures needed to preserve the operating capacity of our containership fleet and power generation assets and to comply with regulatory standards, our expectations regarding future operating expenses, including dry-docking and other ship operating expenses and expenses related to performance under our contracts for the supply of power generation capacity, and general and administrative expenses;
- availability of crew for our containerships, number of off-hire days and dry-docking requirements;
- global economic and market conditions and shipping and energy market trends, including charter rates and factors affecting supply and demand for our containership and power generation solutions;
- disruptions in global credit and financial markets as the result of the COVID-19 pandemic or otherwise;
- conditions in the public equity market and the price of our shares;
- our financial condition and liquidity, including our ability to borrow funds under our credit facilities, our ability to obtain waivers or secure acceptable replacement charters under certain of our credit facilities, our ability to refinance our existing facilities and notes and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our continued ability to maintain, enter into or renew primarily long-term, fixed-rate time charters and leases of our power generation assets with our existing customers or new customers;

- the potential for early termination of long-term contracts and our potential inability to enter into, renew or replace long-term contracts;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on our business;
- our continued ability to meet specified restrictive covenants in our financing and lease arrangements, our notes and our preferred shares;
- the length and severity of the ongoing novel coronavirus (COVID-19) pandemic, including as a result of the new variants of the virus, and its impact on our business;
- the financial condition of our customers, lenders and other counterparties and their ability to perform their obligations under their agreements with us;
- our ability to leverage to our advantage our relationships and reputation in the containership industry;
- changes in technology, prices, industry standards, environmental regulation and other factors which could affect our competitive position, revenues and asset values;
- disruptions and security threats to our technology systems;
- taxation of our company, including our exemption from tax on our U.S. source international transportation income, and taxation of distributions to our shareholders;
- the continued availability of services, equipment and software from subcontractors or third-party suppliers required to provide our power generation solutions;
- our ability to protect our intellectual property and defend against possible third-party infringement claims relating to our power generation solutions;
- potential liability from future litigation;
- other factors detailed in this Report and from time to time in our periodic reports.

Forward-looking statements in this Annual Report 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 our 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, including, but not limited to, those set forth in “Item 3. Key Information—D. Risk Factors.”

We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise except as required by law or regulation. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. You should carefully review and consider the various disclosures included in this Annual Report and in our other filings made with the Securities and Exchange Commission, or the SEC, that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

Corporate Reorganization & Acquisition of APR Energy Limited

On November 20, 2019, Seaspan Corporation (“Seaspan”) entered into an Agreement and Plan of Merger with Atlas Corp. (the “Company” or “Atlas”), then a wholly owned subsidiary of Seaspan, and Seaspan Holdco V Ltd., a wholly owned subsidiary of Atlas, in order to implement a reorganization of Seaspan’s corporate structure into a holding company structure, pursuant to which Seaspan would become a direct, wholly owned subsidiary of Atlas (the “Reorganization”).

On February 27, 2020, Seaspan completed the Reorganization, pursuant to which Seaspan became a direct, wholly-owned subsidiary of Atlas. The business operations of Seaspan did not change as a result of the Reorganization.

In the Reorganization, holders of Seaspan common shares and Seaspan preferred shares became holders of Atlas common shares and Atlas preferred shares, as applicable, on a one-for-one basis with the same number of shares and same ownership percentage of the same corresponding class of Seaspan shares as they held immediately prior to the Reorganization. In addition, Atlas assumed Seaspan's share purchase warrants, the Seaspan Corporation Stock Incentive Plan, all unexercised and unexpired options to purchase Seaspan common shares and each right to acquire or vest in a share of Seaspan common stock, including restricted stock unit awards and performance share awards that were outstanding under the Seaspan Corporation Stock Incentive Plan.

On November 20, 2019, the board of directors of Seaspan approved the acquisition of Apple Bidco Limited (together with its wholly-owned subsidiaries, APR Energy Limited, "APR Energy"), to be completed by the new holding company to be formed by the Reorganization. The acquisition of APR Energy closed on February 28, 2020. As a result of the acquisition, Seaspan and APR Energy are now wholly-owned subsidiaries of Atlas.

The Reorganization and acquisition of APR Energy are discussed in more detail in "Item 5. Operating and Financial Review and Prospects—A. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments in year 2020 and 2021"

Glossary

Unless we otherwise specify or the context otherwise requires, when used in this Annual Report, (i) the terms "Atlas," the "Company," "we," "our" and "us" refer to Atlas Corp. and its subsidiaries, (ii) the term "Seaspan" refers to Seaspan Corporation and its subsidiaries and (iii) the term "APR Energy" refers to Apple Bidco Limited, its subsidiary APR Energy Limited, and APR Energy Limited's subsidiaries.

References to Seaspan's customers are as follows:

Customer	Reference
CMA CGM S.A.	CMA CGM
China COSCO Holdings Company Limited	COSCO
Hapag-Lloyd AG	Hapag-Lloyd
Korea Marine Transport Co., Ltd.	KMTC
Maersk Line A/S ⁽¹⁾	Maersk
MSC Mediterranean Shipping Company S.A.	MSC
Ocean Network Express Pte. Ltd.	ONE
Yang Ming Marine Transport Corp.	Yang Ming Marine
ZIM Integrated Shipping Services Ltd.	ZIM

(1) A subsidiary of A.P. Moeller Maersk A/S.

We use the term "twenty-foot equivalent unit," or TEU, the international standard measure of containers, in describing the capacity of our containerships, which are also referred to as "our vessels". We identify the classes of our vessels by the approximate average TEU capacity of the vessels in each class. However, the actual TEU capacity of a vessel may differ from the approximate average TEU capacity of the vessels in such vessel's class.

We use the term "megawatts", representing a unit of energy, to describe the power generation capacity of our power assets. The actual megawatts that can be generated from our power assets, individually or in aggregate may differ from the approximate amount disclosed.

We also use a variety of operational terms and concepts in this Annual Report. These include the following:

Annual Survey. The inspection of a vessel pursuant to international conventions, by a classification society surveyor, on behalf of the flag state, that takes place every year.

Ballast. A voyage during which the ship is not laden with cargo.

Bareboat Charter. A charter of a vessel under which the shipowner is usually paid a fixed amount for a certain period of time during which the charterer is responsible for the vessel operating expenses, including crewing, and voyage expenses of the vessel and for the management of the vessel. A bareboat charter is also known as a "demise charter" or a "time charter by demise."

Bunkers. Heavy fuel and diesel oil used to power a vessel's engines.

Charter. The hire of a vessel for a specified period of time or a particular voyage to carry a cargo from a loading port to a discharging port. The contract for a charter is commonly called a charterparty.

Charterer. The party that charters a vessel.

Charter hire. A sum of money paid to the shipowner by a charterer for the use of a ship.

Classification society. An independent organization that certifies that a vessel has been built and maintained according to the organization's rules for that type of vessel and complies with the applicable rules and regulations of the flag state and the international conventions of which that country is a member. A vessel that receives its certification is referred to as being "in-class."

Dry-docking. The removal of a vessel from the water for inspection and, if needed, repair of those parts of a vessel that are below the water line. During dry-dockings, which are required to be carried out periodically, certain mandatory classification society inspections are carried out and relevant certifications are issued. Dry-dockings for container ships are generally required once every five years, which must be a "special survey."

Flag State. The country of a vessel's registry.

Hire rate. The payment to the shipowner from the charterer for the use of the vessel.

Hull. Shell or body of a vessel.

IMO. International Maritime Organization, a United Nations agency that issues international standards for shipping.

Intermediate survey. The inspection of a vessel by a classification society surveyor that takes place 24 to 36 months after each "special survey."

Megawatts. A unit of energy generated by power assets.

Newbuilding. A new ship under construction or just completed.

Off-charter. The period in which a vessel is not in service under a time charter and, accordingly, we do not receive hire.

Off-hire. The period in which a vessel is not available for service under a time charter and, accordingly, the charterer generally is not required to pay the hire rate. Off-hire periods can include days spent on repairs, dry-docking and surveys, whether or not scheduled. For all other assets, the period in which the asset is not available for service under a lease agreement.

On-hire. The period in which an asset is available for service under a lease agreement.

Protection and indemnity insurance. Insurance obtained through a mutual association formed by shipowners to provide liability indemnification protection from various liabilities to which they are exposed in the course of their business, and which spreads the liability costs of each member by requiring contribution by all members in the event of a loss.

Scrapping. The sale of a ship as scrap metal.

Ship operating expense. The costs of operating a vessel, primarily consisting of crew wages and associated costs, insurance premiums, management fee, lubricants and spare parts, and repair and maintenance costs. Ship operating expenses exclude fuel cost, port expenses, agents' fees, canal dues and extra war risk insurance, as well as commissions, which are included in "voyage expenses."

Special survey. The inspection of a vessel by a classification society surveyor that takes place every five years, as part of the recertification of the vessel by a classification society.

Spot market. The market for immediate chartering of a vessel, usually for single voyages.

TEU. Twenty-foot equivalent unit, the international standard measure for containers and containership capacity.

Time charter. A charter under which the shipowner hires out a vessel for a specified period of time. The shipowner is responsible for providing the crew and paying vessel operating expenses, while the charterer is responsible for paying the voyage expenses and additional voyage insurance. The shipowner is paid the hire rate, which accrues on a daily basis.

Voyage expenses. Expenses incurred due to a ship's traveling from a loading port to a discharging port, such as fuel (bunkers) cost, port expenses, agents' fees, canal dues, extra war risk insurance and commissions.

Vessel operating expenses. The costs of operating a vessel, primarily consisting of crew wages and associated costs, insurance premiums, management fees, lubricants and spare parts, and repair and maintenance costs.

We use the term "Notes" to refer, collectively, to the 5.50% senior notes due 2025 (the "2025 Notes"), the 3.75% exchangeable senior notes due 2025 (the "Exchangeable Notes"), the 6.5% senior unsecured sustainability-linked bonds due 2024 (the "NOK Bonds"), the 5.50% senior notes due 2026 (the "2026 Notes"), the 5.50% senior notes due 2027 (the "2027 Fairfax Notes", together with 2025 Notes and the 2026 Notes, the "Fairfax Notes") and the 7.125% senior unsecured notes due 2027 (the "2027 7.125% Notes"), in each case, issued by Seaspan.

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data¹

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Prior to completion of the Reorganization, Atlas was a wholly owned subsidiary of Seaspan, formed to facilitate the Reorganization, and had no material income activity or material assets. Upon completion of the Reorganization, Atlas assumed the financial information of its predecessor on a carry-over basis under the pooling of interest method. The following table should be read together with reference to Atlas's financial statements and the historical financial statements of Seaspan, as the predecessor.

(1) In February 2020, we early adopted the Securities and Exchange Commission rule, which eliminates the need to present five years of selected financial data.

A. Selected Financial Data (continued)

	Year Ended December 31,		
	2020	2019	2018
Statements of operations data			
(in millions of USD):			
Revenue	\$ 1,421.1	\$ 1,131.5	\$ 1,096.3
Operating expenses (income):			
Operating expense	274.8	229.8	219.3
Depreciation and amortization	353.9	254.3	245.8
General and administrative	65.4	33.1	31.6
Operating leases ⁽¹⁾	150.5	154.3	129.7
Goodwill impairment	117.9	-	-
Income related to modification of time charters	-	(227.0)	-
Operating earnings	458.6	687.0	469.9
Other expenses (income):			
Interest expense	191.6	218.9	212.1
Interest income	(5.0)	(9.3)	(4.2)
Acquisition related gain on contract settlement	-	-	(2.4)
Loss (gain) on derivative instruments ⁽²⁾	35.5	35.1	(15.5)
Equity income on investment	-	-	(1.2)
Other expenses ⁽³⁾	27.3	2.0	1.7
Net earnings before income tax	209.2	440.3	279.4
Income tax expense	16.6	1.2	0.6
Net earnings	\$ 192.6	\$ 439.1	\$ 278.8
Per share data (in USD)			
Common share, basic	\$ 0.52	\$ 1.72	\$ 1.34
Common share, diluted	0.50	1.67	1.31
Dividends paid per common share	0.50	0.50	0.50
Statements of cash flows data (in millions of USD):			
Cash from (used in):			
Operating activities	\$ 694.2	\$ 783.0	\$ 525.1
Investing activities	(859.9)	(475.6)	(627.4)
Financing activities	310.9	(481.5)	206.5
Selected balance sheet data (at year end, in millions of USD):			
Cash and cash equivalents	\$ 304.3	\$ 195.0	\$ 357.3
Current assets	584.3	280.7	419.2
Property, plant and equipment ⁽⁴⁾	6,974.7	5,707.7	5,926.3
Total assets ⁽¹⁾	9,289.1	7,917.0	7,067.4
Long-term debt (includes current portion)	3,566.1	3,060.6	3,487.5
Total shareholders' equity	3,625.6	3,232.7	2,460.0
Other data:			
Number of vessels in operation at year end	127	117	112
Vessel TEU at year ended	1,073,200	956,400	905,900
Vessel utilization for the year ended ⁽⁵⁾	98.4%	98.9%	97.9%
Power fleet utilization for the year ended ⁽⁶⁾	68.9%	74.0%	65.1%

- (1) Effective January 1, 2019, Company adopted Accounting Standards Update 2016-02, "Leases", using the modified retrospective method, whereby a cumulative effect adjustment was made as of that date. Accordingly, we recorded non-cash right-of-use assets and operating lease liabilities on the balance sheet for its vessel sale-leaseback transactions and other leases under operating lease arrangements. Prior to January 1, 2019, operating leases were not included on the balance sheet and were recorded as operating lease expenses when incurred.
- (2) All of our interest rate swap agreements are marked to market and the changes in the fair value of these instruments are recorded in "Loss (gain) on derivative instruments".
- (3) Other expenses include foreign exchange gain or loss, loss on repatriation of currency from a foreign jurisdiction and undrawn credit facility fees.

- (4) Property, plant and equipment include the net book value of vessels in operation, power generating equipment and other equipment.
- (5) Vessel utilization represents the number of Ownership Days On-Hire as a percentage of Total Ownership Days (including time charter and bareboat ownership days) during the year. Ownership Days are the number of days a vessel is owned and available for charter. Ownership Days On-Hire are the number of days a vessel is available to the charterer for use.
- (6) Power fleet utilization represents Average Megawatt On-Hire as a percentage of Average Megawatt Capacity. Average Megawatt On-Hire is the amount of capacity that is under contract and available to customers for use. Average Megawatt Capacity is the average maximum megawatts that can be generated by the power fleet. Atlas acquired APR Energy on February 28, 2020. For periods prior to this, APR Energy was not controlled by Atlas.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Some of the following risks relate principally to our businesses and our business strategy. Other risks relate principally to regulation, our indebtedness and to ownership of our securities. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, ability to pay dividends on our shares, ability to redeem our preferred shares or the trading price of our shares.

Summary of Risk Factors

The following is a summary of some of the principal risks we face. The list below is not exhaustive, and investors should read this "Risk Factors" section in full.

- The business and activity levels of our charterers, shipbuilders and third parties with which we do business and their respective abilities to fulfill their obligations under agreements with us may be hindered by any deterioration in the shipping industry, credit markets or other negative developments. The business and activity levels of our charterers could be impacted by excess supply of global container ship capacity, which depresses freight rates.
- The container shipping industry is dynamic and volatile and has been marked in recent years by instability and uncertainties as a result of global economic conditions and the many factors that affect supply and demand in the shipping industry, including geopolitical trends, US-China related trade restrictions, regulatory developments, relocation of manufacturing and, in the last 12 months, the impact of the COVID-19 pandemic.
- We derive our charter revenue from a limited number of customers, and the loss of any of our long-term charters, further increases in the number of vessels on short-term charter or any material decrease in payments under our customer contracts could materially harm our business, results of operations and financial condition.
- APR Energy has operations in emerging markets which exposes us to risks that are more prevalent than in developed markets, such as economic and governmental instability (which has been and during 2021 will likely continue to be exacerbated by COVID-19), the possibility of significant amendments to, or changes in, the application of governmental regulations, the nationalization and expropriation of private property, payment collection difficulties, social problems, substantial fluctuations in interest and exchange rates, changes in the tax framework or the unpredictability of enforcement of contractual provisions, currency control measures limits on the repatriation of funds and other unfavorable interventions or restrictions imposed by public authorities.
- We have substantial debt. We may not have sufficient cash flow from operations or otherwise to be able to timely pay, or be able to refinance, amounts owed under our credit facilities, Notes and vessel lease and other

financing arrangements, or be able to repurchase our Notes when required. Moreover, our substantial debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

- We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Goodwill impairment is assessed annually on November 30th of each year, or earlier depending on changes in events and circumstances. During this process, material impairment may be identified. The amount, if any, and timing of any impairment charges is subject to significant judgment.
- Low utilization of our assets due to technological obsolescence, or changes in industry standards, environmental regulation, customer requirements or otherwise could reduce our revenues and profitability as well as require us to record impairment charges.
- We intend that our business be conducted and operated in a manner that minimizes income taxes imposed upon us; however, there is a risk that we will be subject to income tax in one or more jurisdictions if under the existing or future tax laws of any such jurisdiction, we or one of our subsidiaries are considered to be carrying on a trade or business there or earn income that is considered to be sourced there and we do not, or such subsidiary does not, qualify for an exemption or reduced taxation under local taxation rules or applicable tax treaties.
- Disruptions and security threats to our technology systems could negatively impact our business.
- Our growth strategy may be adversely affected by material disruptions to global economic activities, including due to any prolonged disruption created by the COVID-19 virus.

Risks related to our containership business

The business and activity levels of many of our charterers, shipbuilders and third parties with which we do business and their respective abilities to fulfill their obligations under agreements with us may be hindered by any deterioration in the shipping industry, credit markets or other negative developments.

Our current vessels are primarily chartered to customers under long-term time charters and payments to us under those charters account for the vast majority of our revenue. Many of our customers finance their activities through cash flow from operations, the incurrence of debt or the issuance of equity. An over-supply of containership capacity and historically low freight rates resulted in many liner companies (including some of our customers) incurring losses in the previous business cycles past. A reduction in cash flow resulting from low freight rates, a reduction in borrowing bases under reserve-based credit facilities, the limited or lack of availability of debt or equity financing, or a combination of such events, may reduce the ability of our customers to make charter payments to us. Any significant financial and economic disruption, or any other negative developments affecting our customers, or other third parties with which we do business, generally or specifically (such as the COVID-19 pandemic, bankruptcy of a customer, decline in global trade, industry over-capacity of containerships, low freight rates, asset write-downs or incurring losses) could harm our business, results of operations and financial condition.

Similarly, shipbuilders that Seaspan engages to construct newbuilding vessels may be affected by future instability of the financial markets and other market conditions or developments, including the fluctuating price of commodities and currency exchange rates and global disruptions to markets and supply chains due to COVID-19. In addition, the refund guarantors under shipbuilding contracts (which are banks, financial institutions and other credit agencies that guarantee, under certain circumstances, the repayment of installment payments we make to the shipbuilders) may also be negatively affected by adverse market conditions and, as a result, may be unable or unwilling to meet their obligations due to their own financial condition. If our shipbuilders or refund guarantors are unable or unwilling to meet their obligations to us, this may harm our business, results of operations and financial condition.

A decrease in the level of export of goods or an increase in trade protectionism will harm our customers' business and, in turn, harm our business, results of operations and financial condition.

Most of our customers' containership business revenue is derived from the shipment of goods from the Asia Pacific region, primarily China. Any reduction in or hindrance to the output of China-based exporters could negatively affect the growth rate of China's exports and our customers' business. For instance, the Chinese government has implemented economic policies aimed at increasing domestic consumption of Chinese-made goods and which may have the effect of reducing the supply of goods available for export and may, in turn, result in decreased demand for cargo shipping.

Our containership operations are exposed to the risk of trade protectionism. Governments may use trade barriers to protect their domestic industries against foreign imports, thereby depressing demand for container shipping services. In recent years, increased trade protectionism in the markets that our customers serve, particularly in China, where a significant portion of their business originates, has caused, and may continue to cause, increases in the cost of goods exported, the length of time required to deliver goods and the risks associated with exporting goods as well as a decrease in the quantity of goods shipped. China's import and export of goods may continue to be affected by trade protectionism, specifically the ongoing U.S.-China trade dispute, which has been characterized by escalating tariffs between the U.S. and China, as well as by trade relations among other countries. These risks may have a direct impact on demand in the container shipping industry. While a trade agreement was reached between China and the U.S. in January 2020 aimed at easing the trade tensions between the two countries, there can be no assurance that there will not be any further escalation. The U.S. has also been threatening to introduce higher tariffs on EU imports.

On January 31, 2020, following an affirmative vote by national referendum, the United Kingdom (the "U.K.") withdrew from the European Union (the "EU"), an event commonly referred to as "Brexit." In December 2020, the EU and the U.K. agreed a trade deal, which went into effect on January 1, 2021. While the trade agreement provides for tariff-free trade in goods and limited mutual market access in services, some specifics of the deal related to financial services have not been agreed upon. Additionally, the end of free movement could significantly disrupt the exchange of people and services between the U.K. and the EU, resulting in the imposition of impediments to trade.

Any increased trade barriers or restrictions on global trade would harm our customers' business, results of operations and financial condition and could thereby affect their ability to make timely charter hire payments to Seaspan and to renew and increase the number of their time charters with Seaspan. This could harm our business, results of operations and financial condition.

Adverse economic conditions, especially in the Asia Pacific region, the European Union or the United States, could harm our business, results of operations and financial condition.

A significant number of port calls made by our vessels involve the loading or discharging of containerships in ports in the Asia Pacific region. Economic turmoil in that region may exacerbate the effect of any economic slowdown on Seaspan. China has been one of the world's fastest growing economies in terms of gross domestic product ("GDP"), which has increased the demand for shipping. As discussed above, the U.S. administration has sought to implement more protectionist trade measures to protect and enhance the U.S. domestic economy. Additionally, the E.U. and certain of its member states are facing significant economic and political challenges, including a risk of increased protectionist policies. Our business, results of operations and financial condition will likely be harmed by any significant global economic downturn or increase in protectionist trade policies, both of which would likely lead to a reduction in global trade and demand for containerships. Any deterioration in the global economy may cause a decrease in worldwide demand for certain goods and shipping, and economic instability could harm our business, results of operations and financial condition.

The growth of our containership leasing business depends upon continued growth in demand for containerships.

Our growth will generally depend on continued growth and renewal in world and regional demand for containership chartering. The container shipping industry is both dynamic and volatile in terms of charter hire rates and profitability. Containership charter rates have fluctuated significantly in the past and are expected to continue to fluctuate in the future. Fluctuations in containership charter rates result from changes in the supply and demand for vessel capacity, which are driven by global fleet capacity and utilization and changes in the supply and demand for the major products internationally transported by containerships. The factors affecting the supply and demand for

containerships, and the nature, timing and degree of changes in industry conditions are unpredictable.

Factors that influence demand for containership capacity include, among others:

- supply and demand for products suitable for shipping in containers;
- changes in global production of products transported by containerships;
- seaborne and other transportation patterns, including the distances over which container cargoes are transported and changes in such patterns and distances;
- global and regional economic and political conditions;
- economic slowdowns caused by public health events such as the recent COVID-19 outbreak;
- developments in international trade; and
- environmental and other regulatory developments;

Factors that influence the supply of containership capacity include, among others:

- the number of newbuilding orders and deliveries;
- the extent of newbuilding vessel deferrals;
- the scrapping rate of containerships;
- newbuilding prices and containership owner access to capital to finance the construction of newbuildings;
- charter rates and the price of steel and other raw materials;
- changes in environmental and other regulations that may limit the useful life of containerships;
- the number of containerships that are slow-steaming or extra slow-steaming to conserve fuel; and
- port and canal infrastructure and congestion.

Our ability to recharter our containerships upon the expiration or termination of their current time charters and the charter rates under any renewal or replacement charters will depend upon, among other things, the then current state of the containership market. If charter rates are low when our existing time charters expire, we may not be able to recharter our vessels at profitable rates or at all, which would harm our results of operations. Should the COVID-19 pandemic continue for an extended period of time, with significant negative impact on global growth and overall containerized volumes, there is a risk that vessels with expiring charter contracts will not be renewed or renewed at lower rates.

Over time, containership values and charter rates may fluctuate substantially, which could adversely affect our results of operations, our ability to access or raise capital or our ability to pay dividends on our shares.

Containership values can fluctuate substantially over time due to a number of different factors, including, but not limited to:

- prevailing economic conditions in the market in which the containership trades;
- a substantial or extended decline in world trade;
- increases or decreases in containership capacity; and
- the cost of retrofitting or modifying existing ships, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If a charter terminates, we may be unable to re-deploy the vessel at attractive rates, or at all, and rather than continue to incur costs to maintain and finance the vessel, may seek to dispose of it. Our inability to dispose of the containership at a reasonable price, or at all, could result in a loss on its sale and harm our business, results of operations and financial condition. As of March 1, 2021, 51 vessels are subject to short-term charter market rates. For our vessels that are or will be off-charter, there is no assurance that replacement charters will be secured and if secured, at what rates or for what duration.

A reduction in our net assets could result in a breach of certain financial covenants applicable to our credit,

lease and other facilities and our Notes which could limit our ability to borrow additional funds or require us to repay outstanding amounts. Further, declining containership values could affect our ability to raise cash by limiting our ability to refinance vessels or use unencumbered vessels as collateral for new loans or result in mandatory prepayments under certain of the credit facilities or our Notes. This could harm our business, results of operations, financial condition and ability to pay dividends on our equity securities.

If a more active short-term or spot containership market develops, we may have more difficulty entering into long-term, fixed-rate time charters and our existing customers may begin to pressure it to reduce charter rates.

One of our principal strategies is to enter into long-term, fixed-rate time charters. As more vessels become available for the short-term or spot market, we may have difficulty entering into additional long-term, fixed-rate time charters for our vessels due to the increased supply of vessels. As a result, our cash flow may be subject to instability in the long-term.

A more active short-term or spot containership market may require us to enter into charters based on changing market prices, as opposed to contracts based on a long term fixed rate, which could result in a decrease in our cash flow in periods when the market price for containerships is depressed or insufficient funds are available to cover our financing costs for related vessels. In recent years, the rates in the short term or spot market have been lower than the rates we have obtained under our long-term, fixed rate charters due to oversupply. In addition, the development of an active short-term or spot containership market could affect rates under our existing time charters as our current customers may begin to pressure us to reduce our rates.

As a result of these changes, we may be more active in the short-term or spot market, which could involve purchasing existing ships on short term charters or without charters. This may result in additional variability in our cash flow and earnings, which could materially harm our business, results of operations and financial condition.

We derive our charter revenue from a limited number of customers. The loss of any of our long-term charters, further increases in the number of vessels on short-term charter or any material decrease in payments under our customer contracts could materially harm our business, results of operations and financial condition.

As at December 31, 2020, we had nine customers. The following table shows the number of vessels in our operating fleet that were chartered to such customers and the percentage of our total revenue attributable to the charters with such customers for the year ended December 31, 2020:

Customer	Number of Vessels in our Operating Fleet Chartered to Such Customer	Percentage of Total Revenue for the Year Ended December 31, 2020
COSCO	39	32.8%
Yang Ming Marine	16	20.9%
ONE	25	19.4%
Other	47	26.9%
	127	100.0%

Under some circumstances, we could lose a time charter or payments under the charter if:

- the customer fails to make charter payments because of financial inability or distress, disagreements with us, defaults on a payment or otherwise;
- at the time of delivery, the vessel subject to the time charter differs in its specifications from those agreed upon under the shipbuilding contract; or
- the customer exercises certain limited rights to terminate the charter, including (1) if the ship fails to meet certain guaranteed speed and fuel consumption requirements and we are unable to rectify the situation or otherwise reach a mutually acceptable settlement and (2) under some charters if the vessel is unavailable for operation for certain reasons for a specified period of time, or if delivery of a newbuilding vessel is delayed for a prolonged period of time.

The majority of our vessels are chartered under long-term charters, and customer payments are the source of nearly all of our operating cash flow. If one of our large container liner customers experiences financial distress due to the COVID-19 pandemic, bankruptcy, a change-in-control or otherwise, such circumstance could likely lead to significant reductions in our revenues, commercial disputes, receivable collection issues, and other negative consequences that could have a material adverse impact on our results of operations, financial condition and cash flows.

In addition, as the long-term charters terminate, an increasing number of our vessels have been fixed on short-term charters at prevailing spot market rates, which are substantially lower than the rates on our existing long-term charters. Further, as liner companies (including our existing customers) consolidate through merger, joint ventures or alliances, our risk relative to the concentration of our customers may increase and they may also seek to renegotiate the rates payable for the remaining terms of their charters. The loss of any of these long-term charters, further increases in the number of vessels on short-term charters or any material decrease in payments under our customer contracts could materially harm our business, results of operations and financial condition.

Damage to our reputation or industry relationships could harm our business.

Our operational success and our ability to grow depends significantly upon our satisfactory performance of technical services (including vessel maintenance, crewing, purchasing, shipyard supervision, insurance, assistance with regulatory compliance and financial services). Our business will be harmed if we fail to perform these services satisfactorily. Our ability to compete for and to enter into new charters and expand our relationships with our customers depends upon our reputation and relationships in the shipping industry. If we suffer material damage to our reputation or relationships, it may harm our ability to, among other things:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards;
- dispose of vessels on commercially acceptable terms;
- obtain financing on commercially acceptable terms;
- maintain satisfactory relationships with our customers and suppliers; or
- grow our business.

If our ability to do any of the things described above is impaired, it could harm our business, results of operations and financial condition.

The growth of our containership business and our ability to recharter our vessels depend on our ability to expand relationships with existing customers and develop relationships with new customers, for which we will face substantial competition.

We intend to acquire additional containerships as market conditions allow in conjunction with entering primarily into additional fixed-rate time charters for such ships, and to recharter our existing vessels following the expiration of their current long-term time charters to the extent we retain those vessels in our fleet. The process of obtaining new time charters is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months in regard to newbuilding containerships. Containership charters are awarded based upon a variety of factors relating to the vessel operator, including, among others:

- shipping industry relationships and reputation for customer service and safety;
- container shipping experience and quality of ship operations, including cost effectiveness;
- quality and experience of seafaring crew;
- the ability to finance containerships at competitive rates and the shipowner's financial stability generally;
- relationships with shipyards and the ability to get suitable berths when needed;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the

charter for force majeure events; and
competitiveness of the bid in terms of overall price.

Competition for providing new containerships for chartering purposes comes from a number of experienced shipping companies, including direct competition from other independent charter owners and indirect competition from state-sponsored and other major entities with their own or leased fleets. Some of our peers have significantly greater financial resources than we do and may be able to offer better charter rates. Some of our peers have entered into joint ventures to charter their containerships, and may be able to better satisfy customer demands. An increasing number of marine transportation companies have entered the containership sector, including many with strong brand recognition and extensive resources and experience in the marine transportation industry. This increased competition may cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing customers or develop relationships with new customers on a profitable basis, if at all, which would harm our business, results of operations and financial condition. These risks will be heightened to the extent that we enter into newbuilding or other vessel acquisition contracts prior to entering into charters for such vessels.

We will be required to make substantial capital expenditures to complete the acquisition of our newbuilding containerships and any additional vessels we acquire in the future, which may result in increased financial leverage or dilution of our equity holders' interests or decreased ability to redeem our preferred shares.

We are contracted to purchase 31 newbuilding containerships with scheduled delivery dates through 2024, with options to purchase an additional four containerships. The total purchase price of the 31 containerships is estimated to be approximately \$3.6 billion. Our obligation to purchase the 31 containerships is not conditional upon our ability to obtain financing for such purchases and we have yet to secure financing for the acquisitions. We intend to significantly expand the size of our fleet beyond our existing contracted vessel program. The acquisition of additional newbuilding or existing containerships or businesses will require significant additional capital expenditures.

To fund existing and future capital expenditures, we intend to use cash from operations, incur borrowings, enter into sale-leaseback or other financing arrangements, or use a combination of these methods. Use of cash from operations may reduce cash available to pay dividends to our shareholders, including holders of our preferred shares, or to redeem our preferred shares. Incurring additional debt may significantly increase our interest expense and financial leverage, and under certain of our debt facilities there are maximum loan to value ratios at time of advance that may restrict our ability to borrow. Our ability to obtain or access bank financing for future debt may be limited by our financial condition at the time of any such financing and covenants in our credit facilities, as well as by adverse market conditions. To the extent that we enter into newbuilding or other vessel acquisition contracts prior to entering into charters for such vessels, our ability to obtain new financing for such vessels may be limited and we may be required to fund all or a portion of the cost of such acquisitions with our existing capital resources. Our failure to obtain funds for our capital expenditures at attractive rates, if at all, could harm our business, results of operations and financial condition.

We will be paying all costs for the newbuilding vessels that we have contracted to purchase and have incurred borrowings to fund, in part, installment payments under the relevant shipbuilding contracts. If any of these vessels are not delivered as contemplated, we may be required to repay all or a portion of the amounts we borrowed.

The construction period currently required for a newbuilding containership similar to those we have ordered is approximately 24 months. For each of the newbuilding vessels that we have agreed to purchase, we are required to make certain payment installments prior to a final installment payment, which final installment payment generally is approximately 50-80% of the total vessel purchase price. We plan to enter into additional credit facilities or lease obligations to fund the vessels that we have contracted to purchase. We are required to make these payments to the shipbuilder in advance of receiving any revenue under the time charters for the vessels, which commence following delivery of the vessels.

Delays in deliveries of our newbuilding containerships could harm our business, results of operations and financial condition.

We are currently under contract to purchase 31 newbuilding containerships, which are scheduled to be delivered at various times through 2024. The delivery of these containerships, or any other containerships we may order, could be delayed, which would delay our receipt of revenue under the charters for the containerships and, if the delay is prolonged, could permit our customers to terminate the newbuilding containership charter. The occurrence of any of such events could harm our business, results of operations and financial condition.

The delivery of the containerships could be delayed because of:

- work stoppages, other labor disturbances or other events that disrupt any of the shipyards' operations, including COVID-19;
- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- bankruptcy or other financial crisis of any of the shipyards;
- a backlog of orders at any of the shipyards;
- hostilities, or political or economic disturbances in South Korea or China, where the containerships are being built, including disturbances caused by the COVID-19 pandemic;
- weather interference or catastrophic event, such as a major earthquake, fire or tsunami;
- our requests for changes to the original containership specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- our inability to obtain requisite permits or approvals;
- a dispute with any of the shipyards;
- our failure to obtain financing for the vessels, or any failure of our banks to provide debt financing; or
- a disruption to the financial markets.

In addition, each of the shipbuilding contracts for our newbuilding containerships contains "force majeure" provisions whereby the occurrence of certain events could delay delivery or possibly result in termination of the contract. If delivery of a containership is materially delayed or if a shipbuilding contract is terminated, it could harm our business, results of operations and financial condition.

Because each existing and newbuilding vessel in our contracted fleet is or will be built in accordance with standard designs and uniform in all material respects to other vessels in its TEU class, any material design defect likely will affect all vessels in such class.

Each existing and newbuilding vessel in our fleet is built, or will be built, in accordance with standard designs and uniform in all material respects to other vessels in its class. As a result, any latent design defect discovered in one of our vessels will likely affect all of our other vessels in that class. For certain newbuild vessels, including the two 24000 TEU class containerships and the ten 15000 TEU LNG dual fuel containerships, this is the first time we are commissioning vessels of this size or specification, and therefore may be more susceptible to additional design and operational challenges. Any disruptions in the operation of our vessels resulting from these defects could harm our business, results of operations and financial condition.

Excess supply of global containership capacity may limit our ability to operate our vessels profitably.

While the size of the containership order book has declined from the historic highs reached in mid-2008, as of February 1, 2021, newbuilding containerships representing approximately 12.4% of the existing global fleet capacity as of that date were under construction. Notwithstanding that some orders may be cancelled or delayed, the size of the orderbook may result in an increase in the size of the world containership fleet over the next few years. If it does, it may lead to a reduction in charter rates or prolong the period during which low charter rates prevail, which in turn may mean that upon the expiration or termination of our containerships' current time charters, we may only be able to recharter our containerships at unprofitable rates, if at all. Until such capacity is fully absorbed by the container shipping market, the industry will continue to experience downward pressure on freight rates and such prolonged

pressure could have a material adverse effect on our financial condition, results of operations and liquidity.

We may be unable to attract and retain qualified, skilled crew on our behalf necessary to operate our business or may pay rising crew and other vessel operating costs.

Acquiring and renewing long-term time charters with leading liner companies depends on a number of factors, including our ability to man our containerships with suitably experienced, high-quality masters, officers and crews. Our success will depend in large part on our ability to attract, hire, train and retain highly skilled and qualified personnel. In recent years, the limited supply of and the increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which we bear under our time charters. Changing conditions in the home country of our seafarers, such as increases in the local general living standards or changes in taxation, may make serving at sea less appealing and thus further reduce the supply of crew and/or increase the cost of hiring competent crew. Unless we are able to increase our hire rates to compensate for increases in crew costs and other vessel operating costs such as insurance, repairs and maintenance, our business, results of operations, financial condition and our profitability may be adversely affected. In addition, any inability we experience in the future to attract, hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business. If we cannot attract and retain sufficient numbers of quality onboard seafaring personnel, our fleet utilization will decrease, which could also have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for dividends to our stockholders.

Increased technological innovation in competing vessels could reduce our charter hire rates and the value of our vessels.

The charter rates and the value and operational life of a vessel are determined by a number of factors, including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to be loaded and unloaded quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new ship designs currently promoted by shipyards as being more fuel efficient perform as promoted, or if new containerships are built in the future that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced containerships could adversely affect the amount of charter hire payments we receive for our vessels once their initial charters end and the resale value of our vessels. As a result, our business, results of operations and financial condition could be harmed.

Risks inherent in the operation of ocean-going vessels could harm our reputation, business, results of operation and financial condition.

The operation of ocean-going vessels carries inherent risks, including dangers associated with potential marine disasters, environmental accidents, collisions, cargo and property losses or damage, and business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions. Such occurrences could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenue from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. The involvement of our vessels in an environmental disaster could harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events could harm our business, results of operations and financial condition.

Piracy is an inherent risk in the operation of ocean-going vessels and has historically affected vessels trading in certain regions of the world. We may not be adequately insured to cover losses from these incidents, which could harm our business, results of operations and financial condition. In addition, crew costs, including for employing onboard security guards, could increase in such circumstances. Any of these events, or the loss of use of a vessel due to piracy, may harm our customers, impairing their ability to make payments to us under our charters, which would harm our business, results of operations and financial condition.

Public health threats, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate could adversely impact our operations as well as the operations of our customers. The outbreak of COVID-19, for example, delayed completion of repairs and significant projects on drydocked vessels in some instances, resulting in additional costs, due to restrictions on access to shipyards and limitations on the supply chain generally.

Over the long-term, we will be required to make substantial capital expenditures to preserve the operating capacity of our fleet.

We must make substantial capital expenditures over the long-term to preserve the operating capacity of our fleet including, among other things, to meet future environmental regulatory standards. If we do not retain funds in our business in amounts necessary to preserve the operating capacity of our fleet, over the long-term, our fleet and related charter revenues may diminish, and we will not be able to continue to refinance our indebtedness. As our fleet ages, we will likely need to retain additional funds, on an annual basis, to provide reasonable assurance of maintaining the operating capacity of our fleet over the long-term. To the extent we use or retain available funds to make capital expenditures to preserve the operating capacity of our fleet, there will be less funds available to pay interest and principal on our Notes, pay dividends on our equity securities or redeem our preferred shares.

The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Our current operating fleet of 127 containerships as of March 1, 2021, had an average age (weighted by TEU capacity) of eight years. We try to offset the cost impact from an aging fleet through fleet renewal and operational efficiency initiatives. However, as our fleet ages, we may incur increased costs. Older vessels may require longer and more extensive dry-dockings, resulting in more off-hire days and reduced revenue. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. In addition, older vessels are often less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of a vessel may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our containerships may engage.

We cannot assure you that, as our vessels age, market conditions will justify such expenditures or will enable us to profitably operate our older vessels.

Under the charters for most of our vessels, if a vessel is off-hire for an extended period then the customer has a right to terminate the charter agreement for that vessel.

Under most of our time charter agreements, if a vessel is not available for service, or off-hire, for an extended period, the customer has a right to terminate the charter agreement for that vessel. If a time charter is terminated, we may be unable to re-deploy the related vessel on terms as favorable to us, if at all. We may not receive any revenue from that vessel, but may be required to continue to pay financing costs for the vessel and expenses necessary to maintain the vessel in proper operating condition.

Our vessels' mortgagees or other maritime claimants could arrest our vessels, which could interrupt our charterers' or our cash flow.

If we default under our credit facilities that are secured by mortgages on our vessels, the lenders that hold those mortgages could arrest some or all of the vessels encumbered by those mortgages and cause them to be sold. We would not receive any proceeds of such sales unless all amounts outstanding under such indebtedness had been repaid in full. In addition, crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against the applicable vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel through foreclosure proceedings. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our ships. The arrest or attachment of one or more of our vessels could interrupt our charterers' or our business and cash flow and require the charterers or us or our insurance to pay significant amounts to have the arrest lifted, which could harm our business, results of operations and financial condition.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge

of any of our crew, we may face governmental or other regulatory claims, which could have an adverse effect on our business, results of operations and financial condition.

Risks related to our power generation business

APR Energy has a recent history of net losses and may not achieve or sustain profitability.

APR Energy has a recent history of net losses. The extent of APR Energy's future losses or profits is uncertain, and it may not achieve profitability. In 2020, we recorded a non-cash goodwill impairment charge of \$117.9 million related to the reporting unit in which APR Energy resides, as a result of strategic repositioning contemplated subsequent to acquisition. If APR Energy is unable to achieve and then maintain profitability, the market value of our common shares will likely decline.

Our competitive position, revenues and asset values could be adversely affected by changes in technology, prices, industry standards, environmental regulation and other factors.

The markets in which APR Energy operates change rapidly because of technological innovations and changes in prices, industry standards, environmental regulations, customer requirements (including demand for more environmentally friendly solutions), product introductions and the economic environment. New technology or changes in industry, environmental regulation and customer requirements may render our existing power generation solutions obsolete, excessively costly or otherwise unmarketable. As a result, we must continuously enhance the efficiency and reliability of our existing technologies and seek to develop new technologies in order to remain at the forefront of industry standards and customer requirements. If we are unable to introduce and integrate new technologies into our power generation solutions in a timely and cost-effective manner, our competitive position will suffer and our prospects for growth will be impaired.

Further, if technological advances render our existing power generation assets obsolete or otherwise unmarketable, competition from third parties offering more technologically advanced solutions could adversely affect our ability to extend or secure new power purchase contracts and the resale value of our assets. As a result, our business, results of operations and financial condition could be harmed.

The delivery of our power generation solutions to our customers and our performance under our customer contracts may be adversely affected by problems related to its reliance on third-party contractors and suppliers.

APR Energy's customer contracts require services, equipment or software which we subcontract to subcontractors or source from third-party suppliers. The delivery of products or services which are not in compliance with the requirements of the subcontract, or the late supply of products and services, can cause us to be in default under our customer contracts. To the extent we are not able to transfer all of the risk or be fully indemnified by third-party contractors and suppliers, we may be subject to claims by our customers as a result of problems caused by a third-party that could have a material adverse effect on our reputation, business, results of operations and financial condition.

APR Energy has international operations, including in emerging markets, that could be subject to economic, social and political uncertainties.

APR Energy operates in a range of international locations, including Argentina, Australia, Bangladesh, Equatorial Guinea and Mexico, and expects to expand its operations into new locations in the future. Accordingly, we face a number of risks associated with operating in different countries that may have a material adverse impact on our business, financial condition and results of operations. These risks include, but are not limited to, adapting to the regulatory requirements of such countries, compliance with changes in laws and regulations applicable to foreign corporations, the uncertainty of judicial processes, and the absence, loss or non-renewal of favorable treaties, or similar agreements, with local authorities or other government officials, all of which can place disproportionate demands on our management, as well as significant demands on our operational and financial personnel and business.

APR Energy conducts business in various emerging countries worldwide. Our activities in these countries involve a number of risks that are more prevalent than in developed markets, such as:

- social, economic and governmental instability (which has been, and during 2021 will likely continue to be, exacerbated by COVID-19), civil unrest and, in some cases, regime change and armed conflict;

- the possibility of significant amendments to, or changes in, the application of governmental regulations;
- the nationalization and expropriation of private property;
- payment collection difficulties and general counterparty credit risk;
- substantial fluctuations in interest and exchange rates;
- changes in the tax framework or the unpredictability of enforcement of contractual provisions; and
- imposition of new or additional trade and economic sanctions laws imposed by the U.S. or foreign governments and other unfavorable interventions or restrictions imposed by public authorities.

We are also exposed to currency control measures and limits on the repatriation of funds in the jurisdictions in which we do business. For example, our contracts in Argentina are denominated in U.S. dollars and payable in local currency at the exchange rate on or immediately prior to the payment date. Currency control measures imposed by the Argentine central bank prohibit companies with intercompany and/or debt arrangements like those of our Argentinian subsidiary to (a) convert Argentine pesos into U.S. dollars and/or to (b) repatriate funds abroad at the official exchange rate. Consequently, we have entered into Blue Chip swap transactions to mitigate the exchange rate exposure. However, there is still the possibility that the Argentine central bank or federal government will broaden the scope of pesification measures, effectively fixing the payment in Argentine pesos using a historical exchange rate, which could have an adverse impact on our business.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions in certain Latin American countries to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports. Although our activities in emerging markets are not concentrated in any specific country (other than Argentina and Bangladesh), the occurrence of one or more of these risks in a country or region in which we operate could have a material adverse effect on our business, financial condition and results of operations, and we can provide no assurance that our future international operations will remain successful.

Power plants are inherently dangerous workplaces at which hazardous materials are handled. If we fail to maintain safe work environments or cause any damage, we could be exposed to significant financial losses, as well as civil and criminal liabilities.

Our installation, construction, commissioning, operation, maintenance and dismantling activities in connection with the delivery of our power generation solutions to customers often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes, and heat or liquids stored under pressure. On most projects and at most facilities, we are responsible for safety and, accordingly, must implement safe practices and safety procedures. If we fail to design and implement such practices and procedures or if the practices and procedures we implement are ineffective, our employees and others may become injured and our and others' property may become damaged. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our customers or the operation of a facility, and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse impact on our business, financial condition and results of operations.

In addition, our activities in connection with the delivery of our power generation solutions can involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to cleanup obligations as well as civil and criminal liabilities. We are also subject to regulations dealing with occupational health and safety. We maintain functional groups whose primary purpose is to ensure we implement effective health, safety and environmental work procedures throughout our organization, including construction sites and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, we may incur liability based on allegations of illness or disease resulting from exposure of employees or other persons to hazardous materials that we handle or are present in our workplaces.

We believe that our safety record is critical to our reputation. Many of our customers require that we meet certain safety criteria to be eligible to bid for contracts, and many contracts provide for automatic termination or forfeiture of some, or all, of its contract fees or profit in the event it fails to meet certain measures. As a result, our failure to maintain adequate safety standards could result in reduced profitability or the loss of projects or clients and could have a material adverse impact on our business, financial condition and results of operations.

Our power generation business may be adversely affected by catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, unexpected equipment breakdown, or criminal or terrorist acts at one or more of our power plants, facilities and construction sites, or outbreaks of epidemic and pandemic of diseases, including COVID-19

If one or more of our plants, facilities or construction sites were to be subject in the future to fire, flood or a natural disaster, adverse weather conditions, terrorism, loss of power or critical IT infrastructure, or other catastrophe, or if unexpected geological or other adverse physical conditions were to develop at any of its plants, facilities or construction sites, or if critical equipment expectedly should breakdown, we may not be able to carry out its business activities at that location or such operations could be significantly reduced. This could result in lost revenue at these sites during the period of disruption, costly repair and remediation and the potential assessment of contractual penalties, which could have a material adverse effect on our business, financial condition and results of operations. In addition, it is possible that its plants could be affected by criminal or terrorist acts. Any such acts could have a material adverse effect on our business, financial condition and results of operations.

Current and future outbreaks of epidemic or pandemic of diseases could have a material adverse effect on our business. COVID-19, for example, has created certain operational challenges and delays transporting our turbines and balance of plant equipment, as well as our personnel, to project sites due to border closures and travel restrictions. In addition, COVID-19 has impacted new growth opportunities due to delays in procurement processes and a general reduction in demand for power in certain markets. It is possible that, due to COVID-19's global economic and market impacts, that we will be unable to secure employment for our idle turbines or buyers for our diesel power modules in the near term. These developments could materially and adversely affect our results of operations, financial condition and cash flows.

Unauthorized use of APR Energy's proprietary technology by third parties may reduce the value of its services, brand and impair its ability to compete effectively.

APR Energy relies across its business on a combination of trade secret and intellectual property laws, non-disclosure and other contractual agreements and technical measures to protect its proprietary rights. These measures may not be sufficient to protect its technology from third-party infringement and, notwithstanding any remedies available, could subject it to increased competition or cause it to lose market share. In addition, these measures may not protect it from the claims of employees and other third parties. APR Energy also faces risks with respect to the protection of its proprietary technology because the markets where its services are sold include jurisdictions that provide less protection for intellectual property than is provided under the laws of the United States or the European Union. Unauthorized use of APR Energy's intellectual property could weaken its competitive position, reduce the value of its services and brand, and harm its, and therefore our, business, financial condition and results of operations.

Our business may suffer if we are sued for infringing upon the intellectual property rights of third parties.

We are subject to the risk of adverse claims and litigation alleging its infringement of the intellectual property rights of others. In the future, third parties may assert infringement claims, alleging infringement by our current, or future, services or solutions. These claims may result in protracted and costly litigation, may subject us to liability if it is found to have infringed upon third parties' intellectual property rights, and, regardless of the merits or ultimate outcome, may divert management's attention from the operation of its business.

Failure by us to successfully defend against claims made against us by customers, suppliers or subcontractors, or failure by us to recover adequately on claims made against customers, suppliers or subcontractors, could materially adversely affect its, and therefore, our business, financial condition and results of operations.

APR Energy's projects generally involve complex engineering, procurement of supplies and construction management. We may encounter difficulties in the engineering, equipment delivery, schedule changes and other factors, some of which are beyond our control, that affect our ability to complete the project in accordance with the original delivery schedule or to meet the contractual performance obligations. In addition, we rely on third-party partners, equipment manufacturers and subcontractors to assist us with the completion of its contracts. As such, claims involving customers, suppliers and subcontractors may be brought against us, and by us, in connection with our project contracts. Claims that may be brought against us include back charges for alleged defective or incomplete work, breaches of warranty and/or late completion of the project and claims for cancelled projects. The claims and back charges can involve actual damages, as well as contractually agreed upon liquidated sums. Claims brought by us against customers include claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the previously agreed scope of work. Claims between us and our suppliers,

subcontractors and vendors include claims like any of those described above. These project claims, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. Charges associated with claims could materially adversely impact our business, financial condition and results of operations.

The nature of our operations exposes us to potential liability claims and contract disputes which may reduce our profits.

APR Energy engages in operations where failures in design, construction or systems can result in substantial injury or damage to third parties. In addition, the nature of our activities results in customers, subcontractors and vendors occasionally presenting claims against us for recovery of cost they incurred in excess of what they expected to incur, or for which they believe they are not contractually liable. We have been, and may in the future, be named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to our projects or other matters. These claims generally arise in the normal course of our business. When it is determined that we have liability, we may not be covered by insurance or, if covered, the financial amount of these liabilities may exceed our policy limits.

Risks related to our strategy

We may not be able to successfully implement our growth strategy, and invest in or integrate new assets or lines of business.

Atlas's sole assets are its wholly owned subsidiaries, Seaspan and APR Energy. Our strategy to grow our business is dependent, in part, on our ability to invest in additional businesses. We also aim to grow our containership and power generation businesses through the acquisition of new or secondhand vessels and power generation assets. We believe that acquisition opportunities may arise from time to time, and any such acquisitions could be significant. Any acquisition could involve the payment by us of a substantial amount of cash, the incurrence of a substantial amount of debt or the issuance of a substantial amount of equity. However, we may not be able to obtain acceptable terms for the required financing for any such acquisition or investment that arises. In addition, we may not be able to successfully identify target investments or consummate target acquisitions within the expected timeline or budget.

We also cannot assure you that the diligence we conduct when evaluating future acquisitions will reveal all material issues that may be present, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of our control will not later arise. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Further, as a result of a completed acquisition, purchase accounting, and integration of the acquired business, we may be required to take write-offs or write-downs, restructuring and impairment or other charges that could negatively affect our business, assets, liabilities, prospects, outlook, financial condition and results of operations.

Our future acquisitions could present a number of other risks, including the risk of incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets, the risk of failing to successfully and timely integrate the operations or management of any acquired businesses or assets (which, at this time, could be due in part to the impact of COVID-19 on global markets and operations), and the risk of diverting management's attention from existing operations or other priorities. In addition, we may not derive the expected financial returns on our investments in new businesses or such operations may not be profitable at all.

In connection with our acquisition of APR Energy, we conducted due diligence and the acquisition agreement contains extensive indemnity and holdback provisions in our favor. However, we have been required to record non-cash impairment charges related to goodwill, as a result of strategic repositioning contemplated subsequent to the acquisition.

We cannot predict the effect that any failed expansion may have on our business. Regardless of whether we are successful in identifying target investments or acquisitions, the negotiations for such investments or acquisitions could disrupt our ongoing business, distract management and increase our expenses. If we are unable to successfully execute our plans for investing in new lines of business or acquiring additional assets for our containership and power generation businesses, whether as a result of unfavorable market conditions or otherwise, our future results of operations could be materially and adversely affected.

Our growth strategy may be adversely affected by material disruptions to global economic activities, including due to any prolonged disruption created by the COVID-19 virus.

The COVID-19 pandemic has negatively impacted, and may continue to negatively impact, global economic activity. While the global market downturn, closures and limitations on movement are expected to be temporary, the duration of the disruption to business activities globally cannot be known at this time. This uncertainty could have an impact on our ability to execute upon our strategy to acquire and invest in new business lines or in new or secondhand assets for our containership and power generation businesses.

We may be required to make substantial capital expenditures to complete the acquisition of businesses or assets, which may result in increased financial leverage, dilution of our equity holders' interests or decreased ability to redeem our preferred shares.

We intend to grow our business over time through acquisitions. We are regularly evaluating opportunities within the maritime and industrial transportation, energy and other sectors, and the acquisition of future businesses or assets will require significant additional capital expenditures.

To fund existing and future capital expenditures, we intend to use cash from operations, incur borrowings, raise capital through the sale of additional securities, enter into other financing arrangements, or use a combination of these methods. Use of cash from operations may reduce cash available to pay obligations under our Notes, dividends to our shareholders, including holders of our preferred shares, or to redeem our preferred shares. Incurring additional debt may significantly increase our interest expense and financial leverage, and under certain of our debt facilities there are maximum loan to value ratios at time of advance that may restrict our ability to borrow. Issuing additional equity securities may result in significant shareholder dilution, which, subject to the relative priority of our equity securities, could negatively affect our ability to pay dividends. Our ability to obtain or access bank financing or to access the capital markets for future debt or equity financings may be limited by our financial condition at the time of any such financing and covenants in our credit facilities, as well as by adverse market conditions. Our failure to obtain funds for our capital expenditures at attractive rates, if at all, could harm our business, results of operations and financial condition.

Risks related to regulation and tax

Failure to comply with applicable anti-bribery and corruption laws could result in fines, criminal penalties, terminations of charters and other significant contracts, and an adverse effect on our business.

We operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-bribery and corruption laws and have adopted a Standards of Business Conduct Policy which is consistent and in full compliance with the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). We train our personnel concerning anti-bribery and corruption laws and issues, and also inform our partners, subcontractors, suppliers, agents and others who work for us or on our behalf that they must comply with anti-bribery and corruption law requirements. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents, or the third parties with which we do business, may take actions determined to be in violation of such anti-bribery and corruption laws, including the UK Bribery Act and FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

We are subject to stringent environmental regulation that could require significant expenditures and affect our operations.

Our business and operations are materially affected by environmental regulation in the jurisdictions in which we do business, as well as the countries of our vessels' registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges and, in respect of our vessels, ballast water management and vessel recycling. These regulations require us to obtain regulatory licenses, permits and other approvals and to comply with the requirements of such licenses,

permits and other approvals. There can be no assurance that:

- governmental authorities will approve the issuance of such licenses, permits and other approvals or that such licenses, permits or approvals will be timely renewed or sufficient for our operations;
- in respect of power generation business, public opposition will not result in delays, modifications to or cancellation of any proposed project or license; or
- laws or regulations will not change or be interpreted in a manner that increases our costs of compliance or materially or adversely affects its operations or plants.

While we believe our policies with regard to environmental regulatory compliance are adequate and appropriate, we can give no assurance that we will continue to be in compliance or avoid material fines, penalties, sanctions and expenses associated with compliance issues in the future. Violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, closures of our power plants, detention of our vessels or denial of access to ports. Generally, relevant governmental authorities are empowered to clean up and remediate releases of environmental damage and to charge the costs of such remediation and cleanup to the owners or occupiers of the property, the persons responsible for the release and environmental damage, the producer of the contaminant and other parties, or to direct the responsible parties to take such action. These governmental authorities may also impose a tax, financial assurance requirements or other liens on the responsible parties to secure the parties' reimbursement obligations. We could also become subject to personal injury or property damage claims relating to the release of hazardous materials associated with our operations.

Environmental regulation has changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future. For example, our activities are likely to be covered by increasingly strict national and international standards relating to climate change and related costs, and may be subject to potential risks associated with climate change, which may have a material adverse effect on our business, financial condition or results of operations. Environment standards, now or in the future, may affect the resale value or useful lives of our assets, require modifications to our vessels or power generation assets or operational changes or restrictions, or lead to decreased availability of insurance coverage for environmental matters. We cannot predict the amounts of any increased capital expenditures or any increases in operating costs or other expenses that we may incur to comply with applicable environmental or other regulatory requirements. For additional information about the environmental regulations to which we are subject, please read "Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations".

Climate change and greenhouse gas restrictions may adversely affect our operating results.

Many governmental bodies have adopted, or are considering the adoption of, international, treaties, national, state and local laws, regulations and frameworks to reduce greenhouse gas emissions due to the concern about climate change. These measures in various jurisdictions include the adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. In November 2016, the Paris Agreement, which resulted in commitments by 197 countries to reduce their greenhouse gas emissions with firm target reduction goals, came into force and could result in additional regulation on the shipping industry. In addition, several non-governmental organizations and institutional investors have undertaken campaigns with respect to climate change, with goals to minimize or eliminate greenhouse gas emissions through a transition to a low- or zero-net carbon economy.

Compliance with laws, regulations and obligations relating to climate change, including as a result of such international negotiations, as well as the efforts by non-governmental organizations and investors, could increase our costs related to operating and maintaining our vessels and power generation assets, and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Compliance with safety and other vessel requirements imposed by flag states may be costly and could harm our business, results of operations and financial condition.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the IMO, International Convention for the

Safety of Life at Sea ("SOLAS"). In addition, a vessel generally must undergo annual, intermediate and special surveys to maintain classification society certification. If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable and we could be in violation of certain covenants in our credit facilities and our lease agreements. This could harm our business, results of operations and financial condition.

Increased inspection procedures, tighter import and export controls and new security regulations could cause disruption of our business.

International containership traffic is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. These inspections can result in cargo seizure, delays in the loading, offloading, trans-shipment or delivery of containers and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, customers.

U.S. and Canadian authorities have increased container inspection rates. Government investment in non-intrusive container scanning technology has grown and there is interest in electronic monitoring technology that would enable remote, centralized monitoring of containers during shipment to identify tampering with or opening of the containers. Also, additional vessel security requirements have been imposed, including the installation of security alert and automatic identification systems on board vessels. Following a number of recent terrorist attacks in cities across the globe, there has been a heightened level of security and new security procedures could be introduced.

It is unclear what changes, if any, to the existing inspection procedures will ultimately be proposed or implemented, or how any such changes will affect the industry. Such changes may impose additional financial and legal obligation on carriers and may render the shipment of certain types of goods by container uneconomical or impractical. Additional costs that may arise from current or future inspection procedures may not be fully recoverable from customers through higher rates or security surcharges. Any of these effects could harm our business, results of operation and financial condition.

Governments could requisition our containerships during a period of war or emergency, resulting in loss of earnings.

All of our vessels are registered and flagged in Hong Kong. The Hong Kong government could requisition for title or seize our containerships. Requisition for title occurs when a government takes control of a ship and becomes the owner. Also, a government could requisition our containerships for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our containerships could harm our business, results of operations and financial condition.

Our power generation business is subject to extensive governmental regulation in a number of different jurisdictions, and its inability to comply with existing regulations or requirements or changes in applicable regulations or requirements may have a negative impact on our business, results of operations or financial condition.

We are subject to extensive regulation of our power generation business in the United States, Argentina, Australia, Bangladesh, Mexico and in each of the other countries in which APR Energy operates. Such laws and regulations require licenses, permits and other approvals to be obtained in connection with the operations of our activities. This regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on APR Energy. In particular, the power plants that we install, commission, operate, maintain and demobilize are subject to strict national, state and local regulations relating to their development, construction and operation (including, among other things, land acquisition, leasing and use of land, and the corresponding building permits, landscape conservation, noise regulation, environmental protection and environmental permits and energy power transmission and distribution network congestion regulations). Non-compliance with such regulations could result in the revocation of permits, sanctions, fines or even criminal penalties. Compliance with regulatory requirements may result in substantial costs to our operations that may not be recovered. In addition, we cannot predict the timing or form of any future regulatory or law enforcement initiatives. Changes in existing energy, environmental and administrative laws and regulations may materially and adversely affect our business, margins and investments.

Further, similar changes in laws and regulations could increase the size and number of claims and damages

asserted against APR Energy or subject APR Energy to enforcement actions, fines and even criminal penalties. In addition, changes in laws and regulations may, in certain cases, have retroactive effect and may cause our results of operations to be lower than expected.

We, or any of our subsidiaries, may become subject to income tax in jurisdictions in which we are organized or operate, including the United States, the United Kingdom, Hong Kong, the People's Republic of China, and other jurisdictions, which would reduce our earnings.

We intend that our affairs and the business of each of our subsidiaries will be conducted and operated in a manner that minimizes income taxes imposed upon us and our subsidiaries. However, there is a risk that we will be subject to income tax in one or more jurisdictions, including the United States, the United Kingdom, Hong Kong and the People's Republic of China (the "PRC"); if under the laws of any such jurisdiction, we or such subsidiary is considered to be carrying on a trade or business there or earn income that is considered to be sourced there and we do not or such subsidiary does not qualify for an exemption or reduced taxation under local taxation rules or applicable tax treaties. For example, our mobile power generation segment operates in jurisdictions around the world and may be subject to corporate income taxes to the extent there is taxable income generated in such jurisdictions. Please read "Item 4. Information on the Company—B. Business Overview—Taxation of the Company."

Changes to tax laws and tax treaties could have an adverse impact on our business, results of operation and financial condition.

Any change in tax law, interpretation or practice, or in the terms of tax treaties, in a jurisdiction where we are subject to tax could increase the amount of tax payable by us. In addition, the U.K. government, the Organization for Economic Co-operation and Development (the "OECD"), and other government agencies in jurisdictions where we do business have had an extended focus on issues related to the taxation of multinational corporations. Recently, the OECD has published proposals aimed at reforming the profit allocation and nexus rules for taxing the profits of, and achieving a global minimum level to taxation for, certain multinational corporations. As a result of the OECD projects and the focus on the taxation of multi-national corporations, the tax laws in the U.K. and other countries in which we do business could change on a prospective or retroactive basis, and any such changes could have an adverse impact on our business, results of operation and financial condition.

If U.K. tax residency of Atlas is not maintained, the amount of tax payable by Atlas could increase, which could have an adverse impact on the business, results of operation and financial condition of Atlas.

As a company incorporated in the Republic of the Marshall Islands, Atlas is not automatically treated as U.K. resident for tax purposes. The directors of Atlas intend to meet all requirements of U.K. tax residency for Atlas by establishing that central management and control is carried out in the United Kingdom. If tax residency is not maintained solely in the United Kingdom or if Atlas does not meet the conditions for the exemptions from U.K. corporation tax in respect of dividends, the amount of tax payable by Atlas could increase, which could have an adverse impact on the business, results of operation and financial condition of Atlas. In addition, were Atlas to be treated as tax resident in an alternative and/or additional jurisdiction, this could increase the aggregate tax burden on Atlas and its shareholders.

The legal system in China is not fully developed and has inherent uncertainties that could limit the legal protections available to us, and the geopolitical risks associated with chartering vessels to Chinese customers, constructing vessels in China and obtaining financing from Chinese financial institutions could harm our business, results of operations and financial condition.

We conduct a substantial amount of business in China and with Chinese counterparties. As of March 1, 2021, a total of 37 of the 127 vessels in our current fleet were chartered to Chinese customers and our revenues in 2020 from Chinese customers represented 32.8% of our total revenue in our containership segment, in 2020. Many of our vessels regularly call to ports in China. In addition, we have entered into financing arrangements with certain Chinese financial institutions.

The Chinese legal system is based on written statutes and their legal interpretation by the standing Committee of the National People's Congress. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve

uncertainties.

Our vessels that are chartered to Chinese customers are subject to various risks as a result of uncertainties in Chinese law, including (1) the risk of loss of revenues, property or equipment as a result of expropriation, nationalization, changes in laws, exchange controls, war, insurrection, civil unrest, strikes or other political risks and (2) being subject to foreign laws and legal systems and the exclusive jurisdiction of Chinese courts and tribunals.

Although our charterparties and many of our financing arrangements are governed by English law, if we are required to commence legal proceedings against a customer, a charter guarantor or a lender based in China with respect to the provisions of a time charter, a time charter guarantee or a credit agreement, we may have difficulties in enforcing any judgment rendered by an English court (or other non-Chinese court) in China. Similarly, our shipbuilders based in China provide warranties against certain defects for the vessels that they will construct for us and we have refund guarantees from a Chinese financial institution for installment payments that we will make to the shipbuilders. Although the shipbuilding contracts and refund guarantees are governed by English law, if we are required to commence legal proceedings against these shipbuilders or against the refund guarantor, we may have difficulties enforcing in China any judgment obtained in such proceeding.

Such charters, shipbuilding agreements and financing agreements, and any additional agreements that we enter into with Chinese counterparties, may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and pay new taxes or other fees to the Chinese government. In addition, China has enacted a recent tax for non-resident international transportation enterprises engaged in the provision of services of passengers or cargo, among other items, in and out of China using their own, chartered or leased vessels, including any stevedore, warehousing and other services connected with the transportation. The recent law and relevant regulations broaden the range of international transportation companies which may find themselves liable for Chinese enterprise income tax on profits generated from international transportation services passing through Chinese ports. This tax or similar regulations by China may reduce our operating results and may also result in an increase in the cost of goods exported from China and the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped from or through China, which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling to Chinese ports, our vessels being built at Chinese shipyards and the financial institutions with whom we have entered into financing agreements, and could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for dividends to our shareholders.

Risks related to our indebtedness

We may not be able to timely pay, or be able to refinance, amounts owed under our credit facilities, Notes and vessel lease and other financing arrangements.

We have significant normal course payment obligations under our credit facilities, Notes, vessel lease and other financing arrangements, both prior to and at maturity, of approximately \$544.2 million in 2021 and an additional \$5.0 billion through to maturity, which extends to 2035. In addition, under our credit facilities, vessel lease and other financing arrangements, a payment may be required in certain circumstances as a result of events such as the sale or loss of a vessel, a termination or expiration of a charter (where we do not enter into a replacement charter acceptable to the lenders within a specified grace period) or termination of a shipbuilding contract. The amount that must be paid may be calculated based on the loan to market value ratio or some other ratio that takes into account the market value of the relevant asset (with the repayment amount increasing if asset values decrease), or may be the entire amount of the financing in regard to a credit facility or a pre-determined termination sum in the case of vessel lease arrangements.

Our ability to make payments under our credit facilities, Notes, vessel lease and other financing arrangements will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive and other factors that are beyond our control. Our business may not be able to generate sufficient cash flow from operations and future borrowings may not be available to us in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. The market values of our vessels and power generation assets, which fluctuate with market conditions and which serve as collateral for our secured loans, will affect our ability to obtain financing or refinancing. Lower asset values at the time of any financing or refinancing may reduce the amounts of funds we may borrow.

If we are able to obtain financing and refinancing, it may not be on commercially reasonable terms. If we are not able to refinance outstanding amounts at interest rates and other terms acceptable to us, or at all, we will have to dedicate a significant portion of our cash flow from operations to repay such amounts, which could reduce our ability to satisfy our payment obligations, or require us to delay certain business activities, capital expenditures or investments or cease paying dividends. If we are not able to satisfy these obligations (whether or not refinanced) with cash flow from operations, we may have to seek to restructure our debt, vessel lease and other arrangements, undertake alternative financing plans (such as additional debt or equity capital) or sell assets, which may not be available on terms attractive to us or at all.

If we are unable to meet or otherwise default on our debt, vessel lease and other obligations, the holders of our debt or our lessors could declare all outstanding indebtedness to be immediately due and payable. Holders of our secured debt would also have the right to proceed against the collateral granted to them that secures the indebtedness, as follows: (i) in the case of our credit facilities, vessel lease and other financing arrangements, the collateral assets securing such indebtedness; and (ii) in the case of the Fairfax Notes and one of our revolving credit facilities, the equity of Greater China Intermodal Investments LLC and its subsidiaries ("GCI"), which entity is an intermediate holding company that owns the equity of a number of our indirect vessel-owning subsidiaries. Additionally, most of our debt instruments contain cross-default provisions, which generally cause a default or event of default under each instrument upon a qualifying default or event of default under any other debt instrument.

We may not be able to repurchase our Notes upon the occurrence of a change of control or in connection with the exercise by the holders of such securities of their right to call for early redemption.

Under the terms of certain of our Notes, upon the occurrence of a change of control (as defined in the relevant indentures), we may be required to purchase all or a portion of such Notes then outstanding at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest. If a change of control were to occur, we may not have sufficient funds to pay the purchase price for the outstanding Notes tendered and, in such case, expect that we would require third-party financing; however, we may not be able to obtain such financing on favorable terms, if at all. In addition, the occurrence of a change of control may result in an event of default under, or require us to purchase, our other existing or future senior indebtedness. Moreover, the exercise by the holders of their right to require us to purchase the Notes could cause a default under our existing or future senior indebtedness, even if the occurrence of a change of control itself does not, due to the financial effect of such purchase on us and our subsidiaries. Our failure to purchase tendered Notes at a time when the purchase is required by the indenture would constitute an event of default under the indenture, which, in turn, may constitute an event of default under future debt.

In addition, each holder of the Fairfax Notes has the right once a year, at its option, to require us to purchase some or all of the Fairfax Notes held by such holder at a purchase price of 100.0% of the principal amount thereof plus accrued and unpaid interest. On December 10, 2020, Fairfax Financial Holdings Limited, on behalf of itself and its affiliates ("Fairfax"), undertook not to exercise its right to call for early redemption of the Fairfax Notes on their respective anniversary dates in 2022. Thus, the Fairfax Notes are not puttable to us until 2023. However, should Fairfax exercise its put right in future, we may not have sufficient funds to pay the purchase price for any part of the Fairfax Notes tendered. As stated above, if this were to happen, it could cause a default under our existing or future senior indebtedness, even if the exercise of that right itself does not, due to the financial effect of such purchase on us and our subsidiaries, and our failure to purchase tendered Fairfax Notes would constitute an event of default under the indenture, which, in turn, may constitute an event of default under existing or future debt.

Our substantial debt levels and vessel lease and other financing obligations may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

As of December 31, 2020, we had \$3.7 billion in aggregate principal amount of debt outstanding under our credit facilities and Notes, and vessel lease and other arrangements of approximately \$1.8 billion. In February 2021, we issued \$200.0 million of our NOK Bonds, and we have been actively pursuing other sources of financing, including debt financing. In particular, the amounts outstanding under our credit facilities and our vessel lease and other arrangements will increase following the delivery of the 31 newbuilding and two secondhand containerships that we have contracted to purchase.

Our level of debt and vessel lease and other financing obligations could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures,

acquisitions or other purposes, may be impaired or such financing may not be available on favorable terms, or at all;

- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt or make our lease payments, reducing the funds that would otherwise be available for operation and future business opportunities;
- our debt level could make us more vulnerable to competitive pressures, a downturn in our business or the economy generally than our competitors with less debt; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt and vessel lease and other arrangements will depend upon, among other things, our financial and operating performance, which will be affected by prevailing economic, financial, business and regulatory conditions, as well as other factors, some of which are beyond our control. If our results of operations are not sufficient to service our current or future indebtedness and vessel lease and other obligations, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Disruptions in global capital markets and economic conditions or changes in lending practices may harm our ability to obtain financing on acceptable terms, which could hinder or prevent us from meeting our capital needs.

We rely on the global capital markets, especially the credit markets, to satisfy a significant portion of our capital requirements. Beginning in February 2020, due in part to fears associated with the spread of COVID-19, global capital markets experienced significant volatility and a steep and abrupt downturn. Although the U.S. markets rebounded during the latter half of 2020, ending 2020 at all-time highs, and vaccine programs are being administered worldwide, we cannot be certain when the COVID-19 pandemic will be over or that subsequently waves or variants of the virus will not again disrupt global markets and economic activity. Significant instability or disruptions of the capital markets or deterioration of our financial position due to internal or external factors could restrict or eliminate our access to, and/or significantly increase the cost of, various financing sources, including bank credit facilities and issuance of corporate bonds. This could occur because our lenders could become unwilling or unable to meet their funding obligations or we may not be able to obtain funds at the interest rate agreed to in our credit facilities due to market disruption events or increased funding costs. Such instability or disruptions in the capital markets may also cause lenders to be unwilling to provide us with new financing to the extent needed to fund our ongoing operations and growth. In recent years, the number of lenders for shipping companies has decreased and ship-funding lenders have generally lowered their loan-to-value ratios, shortened loan terms and accelerated repayment schedules. These factors may hinder our ability to access financing.

Instability or disruptions of the capital markets and deterioration of our financial position, alone or in combination, could also result in a reduction in our credit rating, which could prohibit or restrict us from accessing external sources of short and long-term debt financing and/or significantly increase the associated costs.

If financing or refinancing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to implement our growth strategy, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could negatively impact our business, results of operations and financial condition.

Exposure to currency exchange rate or interest rate fluctuations may result in fluctuations in our results of operations and financial condition.

Although all of our charter revenues are earned in U.S. dollars and a significant portion of our operating and general and administrative costs are incurred in U.S. dollars, we conduct operations in many countries involving transactions denominated in a variety of currencies. We are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. We monitor exchange rate fluctuations on a continuous basis and seek to reduce our exposure in certain circumstances by denominating charter-hire revenue, ship building contracts, purchase contracts and debt obligations in U.S. dollars when practical to do so; however, we do not currently fully hedge movements in currency exchange rates. As a result, currency fluctuations may have a negative effect on our results of operations and financial condition.

As of December 31, 2020, we had an aggregate of approximately \$3.7 billion outstanding under our credit

facilities and our Notes and vessel lease and other financing arrangements of approximately \$1.8 billion. The majority of our credit facilities and vessel lease and other financing arrangements are variable rate facilities and leases, under which our payment obligations will increase as interest rates increase. While we have entered into interest rate swaps to manage some of our interest rate risk, interest rate fluctuations and their impact on the fair value of our interest rate swaps may have a negative effect on the results of our operations and financial condition. Please read "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk."

Restrictive covenants applicable to our credit facilities, Notes and vessel lease and other financing arrangements impose financial and other restrictions on us, which may limit, among other things, our ability to borrow funds under such financing and lease arrangements and our ability to pay dividends on our shares or redeem our preferred shares.

To borrow funds under our existing credit facilities and vessel lease and other financing arrangements, we must, among other things, meet specified financial covenants. For example, we are prohibited under certain of our existing credit facilities and vessel lease and other financing arrangements from incurring total borrowings in an amount greater than 65.0% of our total assets (as defined in the applicable agreement), and we must also ensure that certain interest coverage, and interest and principal coverage ratios are met. Total borrowings and total assets are terms defined in such credit facilities and vessel lease and other financing arrangements and differ from those used in preparing our consolidated financial statements, which are prepared in accordance with U.S. GAAP. To the extent we are unable to satisfy such requirements, we may be unable to borrow additional funds or may be in breach, which could require us to repay outstanding borrowings. We may also be required to prepay amounts borrowed under our credit facilities, our Notes and vessel lease and other financing agreements if we experience a change of control. These events may result in financial penalties to us under our leases.

In addition, our financing and lease arrangements limit our ability to, among other things:

- pay dividends if an event of default has occurred and is continuing under one of our credit facilities and capital and operating lease arrangements or if the payment of the dividend would result in an event of default;
- incur additional indebtedness under the credit facilities or otherwise, including through the issuance of guarantees;
- create liens on our assets;
- sell our vessels without replacing such vessels or prepaying a portion of our loan or lease arrangements; or
- merge or consolidate with, or transfer all or substantially all our assets to, another person.

Our ability to pay a cash dividend on our common shares that is greater than \$0.50 per share annually, when aggregated with all other cash dividends paid per share of our common stock in the preceding 360 days, may be limited under a restricted payments covenant included in the indenture governing the Fairfax Notes.

Accordingly, we may need to seek consent from our lenders, lessors or holders of our Notes in order to engage in some corporate actions. The interests of our lenders, lessors and holders of our Note may be different from ours, and we may be unable to obtain our lenders', lessors' or Note holders' consent when and if needed. In addition, we are subject to covenants applicable to our preferred shares. If we do not comply with the restrictions and covenants applicable to our credit facilities, Notes, or vessel lease and other financing arrangements, results of operations and financial condition and ability to pay dividends on our shares or redeem our preferred shares will be negatively impacted.

Charterparty-related defaults under certain of our secured credit facilities and vessel lease and other financing arrangements could permit the counterparties thereto to accelerate our obligations and terminate such facilities or leases, which could subject us to termination penalties.

Most of our vessel financing credit facilities and other financing arrangements, as well as our operating leases, are secured by, among other things, payments from the charterers for the applicable vessels and contain default provisions relating to non-payment. The prolonged failure of a charterer to pay in full under the charter or the termination or repudiation of the charter without our entering into a replacement charter contract within a specified period of time constitutes an event of default under certain of our financing agreements. If such a default were to

occur, our outstanding obligations under the applicable financing agreements may become immediately due and payable, and the lenders' commitments under the financing agreements to provide additional financing, if any, may terminate. This could also lead to cross-defaults under other financing agreements and result in obligations becoming due and commitments being terminated under such agreements. A default under any financing agreement could also result in foreclosure on certain applicable vessels and other assets securing related loans or financings.

Exposure to interest rate fluctuations may result in fluctuations in our results of operations and financial condition.

As of December 31, 2020, we had an aggregate of approximately \$3.7 billion outstanding under our credit facilities and our Notes, and vessel lease and other financing arrangements of approximately \$1.8 billion. The majority of our credit facilities and vessel lease arrangements are variable rate facilities and leases, under which our payment obligations will increase as interest rates increase. While we have entered into interest rate swaps to manage some of our interest rate risk, interest rate fluctuations and their impact on the fair value of our interest rate swaps may have a negative effect on the results of our operations and financial condition. Please read "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk."

Risks related to our securities

Fairfax has significant influence over our policies and business.

During 2018, 2019 and 2020, Fairfax completed a series of investments in our Company. In addition, we acquired APR Energy on February 28, 2020 from Fairfax and other sellers, in consideration for which we issued common shares to Fairfax and the other sellers. If the 25,000,000 warrants that were issued to Fairfax in July 2018 were exercised in full, as of March 1, 2021, Fairfax's shareholdings in Atlas, including common shares owned by V. Prem Watsa (the chairman and chief executive officer of Fairfax Financial Holdings Limited) that he acquired in the open market, would have represented approximately 46.2% of our outstanding common shares on such date after taking into account the issuance of the shares to Fairfax upon exercise of those warrants. For more information about these investments, see "Item 7. Major Shareholders and Related Party Transactions."

The indentures relating to the Fairfax Notes provide Fairfax with the right to designate (and Fairfax has so designated in the case of the Atlas board of directors) (i) two members of the Atlas board of directors and one member of the Seaspan board of directors if at least \$125.0 million aggregate principal amount of the 2025 Notes and 2026 Notes and \$100.0 million aggregate principal amount of the 2027 Fairfax Notes remains outstanding, or (ii) one member of the Atlas board of directors if at least \$50.0 million but less than \$125.0 million aggregate principal amount of the 2025 Notes and 2026 and less than \$100.0 million of the 2027 Fairfax Notes remains outstanding; provided, however, that in no event shall the rights under the indentures governing the Fairfax Notes allow Fairfax to designate more than two members to the Atlas board of directors and one member to the Seaspan board of directors if the thresholds described in clause (i) above are reached, or to designate more than one member to the Atlas board of directors if the thresholds described in clause (ii) above are reached. Lawrence Chin and Stephen Wallace serve as Fairfax's designees to the Atlas board of directors. The combination of Fairfax's board representation and positions as a significant debt and equity holder gives Fairfax significant influence over our policies and business, and Fairfax's objectives may conflict with those of other security holders and stakeholders of us.

We may not have sufficient cash from our operations to enable us to pay dividends on our shares or redeem our preferred shares following the payment of expenses.

We pay quarterly dividends on our shares from funds legally available for such purpose when, as and if declared by and in the discretion of our board of directors. We may not have sufficient cash available each quarter to pay dividends. In addition, we may have insufficient cash available to redeem our preferred shares. The amount of dividends we can pay or the amount we can use to redeem the preferred shares depends upon the amount of cash we generate from and use in our operations, which may fluctuate significantly based on, among other things:

- our continued ability to maintain, enter into or renew charters for vessels and leases of our power generation assets with our existing customers or new customers;
- the rates we obtain for such charters and leases and the ability of our customers to perform their obligations thereunder;

- the level of our operating costs;
- the number of off-charter or unscheduled off-hire days for our fleet and the timing of, and number of days required for, dry-docking of our containerships;
- prevailing global and regional economic and political conditions;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;
- changes in the basis of taxation of our activities in various jurisdictions;
- our ability to service and refinance our current and future indebtedness;
- our ability to raise additional debt and equity to satisfy our capital needs;
- dividend and redemption payments applicable to other senior or parity equity securities; and
- our ability to draw on our existing credit facilities and the ability of our lenders and lessors to perform their obligations under their agreements with us.

We have recently paid quarterly dividends of \$0.125 per common share; for additional information, please read “Item 5. Operating and Financial Review and Prospects—C. Liquidity and Capital Resources—Ongoing Capital Expenditures and Dividends”. Any increase in such dividend (1) will result in an upward adjustment of the number of our common shares issuable (a) upon exercise of the warrants we issued to Fairfax in July 2018 and (b) upon the exchange of the Exchangeable Notes, (2) may trigger a Potential Adjustment Event under the capped calls (as such term is defined therein) entered into by us in connection with the issuance of the Exchangeable Notes, and (3) may be prohibited by the covenants relating to the Fairfax Notes, subject to a restricted payments basket included in the indentures for the Fairfax Notes. For additional information about the Fairfax investment, please read “Item 5. Operating and Financial Review and Prospects—A. General: Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments in year 2020 and 2021—Fairfax Investment.”

The amount of cash we have available to pay dividends on our shares or to redeem our preferred shares will not depend solely on our profitability, as our board of directors may determine to retain cash rather than to use it to pay dividends.

The actual amount of cash we will have available to pay dividends on our shares or to redeem our preferred shares depends on many factors, including, among others:

- changes in our operating cash flow, capital expenditure requirements, debt and lease repayment requirements, working capital requirements and other cash needs;
- restrictions under our existing or future credit and lease facilities or other financing arrangements, including existing restrictions under our credit facilities, Notes, and vessel lease and other financing arrangements, may impact our ability to declare or pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default or if the dividend would violate a restricted payments covenant for the Fairfax Notes;
- the amount of any reserves established by our board of directors; and
- restrictions under Marshall Islands law, which generally prohibits the payment of dividends other than from surplus (i.e., retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which is affected by non-cash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

Our board of directors periodically assesses our need to retain funds rather than pay them out as dividends. Our board of directors may decide to further reduce, or possibly eliminate, our dividend in order to retain funds necessary to preserve our capital base.

Substantial future sales of our preferred or common shares in the public market could cause the price of such shares to fall.

The market price of our preferred and common shares could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities at a time and price that we deem appropriate to raise funds. Since the time of our initial public offering, we have granted registration rights to the holders of certain of our securities, including common shares or securities convertible into common shares and preferred shares. Please refer to our discussion of these registration rights agreements at “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Registration Rights Agreements”. These shareholders, which include Fairfax and affiliates of the Washington family, have the right, subject to certain conditions, to require us to file registration statements covering the sale of such common shares or preferred shares. Following their sale under an applicable registration statement, any such common shares will become freely tradable. By exercising their registration rights and selling a large number of common shares or preferred shares, these shareholders could cause the price of our common shares or preferred shares to decline.

We are a “foreign private issuer” under the NYSE rules, and as such we are entitled to exemption from certain NYSE corporate governance standards, and you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

We are a “foreign private issuer” under the securities laws of the United States and the rules of the NYSE. Under the securities laws of the United States, “foreign private issuers” are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under the NYSE rules, a “foreign private issuer” is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the NYSE permit a “foreign private issuer” to follow its home country practice in lieu of the listing requirements of the NYSE. As permitted by the exemption, as well as by our bylaws and the laws of the Republic of the Marshall Islands, we currently have a board of directors with a majority of independent directors, an audit committee comprised solely of three independent directors and a combined corporate governance and compensation committee comprised of independent directors. It is possible that, in the future, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our securities.

Several provisions of our articles of incorporation and our bylaws could make it more difficult for our shareholders to change the composition of our board of directors, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

- authorizing our board of directors to issue “blank check” preferred shares without shareholder approval;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote for those directors;
- prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- limiting the persons who may call special meetings of shareholders;
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- restricting business combinations with interested shareholders.

These anti-takeover provisions could substantially impede a potential change in control and, as a result, may adversely affect the market price of our securities.

Our ability to pay dividends on our shares and redeem our preferred shares is limited by the requirements of Marshall Islands law.

Marshall Islands law provides that we may pay dividends on our shares and redeem our preferred shares only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of such shares. Atlas Corp. itself has no earnings from operations and relies on payments from its subsidiaries to meet its obligations. In addition, under Marshall Islands law we may not pay dividends on our shares or redeem our preferred shares if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

U.S. tax authorities could treat us as a “passive foreign investment company,” which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A non-U.S. corporation will be treated as a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes in any taxable year for which either (1) at least 75% of its gross income consists of “passive income” or (2) at least 50% of the average value of the corporation’s assets is attributable to assets that produce, or are held for the production of, “passive income.” For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business) but does not include income derived from the performance of services.

There are legal uncertainties involved in determining whether the income derived from our time chartering activities constitutes rental income or income derived from the performance of services, including the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Internal Revenue Code of 1986, as amended (the “Code”). However, the Internal Revenue Service (the “IRS”), stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS’s statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and those of our subsidiaries), we intend to take the position that we are not now and have never been a PFIC. No assurance can be given, however, that this position would be sustained by a court if contested by the IRS, or that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to determine that we are or have been a PFIC for any taxable year during which a U.S. Holder (as defined below under “Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Considerations”) held shares, such U.S. Holder would face adverse U.S. federal income tax consequences. For a more comprehensive discussion regarding our status as a PFIC and the tax consequences to U.S. Holders if we are treated as a PFIC, please read “Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders—PFIC Status and Significant Tax Consequences.”

General risk factors

We have and may in the future be required to recognize significant impairment charges.

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, which occurs when the assets’ carrying value is greater than the undiscounted future cash flows the asset is expected to generate over its remaining useful life. Examples of such events or changes in circumstances related to our long-lived assets include:

- A significant decrease in the market price of the asset;
- A significant adverse change in the extent or manner in which the asset is being used or in its physical condition;
- A significant adverse change in legal factors or in the business climate that could affect the asset’s value, including an adverse action or assessment by a regulator;

- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset;
- A current period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the asset's use; or
- A current expectation that, more likely than not the asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

If the estimated undiscounted future cash flows of an asset, excluding interest charges, expected to be generated by the use of the asset over its useful life exceeds the asset's carrying value, no impairment is recognized even though the fair value of the asset may be lower than its carrying value. If the estimated undiscounted future cash flows are less than its carrying amount, an impairment charge is recorded for the amount by which the net book value of the asset exceeds its fair value.

With respect to our goodwill, we perform an assessment of impairment on November 30, annually, or earlier if events or changes in circumstances indicate that the carrying amount of the reporting unit may be impaired. To the extent that the net book value exceeds the fair value of the reporting unit, an impairment of the difference is taken, up to the value of the goodwill. In determining the fair value of the reporting unit, a income approach is taken, using a discounted cash flow.

In our experience, certain assumptions relating to our estimates of future cash flows are more predictable by their nature, such as the estimated revenue under existing contracts and remaining asset life. Other assumptions require more judgment and are inherently less predictable, such as future revenue beyond the firm period of existing contracts, asset utilization, ongoing operating costs and residual values. These assumptions require significant judgment and are inherently volatile, given the unpredictable nature of the business. We assess these assumptions on a continuous basis and believe those used to estimate future cash flows of our assets are reasonable at the time they are made. We can make no assurances, however, as to whether our estimates of future cash flows will be accurate.

For our mobile power generation segment, we performed a goodwill impairment test on November 30, 2020 and determined that the carrying value of the reporting unit exceeded the associated discounted cash flows. Accordingly, we recorded a non-cash impairment charge of \$117.9 million, which represents the balance of goodwill related to the mobile power generation segment. We have not identified any events or changes in circumstances indicating that the carrying value of other assets in the segment are not recoverable.

In our containership business, we have not identified any events or changes in circumstances indicating that the carrying amount of the assets may not be recoverable and accordingly, no impairments have been recorded. However, we have recorded impairments in the past; during the year ended December 31, 2016, we recorded non-cash vessel impairments of \$285.2 million for 16 vessels held for use. We performed an impairment test of our vessels at December 31, 2017 and determined that the undiscounted future cash flows of each vessel was expected to be greater than its carrying value and therefore took no impairment charge.

The amount, if any, and timing of any impairment charges we may recognize in the future (which may be as early as 2021) will depend upon then current and expected future revenue and lease rates, asset utilization, operating expenditures, asset residual values, inflation and the remaining expected useful lives of our assets, which may differ from period to period. Any future impairment charges may be material and would harm our earnings and net asset values. Please read "Item 5. Operating and Financial Review and Prospects—D. Critical Accounting Policies and Estimates"

Disruptions and security threats to our technology systems could negatively impact our business.

In the ordinary course of business, we rely on the security of information and operational technology systems, including those of our business partners and other third parties, to manage or support a variety of business activities including operating and navigating our containership fleet and operating our power generation equipment; tracking container contents and delivery; maintaining vessel and power plant infrastructure; communicating with personnel, management, customers and business partners; collecting, processing, transmitting and storing electronic information, including personal, employee, business, financial and operational data; facilitating business and financial transactions; and providing services to our customers. A cyber-attack on us, or our business partners, could significantly disrupt these and other commercial activities and business functions resulting in a loss of revenue and customer relationships. For operational technology in particular, a cyber-attack could result in physical damage to assets and infrastructure, injury or loss of life and environmental harm.

Our global technology network faces many threats from criminal hackers and competitors who may use phishing emails, unauthorized network intrusions, electronic communications or portable electronic devices to distribute computer viruses and ransomware, enable fraudulent transactions, or otherwise alter the confidentiality, integrity and availability of our information and information systems. Despite our continuing efforts to secure our technology network infrastructure, protect our critical data and systems, and ensure operational resiliency, cyber-attacks may occur that could have a material impact on our financial performance, reputation and continuous operations. Cyber-attacks are becoming increasingly common and more sophisticated, and may be perpetrated by computer hackers, cyber-terrorists or others engaged in corporate espionage. Further, as the methods of cyber-attacks continue to evolve, we may be required to expend additional resources to enhance and supplement our existing protective measures. A successful cyber-attack could also result in significant costs associated with the investigation and remediation of our technology systems, as well as increased regulatory and legal liability.

Our insurance may be insufficient to cover losses that may occur to our property or result from the inherent operational risks of our business.

Our business is exposed to the inherent risks in the markets in which we operate. Although we seek to obtain appropriate insurance coverage in relation to the principal risks associated with our business, we cannot guarantee that such insurance coverage is, or will be, sufficient to cover all of the possible losses we may face in the future. If we were to incur a serious uninsured loss or a loss that significantly exceeded the coverage limits established in our insurance policies, the resulting costs could have a material adverse effect on our business, financial condition and results of operations. In addition, if the level of premiums were to increase in the future, or certain types of insurance coverage were to become unavailable, we might not be able to maintain insurance coverage comparable to those that are currently in effect at comparable cost, or at all. If we were unable to pass any increase in insurance premiums on to our customers, such additional costs could have a material adverse effect on our business, financial condition and results of operations. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe they are standard, may directly or indirectly increase our costs.

In our containership leasing business, we maintain insurance for our fleet against risks commonly insured against by vessel owners and operators. Our insurance includes hull and machinery insurance, war risks insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance); we do not carry loss-of-hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled dry-docking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or extended vessel off-hire, due to an accident or otherwise, could harm our business, results of operations and financial condition.

In our power generation business, we maintain customary insurances for the industry including cover for transportation of equipment, machinery breakdown, losses due to fire and natural disasters and business interruption. In certain jurisdictions, coverage against political risk is also in place. We evaluate the need for cover, limits and deductibles on an ongoing basis in consultation with our insurance brokers and other subject matter experts, however there can be no assurance that we will have sufficient coverage to insurance us against all potential liability.

We depend on our key personnel and changes in our management team may adversely affect our operations.

Over the last several years, we have experienced significant turnover and changes in our senior management. In January 2018, Bing Chen was appointed as Chief Executive Officer ("CEO"), replacing Gerry Wang who resigned in November 2017; in May 2018, Ryan Courson was appointed as Chief Financial Officer ("CFO"), replacing David Spivak, who resigned the same month; in July 2018, Tina Lai was appointed as our Chief Human Resources Officer; in October 2018, Torsten Holst Pedersen (now Chief Operating Officer of Seaspan) was appointed Executive Vice President, Ship Management; in September 2020, Ryan Courson resigned as CFO, with Mr. Chen taking on the role of interim CFO; in January 2021, Graham Talbot was appointed as CFO; and since Mark Chu's departure in 2018, three persons have held the role of General Counsel. There have also been significant changes in APR Energy's senior management, including the resignations of APR Energy's CEO and CFO in April and June 2020, respectively. In June 2020, Brian Rich was appointed as President & Chief Operating Officer of APR Energy.

While we expect to engage in an orderly transition process as we integrate newly appointed personnel, we face a variety of risks and uncertainties relating to this transition, including diversion of management attention from business concerns, loss of institutional knowledge and failure to retain other key personnel. These risks and uncertainties could result in operational and administrative inefficiencies and added costs, which could adversely

impact our business and results of operations.

Our future success depends to a significant extent upon our ability to identify, hire, develop, motivate and retain key personnel, including our senior management and skilled employees. Competition for highly qualified professionals is intense. If key employees depart, it could prevent or delay the implementation and completion of our strategic objectives, divert management's attention to seek certain qualified replacements or adversely affect our ability to manage our business effectively and, as a result, our business, results of operations and financial condition may be adversely affected.

Currency exchange rate fluctuations affect our results of operations.

Although all of our charter revenues are earned in U.S. dollars and a significant portion of our operating and general and administrative costs are incurred in U.S. dollars, we conduct operations in many countries involving transactions denominated in a variety of currencies. We are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. We monitor exchange rate fluctuations on a continuous basis and seek to reduce our exposure in certain circumstances by denominating charter-hire revenue, ship building contracts, purchase contracts and debt obligations in U.S. dollars when practical to do so; however, we do not currently fully hedge movements in currency exchange rates. As a result, currency fluctuations may have a negative effect on our results of operations and financial condition.

We also face risks arising from the imposition of exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing controls. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

Terrorist attacks and international hostilities could harm our business, results of operations and financial condition.

Terrorist attacks and the continuing response to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets. Conflicts in Afghanistan, Syria, the Middle East and other regions and periodic tensions between North and South Korea (where many shipbuilders are located) may lead to additional acts of terrorism, regional conflict and other armed conflict around the world, which may contribute to further economic instability in the global financial markets or in regions where our customers do business or, in the case of countries in which our shipbuilders are located, affect our access to new vessels. These uncertainties or events could harm our business, results of operations and financial condition, including our ability to obtain additional financing on terms acceptable to us, or at all. In addition, terrorist attacks targeted at sea vessels in the future may negatively affect our operations and financial condition and directly affect our containerhips or customers.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Marshall Islands, Atlas's and Seaspan's principal executive offices are located outside of the United States, a majority of our directors and officers reside outside of the United States, and we conduct operations in countries around the world. In addition, a substantial portion of our assets and the assets of our directors, officers and experts are located outside of the United States. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act ("BCA"). The provisions of the BCA resemble provisions of the corporation laws of some

states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

Because Atlas and Seaspan are organized under the laws of the Republic of the Marshall Islands, it may be difficult to serve Atlas and Seaspan with legal process or enforce judgments against Atlas, Seaspan or their respective directors or management.

Atlas and Seaspan are organized under the laws of the Republic of the Marshall Islands, and the majority of our assets are located outside of the United States. Atlas's and Seaspan's principal executive offices are located in the United Kingdom and Hong Kong, respectively, and a majority of our directors and officers are residents outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against our directors or our officers in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Republic of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or our directors and officers.

Item 4. Information on the Company

A. History and Development of the Company

Atlas Corp. is a Republic of the Marshall Islands corporation incorporated under the Marshall Islands *Business Corporations Act* on October 1, 2019 for the purpose of facilitating the Reorganization (as discussed in Part I above). On February 28, 2020, after the Reorganization, Atlas completed the acquisition of all the issued and outstanding common shares of Apple Bidco Limited, which owns 100% of APR Energy. Atlas Corp. is a holding company and its sole assets are its interests in Seaspan and APR Energy and their respective subsidiaries. We maintain our principal executive offices at 23 Berkeley Square, London, United Kingdom, W1J 6HE, and our telephone number is +44 20 7788 7819. We maintain an Internet site at <https://atascorporation.com>. The information contained on our website or information about us that can be accessed through our website will not be deemed to be incorporated into this Form 20-F.

Atlas common shares trade on the New York Stock Exchange under the ticker symbol "ATCO".

B. Business Overview

General

Atlas Corp. is a global asset manager and the parent company of Seaspan and APR Energy. We have two reportable segments: containership leasing and mobile power generation. Our containership leasing segment, which is conducted through Seaspan, owns and operates a fleet of containerships which it charters to major container liner companies. Our power generation segment, which is conducted through APR Energy, owns and operates a fleet of power generation assets, including gas turbines and other equipment, and provides power solutions to customers through various contracts.

Containership leasing

Through Seaspan, we are a leading independent charter owner and manager of containerships. We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. As at March 1, 2021, we operated a fleet of 127 vessels that have an average age of approximately eight years, on a TEU weighted basis.

As of March 1, 2021, the charters on the 127 vessels in our operating fleet had an average remaining lease period of approximately four years, on a TEU weighted basis, excluding the effect of charterers' options to extend certain time charters.

Customers for our operating fleet as of March 1, 2021 were as follows:

Customers for Current Fleet	Number of vessels under charter	TEUs under charter
CMA CGM	15	126,700
COSCO	37	267,500
Hapag-Lloyd	13	109,250
KMTC	1	4,250
Maersk	13	69,500
MSC	6	67,000
ONE	25	204,750
Yang Ming Marine	16	220,000
ZIM	1	4,250

Our primary objective for Seaspan is to continue to grow our containership leasing business through accretive vessel acquisitions as market conditions allow. Most of our customers' containership business revenues are derived from the shipment of goods from the Asia Pacific region, primarily China, to various overseas export markets in the United States and in Europe.

Seaspan Fleet

The following table summarizes key facts regarding our 127 operating vessels as of December 31, 2020:

Vessel Class (TEU)	# Vessels (Total fleet)	# Vessels (of which are unencumbered)	Average Age (Years)(7)	Average Remaining Charter Period (Years)(1)(7)	Average Daily Charter Rate (in thousands of USD)	Days Off-Hire(5)	Total Ownership Days(6)
2500-3500	14	6	12.6	2.0	11.0	129	5,124
4250-5100(2)	33	18	13.6	1.2	14.9	315	12,078
8500-9600(3)	16	2	10.9	2.9	33.8	112	5,741
10000-11000(4)	33	3	5.2	4.7	31.2	90	12,078
12000-13100	16	-	6.9	3.5	46.8	5	4,355
14000+	15	2	5.1	4.9	48.3	61	5,490
Total/Average	127	31	7.6	3.7	29.1	712	44,866

(1) Excludes options to extend charter.

(2) Includes 1 vessel on bareboat charter.

(3) Includes 3 vessels on bareboat charter.

(4) Includes 8 vessels on bareboat charter.

(5) Days Off-Hire includes scheduled and unscheduled days related to vessels being off-charter during the year ended December 31, 2020.

(6) Total Ownership Days for the year ended December 31, 2020 includes time charters and bareboat charters and excludes days prior to the initial charter hire date.

(7) Averages shown are weighted by TEU.

The following table indicates the number of vessels we took delivery of during 2020 and the total TEU capacity of our fleet as at December 31, 2020:

Vessels owned and leased as of January 1, 2020	117
Deliveries during 2020	10
Total Fleet as of December 31, 2020	127
Total Capacity (TEU)	1,073,200

Charters

We charter our vessels primarily under long-term, fixed-rate time charters. The following table presents the number of vessels chartered by each of our customers as of March 1, 2021.

Charterer	Number of Vessels in Our Current Operating Fleet
CMA CGM	9
COSCO	37
Hapag-Lloyd	12
KMTC	1
Maersk	13
ONE	25
Yang Ming Marine	16
ZIM	1
Total time charters	114
MSC (bareboat charters)	6
CMA CGM (bareboat charters)	6
Hapag-Lloyd (bareboat charter)	1
Total fleet	127

Time Charters and Bareboat Charters

A time charter is a contract for the use of a vessel with crew for a fixed period of time at a specified daily rate. A bareboat charter is a contract for the use of a vessel without crew where the charterer also assumes responsibility for drydocking of the vessel, if needed. See "Glossary."

As of March 1, 2021, five 11000 TEU vessels are chartered by MSC, three 10700 TEU vessels and three 9200 TEU vessels are chartered by CMA CGM, one 12000 TEU vessel is chartered to MSC and one 4250 TEU vessel is chartered to Hapag-Lloyd under bareboat charters. See "Glossary." Under the MSC 11000 TEU bareboat charters, the charterer has agreed to purchase each vessel for a pre-determined fixed price at the end of their respective bareboat charter terms, whereas under the CMA CGM bareboat charters, the charterer has the option to purchase the vessels at a purchase price equivalent to the fair value within a pre-determined range based on the contract terms, at the end of their respective bareboat charter terms. Under the MSC 12000 TEU bareboat charter, the charterer has the option to purchase the vessel at a pre-determined purchase price at the end of the bareboat charter term. There are no options or obligations to purchase the vessel under the terms of the bareboat charter with Hapag-Lloyd.

The initial term for a time or bareboat charter commences when the charterer obtains the right to use the asset under the relevant lease arrangement. Under all of our time charters, the charterer may also extend the term for periods in which the vessel is off-hire. A summary of average remaining charter periods is included above under "—Seaspan Fleet."

Hire Rate

Under all of our long-term time charters, charter hire is payable in U.S. dollars, as specified in the charter. The hire rate is a fixed daily amount that, for some contracts may increase, or decrease at varying intervals during the term of the charter and any extension to the term. Payments generally are made in advance on a monthly or semi-monthly basis. The hire rate may be reduced in certain instances as a result of added cost to the charterer due to vessel performance deficiencies in speed or fuel consumption. We have had no instances of such hire rate reductions.

Operations and Expenses

We operate our vessels on time charter and are responsible for vessel operating expenses. See "Glossary." The charterer generally pays the voyage expenses. See "Glossary."

Off-hire

When a vessel is "off-hire," or not available for service, the charterer generally is not required to pay the hire rate, and we are responsible for all costs, including the fuel cost, unless the charterer is responsible for the circumstances giving rise to the vessel's lack of availability. A vessel generally will be deemed to be off-hire when there is an event preventing the full working of the vessel due to, among other things:

- operational deficiencies not due to actions of the charterers or their agents;
- dry-docking for repairs, maintenance or inspection;
- equipment or machinery breakdowns, abnormal speed and construction conditions;
- delays due to accidents for which the vessel owner, operator or manager is responsible, and related repairs;
- crewing strikes, labor boycotts caused by the vessel owner, operator or manager, certain vessel detentions or similar problems; or
- a failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew.

Under most of our time charters, if a vessel is off-hire for a specified number of consecutive days or for a specified aggregate number of days during a 12-month period, the charterer has the right to cancel the time charter with respect to that vessel. Under some charter contracts, if a vessel is off-hire for specified reasons for a prolonged period, we are obligated to charter a substitute vessel and to pay any difference in hire cost of the charter for the duration of the substitution. The periods of off-hire that trigger such termination rights exclude, in addition to any other specific exclusions in the charter, off-hire for routine dry-dockings or non-compliance with regulatory obligations. Our charter contracts generally provide for hire adjustments for vessel performance deficiencies such as those in speed or fuel consumption, with prolonged performance deficiencies giving the charterer a termination right under some charters.

Ship Management and Maintenance

Under each of our time charters, we are responsible for the operation and management of each vessel, including maintaining the vessel, periodic dry-docking, cleaning and painting and performing work required by regulations.

We focus on risk reduction, operational reliability and safety. We believe we achieve high standards of technical ship management by, among other methods:

- developing a minimum competency standard for seagoing staff;
- standardizing equipment used throughout the fleet, thus promoting efficiency and economies of scale;
- implementing a voluntary vessel condition and maintenance monitoring program;
- maintaining a high retention rate for the senior officers on our vessels;
- a cadet training program;
- recruiting and retaining highly-skilled and talented people in our technical ship management offices in Vancouver and Hong Kong;

Our staff has skills in all aspects of ship management and experience in overseeing new vessel construction, vessel conversions and general marine engineering, and has previously worked in various companies in the international ship management industry. A number of senior managers also have sea-going experience, having served aboard vessels at a senior rank. In all training programs, we place an emphasis on safety and regularly train our crew members and other employees to meet our high standards. Shore-based personnel and crew members are trained to be prepared to respond to emergencies related to life, property or the environment.

Sale and Purchase of Vessels

Under some of our time charters, the customer has the right to prior notice of or consent to any proposed sale of the applicable vessel, which consent cannot be unreasonably withheld. A limited number of charters provide the charterer with a right of first refusal for the proposed vessel sale, which would require us to offer the vessel to the charterer prior to selling it to another entity. Sub-charters do not affect our ability to sell our time chartered vessels. As of March 1, 2021, we have five vessels on 17-year bareboat charters that require the charterer to purchase each vessel upon termination of the bareboat charter at a pre-determined amount, six vessels in which the charterer has the option upon termination to purchase the vessels at a purchase price equivalent to the fair value within a pre-determined range and one vessel where the charterer has the option upon termination to purchase the vessel at a pre-determined purchase price.

Inspection by Classification Societies

Every seagoing vessel must be certified as seaworthy by a classification society. The classification society certifies that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake the surveys on application or by official order, acting on behalf of the authorities concerned.

Each vessel is inspected by a surveyor of the classification society in three surveys of varying frequency and thoroughness: every year for annual surveys, every two to three years for intermediate surveys, and every five years for special surveys. If any defects are found, the classification surveyor will issue a "condition of class" or a "requirement" for appropriate repairs that have to be made by the shipowner within the time limit prescribed. Vessels may be required, as part of the annual and intermediate survey process, to be dry-docked for inspection of the underwater portions of the vessel and for necessary repair stemming from the inspection. Special surveys always require dry-docking. The classification society also undertakes on request other surveys and inspections that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case or to the regulations of the country concerned.

Power Generation

Through APR Energy, we also operate a fleet of power generation assets (gas turbines and other power generation equipment), providing electricity to customers including large corporations in the oil and gas, mining and other industries and both government backed and private utilities. As of March 1, 2021, we operated a fleet of 30 gas turbines and 439 diesel generators. The average age of the turbines is eight years and the average age of our diesel generators is eleven years.

Our primary objective is to drive sustained growth and optimize cash flow by delivering operational excellence and providing a broad range of innovated technologies and offerings to generate customer value. Our revenues are primarily derived from offering customized power solutions that include flexible plant design, fast-tracked installation of generating equipment and balance of plant, plant operation and around-the-clock service and maintenance.

APR Energy fleet

The following table summarizes key facts regarding our mobile power fleet as of December 31, 2020:

Asset Type	Fleet Size (MW)	Contracted Fleet (MW)	Contracted Revenue (USD millions)	Average Remaining Term (Years)(1)
Mobile Power Fleet	1,376	866	\$ 283.9	1.9

(1) Average remaining contract term excludes extensions; weighted by MW installed.

APR Energy operates in developed and developing markets worldwide. Each market has unique drivers for energy demand along with a mix of competitors. Historically, outside of natural disasters and manmade events, APR Energy's main market has been in the developing market providing power for sovereign utilities and industry. Typically, the acute demand for power in these markets evolves from a combination of lack of planning, electricity demand outstripping supply in general, political events or delays in investment. As APR Energy's gas turbines are quickly deployable, can run on multiple fuels, have low emissions and are power-dense, we have successfully completed power projects of varying terms in markets where utilities, grid operators and industrial customers require large blocks of power quickly for seasonal peaking, augmenting baseload power, replacing power generation during maintenance of existing power plants, bridging to permanent solutions plants, or exigent event-driven emergency response.

Region	Year Ended December 31,		
	2018	2019	2020
Power Revenues:			
LATAM	205.4	152.4	141.3
North America	14.7	3.5	-
EMEA	4.9	8.5	19.3
Asia	109.9	95.5	61.0
O&M Revenues:			
LATAM	0.1	-	0.8
North America	-	4.4	6.2
Asia	-	6.9	6.7
Other:			
Asset sales	170.5	37.0	6.5
Fuel Revenue	114.3	13.2	-
Total	619.8	321.4	241.8

APR Energy's contracts generally take the form of power purchase agreements. Under such a structure, customers purchase a portion of APR's generation capacity over a period of time on a take or pay basis. Additional fees may be assessed for actual equipment run time. APR is obligated to deliver an operating power plant by a date certain, the plant must be available for a certain percentage of time during the contract period, the plant must produce a certain number of megawatts and it must operate within certain fuel efficiency parameters. Failure to meet any of these conditions generally subjects APR to monetary penalties.

Insurance

Containership leasing. We maintain marine hull and machinery, and war risks insurances, which covers the risk of actual or constructive total loss and partial loss, for all of our vessels. Each of our vessels is covered up to at least fair market value with certain deductibles, per vessel, per claim. We achieve this overall loss coverage by maintaining, as included, nominal increased value coverage for each of our vessels, under which coverage, in the event of total loss of a vessel, we will be entitled to recover amounts not recoverable under the hull and machinery policy beyond partial loss. We have not obtained, and do not intend to obtain, loss-of-hire insurance covering the loss of revenue during extended off-hire periods. We believe that this type of coverage is not economical and is of limited value to us. However, we evaluate the need for such coverage on an ongoing basis, taking into account insurance market conditions and the employment of our vessels. The charterer generally pays extra war risk insurance and broker commissions when the vessel is ordered by the charterer to enter a notified war exclusion trading area.

Protection and indemnity insurance is provided by mutual protection and indemnity associations ("P&I associations"), which insure our third-party pollution, wreck removal and crew liabilities in connection with our shipping activities. Coverage includes third-party liability, crew liability and other related expenses resulting from the abandonment, injury or death of crew, and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by P&I associations. Subject to a limit, our coverage is nearly unlimited, but subject to the rules of the particular protection and indemnity insurer.

The 13 P&I associations that comprise the International Group insure approximately 90% of the world's commercial blue-water tonnage and have entered into a pooling agreement to reinsure each association's liabilities. As a member of a mutual P&I association, which is a member or affiliate of the International Group, we are subject to calls payable to the associations based on the International Group's claim records as well as a proportioned impact of claim records of all other members of the individual associations.

Power generation. APR Energy maintains customary insurances for its industry, including cover for transportation of its equipment, machinery breakdown, losses due to fire and natural disasters and business interruption. In certain jurisdictions coverage against political risk is also in place. We evaluate the need for cover, limits and deductibles on an ongoing basis in consultation with our insurance brokers and other subject matter experts.

Competition

Containership Leasing. We operate in markets that are highly competitive and based primarily on supply and demand of containerships. We compete for charters based upon price, customer relationships, operating and technical performance, professional reputation and size, age and condition of the vessel.

Competition for providing new containerships for chartering purposes comes from a number of experienced shipping companies, including direct competition from shipping and lease financing companies, other independent charter owners and indirect competition from state-sponsored and other major entities with their own fleets. Some of our competitors may have greater financial resources than we do and can operate larger fleets and may be able to offer better charter rates. An increasing number of marine transportation companies have entered the containership sector, including many with positive reputations and extensive resources and experience. This increased competition may cause greater price competition for time charters.

Power Generation. Competition for APR Energy comes from power generation equipment manufacturers (OEMs), regional and global IPPs, fuel companies, and other specialty power generation companies including local and regional power rental companies. Barriers to entry in our market space remain high, but there are new and expanding entrants competing with APR Energy with different solutions and technologies, including renewables. This may create pricing pressure in the market, slower contracting of our gas turbine solutions, and lead to reduced margins.

Seasonality

Containership Leasing. Our vessels primarily operate under long-term charters and are generally not subject to the effect of seasonal variations in demand, except where such charters have expired and we are seeking to re-charter a vessel on a short-term basis at then current market rates.

Power Generation. A portion of APR Energy's demand is subject to seasonality as it pertains to customers with increased power demand due to either hot temperatures in the summertime or cold temperatures in the wintertime. The exigent events that drive some of APR Energy's response driven projects are seasonal such as hurricane driven demand but can easily occur any time of year such as power plant failures, earthquakes or tsunamis. The bulk of APR Energy's demand results from a lack of planning, electricity demand outstripping supply in general, political events or delays in investment, none of which are driven by seasonality.

Environmental and Other Regulations

Government regulation significantly affects our business and the operation of our vessels and power plants. We are subject to international conventions and codes, and national, state, provincial and local laws and regulations in the jurisdictions in which our businesses operate or where our vessels are registered, including, among others, those governing the generation, management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges and noise abatement.

A variety of government, quasi-government and private entities require us to obtain permits, licenses or certificates for our business operations. Failure to maintain necessary permits or approvals could require us to incur substantial costs or temporarily suspend the operation of one or more of our power plants or our vessels in one or more ports.

Increasing environmental concerns have created a demand for vessels that conform to the strictest environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States, Canadian and international regulations and with flag state administrations.

The following is an overview of certain material governmental regulations that affect our business and the operation of our vessels. It is not a comprehensive summary of all government regulations to which we are subject.

International Maritime Organization

The IMO is the United Nations' agency for maritime safety. The IMO has negotiated international conventions that impose liability for pollution in international waters and a signatory's territorial waters. For example, the IMO's International Convention for the Prevention of Pollution from Ships ("MARPOL"), imposes environmental standards on the shipping industry relating to, among other things, pollution prevention and procedures, technical standards, oil spills management, transportation of marine pollutants and air emissions. Annex VI of MARPOL, which regulates air pollution from vessels, sets limits on sulfur oxide, nitrogen oxide and particulate matter emissions from vessel exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. We believe all of our vessels currently are Annex VI compliant, as applicable. Annex VI also includes a global cap on the sulfur content of fuel oil with a lower cap on the sulfur content applicable inside Emission Control Areas ("ECAs"). Existing ECAs include the Baltic Sea, the North Sea, including the English Channel, the North American area and the U.S. Caribbean Sea area. Additional geographical areas may be designated as ECAs in the future.

Annex VI calls for incremental reductions in sulfur in fuel between 2012 and 2020 (or 2015 in the case of ECAs), and the use of advanced technology engines designed to reduce emissions of nitrogen oxide, with a "Tier II" emission limit applicable to engines installed on or after January 1, 2011 and a more stringent "Tier III" emission limit applicable to engines installed on or after 2016 operating in the North American and U.S. Caribbean Sea and for engines installed on or after 2021 for vessels operating in the Baltic and North Sea. For future nitrogen oxide ECA designations, Tier III standards will apply to engines installed on ships constructed on or after the date of ECA designation, or a later date as determined by the country applying for the ECA designation.

The global Sulphur cap came into force on January 1, 2020, following the amendments to Annex VI of MARPOL. This cap requires marine vessels to consume fuels with a maximum Sulphur content of 0.5%. Compliance with Annex VI for the emission of Sulphur oxides can be achieved by means of the primary control of using low Sulphur content fuel or through a secondary control by removing the Sulphur oxide pollutant using an exhaust gas cleaning systems. Our existing time charters call for our customers to supply fuel that complies with Annex VI. Currently, twelve (12) vessels in our fleet use alternate technology (Exhaust Gas Cleaning System) to achieve compliance with IMO's 2020 Sulphur cap.

Remainder of the vessels in our fleet have successfully achieved compliance with the IMO's Sulphur Cap by changing over consumption to compliant fuels.

In 2018, IMO adopted an initial strategy to reduce Green House Gases emission from international shipping. The strategy to reduce GHG emissions is consistent with the Paris Agreement goals. The measures adopted by IMO are primarily centered on design improvements for new build vessels and operational measures to improve energy efficiency of ships. In maintaining alignment with its strategy and corresponding targets, the Marine Environment Protection Committee of the IMO recently (Nov 2020) adopted additional short-term measures which include design improvements for existing ships and verification of operational efficiency by measuring Carbon Intensity. The new requirements will come into force starting in 2023. The IMO also requires ships of 5,000 gross tonnage or more to record and report their fuel consumption to their flag state at the end of each calendar year. Flag states of respective vessels will subsequently transfer this data to IMO Ship Fuel consumption database. The Database will help IMO measure GHG emissions and take measures to reduce the emissions in line with its strategic goals.

The IMO's International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention"), imposes, subject to limited exceptions, strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying states, which does not include the United States, caused by discharges of "bunker oil." The Bunker Convention also requires owners of registered vessels over a certain size to maintain insurance for pollution damage in an amount generally equal to the limits of liability under the applicable national or international limitation regime. We believe our vessels comply with the Bunker Convention.

The IMO's International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") requires the installation of ballast water treatment systems on certain newbuilding vessels for which the keel is laid after September 8, 2017 and for existing vessels at the renewal of their International Oil Pollution Prevention Certificate after September 8, 2019. The BWM Convention also requires ships to carry an approved ballast water management plan, record books and statement of compliance. We will be required to incur significant costs to install these ballast water treatment systems on some of our vessels before the applicable due dates.

The IMO also regulates vessel safety. The International Safety Management Code (the "ISM Code"), provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code requires our vessels to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy and implementation procedures. A Safety Management Certificate is issued under the provisions of SOLAS to each vessel with a Safety Management System verified to be in compliance with the ISM Code. Failure to comply with the ISM Code may subject a party to increased liability, may decrease available insurance coverage for the affected vessels, and may result in a denial of access to, or detention in, certain ports. All of the vessels in our fleet are ISM Code-certified.

Increasingly, various regions are adopting additional, unilateral requirements on the operation of vessels in their territorial waters. These regulations, such as those described below, apply to our vessels when they operate in the relevant regions' waters and can add to operational and maintenance costs, as well as increase the potential liability that applies to violations of the applicable requirements.

United States

The United States Oil Pollution Act of 1990 and CERCLA

The United States Oil Pollution Act of 1990 ("OPA"), establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), governs spills or releases of hazardous substances other than petroleum or petroleum products. Under OPA and CERCLA, vessel owners, operators and bareboat charterers are jointly and, subject to limited exceptions, strictly liable for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil or hazardous substances, as applicable, from their vessels. OPA and CERCLA define these damages broadly to include certain direct and indirect damages and losses, including the assessment of damages, remediation, damages to natural resources such as fish and wildlife habitat, and agency oversight costs.

Under certain conditions, liabilities under OPA and CERCLA may be limited due to base or gross ton caps, which are periodically updated. Liability caps do not apply under OPA and CERCLA if the incident is caused by gross negligence, willful misconduct or a violation of certain regulations.

We maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage it could harm our business, financial condition and results of operation. Vessel owners and operators must establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet their potential aggregate liabilities under OPA and CERCLA. Evidence of financial responsibility may be demonstrated by showing proof of insurance, surety bonds, self-insurance or guarantees. We have obtained the necessary U.S. Coast Guard financial assurance certificates for each of our vessels currently in service and trading to the United States. Owners or operators of certain vessels operating in U.S. waters also must prepare and submit to the U.S. Coast Guard a response plan for each vessel, which plan, among other things, must address a "worst case" scenario environmental discharge and describe crew training and drills to address any discharge. Each of our vessels has the necessary response plans in place.

OPA and CERCLA do not prohibit individual states from imposing their own liability regimes with regard to oil pollution or hazardous substance incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for spills. In some cases, states that have enacted such legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call.

Clean Water Act and Ballast Water Regulation

The Clean Water Act ("CWA"), establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters. Civil and criminal penalties are expressly authorized by the CQAS for discharges of pollutants without a permit and the failure to satisfy permit requirements. The Act also authorizes citizens to bring claims against alleged violators under its citizen suit provisions. The CWA also authorizes the Environmental Protection Agency ("EPA") to impose on responsible parties costs associated with the removal, and remediation of hazardous substances, as well other damages. In this way, the CWA complements the remedies available under OPA and CERCLA. The CWA does not prohibit individual states from imposing more stringent conditions, which many states have done.

Rules relating to ballast water, and specifically, ballast water discharge, have been adopted by the EPA and the United States Coast Guard. In general, these rules require the pre-treatment of ballast water prior to discharge. Additional requirements relating to ballast water management apply to vessels visiting different port facilities. Failure to comply with these rules could restrict our ability to operate within U.S. waters and result in fines, penalties or other sanctions.

As of December 2019, the EPA is regulating ballast water discharges and other discharges incidental to the normal operation of certain vessels pursuant to the Vessel Incidental Discharge Act ("VIDA"), which replaces the 2013 Vessel General Permit ("VGP") program. VIDA requires the EPA to develop performance standards for discharges within two years of enactment, and requires the U.S Coast Guard to develop complementary regulations within two years of EPA's promulgation of standards. Under VIDA, existing regulations regarding ballast water treatment remain in effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of the Notice of Intent ("NOI") or retention of the PARI form and submission of annual reports. We submit the NOIs for our vessels where required. Compliance with these and other regulations could require the installation of ballast water treatment equipment or the implementation of the other port facility disposal procedures at potentially significant costs.

In addition, the Act to Prevent Pollution from Ships ("APPS"), implements various provisions of MARPOL and applies to larger foreign-flag ships when operating in U.S. waters. The regulatory mechanisms established in APPS to implement MARPOL are separate and distinct from the CWA and other federal environmental laws. Civil and criminal penalties may be assessed under APPS for non-compliance.

Additional Ballast Water Regulations

The United States National Invasive Species Act ("NISA"), and the U.S. Coast Guard's regulations enacted under NISA, impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters, including a limit on the concentration of living organisms in ballast water discharged in such waters. Newbuilding vessels constructed after December 1, 2013 are required to have a U.S. Coast Guard-approved ballast water treatment system installed, and existing vessels are required to have a ballast water treatment system installed on the first scheduled dry-dock after January 1, 2016. As of March 1, 2021, there are over forty U.S. Coast Guard approved ballast water treatment systems, and additional systems are currently under review or testing. Because approvals were initially slow to be given, individual vessel implementation schedules have been extended in cases where vessel owners have demonstrated that compliance is not technologically feasible. Many of our vessels dry-docking in 2017 and 2018 received extensions until their next dry-dock.

The U.S. Coast Guard regulations also require vessels to maintain a vessel-specific ballast water management plan that addresses training and safety procedures, fouling maintenance and sediment removal procedures. Individual U.S. states have also enacted laws to address invasive species through ballast water and hull cleaning management and permitting requirements. For the vessels that will be subject to the requirements, under CWA or otherwise, the estimated cost to fit a U.S. Coast Guard-approved ballast water treatment system ranges from approximately \$0.4 million to \$0.5 million for a Panamax size vessel and below, and from approximately \$0.7 million to \$0.8 million for a post-Panamax size.

Clean Air Act

The Clean Air Act (the "CAA"), and its implementing regulations impose requirements on our vessels regarding vapor control and establish recovery requirements for cleaning fuel tanks and conducting other operations in regulated port areas. In addition, the EPA has adopted standards pursuant to the CAA concerning air emissions that apply to certain engines installed on U.S. vessels and to marine diesel fuels produced and distributed in the United States. These standards are consistent with Annex VI of MARPOL and mandate significant reductions for vessel emissions of particulate matter, sulfur oxides and nitrogen oxides.

The CAA also requires states to draft State Implementation Plans ("SIPs"), designed to attain national health-based air quality standards in primarily major metropolitan and industrial areas. Several SIPs regulate emissions from degassing operations by requiring the installation of vapor control equipment on vessels. For example, California has enacted regulations that apply to ocean-going vessels' engines when operating within 24 miles of the California coast and require operators to use low sulfur fuels. California has also approved regulations to reduce emissions from diesel auxiliary engines on certain ocean-going vessels while in California ports, including container ship fleets that make 25 or more annual visits to California ports. These, and potential future federal and state requirements may increase our capital expenditures and operating costs while in applicable ports. As with other U.S. environmental laws, failure to comply with the Clean Air Act may subject us to enforcement action, including payment of civil or criminal penalties and citizen suits.

Canada

Canada has established a complex regulatory enforcement system under the jurisdiction of various ministries and departments for preventing and responding to a marine pollution incident. The principal statutes of this system prescribe measures to prevent pollution, mandate remediation of marine pollution, and create civil, administrative and quasi-criminal liabilities for those responsible for a marine pollution incident.

Canada Shipping Act, 2001

The Canada Shipping Act, 2001 ("CSA 2001"), is Canada's primary legislation governing marine transport, pollution and safety. CSA 2001 applies to all vessels operating in Canadian waters and in the Exclusive Economic Zone of Canada. CSA 2001 requires shipowners to have in place an arrangement with an approved pollution response organization. Vessels must carry a declaration, which identifies the vessel's insurer and confirms that an arrangement with a response organization is in place. CSA 2001 also makes it a strict liability offense to discharge from a vessel a pollutant, including, among other things, oil. Vessels must have a shipboard oil pollution plan and implement the same in respect of an oil pollution incident. CSA 2001 provides the authorities with broad discretionary powers to enforce its requirements, and violations of CSA 2001 requirements can result in significant administrative and quasi-criminal penalties. CSA 2001 authorizes the detention of a vessel where there are reasonable grounds for believing that the vessel caused marine pollution or that an offense has been committed. Canada's Department of Transport has also enacted regulations on ballast water management under CSA 2001. These regulations require the use of management practices, including mid-ocean ballast water exchange. Each of our vessels is currently CSA 2001 compliant.

Canadian Environmental Protection Act, 1999

The Canadian Environmental Protection Act (the "CEPA"), regulates water pollution, including disposal at sea and the management of hazardous waste. CEPA prohibits the disposal or incineration of substances at sea except with a permit issued under CEPA, the importation or exportation of a substance for disposal at sea without a permit, and the loading on a ship of a substance for disposal at sea without a permit. Contravention of CEPA can result in administrative and quasi-criminal penalties, which may be increased if damage to the environment results and the person acted intentionally or recklessly. A vessel also may be seized or detained for contravention of CEPA's prohibitions. Costs and expenses of measures taken to remedy a condition or mitigate damage resulting from an offense are also recoverable. CEPA establishes liability to the Canadian government authorities that incur costs related to restoration of the environment, or to the prevention or remedying of environmental damage, or an environmental emergency. Limited defenses are provided but generally do not cover violations arising from ordinary vessel operations.

Marine Liability Act

The Marine Liability Act ("MLA"), is the principal legislation dealing with liability of shipowners and operators in relation to passengers, cargo, pollution and property damage. The MLA implements various international maritime conventions and creates strict liability for a vessel owner for damages from oil pollution from a ship, as well as for the costs and expenses incurred for clean-up and preventive measures. Both governments and private parties can pursue vessel owners for damages sustained or incurred as a result of such an incident. Although the act does provide some limited defenses, they are generally not available for spills or pollution incidents arising out of the routine operation of a vessel. The act limits the overall liability of a vessel owner to amounts that are determined by the tonnage of the containership. The MLA also provides for the creation of a maritime lien over foreign vessels for unpaid invoices to ship suppliers operating in Canada.

Wildlife Protection

The Migratory Birds Convention Act ("MBCA"), implements Canada's obligations under a bilateral treaty between the United States and Great Britain (on behalf of Canada) designed to protect migrating birds that cross North American land and water areas. The MBCA prohibits the deposit of any substance that is harmful to migratory birds in any waters or area frequented by migratory birds. A foreign vessel involved in a violation may be detained within Canada's Exclusive Economic Zone with the consent of the attorney general. The Fisheries Act prohibits causing the death of fish or the harmful alteration, disruption or destruction of fish habitat or the deposit of a deleterious substance in waters frequented by fish. The owner of a deleterious substance, the person having control of the substance and the person causing the spill must report the spill and must take all reasonable measures to prevent or remedy adverse effects resulting from a spill. The Species at Risk Act protects endangered aquatic species and migratory birds and their designated critical habitat. Violations of these Acts can be committed by a person or a vessel and may result in significant administrative and quasi-criminal penalties.

British Columbia's Environmental Management Act

British Columbia's Environmental Management Act ("EMA"), governs spills or releases of waste into the environment within the province. The EMA imposes absolute, retroactive, joint and separate liability for remediation of a contaminated site. Provincial government authorities have powers to order remediation of contamination and any person, including, among others, the government, who incurs costs remediating contamination caused by others has a civil cause of action for cost recovery against the polluters. Significant administrative and quasi-criminal penalties can also be imposed under the EMA if a person causes damage to the aquatic, ambient or terrestrial environment.

China

Prior to our vessels entering any ports in the PRC, we are required to enter into pollution clean-up agreements with pollution response companies approved by the PRC. Through a local agency arrangement, we have contracted with approved companies. These pollution clean-up agreements are not required if the vessel is only passing through PRC waters.

China has established a coastal emission control area (ECA) and inland emission control areas that cap sulphur content of marine fuels. The coastal ECA extends 12 nautical miles from the baseline of Chinese territorial waters. Marine fuels used by seagoing vessels entering the inland emission control areas shall not exceed 0.10% sulphur, from January 1, 2020.

Authorities in Hong Kong and Taiwan have also imposed similar cap on sulphur content of fuels consumed by vessels calling ports in their respective territories.

Mirroring the IMO and EU's efforts to monitor and measure carbon footprint from shipping, China introduced its own regulation to monitor energy consumption from ships operating in Chinese ports. Beginning January 1, 2019, all vessels entering or leaving ports in China report to authorities in prescribed format. All our vessels trading in Chinese ports are currently complying with the local regulatory requirements.

European Union Requirements

In waters of the EU, our vessels are subject to regulation by EU-level legislation, including directives implemented by the various member states through laws and regulations of these requirements. These laws and regulations prescribe measures, among others, to prevent pollution, protect the environment and support maritime safety. For instance, the EU has adopted directives that require member states to refuse access to their ports to certain sub-standard vessels, according to various factors, such as the vessel's condition, flag, and number of previous detentions (Directive 2009/16/EC on Port State Control as amended and supplemented from time to time). Member states must, among other things, inspect minimum percentages of vessels using their ports annually (based on an inspection "share" of the relevant member state of the total number of inspections to be carried out within the EU and the Paris Memorandum of Understanding on Port State Control region), inspect all vessels which are due for a mandatory inspection (based, among other things, on their type, age, risk profile and the time of their last inspection) and carry out more frequent inspections of vessels with a high risk profile. If deficiencies are found that are clearly hazardous to safety, health or the environment, the state is required to detain the vessel or stop loading or unloading until the deficiencies are addressed. Member states are also required to implement their own separate systems of proportionate penalties for breaches of these standards.

Our vessels are also subject to inspection by appropriate classification societies. Classification societies typically establish and maintain standards for the construction and classification of vessels, supervise that construction in accordance with such standards, and carry out regular surveys of ships in service to ensure compliance with such standards. The EU has adopted legislation (Regulation (EC) No 391/2009 and Directive 2009/15/EC, as amended and supplemented from time to time) that provides member states with greater authority and control over classification societies, including the ability to seek to suspend or revoke the authority of classification societies that are negligent in their duties. The EU requires member states to monitor these organizations' compliance with EU inspection requirements and to suspend any organization whose safety and pollution prevention performance becomes unsatisfactory.

The EU's directive on the sulfur content of fuels (Directive (EU) 2016/802, which consolidates Directive 1999/32/EC and its various amendments) restricts the maximum sulfur content of marine fuels used in vessels operating in EU member states' territorial seas, exclusive economic zones and pollution control zones. The directive provides for more stringent rules on maximum sulfur content of marine fuels applicable in specific Sulfur Emission Control Areas ("SECAs"), such as the Baltic Sea and the North Sea, including the English Channel. Further sea areas may be designated as SECAs in the future by the IMO in accordance with Annex VI of MARPOL. Under this directive, we may be required to make expenditures to comply with the sulfur fuel content limits in the marine fuel our vessels use in order to avoid delays or other obstructions to their operations, as well as any enforcement measures which may be imposed by the relevant member states for non-compliance with the provisions of the directive. We also may need to make other expenditures (such as expenditures related to washing or filtering exhaust gases) to comply with relevant sulfur oxide emissions levels. The directive has been amended to bring the above requirements in line with Annex VI of MARPOL. It also makes certain of these requirements more stringent. These and other related requirements may require additional capital expenditures and increase our operating costs.

Through Directive 2005/35/EC (as amended by Directive 2009/123/EC and as further amended and supplemented from time to time), the EU requires member states to cooperate to detect pollution discharges and impose criminal sanctions for certain pollution discharges committed intentionally, recklessly or by serious negligence and to initiate proceedings against ships at their next port of call following the discharge. Penalties may include fines and civil and criminal penalties. Directive 2000/59/EC (as amended and supplemented from time to time) requires all ships (except for warships, naval auxiliary or other state-owned or state-operated ships on non-commercial service), irrespective of flag, calling at, or operating within, ports of member states to deliver all ship-generated waste and cargo residues to port reception facilities. Under the directive, a fee is payable by the ships for the use of the port reception facilities, including the treatment and disposal of the waste. The ships may be subject to an inspection for verification of their compliance with the requirements of the directive and penalties may be imposed for their breach.

The EU also authorizes member states to adopt the IMO's Bunker Convention, discussed above, that imposes strict liability on shipowners for pollution damage caused by spills of oil carried as fuel in vessels' bunkers and requires vessels of a certain size to maintain financial security to cover any liability for such damage. Most EU member states have ratified the Bunker Convention.

The EU has adopted a regulation (EU Ship Recycling Regulation (1257/2013)) which sets forth rules relating to vessel recycling and management of hazardous materials on vessels. The regulation contains requirements for the recycling of vessels at approved recycling facilities that must meet certain requirements, so as to minimize the adverse effects of recycling on human health and the environment. The regulation also contains rules for the control and proper management of hazardous materials on vessels and prohibits or restricts the installation or use of certain hazardous materials on vessels. The regulation seeks to facilitate the ratification of the IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. The regulation applies to vessels flying the flag of a member state and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a member state. For example, when calling at a port or anchorage of a member state, a vessel flying the flag of a third country will be required, among other things, to have on board an inventory of hazardous materials which complies with the requirements of the new regulation and the vessel must be able to submit to the relevant authorities of that member state a copy of a statement of compliance issued by the relevant authorities of the country of the vessel's flag verifying the inventory. The regulation entered into force on December 30, 2013, although certain of its provisions are to apply at different stages, with certain of them applicable from December 31, 2020. Pursuant to this regulation, the EU Commission adopted the first version of a European List of approved ship recycling facilities meeting the requirements of the regulation, as well as four further implementing decisions dealing with certification and other administrative requirements set out in the regulation.

The EU is considering other proposals to further regulate vessel operations. The EU has adopted an Integrated Maritime Policy for the purposes of achieving a more coherent approach to maritime issues through coordination between different maritime sectors and integration of maritime policies. The Integrated Maritime Policy has sought to promote the sustainable development of the European maritime economy and to protect the marine environment through cross-sector and cross-border cooperation of maritime participants. The EU Commission's proposals included, among other items, the development of environmentally sound end-of-life ship dismantling requirements (as described above in respect of the EU Ship Recycling Regulation (1257/2013)), promotion of the use of shore-side electricity by ships at berth in EU ports to reduce air emissions, and consideration of options for EU legislation to reduce greenhouse gas emissions from maritime transport. The European Maritime Safety Agency has been established to provide technical support to the EU Commission and member states in respect of EU legislation pertaining to maritime safety, pollution and security. The EU, any individual country or other competent authority may adopt additional legislation or regulations applicable to us and our operations.

Other Greenhouse Gas Legislation

The Paris Agreement, which was adopted in 2015 by a large number of countries and entered into force in November 2016, deals with greenhouse gas emission reduction measures and targets from 2020 to limit the global average temperature increase to well below 2° Celsius above pre-industrial levels. International shipping was not included in this agreement, but it is expected that its adoption may lead to regulatory changes in relation to curbing greenhouse gas emissions from shipping.

The IMO, EU, Canada, the United States and other individual countries, states and provinces are evaluating various measures to reduce greenhouse gas emissions from international shipping, which may include some combination of market-based instruments, a carbon tax or other mandatory reduction measures. The EU adopted Regulation (EU) 2015/757 concerning the monitoring, reporting and verification of carbon dioxide emissions from vessels (the "MRV Regulation"), which entered into force in July 2015 (as amended by Regulation (EU) 2016/2071). The MRV Regulation applies to all vessels over 5,000 gross tonnage (except for a few types, including, but not limited to, warships and fish-catching or fish-processing vessels), irrespective of flag, in respect of carbon dioxide emissions released during voyages within the EU as well as EU incoming and outgoing voyages. The first reporting period commenced on January 1, 2018. The monitoring, reporting and verification system adopted by the MRV Regulation may be the precursor to a market-based mechanism to be adopted in the future. The EU is currently considering a proposal for the inclusion of shipping in the EU Emissions Trading System as from 2021 in the absence of a comparable system operating under the IMO.

Any passage of climate control legislation or other regulatory initiatives by the IMO, EU, Canada, the United States or other individual jurisdictions where we operate, that restrict emissions of greenhouse gases from vessels, could require us to make significant capital expenditures and may materially increase our operating costs.

Other Regions

We may be subject to environmental and other regulations that have been or may become adopted in other regions of the world that may impose obligations on our vessels and may increase our costs to own and operate them. Compliance with these requirements may require significant expenditures on our part and may materially increase our operating costs.

Vessel Security Regulations

Since September 2001, there have been a variety of initiatives intended to enhance vessel security. In November 2002, the Maritime Transportation Security Act of 2002 (the "MTSA"), came into effect. To implement certain portions of the MTSA, the United States Coast Guard has issued regulations requiring the implementation of certain security requirements aboard vessels operating in U.S. waters. Similarly, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security, which came into effect in July 2004. The new chapter imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code ("ISPS Code"). Among the various requirements are:

- on-board installation of automatic information systems, to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems;
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The United States Coast Guard regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures if such vessels have on board a valid International Ship Security Certificate, that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. Our existing vessels have implemented the various security measures addressed by the MTSA, SOLAS and the ISPS Code. Any failure to maintain such certifications may subject us to increased liability and may result in denial of access to, or detention in, certain ports. Furthermore, compliance with the ISPS Code requires us to incur certain costs. Although such costs have not been material to date, if new or more stringent regulations relating to the ISPS Code are adopted by the IMO and the flag states, these requirements could require significant additional capital expenditures or otherwise increase the costs of our operations.

Currency control regulations

APR Energy operates in a number of developing jurisdictions which may, from time to time, impose currency controls such that APR's ability to repatriate revenue from that jurisdiction is substantially delayed and can result in significant increased costs. Market conditions may not provide APR with the opportunity to cover such conditions in its contracts. APR closely monitors government policies relating to currency controls and mitigates the effects whenever possible.

Taxation of the Company

United States Taxation

The following is a discussion of the expected material U.S. federal income tax considerations applicable to us. This discussion is based upon the provisions of the Code, applicable U.S. Treasury Regulations promulgated thereunder, legislative history, judicial authority and administrative interpretations, as of the date of this Annual Report, all of which are subject to change, possibly with retroactive effect or are subject to different interpretations. Changes in these authorities may cause the U.S. federal income tax considerations to vary substantially from those described below.

The following discussion is for general information purposes only and does not purport to be a comprehensive description of all of the U.S. federal income tax considerations applicable to us. No ruling has been requested from the IRS regarding any matter affecting us. The statements made herein may not be sustained by a court if contested by the IRS.

Taxation of Operating Income

We expect that substantially all of our gross income will be attributable to the transportation of cargo. For this purpose, gross income attributable to transportation ("Transportation Income"), includes income from the use (or hiring or leasing for use) of a vessel to transport cargo and the performance of services directly related to the use of any vessel to transport cargo and, thus, includes time charter and bareboat charter income.

Fifty percent (50%) of Transportation Income attributable to transportation that either begins or ends, but that does not both begin and end, in the United States ("U.S. Source International Transportation Income"), is considered to be derived from sources within the United States. Transportation Income attributable to transportation that both begins and ends in the United States ("U.S. Source Domestic Transportation Income"), is considered to be 100% derived from sources within the United States. Transportation Income attributable to transportation exclusively between non-U.S. destinations is considered to be 100% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally is not subject to U.S. federal income tax.

We believe that we have not earned any U.S. Source Domestic Transportation Income, and we expect that we will not earn any such income in future years. However, certain of our activities give rise to U.S. Source International Transportation Income, and future expansion of our operations could result in an increase in the amount of our U.S. Source International Transportation Income. Unless the exemption from tax under Section 883 of the Code (the "Section 883 Exemption"), applies, our U.S. Source International Transportation Income generally will be subject to U.S. federal income taxation under either the net basis and branch profits tax or the 4% gross basis tax, each of which is discussed below.

The Section 883 Exemption

In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury Regulations thereunder (the "Section 883 Regulations"), it will not be subject to the net basis and branch profits taxes or the 4% gross basis tax described below on its U.S. Source International Transportation Income. The Section 883 Exemption does not apply to U.S. Source Domestic Transportation Income.

A non-U.S. corporation will qualify for the Section 883 Exemption if, among other things, it (1) is organized in a jurisdiction outside the United States that grants an exemption from tax to U.S. corporations on international Transportation Income (an "Equivalent Exemption"), (2) satisfies one of three ownership tests ("Ownership Tests"), described in the Section 883 Regulations and (3) meets certain substantiation, reporting and other requirements.

We are organized under the laws of the Republic of the Marshall Islands. The U.S. Treasury Department has recognized the Republic of the Marshall Islands as a jurisdiction that grants an Equivalent Exemption. We also believe that we will be able to satisfy all substantiation, reporting and other requirements necessary to qualify for the Section 883 Exemption. Consequently, our U.S. Source International Transportation Income should be exempt from U.S. federal income taxation provided we satisfy the Ownership Tests and provided we file a U.S. federal income tax return to claim the Section 883 Exemption. We believe that we currently should satisfy the Ownership Tests because our common shares represent more than 50% of the vote and value of all classes of stock and are primarily and regularly traded on an established securities market in the United States (and are not treated as closely held) within the meaning of the Section 883 Regulations. We can give no assurance, however, that changes in the trading, ownership or value of our common shares will permit us to continue to qualify for the Section 883 Exemption.

The Net Basis and Branch Profits Tax

If the Section 883 Exemption does not apply, our U.S. Source International Transportation Income may be treated as effectively connected with the conduct of a trade or business in the United States "Effectively Connected Income", if we have a fixed place of business in the United States and substantially all of our U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of bareboat charter income, is attributable to a fixed place of business in the United States.

Generally, we believe that we do not have a fixed place of business in the United States. As a result, we believe that substantially none of our U.S. Source International Transportation Income would be treated as Effectively Connected Income. While we do not expect to acquire a fixed place of business in the United States, there is no assurance that we will not have, or will not be treated as having, a fixed place of business in the United States in the future, which may, depending on the nature of our future operations, result in our U.S. Source International Transportation Income being treated as Effectively Connected Income.

Any income we earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (the highest statutory rate currently is 21%) and a 30% branch profits tax imposed under Section 884 of the Code. In addition, a 30% branch interest tax could be imposed on certain interest paid, or deemed paid, by us.

If we were to sell a vessel that has produced Effectively Connected Income, we generally would be subject to the net basis and branch profits taxes with respect to the gain recognized up to the amount of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the sale is not considered to occur in the United States under U.S. federal income tax principles.

The 4% Gross Basis Tax

If the Section 883 Exemption does not apply and we are not subject to the net basis and branch profits taxes described above, we generally will be subject to a 4% U.S. federal income tax on our gross U.S. Source International Transportation Income without the benefit of deductions. We estimate that the U.S. federal income tax on such U.S. Source International Transportation Income would be approximately \$2 million if the Section 883 Exemption and the net basis and branch profits taxes do not apply, based on the amount of our gross U.S. Source International Transportation Income we have earned in prior years. However, many of our time charter contracts contain provisions in which the charterers would be obligated to bear this cost. The amount of such tax for which we would be liable for in any year will depend upon the amount of income we earn from voyages into or out of the United States in such year, however, which is not within our complete control.

Hong Kong Taxation

The following is a discussion of the expected material Hong Kong profits tax considerations applicable to us. This discussion is based upon the provisions of the Inland Revenue Ordinance (Cap. 112) (the "IRO") as of the date of this Annual Report, all of which are subject to change, possibly with retroactive effect, and subject to different interpretations by the Inland Revenue Department of Hong Kong (the "IRD"). Changes to the IRO or other relevant authorities may cause the Hong Kong profits tax considerations to vary substantially from those described below.

The following discussion is for general information purposes only and does not purport to be a comprehensive description of all of the Hong Kong profits tax considerations applicable to us. We believe Seaspan's central management and control is in Hong Kong.

Profits tax

In general, the IRO provides that profits tax shall be charged for each year of assessment on every person (which includes corporations) carrying on a trade, profession or business in Hong Kong in respect of such person's assessable profits arising in or derived from Hong Kong for that year from such trade, profession or business (excluding profits arising from the sale of capital assets) as ascertained in accordance with the IRO. In ascertaining the chargeable profits, applicable deductions are allowed for all costs and expenses to the extent they are incurred by that person during the relevant basis period in the production of chargeable profits.

Under the two-tiered profits tax rates regime in Hong Kong, for corporations, the prevailing profits tax rate for the first HK\$2 million of assessable profits will be 8.25% and assessable profits above HK\$2 million will continue to be subject to the rate of 16.5%.

There are specific provisions in the IRO in relation to the ascertainment of the assessable profits of a ship-owner carrying on business in Hong Kong.

A person is deemed to be carrying on business as an owner of ships in Hong Kong if the business is normally controlled or managed in Hong Kong or the person is a corporation incorporated in Hong Kong, or any ship owned by that person calls at any location within the waters of Hong Kong (except where the IRD is convinced that the call is of a casual nature). In this context, "business as an owner of ships" means a business of chartering or operating ships.

If a corporation is deemed to be carrying on business as an owner of ships in Hong Kong, certain sums received by the corporation will be considered as relevant sums when ascertaining the assessable profits in accordance with the IRO. The relevant sums include, but are not limited to, all the sums derived from any charter hire in respect of the operation of a ship navigating solely or mainly within the waters of Hong Kong and half of the sums derived from any charter hire in respect of the operation of a ship navigating between any location within the waters of Hong Kong and any location within river trade waters.

The IRO also provides that certain sums will be considered as exempted sums, which are exempted from the determination of the relevant sums. In particular, if a ship is registered in Hong Kong, its income from the relevant carriage abroad proceeding to sea from any location within the waters of Hong Kong or any other location within those waters will be exempted.

In June 2020, the Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Ordinance 2020 (the "Ship Leasing Amendment Ordinance") was enacted to provide tax concessions for qualifying ship leasing and ship leasing management businesses. Under the Ship Leasing Amendment Ordinance, a qualifying ship lessor is entitled to have its qualifying profits charged at a concessionary profits tax rate (currently set at 0% for the year of assessment commencing on or after 1 April 2020). Such tax concession applies to a corporation for a year of assessment only if (i) during the basis period for that year of assessment, (a) the central management and control of the corporation is exercised in Hong Kong, (b) the activities that produce its qualifying profits for that year are carried out in Hong Kong by the corporation; or arranged by the corporation to be carried out in Hong Kong, and (c) those activities are not carried out by a permanent establishment outside Hong Kong, and (ii) the corporation has made an election in writing, which is irrevocable, that the tax concession applies to it.

If we and/or Seaspan are deemed to be carrying on business as owners of ships in Hong Kong, and if our ships are navigating solely or mainly within the waters of Hong Kong and/or navigating between any location within the waters of Hong Kong and any location within river trade waters, the relevant sums falling within the definition of the IRO are subject to the profits tax, with the exception of the exempted sums. The same will apply to our other vessel-holding subsidiaries that are registered as non-Hong Kong companies in Hong Kong (the "vessel-holding subsidiaries") under the Hong Kong's Companies Ordinance (Cap. 622) (the "Companies Ordinance"). Based on our operation and our understanding of the relevant provisions of the IRO, we do not believe that our charter hire income is, nor do we expect our charter hire income to be, subject to the profits tax under the IRO, because the ships owned by us, Seaspan and/or our other vessel-holding subsidiaries are not navigating solely or mainly within the waters of Hong Kong and/or are not navigating between any location within the waters of Hong Kong and any location within river trade waters. While currently the ships owned by us, Seaspan and/or our other vessel-holding subsidiaries are not navigating solely or mainly within the waters of Hong Kong and/or are not navigating between any location within the waters of Hong Kong and any location within river trade waters, there is no assurance that these ships will not be operating within the said waters in the future, depending on the nature of our future operations.

In the event that the ships owned by us, Seaspan and/or our other vessel-holding subsidiaries do navigate solely or mainly within the waters of Hong Kong and/or navigate between any location within the waters of Hong Kong and any location within river trade waters and our charter hire income does not fall within the definition of exempted sums under the IRO, we are likely to be subject to the profits tax in respect of such income. In such circumstances, for the purpose of ascertaining the profits tax payable, the assessable profits will be calculated as the sum bearing the same ratio to the aggregate of the relevant sums earned by or accrued to the relevant company during the basis period for that year of assessment as that relevant company's total shipping profits for the basis period bear to the aggregate of the total shipping income earned by or accrued to that relevant company during that basis period for that year of assessment. However, instead of the calculating the assessable profits based on the above, the IRO may assess the profits on a fair percentage of the aggregate of the relevant sums of the relevant basis period.

In respect of other service-providing subsidiaries (which are registered as non-Hong Kong companies under the Companies Ordinance), if the services are performed in Hong Kong, the service fee income will be considered as being arising in or derived from Hong Kong and the corresponding profits will be subject to the profits tax. The profits tax payable will be calculated using the then prevailing profits tax rate.

In addition, Management is considering a restructuring plan to restructure some MSC bareboat charter contracts to take advantage of the tax concessions from the new ship leasing regime under the Ship Leasing Amendment Ordinance.

The People's Republic of China Taxation

The following is a discussion of the expected material China tax considerations applicable to us. This discussion is based upon the provisions of the laws and regulations described below as in effect as of the date of this Annual Report, all of which are subject to change, possibly with retroactive effect, and subject to different interpretations by the relevant Chinese tax authorities. Changes to these laws and regulations may cause the Chinese tax considerations to vary substantially from those described below.

The following discussion is for general information purposes only and does not purport to be a comprehensive description of all of the Chinese tax considerations applicable to us.

Corporation Income Tax ("CIT")

The relevant China tax regulation in respect of the China taxation of our voyage charter and time charter revenue is "Provisional Measures on the Collection of Tax on Non-Resident Taxpayers Engaged in International Transportation Business" (Bulletin of the State Administration of Taxation 2014, No. 37) ("Provisional Measures").

China imposes CIT on non-resident shipping companies that operate international transportation business with China. Effective from August 1, 2014, non-resident shipping companies are subject to CIT at the rate of 25% on their China-sourced taxable income derived from the provision of international transportation services. Such services are defined to include transportation of passengers, goods, mail or other items into and out of China via owned or leased ships, airplanes and shipping spaces, as well as the provision of services such as loading and unloading, warehousing and related services. Non-resident shipping companies are required to register with Chinese tax authorities and maintain sound accounting records relating to the calculation of taxes.

China-sourced income derived by us and our vessel-owning subsidiaries from voyage charter and time charter of vessels may be treated as international transportation service income and therefore would be subject to the imposition of CIT under the Provisional Measures, unless exempted from China taxation based on the China/HK Tax Treaty (as defined below).

Value-added Tax ("VAT")

Under the current Chinese VAT regulation, non-resident enterprises that derive income from provision of international transportation services to Chinese customers are subject to VAT, unless exempted under the applicable tax treaty. The applicable VAT rate is 9% for transportation services and 6% for storage and loading/unloading services. VAT is generally withheld by the Chinese customers but non-resident shipping companies may also perform their own VAT filings if they have already registered with the competent tax authorities.

We were granted VAT exemption in 2015 (as discussed below). As such, no China VAT has been paid by us or withheld by Chinese customers since 2015.

Tax exemption

Article 8(1) of the Arrangement between Mainland and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and its Fourth Protocol ("China/HK Tax Treaty") provide exemptions from CIT and VAT for qualifying taxpayers. Specifically, according to the China/HK Tax Treaty, China exempts from tax (including CIT and VAT) income and profits derived by a Hong Kong tax resident conducting international transportation business in China.

We obtained the CIT and VAT exemption treatments pursuant to the China/HK Tax Treaty for the years 2015 through 2017 and for the years 2018 through 2020 from the competent Shanghai tax authority.

C. Organizational Structure

Please read Exhibit 8.1 to this Annual Report for a current list of our significant subsidiaries.

D. Property, Plant and Equipment

For information on our assets, please read "Item 4. Information on the Company—B. Business Overview—General—Seaspan Fleet for containership leasing segment and APR Energy Fleet for power generation segment, For information on environmental issues that may affect the company's utilization of the assets, please read "Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. General

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements and notes included elsewhere in this Annual Report.

Please see "Item 5. Operating and Financial Review and Prospects—A. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2019 Annual Report for a discussion related to the 2019/2018 comparative period.

Overview

We are Atlas Corp., a global asset manager and the parent company of Seaspan and APR Energy.

Seaspan is a leading independent owner and manager of containerships. We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. As of March 1, 2021, we operated a fleet of 127 vessels that have an average age of approximately eight years, on a TEU weighted basis.

Customers for our operating fleet as of March 1, 2021 were CMA CGM, COSCO, Hapag-Lloyd, KMTTC, Maersk, MSC, ONE, Yang Ming Marine and ZIM.

APR Energy is a global leasing business that owns and operates a fleet of capital-intensive assets (gas turbines and other power generation equipment), providing power solutions to customers including large corporations and government backed utilities. APR Energy focuses on maintaining high asset utilization to optimize cash flows across its lease portfolio. APR Energy is the global leader in its market and offers a unique integrated platform to both lease and operate its assets.

Recent Developments in 2020 and 2021

Reorganization

On November 20, 2019, Seaspan entered into an Agreement and Plan of Merger (the "Merger Agreement") with Atlas, then a wholly-owned subsidiary of Seaspan, and Seaspan Holdco V Ltd., a wholly-owned subsidiary of Atlas ("Merger Sub"), in order to implement a reorganization of Seaspan's corporate structure into a holding company structure, pursuant to which Seaspan would become a direct, wholly-owned subsidiary of Atlas.

On February 27, 2020, Seaspan completed the Reorganization, which was implemented through the merger of Seaspan and Merger Sub, with Seaspan continuing as the surviving corporation and a direct, wholly-owned subsidiary of Atlas. Holders of Seaspan common and preferred shares became holders of Atlas common and preferred shares, as applicable, on a one-for-one basis with the same number of shares and same ownership percentage of the same corresponding class of Seaspan shares as they held immediately prior to the Reorganization. Atlas assumed all of Seaspan's rights and obligations under certain common share purchase warrants held by Fairfax and its affiliates, as well as sponsorship of all of Seaspan's equity plans.

In connection with the Reorganization, Seaspan's common and preferred shares ceased trading on the New York Stock Exchange (the "NYSE") after markets closed on February 27, 2020, and Atlas's common and preferred shares commenced trading on the NYSE on February 28, 2020.

On January 28, 2020, the 2025 Notes and the 2026 Notes were admitted to the official list of Euronext Dublin and are trading on the Global Exchange Market ("GEM"), the exchange regulated market of Euronext Dublin. The 2027 Fairfax Notes issued on February 28, 2020 have also been listed and are trading on the GEM.

On March 9, 2020, the 2025 Notes, 2026 Notes and 2027 7.125% Notes ceased to be listed on the NYSE, and on March 10, 2020, Seaspan filed a Form 15 and 15Fs with the SEC to terminate its reporting obligations under the Securities Exchange Act of 1934, as amended, and cease to be a U.S. reporting issuer.

APR Energy Acquisition

On November 20, 2019, Seaspan and Atlas entered into an acquisition agreement with Fairfax and certain other minority sellers (together, the "Sellers"), pursuant to which Atlas agreed to acquire 100% of the share capital of Apple Bidco Limited, a company incorporated under the laws of England and Wales that holds 100% of the shares of APR Energy Limited, which in turn owns directly and indirectly all of the subsidiaries engaged in the operation of the business of APR Energy.

On February 28, 2020, Atlas completed the acquisition of APR Energy. In consideration for shares of Apple Bidco Limited, Atlas issued 29,891,266 common shares to the Sellers. Atlas further issued 775,139 common shares to one of the Fairfax entities to settle indebtedness owing to such entity by APR Energy at the Closing Date. In accordance with the acquisition agreement, 6,664,270 common shares of Atlas were reserved for holdback (the "Holdback Shares").

The Holdback Shares are issuable over a period of 90 days to five years after the date of acquisition and are subject to settlement of purchase price adjustments, indemnification arrangements and other future compensable events. These arrangements may be settled, at the Sellers' option, by either cancellation of Holdback Shares or cash. In the case of purchase price adjustments, and certain inventory mechanisms, if Holdback Shares are insufficient, Sellers may choose to compensate the Company in cash or cancel previously issued common shares. Any Holdback Shares that are not cancelled after the expiry of their respective holdback periods, will be issued to the Sellers, plus any accrued distributions or dividends.

In August 2020, in connection with certain purchase price adjustments, the Sellers forfeited their rights to receive 577,139 Holdback Shares and returned 1,849,641 previously issued common shares to Atlas. Of the 1,849,641 common shares returned, 1,122,290 shares were permanently forfeited; the remaining 727,351 shares are held in reserve as treasury shares and may be issuable to the Sellers in the future, subject to settlement of potential indemnified events. During the year ended December 31, 2020, 318,637 Holdback Shares were released from holdback and issued to the Sellers.

In February 2021, in connection with the acquisition of APR Energy, we and Fairfax agreed, subject to completion of definitive documentation, to amend the acquisition agreement to incorporate an indemnification and compensation arrangement. Concurrent with the amendment, we intend to issue to Fairfax warrants to purchase 5,000,000 of our common shares with an exercise price of \$13.00 per share.

Following the acquisition, APR Energy, entered into (i) a credit agreement with a syndicate of lenders for a \$185.0 million secured credit facility, comprised of a term loan credit facility of \$135.0 million and a revolving credit facility of \$50.0 million (the "Bank Facility"), and (ii) another credit agreement with certain lenders for a secured term loan facility of \$100.0 million (the "IPL Facility"). The proceeds of the facilities were used to refinance existing indebtedness and for general corporate purposes of Apple Bidco Limited and its subsidiaries. The scheduled maturity date for the (i) Bank Facility is February 28, 2023 and (ii) IPL Facility is March 6, 2026.

Secondhand Vessel Acquisitions and Deliveries

During the year ended December 31, 2020, we received delivery of ten vessels. The additions to our fleet are summarized below.

Vessel	Year Built	Vessel Class (TEU)	Purchase price (in millions of US dollars)	Delivery Date
APL Mexico City	2013	9200	\$ 63.3	January 2020
Seaspan Harrier	2018	12000	92.2	March 2020
Seaspan Falcon	2018	12000	92.2	March 2020
Seaspan Raptor	2018	12000	92.2	April 2020
Seaspan Osprey	2018	12000	90.7	April 2020
Seaspan Adonis	2010	9600	33.1	April 2020
Madrid Express	2010	13000	72.8	August 2020
Paris Express	2011	13000	72.8	September 2020
Buenos Aires Express (formerly Kota Pemimpin)	2018	12000	88.0	October 2020
MSC Siya (formerly Kota Petani)	2018	12000	88.0	November 2020

In February 2021, Seaspan entered into an agreement to acquire two young, high-quality 15000 TEU scrubber-fitted containerships on long-term charter with a long-standing global liner customer. The vessels, built in 2019, feature industry-leading efficiency and emissions reduction technologies, and are anticipated to be delivered late in the second quarter of 2021.

Shipbuilding Contracts for Newbuild Containerships

Since November 2020, Seaspan entered into shipbuilding contracts for 31 newbuild containerships that are summarized below:

	Newbuilds	Total TEU	Month Purchased
12200 TEU	5	61,000	November 2020
24000 TEU	2	48,000	February 2021
15000 TEU LNG (1)	10	150,000	February 2021
12000 TEU	4	48,000	February 2021
15000 TEU (2)	4	60,000	February 2021
15000 TEU	6	90,000	March 2021
Total	31	457,000	

1. Seaspan entered into shipbuilding contracts for the purchase of ten 15000 TEU dual-fuel liquefied natural gas containership newbuilds, including five firm purchases and an option for five additional vessels. In March 2021, Seaspan exercised the option for the five additional vessels.
2. Does not include an option for four additional 15000 TEU vessels, that have not yet been exercised by Seaspan.

These vessels will commence long-term charters with leading global liner companies, some of which are subject to vessel purchase options or obligations at the conclusion of their respective charters.

Joint Venture Agreement with Zhejiang Energy Group

In March 2021, the Company announced that it has entered into a joint venture with Zhejiang Energy Group ("ZE"). The Company and ZE executed a shareholders agreement and intend to form the JV, subject to receipt of all necessary approvals, including regulatory approvals.

Fairfax Investment

In February 2020, pursuant to a subscription agreement, Seaspan issued to Fairfax, in a private placement, \$100.0 million aggregate principal amount of 2027 Fairfax Notes. Consistent with the 2025 Notes and 2026 Notes, the 2027 Notes allow Fairfax to call for early redemption of some or all of the Fairfax Notes at each anniversary date of issuance by providing written notice between 150 and 120 days prior to the applicable anniversary date ("Annual Put Right").

In December 2020, Fairfax undertook not to exercise the Annual Put Right to call for early redemption of the Fairfax Notes on their respective 2022 anniversary dates. With the undertaking, the Fairfax Notes cannot be put to us for early redemption until the respective anniversary dates in 2023.

3.75% Exchangeable Senior Notes Offering

In December 2020, Seaspan issued \$201.3 million aggregate principal amount of 3.75% exchangeable senior unsecured notes in a private placement. The notes are exchangeable under certain circumstances at the option of the holders into Atlas common shares, cash, or a combination of Atlas common shares and cash, at our election. The notes will mature in December 2025, unless earlier exchanged, repurchased, or redeemed.

In connection with the Exchangeable Notes, Seaspan entered into capped call transactions using \$15.5 million in proceeds from the issuance to reduce the potential dilution to Atlas shares and/or offset any cash payments that are required upon an exchange, up to a maximum share price.

NOK Bond Offering

In February 2021, Seaspan issued \$200.0 million of 6.5% senior unsecured sustainability-linked bonds into the Nordic marketplace. The bonds will mature in February 2024 and bear interest at 6.5% per annum. Seaspan is required to list the bonds on the Oslo Stock Exchange within six months of issuance.

Additional Financings

In February and March 2020, Seaspan increased the commitment amount under its vessel portfolio financing program by \$100.0 million to a total size of \$1.8 billion. Proceeds from borrowings are intended to be used to finance or refinance the acquisition of vessels, and for general corporate purposes. The vessel portfolio financing program was further expanded by \$250.0 million in October and December 2020 with a sustainability-linked term loan, maturing on October 14, 2026.

In July 2020, Seaspan refinanced its \$150.0 million revolving credit facility, which was due to mature in August 2020. The new facility matures in July 2022 and can increase to a maximum capacity of \$200.0 million, subject to additional commitments.

In March 2021, the Company entered into a new sales-leaseback financing arrangement of \$83.7 million, secured by a 11000 TEU vessel.

During 2020, in connection with the acquisition of eight vessels, Seaspan received aggregate funding from sale-leaseback financing arrangements of \$634.4 million.

Changes in Senior Management

In February 2020, Seaspan appointed Karen Lawrie as General Counsel.

In June 2020, Seaspan appointed Torsten Holst Pedersen as Chief Operating Officer of Seaspan and Peter Curtis was appointed as Chief Commercial Officer of Seaspan. In addition, Brian Rich was appointed as President & Chief Operating Officer of APR Energy.

In August 2020, Karen Lawrie and Sarah Pybus were appointed as General Counsel and Compliance Officer, respectively, of Atlas.

In September 2020, Ryan Cameron Courson resigned as Chief Financial Officer of Atlas and Seaspan, following which Bing Chen was appointed interim Chief Financial Officer of Atlas and Seaspan. In January 2021, Graham Talbot was appointed Chief Financial Officer of Atlas and Seaspan.

Dividends

On January 4, 2021, our board of directors declared the following quarterly cash dividends on our common and preferred shares for a total distribution of \$47.5 million on February 1, 2021.

Security	Ticker	Dividend per Share	Period	Record Date	Paym
Common shares	ATCO	\$ 0.125	October 1, 2020 to December 31, 2020	January 20, 2021	Februa
Series D preferred shares	ATCO-PD	\$ 0.496875	October 30, 2020 to January 29, 2021	January 29, 2021	Februa
Series E preferred shares	ATCO-PE	\$ 0.515625	October 30, 2020 to January 29, 2021	January 29, 2021	Februa
Series G preferred shares	ATCO-PG	\$ 0.5125	October 30, 2020 to January 29, 2021	January 29, 2021	Februa
Series H preferred shares	ATCO-PH	\$ 0.492188	October 30, 2020 to January 29, 2021	January 29, 2021	Februa
Series I preferred shares	ATCO-PI	\$ 0.50	October 30, 2020 to January 29, 2021	January 29, 2021	Februa

Market Conditions

Containership leasing. Containerships play an integral role in global trade, facilitating the movement of goods around the world. GDP is an important measure of global trade, and global GDP growth is positively correlated with growth in container throughput. Container throughput has varied significantly since 2000 and was greater than 10% per annum in most years prior to the global credit crisis. In 2009, global container throughput declined by over 8% compared to the prior year, and after growing sharply in 2010 and 2011, ranged between 1.4% and 5.7% per annum between 2012 and 2017, as the global economy gradually recovered. In 2020, due to the impact of COVID-19, global economic expansion was halted in the first half of the year, but swiftly recovered in the latter half of the year. Container throughput decrease for the year was approximately 1.4%. With the recovery from COVID-19, both charter rates and

idle rates improved significantly. The idle fleet at the end of December 2020 was approximately 1.3% of the global fleet, as measured by TEU, compared to approximately 10.6% of the global fleet at the end of December 2019. Charter rates for 4250 TEU Panamax vessels, for example, were approximately \$19,000 per day in December 2020, compared to approximately \$11,000 per day in December 2019.

The orderbook to global fleet rate was 10.9% at the end of December 2020, compared with 10.4% at the end of December 2019. Approximately 86% (in terms of TEU capacity) of the current containership orderbook is for vessels greater than 10000 TEU in size. Vessels less than 4000 TEU represent approximately 14% of the global containership orderbook, with only 3 vessels being on-order in the segments between 4000 TEU and 9999 TEU.

Power Generation. APR Energy's market is influenced by global political and economic conditions. Declines in economic activity, slowing of growth rates and customer access to funding could impact the growth strategies of the business. Factors such as election cycles, economic downturns, fuel price variability, reliance on renewable energy and political instability all impact customer decision making in addressing their power needs, creating a certain degree of volatility. Additionally, changes in political regimes or political unrest pose potential risk to existing contracts and/or the timing of potential new contract opportunities.

Global power investment declined by approximately 10% in 2020 due to delays in new power projects and grid improvements stemming from the COVID-19 pandemic, the decrease in oil prices and the movement away from carbon emissions and nuclear power. With the resurgence of the global economy upon recovery from COVID-19, global power demand and global investment in energy projects is forecasted to continue increasing over the next few decades, driven by the increasing global middle-class and its desire for reliable access to electricity and a transition to renewable energy sources from aging technologies. The largest forecast demand increases are expected in China, India, the Middle East, Southeast Asia and other geographies with large populations with expected wealth increases that result in an exponential increase in demand for electric heating, cooling, cooking and home entertainment.

Impact of COVID-19 on our Business

The spread of the COVID-19 virus in 2020 has caused substantial disruptions in the global economy and the shipping and energy industries, as well as significant volatility in the financial markets. The duration and full effects of this global health emergency and related disruptions are uncertain, although expected to continue for the near future as the success and timing of COVID-19 vaccination programs and containment strategies are also uncertain. Negative impacts of COVID-19 are expected to reverberate beyond the duration of the pandemic itself.

Notwithstanding the foregoing, the container shipping industry has already begun to reverse some of the negative impacts from COVID-19 suffered in the first half of 2020, during which period the industry saw decreased container trade and therefore decreased charter rates. Container trade and charter rates have significantly improved in the latter half of the year. We believe future significant downside risk to Seaspan's business is mitigated by our longstanding business relationships and the long-term contracts securing the majority of our fleet.

For Seaspan, the costs of operations have increased due to COVID-19's impact on supply chains, on workers', surveyors' and other specialists' access to the shipyards to complete repairs and inspections, and on the ability to conduct crew transfers. Accordingly, we have made logistical changes and worked with vendors to ensure continued access to equipment and supplies and mitigate costs. We have also intentionally delayed or altered plans for repairs and vessel projects where practicable. For our crew, we have developed and implemented extended onboard management procedures and we have prepared response plans should any crew member fall ill onboard. In addition, although embarkation and disembarkation of seafarers remains challenging and there are increased costs associated, we are conducting crew changes at ports where transfers are permitted. Management has obtained agreements from certain charterers to alter trading routes to facilitate crew changes.

In contrast to the container shipping industry, COVID-19 continues to impact demand in the energy sector and has accelerated increased demand for renewable energy sources. During 2020, APR Energy was challenged by the effective shutdown of government institutions in some jurisdictions, which impacted procurement processes for certain prospective projects. Nevertheless, APR Energy did secure contracts in the emergency and peaking power markets in which it operates and where the decline in energy demand was less visible. To mitigate the continued impact of COVID-19 on the energy sector, APR Energy focuses on developing existing customer relationships to ensure it is able to extend and expand current contractual relationships wherever possible. As at March 1, 2021, APR Energy has 14 turbines and a number of diesel power modules off contract, together representing 493 megawatt capacity and 36% of the overall fleet capacity. There can be no assurance that we will be able to secure employment for our idle turbines or buyers for the diesel power modules in the near term.

Most of our office staff continue to work remotely. We have instituted enhanced safety protocols including suspending all nonessential travel, mandatory self-isolation of personnel returning from travel and substitution of physical meetings with virtual meetings. To the extent employees have returned to our physical offices, the return to

office is being done on a gradual basis to ensure social distancing can be maintained and additional protective measures have been implemented, such as protective barriers in high traffic areas and use of personal protective equipment. We expect to continue such measures, which have not had a significant impact on our expenses, to some degree until the pandemic abates.

We continuously monitor the developing situation, as well as our customers' response thereto, and make all necessary preparations to address and mitigate, to the extent possible, the impact of COVID-19 to our company.

B. Results of Operations

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

The following discussion of our financial condition and results of operations is for the years ended December 31, 2020 and 2019. It reflects the results of APR Energy from February 29, 2020, after its acquisition.

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and, except for number of shares, per share amounts and where otherwise specifically indicated, all amounts are expressed in millions of U.S. dollars.

Year Ended December 31,	2020	2019
Statement of operations data (in millions of USD):		
Revenue	\$ 1,421.1	\$ 1,131.5
Operating expenses (income):		
Operating expenses	274.8	229.8
Depreciation and amortization	353.9	254.3
General and administrative	65.4	33.1
Operating leases	150.5	154.3
Goodwill impairment	117.9	-
Income related to modification of time charters	-	(227.0)
Operating earnings	\$ 458.6	\$ 687.0
Other expenses (income):		
Interest expense	191.6	218.9
Interest income	(5.0)	(9.3)
Loss on derivative instruments (1)	35.5	35.1
Other expenses(2)	27.3	2.0
Net earnings before income tax	\$ 209.2	\$ 440.3
Income tax expense	16.6	1.2
Net earnings	\$ 192.6	\$ 439.1
Common shares outstanding at year end:	246,277,338	215,675,599
Per share data (in USD):		
Basic earnings per common share	\$ 0.52	\$ 1.72
Diluted earnings per common share	0.50	1.67
Dividends paid per common share	0.50	0.50
Statement of cash flows data (in millions of USD):		
Cash flows provided by (used in):		
Operating activities	\$ 694.2	\$ 783.0
Investing activities	(859.9)	(475.6)
Financing activities	310.9	(481.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 145.2	\$ (174.1)
Selected balance sheet data (at year end, in millions of USD):		
Cash and cash equivalents	\$ 304.3	\$ 195.0
Property, plant and equipment(3)	6,974.7	5,707.7
Other assets	2,010.1	2,014.3
Total assets	\$ 9,289.1	\$ 7,917.0
Current liabilities	\$ 854.6	\$ 769.5
Long-term debt	3,234.0	2,696.9
Operating lease liabilities	669.3	782.6
Other financing arrangements	801.7	373.9

Derivative instruments(1)	63.0	50.2
Other long-term liabilities	40.9	11.2
Shareholders' equity	3,625.6	3,232.7
Total liabilities and shareholders' equity	\$ 9,289.1	\$ 7,917.0
Other data:		
Number of vessels in operation at year end	127	117
Average age of vessel fleet (TEU weighted basis) in years at year end	7.6	6.6
Vessel TEU capacity at year end	1,073,200	956,400
Average remaining lease period on vessel charters (TEU weighted basis)	3.7	4.1
Vessel utilization for the year ended(4)	98.4%	98.9%
Power fleet utilization for the year ended(5)	68.9%	74.0%

- (1) All of our interest rate swap agreements are marked to market and the changes in the fair value of these instruments are recorded in "Loss on derivative instruments".
- (2) Other expenses include foreign exchange gain or loss, loss on repatriation of currency from a foreign jurisdiction and undrawn credit facility fees.
- (3) Property, plant and equipment include the net book value of vessels in operation, power generating equipment and other equipment.
- (4) Vessel utilization represents the number of Ownership Days On-Hire as a percentage of Total Ownership Days (including time charter and bareboat ownership days) during the year. Ownership Days are the number of days a vessel is owned and available for charter. Ownership Days On-Hire are the number of days a vessel is available to the charterer for use.
- (5) Power fleet utilization represents Average Megawatt On-Hire as a percentage of Average Megawatt Capacity. Average Megawatt On-Hire is the amount of capacity that is under contract and available to customers for use. Average Megawatt Capacity is the average maximum megawatts that can be generated by the power fleet. Atlas acquired APR Energy on February 28, 2020. For periods prior to this, APR Energy was not controlled by Atlas.

Consolidated Financial Summary (in millions of USD, except for per share amount)

The following tables summarize Atlas's consolidated financial results and segmental financial results, for the year ended December 31, 2020 and 2019(1).

	Years ended December		Change	
	2020	2019	\$	%
Revenue	\$ 1,421.1	\$ 1,131.5	\$ 289.6	25.6%
Operating expense	274.8	229.8	45.0	19.6%
Depreciation and amortization expense	353.9	254.3	99.6	39.2%
General and administrative expense	65.4	33.1	32.3	97.6%
Operating lease expense	150.5	154.3	(3.8)	(2.5%)
Goodwill impairment	117.9	-	117.9	100.0%
Income related to modification of time charters	-	227.0	(227.0)	(100.0%)
Operating earnings	458.6	687.0	(228.4)	(33.2%)
Interest expense	191.6	218.9	(27.3)	(12.5%)
Net earnings	192.6	439.1	(246.5)	(56.1%)
Net earnings attributable to common shareholders	125.5	368.0	(242.5)	(65.9%)
Earnings per share, diluted	0.50	1.67	(1.17)	(70.1%)
Cash from operating activities	694.2	783.0	(88.8)	(11.3%)

Segmental Financial Summary
Year ended December 31, 2020

	Containership Leasing	Mobile Power Generation	Elimination and Other(2)	Total
Revenue	1,222.8	198.3	-	1,421.1
Operating expense	243.4	31.4	-	274.8
Depreciation and amortization expense	288.1	65.8	-	353.9
General and administrative expense	36.6	36.9	(8.1)	65.4
Operating lease expense	147.3	3.2	-	150.5
Goodwill impairment	-	117.9	-	117.9
Interest expense	176.0	19.5	(3.9)	191.6
Interest income	(1.4)	(3.6)	-	(5.0)
Income tax expense	1.0	15.6	-	16.6

(1) The results of APR Energy are included from February 29, 2020, after its acquisition. Prior to that, our results were attributable to containership leasing only.

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

Operating Results - Containership Leasing Segment

Ownership Days are the number of days a vessel is owned and available for charter. Ownership Days On-Hire are the number of days a vessel is available to the charterer for use. The primary driver of Ownership Days is the increase or decrease in the number of vessels in our fleet.

Total Ownership days increased by 3,976 days for the year ended December 31, 2020 compared to 2019. The increase was due to the delivery of fifteen vessels between December 2019 and December 2020, which contributed 3,831 days, with the remainder primarily due to the additional Leap Year day gained in February 2020.

Vessel Utilization represents the number of Ownership Days On-Hire as a percentage of Total Ownership Days. The following table summarizes Seaspan's Vessel Utilization for year ended December 31, 2020, and its comparative quarters:

	2019				2020				Year Ended	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
Vessel Utilization:										
Time Charter Ownership Days(1)	9,630	9,737	9,844	9,791	9,646	10,047	10,284	10,520	39,002	40,497
Bareboat Ownership Days(1)	450	455	460	523	1,069	1,092	1,104	1,104	1,888	4,369
Total Ownership Days	10,080	10,192	10,304	10,314	10,715	11,139	11,388	11,624	40,890	44,866
Less Off-Hire Days:										
Scheduled Dry-Docking	(13)	(54)	(36)	(59)	(131)	(195)	(89)	(20)	(162)	(435)
Unscheduled Off-Hire(2)	(166)	(71)	(3)	(36)	(90)	(90)	(68)	(29)	(276)	(277)
Ownership Days On-Hire	9,901	10,067	10,265	10,219	10,494	10,854	11,231	11,575	40,452	44,154
Vessel Utilization	98.2%	98.8%	99.6%	99.1%	97.9%	97.4%	98.6%	99.6%	98.9%	98.4%

(1) Ownership Days for bareboat charters exclude days prior to the initial charter hire date.

(2) Unscheduled off-hire includes days related to vessels being off-charter.

Vessel Utilization decreased for the year ended December 31, 2020 compared to 2019. The decrease was primarily due to an increase in the number of Scheduled Dry-Docking days.

During the year ended December 31, 2020, we completed dry-dockings for five 14000 TEU vessels, five 10000 TEU vessels, four 8500 TEU vessels, eight 4250 TEU vessels and two 2500 TEU vessels. During the year ended December 31, 2019, we completed dry-dockings for four 10000 TEU vessels, two 9600 TEU vessels, two 5100 TEU vessels, two 2500 TEU vessels, one 8500 TEU vessel and one 4250 TEU vessel.

Operating Results – Mobile Power Generation

Average Megawatt Capacity is the average maximum megawatts that can be generated by the power fleet. The primary driver of Average Megawatt Capacity is the increase or decrease in the number of power generating units in the power fleet. Average Megawatt On-Hire is the amount of capacity that is under contract and available to customers for use. Power Fleet Utilization represents Average Megawatt On-Hire as a percentage of Average Megawatt Capacity.

For the year ended December 31, 2020, the Average Megawatt Capacity was 1,414MW, on a weighted average basis. During this period 68.9% of the power fleet were under contract.

The following table summarizes the Power Fleet Utilization, for the year ended December 31, 2020, and its comparative quarters:

	2019(1)				2020(1)				Year ended(1)	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020
Power Fleet										
Average Megawatt On-Hire(2)	1,203	1,180	1,300	1,075	934	966	1,131	866	1,190	974
Average Megawatt Capacity(3)	1,653	1,633	1,604	1,536	1,428	1,413	1,414	1,402	1,607	1,414
Power Fleet Utilization(4)	72.8%	72.3%	81.0%	70.0%	65.4%	68.4%	80.0%	61.8%	74.0%	68.9%

(1) Atlas acquired APR Energy on February 28, 2020. For periods prior to this, APR Energy was not controlled by Atlas.

(2) Average Megawatt On-Hire is the amount of capacity that is under contract and available to the customer for use post commercial operation date.

(3) Average Megawatt Capacity is the average maximum megawatts that can be generated by the power fleet.

(4) Power fleet utilization in comparative periods has been adjusted to reflect average utilization during the quarter.

Power Fleet Utilization decreased for the year ended December 31, 2020, compared with the year ended December 31, 2019. The decrease was primarily due to timing of contract end dates resulting in lower on-hire periods compared to 2019.

Financial Results Summary

Revenue

Revenue increased by 25.6% to \$1,421.1 million for the year ended December 31, 2020 compared to 2019. The increase in revenue was primarily due to the addition of power generation revenue resulting from the acquisition of APR Energy on February 28, 2020. The remainder of the increase was primarily due to revenue contribution from the delivery of fifteen vessels between December 2019 and December 2020.

Operating Expense

Operating expense increased by 19.6% to \$274.8 million for the year ended December 31, 2020 compared to 2019. The increase was primarily due to expenses related to our mobile power generation segment as a result of the APR Energy acquisition. The remainder of the increase was primarily due to growth of the Seaspan operating fleet.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 39.2% to \$353.9 million for the year ended December 31, 2020 compared to 2019. The increase was primarily due to power generating equipment acquired as part of the APR Energy acquisition. The remainder of the increase was primarily due to the delivery of fifteen vessels between December 2019 and December 2020.

General and Administrative Expense

General and administrative expense increased by 97.6% to \$65.4 million for the year ended December 31, 2020 compared to 2019. The increase was primarily due to the inclusion of APR Energy general and administrative expenses.

Operating Lease Expense

Operating lease expense decreased by 2.5% to \$150.5 million for the year ended December 31, 2020 compared to 2019. The decrease was primarily due to a decrease in LIBOR.

Interest Expense

The following table summarizes our borrowings:

(in millions of US dollars)

	As of December 31,		Change	
	2020	2019	\$	%
Long-term debt, excluding deferred financing fees:				
Revolving credit facilities	\$ 772.1	\$ 867.0	(94.9)	(10.9)%
Term loan credit facilities	2,094.7	1,799.4	295.3	16.4%
7.125% senior unsecured notes due 2027	80.0	80.0	-	0.0%
Fairfax Notes	600.0	500.0	100.0	20.0%
Exchangeable Notes	201.3	-	201.3	100.0%
Debt discount and fair value adjustment	(137.1)	(151.0)	13.9	9.2%
Other financing arrangements, excluding deferred financing fees	879.5	513.8	365.7	71.2%
Total borrowings	\$ 4,490.5	\$ 3,609.2	\$ 881.3	24.4%

Interest expense decreased by \$27.3 million to \$191.6 million for the year ended December 31, 2020 compared to 2019 primarily due to a decrease in LIBOR and interest rates for various facilities, partially offset by the inclusion of APR Energy's interest expense and issuance of the 2027 Fairfax Notes.

Loss on Derivative Instruments

The change in fair value of financial instruments resulted in a loss of \$35.5 million for the year ended December 31, 2020 compared to a loss of \$35.1 million for the year ended December 31, 2019. The loss for this period was primarily due to a decrease in the LIBOR forward curve and the impact of swap settlements.

The fair value of our interest rate swaps are subject to change based on our company specific credit risk included in the discount factor and current swap curve, including its relative steepness. In determining the fair value, these factors are based on current information available to us. These factors are expected to change through the life of the instruments, causing the fair value to fluctuate significantly due to the large notional amounts and long-term nature of our derivative instruments. As these factors may change, the fair value of the instruments is an estimate and may deviate significantly from the actual cash settlements realized during the term of the instruments. Our valuation techniques have not changed, and we believe that such techniques are consistent with those followed by other valuation practitioners.

The fair value of our interest rate swaps is most significantly impacted by changes in the yield curve. Based on the current notional amount and tenor of our interest rate swap portfolio, a one percent parallel shift in the overall yield curve is expected to result in a change in the fair value of our interest rate swaps of approximately \$25.0 million. Actual changes in the yield curve are not expected to occur equally at all points and changes to the curve may be isolated to periods of time. This steepening or flattening of the yield curve may result in greater or lesser changes to the fair value of our financial instruments in a particular period than would occur had the entire yield curve changed equally at all points.

The fair value of our interest rate swaps is also impacted by changes in our company-specific credit risk included in the discount factor. We discount our derivative instruments with reference to the corporate Bloomberg industry yield curves. Based on the current notional amount and tenor of our swap portfolio, a one percent change in the discount factor is expected to result in a change in the fair value of our interest rate swaps of approximately \$1.0 million.

The fair value of our Fairfax derivative put instrument is subject to changes in our company specific credit risk and the risk-free yield curve. Please read "—C. Liquidity and Capital Resources" for further discussion. In determining fair value, these factors are based on current information available to us. These factors are estimates and are expected to change through the life of the instrument, causing the fair value to fluctuate significantly due to the long-term nature of our derivative instruments.

Our derivative instruments, including interest rate swap and put instruments were marked to market with all changes in the fair value of these instruments recorded in "Loss (gain) on Derivative instruments" in our Consolidated Statement of Operations.

Please read “Item 11. Quantitative and Qualitative Disclosures About Market Risk” for further discussion.

Effects of Hyperinflation

APR Energy operates in Argentina, where repatriation of cash generated from operations is subject to the country’s historically unpredictable currency regulations, resulting in the creation of a two-tiered currency market. Under current currency controls, the amount of cash in pesos convertible to US dollars using the rate available at the central bank (the “Central Bank rate”) is limited. Thus, the remaining pesos are converted using the Blue-Chip swap market, at approximately a 40.0% discount to the Central Bank rate as at December 31, 2020.

Losses realized on repatriation is included in “Other Expenses” in our Consolidated Statement of Operations when incurred.

To compensate us for losses being incurred by APR Energy on repatriation of Argentinian Pesos, sellers of APR Energy agreed to indemnify Atlas for repatriation losses incurred, until the earlier of (1) reaching the maximum cash flows subject to compensation, (2) termination of specified contracts, (3) sustaining the ability to repatriate cash without losses and (4) April 30, 2022. The maximum amount of cash flows subject to compensation is \$110,000,000. This indemnity arrangement is included as a contingent consideration asset in “Other Assets” on our Consolidated Balance Sheet, measured at fair value at the end of each reporting period with gains or losses reflected in the Consolidated Statement of Operations.

The fair value of the contingent consideration asset is subject to fluctuations in the difference between the Central Bank rate and Blue-Chip swap market rate, as well as our estimate of the amount of cash we expect to repatriate. These factors are estimates and are expected to change through the life of the indemnity arrangement, causing the fair value to fluctuate significantly. Based on current expectations of cash repatriation, an increase of 5% in the discount on the Central Bank rate will result in an approximately \$3 million increase in the fair value of the contingent consideration asset. As these factors may change, the fair value of the contingent consideration asset is an estimate and may deviate significantly from the actual cash settlements realized from the sellers of APR Energy.

Liquidity and Capital Resources

Fairfax Put Right

The terms of the Fairfax Notes provide Fairfax with an Annual Put Right to call for early redemption of some or all of the Fairfax Notes. In December 2020, Fairfax undertook not to exercise the Annual Put Right to call for early redemption of Fairfax Notes on their respective 2022 anniversary dates. Fairfax had previously undertaken not to exercise the Annual Put Right during 2021 as well. With the undertaking, the Fairfax Notes cannot be put to us for early redemption until the anniversary dates in 2023.

Liquidity

As of December 31, 2020, we have total liquidity of \$771.3 million, consisting of \$304.3 million of cash and cash equivalents, \$217.0 million undrawn under available revolving credit facilities and \$250.0 million undrawn under term loan credit facilities. Our primary short-term liquidity needs are to fund our operating expenses, investments in assets including vessels under construction, debt repayments, lease payments, swap settlements, payment of quarterly dividends and payments on our other financing arrangements. Our medium-term liquidity needs primarily relate to debt repayments, vessel purchase commitments, lease payments, potential early redemption of our Fairfax Notes and payments on our other financing arrangements. Our long-term liquidity needs primarily relate to potential future acquisition of assets or businesses, lease payments, debt repayments including our Notes, the potential future redemption of our preferred shares and payments on our other financing arrangements. Please read note 12 “Long-term debt”, note 13 “Operating lease liabilities”, note 14 “Other financing arrangements” and note 17 “Preferred shares and share capital” in our year ended Consolidated Financial Statements for additional information.

Our Series D preferred shares have an annual dividend rate of 7.95% per \$25.00 of liquidation preference per share and are redeemable by us at any time. Our Series E preferred shares have an annual dividend rate of 8.25% per \$25.00 of liquidation preference per share and are redeemable by us at any time. Our Series G preferred shares have an annual dividend rate of 8.20% per \$25.00 of liquidation preference per share and are redeemable by us at any time on or after June 16, 2021. Our Series H preferred shares have an annual dividend rate of 7.875% per \$25.00 of liquidation preference per share and are redeemable by us at any time on or after August 11, 2021. Our Series I preferred shares have an annual dividend rate of 8.0% up to but not including October 30, 2023. On or after October 30, 2023, annual dividends on our Series I preferred shares will be based on three-month LIBOR plus a margin of 5.008% per \$25.00 of liquidation preference per share. Our Series I preferred shares are redeemable by us any time on or after October 30, 2023.

We anticipate that our primary sources of funds for our short-term liquidity needs will be cash from operations, and existing and new credit facilities. We anticipate our medium and long-term sources of funds will be from cash from operations, new credit facilities, lease facilities and capital markets financings to the extent available.

The following table summarizes our liquidity as of December 31, 2020:

(in millions of US dollars)	December 31,	
	2020	2019
Cash and cash equivalents	\$ 304.3	\$ 195.0
Undrawn Seaspam revolving credit facilities	167.0	120.0
Undrawn Seaspam term loan credit facilities ⁽¹⁾	250.0	155.0
Undrawn APR revolving credit facilities	50.0	-
Total liquidity	\$ 771.3	\$ 470.0

(1) Undrawn term loan credit facilities as of December 31, 2020 includes \$250.0 million available from sustainability-linked term loan maturing on October 14, 2026.

Our dividend policy impacts our future liquidity needs. Since our initial public offering, our board of directors adopted a dividend policy to pay a regular quarterly dividend on our common shares, while also reinvesting a portion of our operating cash flow in our business. Retained cash may be used to, among other things, fund acquisitions, other capital expenditures, debt repayments and lease payments as determined by our board of directors. This dividend policy reflects our judgment that by retaining a portion of our cash in our business over the long-term, we will be able to provide better value to our shareholders by enhancing our longer-term dividend paying capacity. For more information, please read "Item 8. Financial Information—A. Financial Statements and Other Financial Information—Dividend Policy."

In 2021, we intend to focus on strengthening our balance sheet and increasing cash flows to become a platform for growth and consolidation in the containership industry and power generation industry. In terms of our balance sheet, we intend to diversify our sources of capital to enhance financial flexibility, stagger our debt maturity profile to reduce refinancing risk, decrease our leverage and grow our unencumbered asset pool. We are focused on allocating capital selectively into opportunities that enhance the long-term value of the business and provide attractive risk-adjusted returns on capital. We intend to pursue synergistic opportunities in adjacent businesses to diversify cash flow drivers. business and provide attractive risk-adjusted returns on capital. We intend to pursue synergistic opportunities in adjacent businesses to diversify cash flow drivers.

Our Credit Facilities

We primarily use our credit facilities to finance the construction and acquisition of assets. As of December 31, 2020, our credit facilities are secured by first-priority mortgages granted on 70 of our vessels and substantially all of our power generation assets, together with other related security, such as assignments of lease contracts, earnings for our assets, assignments of insurances and management agreements for vessels.

As of December 31, 2020, we had \$2.9 billion outstanding under our revolving credit facilities and term loan credit facilities, excluding deferred financing fees. In addition, there is \$217.0 million available to be drawn under our revolving credit facilities and \$250.0 million available under a term loan.

Interest payments on our revolving credit facilities are based on LIBOR plus margins, which ranged between 0.5% and 2.25% as of December 31, 2020.

Interest payments on our term loan credit facilities are based on LIBOR plus margins, which ranged between 0.4% and 4.3% as of December 31, 2020 or, for a portion of one of our term loans, the commercial interest reference rate of KEXIM plus a margin, which was 0.7% as of December 31, 2020.

We may prepay certain amounts outstanding without penalty, other than breakage costs in certain circumstances, with the exception of one term loan credit facility, where the Company may prepay borrowings up to the third anniversary of the facility with penalties and thereafter without penalty. A prepayment may be required as a result of certain events, including change of control and, where applicable, the sale or loss of assets or a termination or expiration of certain lease agreements (and the inability to enter into a lease replacing the terminated or expired lease suitable to lenders within a period of time). The amount that must be prepaid may be calculated based on the loan to market value. In these circumstances, valuations of our assets are conducted on an "orderly liquidation" basis as required under the credit facility agreement.

Each credit facility contains a mix of financial covenants requiring the Company to maintain minimum liquidity, tangible net worth, interest and principal coverage ratios, and debt-to-assets ratios, as defined. Certain facilities are guaranteed by an intermediate parent entity, in which case the parent entity must meet certain consolidated financial covenants under those term loan facilities including maintaining certain minimum tangible net worth, cash requirements and debt-to-asset ratios.

Some of the facilities also have an interest and principal coverage ratio, debt service coverage and vessel value requirement for the subsidiary borrower. We were in compliance with these covenants at December 31, 2020.

Our Notes

As of December 31, 2020, we had \$881.3 million outstanding under our 7.125% senior unsecured notes due 2027, Exchangeable Notes and Fairfax Notes, excluding deferred financing fees and debt discount.

Seaspan's 2025 Notes, 2026 Notes and 2027 Fairfax Notes mature on February 14, 2025, January 15, 2026 and March 1, 2027, respectively. These notes bear interest at a fixed rate of 5.5% per year, payable quarterly in arrears and are guaranteed by certain of our subsidiaries. In addition, we have pledged our ownership interest in certain subsidiaries as collateral for these notes. At any time on or after February 14, 2023, January 15, 2024 and January 15, 2025, we may elect to redeem all or any portion of the 2025 Notes, 2026 Notes and 2027 Fairfax Notes, respectively. The redemption price will equal 100.0% of the principal amount being redeemed, plus accrued and unpaid interest, if any, to the redemption date and any certain additional amounts. Fairfax has the right to call for an early redemption on the anniversary date of each issuance, by providing notice between 150 and 120 days prior to the applicable anniversary date. In December 2020, Fairfax undertook not to exercise its right to call for early redemption of the Fairfax Notes on their respective anniversary dates in 2023. Fairfax has previously undertaken not to exercise the put right for the anniversary dates in 2022. With the undertaking, the Fairfax Notes are not puttable until their respective anniversary dates in 2023.

Seaspan's 7.125% senior unsecured notes due 2027 are callable at par plus accrued and unpaid interest, if any, at any time.

In the event of certain changes in withholding taxes, at our option, we may redeem our 7.125% senior unsecured notes due 2027 and Fairfax Notes, in each case in whole, but not in part, at a redemption price equal to 100.0% of the outstanding principal amount, plus accrued and unpaid interest, if any. Upon the occurrence of a Change of Control (as defined in the applicable notes), each holder of such notes will have the right to require us to purchase all or a portion of such holder's notes at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any.

The indentures relating to the 2025 Notes and the 2026 Notes provide Fairfax with the right to designate (and Fairfax has so designated in the case of the Atlas board of directors) (i) two members of the Atlas board of directors and one member of the Seaspan board of directors if at least \$125.0 million aggregate principal amount of the 2025 Notes and 2026 Notes remains outstanding, or (ii) one member of the Atlas board of directors if at least \$50.0 million but less than \$125.0 million aggregate principal amount of the 2025 Notes and 2026 Notes remains outstanding. The indenture relating to the 2027 Fairfax Notes provides Fairfax with the right to designate (i) two members of the Atlas board of directors and one member of the Seaspan board of directors if at least \$100.0 million aggregate principal amount of the 2027 Fairfax Notes remains outstanding, or (ii) one member of the Atlas board of directors if at least \$50.0 million but less than \$100.0 million aggregate principal amount of the 2027 Fairfax Notes remains outstanding.

Notwithstanding the foregoing, in no event shall the rights under the indentures governing the Fairfax Notes allow Fairfax to designate more than two members to the Atlas board of directors and one member to the Seaspan board of directors if the thresholds described in clause (i) of the preceding sentences is reached, or to designate more than one member to the Atlas board of directors if the thresholds described in clause (ii) of the preceding sentences is reached.

Our Exchangeable Notes are exchangeable at the holders' option into an aggregate 15,474,817 Atlas common shares at an initial exchange price of \$13.005 per share, the cash equivalent or a combination thereof, as elected by Seaspan, at any time on or after September 15, 2025, or earlier upon the occurrence of certain market price triggers, significant corporate events, or in response to early redemption elected by us. The holders may require us to redeem the Exchangeable Notes upon the occurrence of certain corporate events qualifying as a fundamental change in the business. We may redeem the Exchangeable Notes in connection with certain tax-related events or on any business day on or after December 20, 2023 and prior to September 15, 2025, if the last reported sale price of Atlas shares is at least 130.0% of the exchange price during a specified measurement period. A redemption of the Exchangeable Notes is made at 100.0% of the principal amount, plus accrued and unpaid interest. In connection with the Exchangeable Notes, we entered into capped call transactions using \$15.5 million in proceeds from the issuance of the Exchangeable Notes to reduce the potential dilution to Atlas shares and/or offset any cash payments that are required upon an exchange, up to a maximum share price.

In February 2021, we issued \$200.0 million in NOK Bonds in the Nordic bond market. The NOK Bonds bear interest at 6.5% per annum, and matures in February 2024. We have the option to redeem all, but not part, of the principal amount of the NOK bonds, plus accrued and unpaid interest, at any time prior to maturity. Upon maturity or earlier repayment, 100.0% of the principal balance is due or 100.5% if certain sustainability-linked targets are not achieved, except in the event of certain eligible changes in tax law. Upon the occurred of a Change in Control or a De-Listing event (as defined in the NOK Bonds), each holder of NOK Bonds will have the right to require us to purchase all or a portion of such holder's NOK Bonds at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any.

Operating Leases

As of December 31, 2020, we had 14 vessel operating lease arrangements. Under 13 of the operating lease arrangements we may purchase the vessels for a pre-determined fair value purchase price. For the remaining lease, we may purchase the vessel at the end of the lease term for the greater of the fair market value and a pre-determined amount. As of December 31, 2020, we had total commitments, excluding purchase options, under vessel operating leases from 2021 to 2029 of approximately \$917.1 million.

Under our operating lease arrangements, subject to payment of a specified termination sum, we may voluntarily terminate the arrangement in certain circumstances. We may also be required to terminate and pay a termination sum as specified in the agreements in certain circumstances, such as a termination or expiry of a charter (where we do not enter into a charter suitable to the counterparties within a required period of time).

Other Financing Arrangements

Seaspan enters into financing arrangements consisting of financing sale-leasebacks that are considered to be failed-sales for accounting purposes, where the vessels remain on our books. These leases are provided by bank financial leasing owners who legally own our vessels through special purpose entities and are also granted other related security, such as assignments of time charters, earnings for the vessels, insurances for the vessels and management agreements for the vessels. Seaspan uses these arrangements to finance the construction and acquisition of vessels.

As of December 31, 2020, Seaspan has 12 vessels under these financing arrangements. As of December 31, 2020, these arrangements provided for borrowings of approximately \$879.5 million excluding deferred financing fees. Under these agreements, we may voluntarily terminate a lease agreement, subject to payment of a termination fee in certain circumstances. Seaspan is also required to prepay rental amounts, broken funding costs and other costs to the lessor in certain circumstances, such as a termination or expiry of a charter (where we do not enter into a charter acceptable to the lessors within a required period of time). If Seaspan defaults under these financing arrangements, our lessors could declare all outstanding amounts to be immediately due and payable and realize on the security granted under these arrangements.

Certain Terms under our Long-Term Debt, Lease Arrangements, Other Financing Arrangements and Notes

We are subject to customary conditions before we may borrow under our credit, lease and other financing arrangements, including, among others, that no event of default is outstanding and that there has been no material adverse change in our ability to make all required payments under the arrangements.

Our credit, lease and other financing arrangements and our Notes also contain various covenants limiting our ability to, among other things:

- allow liens to be placed on the collateral securing the facility;
- enter into mergers with other entities;
- conduct material transactions with affiliates; or
- change the flag, class or management of the vessels securing the facility.

Our ability to pay cash dividends in excess of \$0.50 per share annually, when aggregated with all other such cash dividends paid per share of our common stock in the preceding 360 days, may be limited under a restricted payments basket included in the indenture governing the Fairfax Notes.

Our credit, lease and other financing arrangements also contain certain financial covenants, including, among others, that require the relevant entities to maintain minimum tangible net worth, interest coverage ratios, interest and principal coverage ratios, and debt to assets ratios, as defined. Our Notes also contain certain financial covenants, including, among others, those that may limit our ability to pay cash dividends on our common shares in excess of \$0.50 per share annually. To the extent we are unable to satisfy the requirements in our credit facilities and lease and other financing arrangements, we may be unable to borrow additional funds under the facilities, and if we are not in compliance with specified financial ratios or other requirements under our credit, lease and other financing arrangements or our Notes, we may be in breach of the facilities and lease and other financing arrangements or our Notes, which could require us to repay outstanding amounts. We may also be required to prepay amounts under our credit operating lease and other financing arrangements and our Notes if we experience a change of control. These events may result in financial penalties to us under our leases. We were in compliance with these covenants as at December 31, 2020. We are also subject to similar financial covenants in Notes.

Cash Flows

The following table summarizes our sources and uses of cash for the periods presented:

(in millions of USD)	Year Ended December 31,	
	2020	2019
Net cash flows from operating activities	\$ 694.2	\$ 783.0
Net cash flows used in investing activities	(859.9)	(475.6)
Net cash flows (used in) from financing activities	310.9	(481.5)

Operating Cash Flows

Net cash flows from operating activities were \$694.2 million for the year ended December 31, 2020, a decrease of \$88.8 million compared to 2019. The decrease in net cash flows from operating activities for the year ended December 31, 2020, compared to the prior year, was primarily due to \$227.0 million cash received from modification of time charters in April 2019, of which there was no corresponding amount in the current period and additional dry-dock expenditures in 2020, partially offset by net cash flows from the chartering of fifteen additional vessels delivered between December 2019 and December 2020 and operating cash flows from APR Energy.

For further discussion of changes in revenue and expenses, please read "Financial Results Summary."

Investing Cash Flows

Net cash flows used in investing activities were \$859.9 million for the year ended December 31, 2020, an increase of \$384.3 million compared to 2019. Increase in cash used was primarily due to the purchase of ten vessels during the year ended December 31, 2020 and payment on installments for vessels under construction partially offset by lower payments on settlement of interest swaps.

Financing Cash Flows

Net cash flows from financing activities were \$310.9 million for the year ended December 31, 2020, compared to net cash flows used in financing activities of \$481.5 million in 2019. This represents a net increase in cash flows from financing activities for the year ended December 31, 2020, compared to 2019. Increase was primarily due to proceeds received from the issuance of Exchangeable Notes and other financing arrangements related to eight vessel purchases and lower debt repayments, partially offset by lower proceeds from notes and warrants issued. In addition, \$47.8 million of cash outflow in the prior periods related to the redemption of preferred shares, of which there was no corresponding amount in the current period.

Ongoing Capital Expenditures and Dividends

The average age of the vessels in our operating fleet is approximately eight years, on a TEU-weighted basis. Capital expenditures for our containership fleet primarily relate to our regularly scheduled dry-dockings. During the year ended December 31, 2020, we completed twenty-four dry-dockings, compared to twelve dry-dockings in 2019.

The average age of the turbines is seven years and the average age of our diesel generators is ten years. Capital expenditures for these assets primarily relate to mobilization and decommissioning requirements included in substantially all lease contracts. Since the acquisition date of APR Energy on February 28, 2020 until December 31, 2020, we have mobilized and decommissioned three and five sites, respectively.

We must make substantial capital expenditures over the long-term to preserve our capital base, which is comprised of our net assets, to continue to refinance our indebtedness and to maintain our dividends. We will likely need to retain additional funds at some time in the future to provide reasonable assurance of maintaining our capital base over the long-term. We believe it is not possible to determine now, with any reasonable degree of certainty, how much of our operating cash flow we should retain in our business and when it should be retained to preserve our capital base. The amount of operating cash flow we retain in our business will affect the amount of our dividends. Factors that will impact our decisions regarding the amount of funds to be retained in our business to preserve our capital base, include the following, many of which are currently unknown and are outside our control:

- (1) the remaining lives of our property plant and equipment;
- (2) the returns that we generate on our retained cash flow, which will depend on the economic terms of any future asset acquisitions and lease terms;
- (3) future contract rates for our assets after the end of their existing leases agreements;
- (4) our future operating and interest costs;
- (5) future operating and financing costs;
- (6) our future refinancing requirements and alternatives and conditions in the relevant financing and capital markets at that time;
- (7) capital expenditures to comply with environmental regulations and asset retirement obligations; and
- (8) unanticipated future events and other contingencies.

Our board of directors periodically considers these factors in determining our need to retain funds rather than pay them out as dividends. Unless we are successful in making acquisitions with outside sources of financing that add a material amount to our cash available for retention in our business, or unless our board of directors concludes that we will likely be able to re-deploy our fleet upon expiration of existing leases at rates higher than the rates in our current leases, our board of directors may determine at some future date to reduce, or possibly eliminate, our dividend for reasonable assurance that we are retaining the funds necessary to preserve our capital base.

The following dividends were paid or accrued for the periods indicated:

(in millions of USD, except per share amounts)	Year Ended December 31,	
	2020	2019
Dividends on common shares		
Declared, per share	\$ 0.50	\$ 0.50
Paid in cash	120.0	101.8
Reinvested in common shares through our dividend reinvestment plan	0.3	1.2
	120.3	103.0
Dividends on preferred shares (paid in cash)		
Series D	10.1	13.5
Series E	11.2	11.2
Series G	16.0	16.0
Series H	17.8	17.7
Series I	12.0	12.0

For more information on our dividend policy, please read "Item 8. Financial Information—A. Financial Statements and Other Financial Information—Dividend Policy."

For 2020 and 2019, dividends on our Series D, E, G, H and I preferred shares accrue at rates per annum of 7.95%, 8.25%, 8.20%, 7.875% and 8.00%, respectively.

D. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. Our estimates affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. We base our estimates on historical experience and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties.

Senior management has discussed with our audit committee the development, selection and disclosure of accounting estimates used in the preparation of our consolidated financial statements.

Amortization of Vessel Dry-Docking Activities

We defer costs incurred for dry-docking activities until the next scheduled dry-docking. Dry-docking of our vessels is generally performed every five years and includes major overhaul activities that are comprehensive and all encompassing. We have adopted the deferral method of accounting for dry-dock activities whereby costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled dry-dock activity.

The major components of routine dry-docking costs include: (i) yard costs, which may include riggers, pilot/tugs, yard fees, hull painting service, deck repairs (such as steel work, anchors, chains, valves, tanks, and hatches) and engine components (such as shafts, thrusters, propeller, rudder, main engine and auxiliary machinery); (ii) non-yard costs which include the paint, technician service costs and parts ordered specifically for dry-dock; and (iii) other costs associated with communications, pilots, tugs, survey fees, port fees, fuel costs for mobilizing the vessel to and from the dry-dock and classification fees.

Repairs and maintenance normally performed on an operational vessel either at port or at sea are limited to repairs to specific damages caused by a particular incident or normal wear and tear, or minor maintenance to minimize the wear and tear to the vessel. Above the water line repairs, minor deck maintenance and equipment repairs may be performed to the extent the operations and safety of the crew and vessel are not compromised. All repairs and maintenance costs are expensed as incurred.

Useful lives property, plant and equipment

Vessels

The carrying value of each of our vessels represents its original cost at the time of delivery or purchase, including acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage, less accumulated depreciation. We depreciate our vessels using the straight-line method over their estimated useful lives. Second-hand vessels are depreciated from their date of acquisition over their remaining estimated useful life. We review the estimate of our vessels' useful lives on an ongoing basis to ensure they reflect current technology, service potential, and vessel structure. We estimate that the useful life of the vessels will be 30 years from the date of initial completion. Should certain factors or circumstances cause us to revise our estimate of vessel service lives in the future, depreciation expense could be materially lower or higher. Such factors include, but are not limited to, the extent of cash flows generated from future charter arrangements, changes in international shipping requirements, and other factors, many of which are outside of our control.

Power generating equipment

The carrying value of our power generating equipment represent its original cost at the time of purchase, less accumulated depreciation. We depreciate our power generating equipment using the straight-line method over their estimated useful lives. Costs incurred to mobilize and install power-generating equipment pursuant to a contract for the provision of power-generation services are also recorded in property, plant and equipment and are depreciated on a straight-line basis over the non-cancellable lease term to which the power-generating equipment relates. In estimating the useful lives of power generating equipment, we make certain judgments relating to expected usage, expected wear and tear, residual values and technological and commercial obsolescence of the turbines and generators.

Impairment of Long-lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, which occurs when the assets' carrying value is greater than the undiscounted future cash flows the asset is expected to generate over its remaining useful life. Examples of such events or changes in circumstances related to our long-lived assets include, among others: a significant adverse change in the extent or manner in which the asset is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the asset's value, including an adverse action or assessment by a foreign government that impacts the use of the asset; or a current-period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the asset's use. If there has been a general decline in the market value of assets, we analyze our assets for impairment to the extent that the decline in market value is expected to impact the future cash flows of the asset. In cases where our assets are being analyzed is under a long-term contracts, a decline in the current market value of the asset may not impact the recoverability of its carrying value.

If an indication is identified, and the estimated undiscounted future cash flows of an asset, excluding interest charges, expected to be generated by the use of the asset over its useful life exceeds the asset's carrying value, no impairment is recognized even though the fair value of the asset may be lower than its carrying value. If the estimated undiscounted future cash flows are less than its carrying amount, an impairment charge is recorded for the amount by which the net book value of the asset exceeds its fair value.

Vessels

When an indicator of impairment is identified for our vessels, our estimates of future cash flows involve assumptions about future charter rates, vessel utilization, operating and dry-docking expenditures, vessel residual values, inflation and the remaining estimated useful lives of our vessels. If undiscounted future cash flows are less than its carrying value, fair value is calculated as the net present value of estimated future cash flows, which in certain circumstances may approximate the estimated market value of the vessel.

Revenue assumptions are based on contracted time charter rates up to the end of the life of the current contract of each vessel, as well as an estimated time charter rate, adjusted for future inflation, for the remaining life of the vessel after the completion of its current contract. The estimated time charter rates for non-contracted revenue days are based on 10-year average time charter rates incorporating historical time charter rate data from an independent third-party maritime research service provider, as well as recent market charter rates relevant to future periods. We consider 10-year historical average rates to be a reasonable estimation of expected future charter rates over the remaining useful life of our vessels since such historical average generally represents a full shipping cycle that captures the highs and lows of the market.

Our estimates of vessel utilization, including estimated off-hire time for dry-docking, off-hire time between time charters and equipment or machinery breakdown, are based on historical experience.

Our estimates of operating, dry-docking expenses and capital expenditures are based on historical and budgeted operating and dry-docking costs and our expectations of future inflation and operating requirements. Expenses, including dry-dock expenses, are impacted by the economic conditions of our industry, including, among other things, crewing costs, insurance and bunker costs and availability of shipyards for dry-docking.

Vessel residual values are a product of a vessel's lightweight tonnage and an estimated scrap rate which takes into consideration historical average scrap prices based on information from third-party maritime research services. Although we believe that the assumptions used to determine the scrap rate are reasonable and appropriate, such assumptions are highly subjective because of the cyclical nature of future demand for scrap steel.

The remaining lives of our vessels used in our estimates of future cash flows are consistent with those used in our calculations of depreciation.

In our experience, certain assumptions relating to our estimates of future cash flows are more predictable by their nature, including estimated revenue under existing contract terms and remaining vessel life. Certain assumptions relating to our estimates of future cash flows require more judgment and are inherently less predictable, such as future charter rates beyond the firm period of existing contracts, ongoing operating costs and vessel residual values. We assess these assumptions on a continuous basis and believe those used to estimate future cash flows of our vessels are reasonable at the time they are made. We can make no assurances however, as to whether our estimates of future cash flows, particularly future vessel charter rates or vessel values, will be accurate.

For the year ended December 2020 and December 31, 2019, based on our analysis, we have not identified any events or changes in circumstances indicating that the carrying amount of the assets may not be recoverable and accordingly, no impairment was recorded.

Under current market conditions for our containership leasing segment, we intend to continue to hold and operate our vessels. If time charter rates do not stabilize or decline, we expect that our average estimated daily time charter rate used in future impairment analyses may decline, resulting in estimated undiscounted future operating net cash flows which may be less than the carrying value of certain of our Panamax-size vessels or below and requiring us to recognize non-cash impairment charges in the future equal to the excess of the impacted vessels' carrying value over their fair value. The determination of the fair value of vessels will depend on various market factors and our reasonable assumptions at that time, including time charter rates, operating expenses, capital expenditures, inflation, fleet utilization, residual value, remaining useful life and discount rates. The amount, if any, and timing of any impairment charges we may recognize in the future will depend upon then current assumptions, which may differ materially from period to period.

The following table presents information with respect to the carrying amount of the vessels owned by us and indicates whether their estimated charter-free market values are below their carrying values as of December 31, 2020. The charter-free valuations assume that our vessels are in good and seaworthy condition without need for repair, and, if inspected, they would be certified in class without notations of any kind. Because vessel values can be highly volatile, these charter-free valuations may not be indicative of either the current or future prices that we could achieve if we were to sell any of the vessels. We would not record an impairment charge for any of the vessels for which the charter-free market value is below its carrying value unless we determine that the vessel's carrying amount is not

recoverable. For those vessels that have carrying values in excess of their charter-free market values as of December 31, 2020, we have not identified any events or changes in circumstances indicating that the carrying amount may not be recoverable. Accordingly, we have not recorded an impairment charge related to those vessels as of December 31, 2020.

Vessel Name	Vessel Class (TEU)	Year Built	Vessel Carrying Value at December 31, 2020(1) (in millions of USD)	Vessel Carrying Value at December 31, 2019 (in millions of USD)
YM Wish	14000	2015	\$ 94.9	\$ 98.1
YM Wellhead	14000	2015	94.7	98.1
YM Witness	14000	2015	92.1	95.1
YM World	14000	2015	89.5	92.1
YM Wondrous	14000	2015	89.5	92.1
YM Wholesome	14000	2015	89.6	92.1
YM Worth	14000	2015	89.5	92.1
YM Welcome	14000	2016	94.0	97.1
YM Wreath	14000	2017	95.6	97.1
COSCO Glory	13100	2011	123.1	128.1
COSCO Pride	13100	2011	123.2	128.1
COSCO Development	13100	2011	124.7	129.1
COSCO Harmony	13100	2011	124.4	129.1
COSCO Excellence	13100	2012	128.8	133.1
COSCO Faith	13100	2012	129.4	134.1
COSCO Hope	13100	2012	127.9	133.1
COSCO Fortune	13100	2012	128.2	133.1
Madrid Express	13000	2010	72.1	
Paris Express	13000	2011	72.3	
MSC Siya (formerly Kota Petani)	12000	2018	88.5	
Buenos Aires Express (formerly Kota Pemimpin)	12000	2018	88.6	
Seaspan Harrier	12000	2018	91.1	
Seaspan Falcon	12000	2018	91.2	
Seaspan Raptor	12000	2018	91.2	
Seaspan Osprey	12000	2018	89.8	
APL Dublin	10700	2012	60.9	
APL Paris	10700	2012	60.9	
APL Southampton	10700	2012	60.8	
Seaspan Ganges	10000	2014	82.8	85.1
Seaspan Yangtze	10000	2014	83.1	86.1
Seaspan Zambezi	10000	2014	83.7	86.1
Maersk Guayaquil	10000	2015	77.5	80.1
Seaspan Thames	10000	2014	67.5	69.1
Seaspan Amazon	10000	2014	67.5	69.1
Seaspan Hudson	10000	2015	70.2	72.1
CMA CGM Tuticorin	10000	2015	70.2	73.1
Seaspan Brilliance	10000	2014	67.5	71.1
Seaspan Belief	10000	2015	70.3	72.1
Seaspan Beauty	10000	2015	70.3	72.1
Seaspan Bellwether	10000	2015	71.0	72.1
Maersk Guatemala	10000	2015	70.6	72.1
Maersk Gibraltar	10000	2016	73.2	75.1
CMA CGM Mundra	10000	2018	88.9	91.1
CMA CGM Mumbai	10000	2018	88.6	91.1

CMA CGM Cochin	10000	2018	77.7	79.1
CMA CGM Chennai	10000	2018	77.6	80.1
CSCL Zeebrugge	9600	2007	68.4	72.1
CSCL Long Beach	9600	2007	69.8	73.1
Seaspan Adonis	9600	2010	32.6	
APL Mexico City	9200	2013	61.2	
APL New York	9200	2013	60.9	
APL Vancouver	9200	2013	60.9	
Seaspan Oceania	8500	2004	40.8	43.1
CSCL Africa	8500	2005	41.1	42.1
COSCO Japan	8500	2010	87.1	89.1
COSCO Korea	8500	2010	87.6	90.1
COSCO Philippines	8500	2010	87.1	90.1
COSCO Malaysia	8500	2010	88.2	90.1
COSCO Indonesia	8500	2010	88.6	91.1
COSCO Thailand	8500	2010	89.6	93.1
COSCO Prince Rupert	8500	2011	91.8	95.1
COSCO Vietnam	8500	2011	91.8	95.1
Seaspan Emerald	5100	2009	52.7	55.1
Seaspan Eminence	5100	2009	53.5	55.1
MOL Emissary	5100	2009	54.2	56.1
MOL Empire	5100	2010	54.8	57.1
Brotonne Bridge	4500	2010	65.1	68.1
Brevik Bridge	4500	2011	66.4	69.1
Bilbao Bridge	4500	2011	66.0	68.1
Berlin Bridge	4500	2011	68.5	71.1
Budapest Bridge	4500	2011	69.7	72.1
Seaspan Hamburg	4250	2001	18.0	19.1
Seaspan Chiwan	4250	2001	18.4	19.1
Seaspan Ningbo	4250	2002	19.9	21.1
Seaspan Dalian	4250	2002	20.5	22.1
Seaspan Felixstowe	4250	2002	20.8	22.1
Seaspan Vancouver	4250	2005	22.5	23.1
CSCL Sydney	4250	2005	22.4	23.1
Seaspan New York	4250	2005	22.4	23.1
Seaspan Melbourne	4250	2005	28.6	30.1
CSCL Brisbane	4250	2005	28.7	29.1
Seaspan New Delhi	4250	2005	30.8	32.1
Seaspan Dubai	4250	2006	31.2	32.1
Seaspan Jakarta	4250	2006	31.4	33.1
Seaspan Saigon	4250	2006	31.5	33.1
Seaspan Lahore	4250	2006	32.6	34.1
Rio Grande Express	4250	2006	32.3	34.1
Seaspan Santos	4250	2006	32.5	34.1
Seaspan Rio de Janeiro	4250	2007	33.4	35.1
Seaspan Manila	4250	2007	33.8	35.1
Seaspan Loncomilla	4250	2009	20.8	21.1
Seaspan Lumaco	4250	2009	19.9	21.1
Seaspan Lingue	4250	2010	20.3	20.1
Seaspan Lebu	4250	2010	19.8	20.1
COSCO Fuzhou	3500	2007	15.8	16.1
COSCO Yingkou	3500	2007	17.5	18.1

		Total		5,707.	
17.	CSCL Panama	2500	17.1		
17.	CSCL Sao Paulo	2500	17.0		
16.	CSCL Montevideo	2500	16.0		
16.	CSCL Lima	2500	16.2		
16.	CSCL Santiago	2500	16.3		
17.	CSCL San Jose	2500	16.6		
18.	CSCL Callao	2500	17.3		
19.	CSCL Manzanillo	2500	18.3		
18.	Seaspan Guayaquil	2500	18.0		
18.	Seaspan Callao	2500	18.6		
9.	Seaspan Loga	2500	8.7		
8.	Seaspan Hannover	2500	8.6		
					\$
					6,577.6
					\$
					5,707.

Power generation equipment

We acquired the assets of APR Energy on February 28, 2020. When an indicator of impairment is identified for our power generation equipment, our estimates of future cash flows used to determine fair value involve assumptions related to future lease rates, asset utilization, off-hire and re-deployment periods, and the remaining estimated useful lives of our assets. If undiscounted future cash flows are less than its carrying value, fair value is calculated as the net present value of estimated future cash flows, which in certain circumstances may approximate the estimated market value of the assets.

Revenue assumptions are based on lease rates up to the end of the life of the current contract for each asset, as well as estimated future lease rates, for the remaining life of the asset after the completion of its current contract. The estimated future lease rates for non-contracted revenue periods are based on historical averages. Our estimates of asset utilization, including estimated off-hire periods for decommissioning, re-deployment and mobilization are also based on historical experience.

The remaining lives of our power generation used in our estimates of future cash flows are consistent with those used in our calculations of depreciation. For the year ended December 2020, based on our analysis, we have not identified any events or changes in circumstances indicating that the carrying amount of these assets may not be recoverable and accordingly, no impairment was recorded.

Based on our experience, we recognize that key assumptions, including future lease rates and asset utilization require significant judgement and are inherently volatile, given the unpredictable nature of our power generation segment. We assess these assumptions on a continuous basis and believe those used to estimate future cash flows of our assets are reasonable at the time they are made. We can make no assurances however, as to whether our estimates of future cash flows will be accurate.

Based on current market conditions for our mobile power generation segment, we intend to continue to hold and operate our assets. If we are unable to deploy our power generation equipment at rates consistent with historical averages, due to shift in market demand or specific events such as further developments in the COVID-19 pandemic, future lease revenue and utilization rates will decline, resulting in estimated undiscounted future operating net cash flows which may be less than the carrying value of certain of our assets and requiring us to recognize non-cash impairment charges in the future equal to the excess of the impacted asset's carrying value over their fair value. The

determination of the fair value of the assets will depend on various market factors and our reasonable assumptions at that time. The amount, if any, and timing of any impairment charges we may recognize in the future will depend upon then current assumptions, which may differ materially from period to period.

Goodwill

We allocate the cost of acquired companies to the identifiable tangible and intangible assets and liabilities acquired, with the remaining amount being classified as goodwill. Our future operating performance may be affected by the potential impairment charges related to goodwill. Accordingly, the allocation of the purchase price to goodwill may significantly affect our future operating results. Goodwill is not amortized, but reviewed for impairment annually, in the fourth quarter or more frequently if impairment indicators arise. The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgment at many points during the analysis.

The allocation of the purchase price of acquired companies requires management to make significant estimates and assumptions, including estimates of future cash flows expected to be generated by the acquired assets and the appropriate discount rate to value these cash flows. In addition, the process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgment at many points during the analysis. The fair value of our reporting unit is estimated based on discounted expected future cash flows using a weighted-average cost of capital rate. The estimates and assumptions regarding expected cash flows and the appropriate discount rates require considerable judgment and are based upon existing contracts, historical experience, financial forecasts and industry trends and conditions.

Our goodwill comprising of \$75.3 million from our January 2012 acquisition of Seaspan Management Services Limited ("SMSL"), allocated to the containership leasing segment, and \$117.9 million, allocated to our mobile power generation segment, from our current year acquisition of APR Energy, was tested for impairment at November 30, 2020. We have the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit, is less than its carrying amount, including goodwill. Alternatively, we may bypass this step and use a fair value approach to identify potential goodwill impairment and, when necessary, measure the amount of impairment.

As of November 30, 2020, we bypassed the qualitative assessment and used a fair value approach for the goodwill assessment related to both our containership leasing and power generation segments.

For our containership leasing reporting unit, we determined that the discounted cash flows substantially exceeded the carrying value of the reporting unit and concluded that our goodwill was not impaired.

For our mobile power generation reporting unit, we determined that the carrying value of the reporting unit exceeded its fair value, measured using the income approach with a discounted cash flow, as a result of potential strategic repositioning contemplated subsequent to acquisition. Accordingly, an impairment charge of \$117.9 million, representing the balance of the goodwill associated with our mobile power generation reporting unit, was recorded in the Consolidated Statements of Operations. Key assumptions used to determine future cash flows included future lease rates, asset utilization, off-hire and re-deployment periods, the remaining estimated useful lives of our assets and expectation of replacement and/or growth assets. The assumptions related to future lease rates, asset utilization, off-hire and re-deployment periods and remaining useful lives are consistent with those used to determine recoverable amount for our power generation assets. The expectation of replacement and/or growth assets are based on our market-driven view of an appropriate asset mix and evaluation of technology and regulations that may impact the power generation market.

The determination of these assumptions require significant judgment. We assess relevant assumptions on a continuous basis and believe those used to estimate future cash flows of our assets are reasonable at the time they are made. We can make no assurances however, as to whether our estimates of future cash flows will be accurate. The amount, if any, and timing of any goodwill impairment charges that we may recognize in the future will depend upon then current assumptions, which may differ materially from those used at November 30, 2020.

Derivative Instruments

Our hedging policies permit the use of various derivative financial instruments to manage interest rate risk. Interest rate swap have been entered into to reduce our exposure to market risks from changing interest rates. We recognize the interest rate swap and swaption agreements on the balance sheet at their fair values.

The fair values of the interest rate swap and swaption agreements have been calculated by discounting the future cash flows of both the fixed rate and variable rate interest rate payments. The interest rate payments and discount rates were derived from a yield curve created by nationally recognized financial institutions adjusted for the associated credit risk related to the credit risk of the counterparties or our non-performance risk. The inputs used to determine the fair values of these agreements are readily observable. Accordingly, we have classified the fair value of the interest rate swap Level 2 in the fair value hierarchy as defined by U.S. GAAP. Changes in the fair value of our interest rate swaps are recorded in earnings.

We evaluate whether any of the previously hedged interest payments are remote of occurring. We have concluded that the previously hedged interest payments are not remote of occurring. Therefore, unrealized gains or losses in accumulated other comprehensive income associated with the previously designated interest rate swaps are recognized in earnings when and where the interest payments are recognized. If such interest payments were to be identified as being remote of occurring, the accumulated other comprehensive income balance pertaining to these amounts would be reversed through earnings immediately.

Asset Retirement Obligations

We record a provision and a corresponding long-lived asset for asset retirement obligations ("ARO") as it relates to our mobile power generation segment, when there is a legal obligation associated with the retirement of long-lived assets and the fair value of the liability can be reasonably estimated. The fair value of the ARO is measured using expected future cash flows discounted at our credit-adjusted risk-free interest rate. The liability is accreted up to the cost of retirement through interest expense over the non-cancellable lease term. The long-lived asset is depreciated over the same period.

We use judgment in determining the amount and timing of settlements, which may change materially in response to factors including, but not limited to changes in laws and regulations, the emergence of new technology, and changes to the timing and scope of work. Changes in the amount or timing of the estimated ARO are recorded as an adjustment to the related asset and liability and would impact accretion of the asset retirement obligation in addition to depletion of asset retirement cost included in property, plant and equipment.

Business Combination

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or surplus of the purchase consideration when compared to the fair value of the net assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. A significant amount of judgment is involved in estimating the individual fair values of property, plant and equipment, intangible assets, contingent consideration, taxes and other assets and liabilities. We use all relevant information to make these fair value determinations. For material acquisitions, we engage an independent valuation specialist to assist when relevant.

An income, market or cost valuation method may be utilized to estimate the fair value of the assets acquired, liabilities assumed, contingent consideration and noncontrolling interest, if any, in a business combination.

The income valuation method which requires us to project future cash flows and apply an appropriate discount rate. The cost valuation method is based on the replacement cost of a comparable asset at prices at the time of the acquisition reduced for depreciation of the asset. The market valuation method uses market data and adjusts for company specific factors. The estimates used in determining fair value are based on assumptions believed to be reasonable, but which are inherently uncertain. Accordingly, results may differ materially from the projected results used in to determine fair value. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, and not later than one year from the acquisition date, we will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition. Any adjustment that arises from information obtained that did not exist as of the date of the acquisition will be recorded in the period of the adjustment.

Recent Accounting Pronouncements

Leases

Effective January 1, 2019, we adopted ASU 2016-02, "Leases", using the modified retrospective method, whereby a cumulative effect adjustment was made as of the date of initial application. We elected the practical expedient to use the effective date of adoption as the date of initial application. Accordingly, financial information and disclosures in the comparative period were not restated. We also elected to apply the package of practical expedients such that for any expired or existing leases, we did not reassess lease classification, initial direct costs or whether the relevant contracts are or contain leases. We did not use hindsight to reassess lease term for the determination of impairment of right-of-use assets.

The impacts of the adoption of ASU 2016-02 are as follows:

(in millions of US dollars)	As reported at December 31, 2018	Adjustments	Adjusted at January 1, 2019
Right-of-use assets (1) (2)	\$ —	\$ 1,068.3	\$ 1,068.3
Other assets (2)	204.9	(17.3)	187.6
Accounts payable and accrued liabilities (1)	70.2	(2.5)	67.7
Current portion of operating lease liabilities (1)	—	160.2	160.2
Current portion of other long-term liabilities (3)	32.2	(22.2)	10.0
Operating lease liabilities (1)	—	893.3	893.3
Other long-term liabilities (3)	181.1	(158.9)	22.2
Deficit (3)	(645.6)	181.1	(464.5)

- (1) Upon adoption of ASU 2016-02, we recorded non-cash right-of-use assets and operating lease liabilities on the balance sheet for its vessel sale-leaseback transactions and office leases under operating lease arrangements. Prior to January 1, 2019, operating leases were not included on the balance sheet and were recorded as operating lease expenses when incurred. The amount recognized as operating lease liabilities was based on the present value of future minimum lease payments, discounted using the lessor's rate implicit in the lease or our incremental borrowing rate if the lessor's implicit rate is not readily determinable and includes any existing accrued payments related to lease liabilities. Minimum lease payments referenced to an indexed rate were determined based on the respective rates at the adoption date.
- (2) Initial direct costs related to our vessel sale-leaseback transactions under operating lease arrangements were reclassified from other assets to right-of-use assets.
- (3) Deferred gain related to our vessel sale-leaseback transactions was recognized through deficit on the initial date of application.

The accounting for lessors is largely unchanged under ASU 2016-02. We evaluated our lessor arrangements and determined that the amounts recognized and the pattern of recognition remained substantially the same as existing guidance which was previously used by us.

Leases are classified as operating leases or financing leases based on the lease term and fair value associated with the lease. The assessment is done at lease commencement and reassessed only when a modification occurs that is not considered a separate contract.

Measurement of Credit Loss

Effective January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, "Measurement of Credit Loss on Financial Instruments". ASU 2016-13 replaces the current incurred loss impairment methodology with the expected credit loss impairment model ("CECL"), which requires consideration of a broader range of reasonable and supportable information to estimate expected credit losses over the life of the instrument instead of only when losses are incurred. This standard applies to financial assets measured at amortized cost basis and net investments in leases recognized by the lessor. Upon adoption, a cumulative effect adjustment of \$2.3 million was made to deficit as part of the modified retrospective transition approach.

Discontinuation of LIBOR

In March 2020, FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)", which provides optional relief for the discontinuation of LIBOR resulting from rate reform. Contract terms that are modified due to the replacement of a reference rate are not required to be remeasured or reassessed under FASB's relevant U.S. GAAP Topic. The election is available by Topic. This guidance is effective for all entities as of March 12, 2020 through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of the ASU. The Company is currently evaluating the impact of this guidance.

Simplifying test for goodwill impairment

Effective January 1, 2020, the Company adopted ASU 2017-04, "Simplifying the Test for Goodwill Impairment." ASU 2017-04 eliminates the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the implied goodwill impairment. As a result of the adoption, the Company now calculates goodwill impairment as the amount by which the carrying value exceeds fair value of a reporting unit, not to exceed the carrying amount of goodwill.

Debt with conversion and other options

In August 2020, FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20)", which simplifies the accounting for convertible debt instruments by reducing the number of accounting models and circumstances when embedded conversion features are separately recognized. This update also revises the method in which diluted earnings per share is calculated related to certain instruments with conversion features, among other clarifications. The guidance is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact of this guidance.

E. Research and Development

Not applicable.

F. Off-Balance Sheet Arrangements

As at December 31, 2020, we do not have any off-balance sheet arrangements.

G. Contractual Obligations

As of December 31, 2020, our long-term undiscounted contractual obligations consist of the following:

	Payments Due by Period (in Millions of USD)				
	Total	2021	2022-2023	2024-2025	Thereafter
Fixed-rate long-term debt obligations(1)	\$ 1,021.2	\$ 12.8	\$ 34.2	\$ 471.2	\$ 503.0
Variable-rate long-term debt obligations(2)	2,726.9	324.0	992.6	1,327.0	83.3
Other financing arrangements(3)	879.5	64.6	129.2	122.0	563.7
Operating leases(4)	927.0	147.1	287.7	273.5	218.7
Purchase obligations for additional vessels	377.8	142.7	235.1	-	-
Total	\$ 5,932.4	\$ 691.2	\$ 1,678.8	\$ 2,193.8	\$ 1,368.7

(1) Represents principal payments on our credit facilities that bear fixed interest rates, 2027 7.125% Notes, Fairfax Notes, and Exchangeable Notes. Payments due on the 2027 7.125% Notes, Fairfax Notes and Exchangeable Notes are based on their respective maturity dates, and do not take into account early redemption options. The amounts exclude expected interest payments of \$56.8 million (for 2021), \$111.1 million (for 2022-2023), \$94.3 million (for 2024-2025) and \$18.6 million (after 2025).

(2) Represents principal payments on amounts drawn on our credit facilities that bear interest at variable rates of LIBOR plus margins ranging from 0.4% to 4.3% per annum. We have entered into interest rate swap agreements under certain of our credit facilities to swap the variable interest rates for fixed interest rates ranging from 0.7% to 5.6% per annum. For purposes of this table, principal payments are determined based on contractual repayments in commitment reduction schedules for each related facility. The amounts exclude expected interest payments of \$603.8 million (for 2021), \$88.4 million (for 2022-

2023), \$23.5 million (for 2024-2025) and \$3.1 million (after 2025). Expected interest payments are based on LIBOR plus margins at December 31, 2020. The expected interest payments do not reflect the effect of related interest rate swaps that we have used as an economic hedge of certain of our variable-rate debt.

- (3) Represents payments under our other financing arrangements and bear interest at variable rates of LIBOR plus margins ranging from 2.75% to 3.3% per annum.
- (4) Represents payments under our operating leases for vessels and other leases. We entered into sale-leaseback transactions for certain of our vessels where the lease term commenced upon the delivery dates of the vessels. These operating lease payments include expected interest payments that bear interest at variable rates of LIBOR plus margins ranging from 1.5% to 3.0% per annum. Expected interest payments on operating leases for our vessels are based on LIBOR, at December 31, 2020, plus margins.

Item 6. Directors, Senior Management and Employees

A. Directors, Senior Management and Key Employees

Our directors and executive officers, as of March 1, 2021, and their ages as of December 31, 2020 are listed below.

Name	Age	Position
David Sokol	64	Director and Chairman of the board of directors
Bing Chen	54	Director, President & Chief Executive Officer
Graham Talbot	56	Chief Financial Officer
Tina Lai	44	Chief Human Resources Officer
Karen Lawrie	58	General Counsel
Torsten Holst Pedersen	50	Chief Operating officer
Sarah Pybus	42	Associate General Counsel & Compliance Officer
Krista Yeung	40	Vice President, Accounting & Tax
Lawrence Chin	44	Director
John Hsu	57	Director
Nicholas Pitts-Tucker	69	Director
Lawrence Simkins	59	Director
Stephen Wallace	64	Director

David Sokol. David Sokol was appointed a director and chairman of Atlas in November 2019 and served as a director and chairman of Seaspan from 2017 to 2020. Mr. Sokol is also a member of the compensation and governance committee. Mr. Sokol has founded three companies in his career to date, taken three companies public and as Chairman and CEO of MidAmerican Energy Holdings Company, he sold the company to Berkshire Hathaway, Inc. in 2000. Mr. Sokol continued with Berkshire Hathaway, Inc., until he retired in March 2011, when he left in order to manage his family business investments, Teton Capital, LLC, as Chairman and CEO. Teton Capital, LLC is headquartered in Fort Lauderdale, Florida and is a family holding company which oversees investments in the banking, manufacturing, consumer products, energy, real estate and technology businesses. Mr. Sokol currently sits on two corporate boards and is a member of the executive committee of the board of directors of the Horatio Alger Association of Distinguished Americans. Over Mr. Sokol's 40-year career, he has chaired five corporate boards and over a dozen charitable or community boards. David Sokol's business philosophy based upon vision, strategy and six operating principles, is described in a book he authored in 2008, *Pleased But Not Satisfied*. It is a simple business model with a definite focus on developing future leaders.

Bing Chen. Bing Chen was appointed as a director of Atlas Corp. and as Atlas Corp.'s President and Chief Executive Officer in November 2019 and as a director of Seaspan and as Seaspan's President and Chief Executive Officer in January 2018. Over his 25 year career, Mr. Chen has held executive positions in China, Europe and the United States. Most recently, he served as CEO of BNP Paribas (China) Ltd., leading the bank's growth strategy in China. From 2011 to 2014, Mr. Chen was the general manager for Trafigura's Chinese business operations, where he maintained full P&L responsibility for domestic and international commodities trading in the country. Between 2009 and 2011, he was responsible for building the greater China investment banking practice of Houlihan Lokey, Inc. as the managing director and head of Asia financial advisory. Between 2001 and 2009, Mr. Chen held various leadership roles in Europe, including as chief executive officer, chief financial officer, and managing director of leasing and aircraft chartering businesses. Between 1999 and 2001, he worked as a director, business strategy at Deutsche Bank

in New York. Mr. Chen is a certified public accountant (inactive), and received a B.S., Accountancy (Magna Cum Laude) (Honours) from Bernard Baruch College, and an MBA (Honours) from Columbia Business School.

Graham Talbot. Graham Talbot is the Chief Financial Officer of Atlas Corp. and also serves as Chief Financial Officer of Seaspan Corporation. Mr. Talbot has worked in asset-intensive industries, primarily in the energy sector, for more than 30 years. He has held executive finance roles in Abu Dhabi Power Corporation and Maersk Energy based in Copenhagen. Prior to his time with Maersk, Mr. Talbot was Regional Finance Director for BG Group, in his native Australia, where his responsibilities included the \$20bn Queensland Curtis LNG project. Prior to this, he spent 23 years with Shell in senior international finance roles based in Guam, United Kingdom, Netherlands, Kazakhstan, U.A.E., and Australia. Throughout his career, Mr. Talbot has held a broad range of functional accountabilities including – Finance, Strategy, Trading, Procurement, Technology, Commercial and Business Integration/Separation. In addition, he has held numerous Board positions in various jurisdictions. Mr. Talbot holds an MBA from Melbourne Business School, is a Fellow of CPA Australia, a Fellow of the Governance Institute of Australia, a Fellow of the Energy Institute, and a Graduate Member of the Institute of Company Directors.

Tina Lai. Tina Lai was appointed as Atlas Corp.'s Chief Human Resources Officer in November 2019 and as Seaspan's Chief Human Resources Officer in July 2018. Prior to joining Seaspan, Ms. Lai spent five years at Metrie, the largest supplier and manufacturer of solid wood and composite molding in North America, with five manufacturing facilities and 26 distribution centers in the United States and Canada. As Vice President, Human Resources, she was part of the senior leadership team there, playing a key role in building out the human resources function, which focused on bringing talent to the forefront of the company's business strategy. Ms. Lai has 20 years of experience as a results-oriented human resources professional within a number of industries, serving in leadership positions with broad oversight responsibilities, including sales and customer service, channel marketing, corporate communications, culture transformation, and organizational effectiveness. She graduated with a Bachelor of Arts from the University of British Columbia and from the Human Resources Management program at the British Columbia Institute of Technology. Ms. Lai is a Chartered Professional in Human Resources (CPHR) and is an active member of the CPHR BC & Yukon.

Karen Lawrie. Karen Lawrie was appointed as General Counsel of Atlas Corp. in August 2020 and as Seaspan's General Counsel in February 2020. Prior to joining Seaspan, Ms. Lawrie held senior leadership positions in the maritime, energy and financial services sectors and has extensive transactional experience across Europe, the United States, Mexico, Brazil, Southeast Asia and Africa. She is experienced in both commercial and corporate law including corporate governance and compliance, treasury, mergers and acquisitions, litigation, marine and energy law. Most recently, Ms. Lawrie was General Counsel with Bumi Armada, in Malaysia. Prior to Bumi Armada, Ms. Lawrie worked both in-house and in private practice with JP Morgan Securities, Goldman Sachs, State Street Bank, AET Tankers, Subsea 7, EDF Energy and Dentons. Ms. Lawrie has a B.A. (Magna cum laude) from Seattle University and a M.A. Honours from the University of Cambridge. Ms. Lawrie is a solicitor with the Law Society of England and Wales and a licensed attorney with the State Bar of Texas.

Torsten Holst Pedersen. Torsten Holst Pedersen was appointed as Chief Operating Officer of Seaspan Corporation in June 2020, and served as Executive Vice President, Ship Management from November 2018 to May 2020. Mr. Pedersen has over 20 years of experience in shipping, logistics and infrastructure, during which he held senior leadership roles and board positions across Europe, Asia, Middle East and Africa. He started his career with the Maersk Group in 1996 and worked in several of the group's business entities, holding C-level positions in finance and human resources. In 2016, Mr. Pedersen joined Inchcape Shipping Service as regional CEO for Middle East, Africa and South Asia. He then worked as head of operations for V Group, leading the transformation of the global operations organization of more than 45,000 employees. Prior to joining Seaspan, Mr. Pedersen worked as a strategy consultant, assisting companies with strategy execution and M&A due diligence in the Middle East and South Asia. He holds a Master of Economics from Aalborg University, Denmark, and a Master of International Economics (with Distinction) from University of Essex, U.K. These have been complemented by executive programs at Wharton and London Business School.

Sarah Pybus. Sarah Pybus was appointed as Compliance Officer of Atlas in August 2020, and is also Associate General Counsel and Secretary of each of Atlas and Seaspan. Ms. Pybus has been in-house counsel at Seaspan since August 2014, initially as Corporate Counsel. Prior to joining Seaspan, Ms. Pybus was in-house counsel at a brokerage firm for three years and, before that, in private practice with the firm Blake, Cassels & Graydon LLP. In private

practice, Ms. Pybus advised companies with respect to mergers and acquisitions and corporate finance transactions, as well as on general corporate matters, corporate governance and compliance with securities legislation. Ms. Pybus is a barrister and solicitor, called to the Alberta bar in 2006 and the British Columbia bar in 2007, and is designated as a Certified In-House Counsel – Canada by the Canadian Bar Association, the Canadian Corporate Counsel Association and the Rotman School of Management (University of Toronto). Ms. Pybus obtained her law degree from the University of Alberta.

Krista Yeung. Krista Yeung was appointed as Atlas Corp.'s Vice President, Accounting & Tax in October 2020 and prior to that was Vice President, Finance from March 2020. Ms. Yeung is a seasoned executive with over 15 years of experience. Previous to her current position, she has had various roles with Seaspan, including Corporate Controller and Vice President Accounting. She graduated with a Bachelor of Commerce from the University of British Columbia. Ms. Yeung is a Chartered Professional Accountant (CPA, CA) and prior to joining Seaspan she articulated at KPMG LLP.

Lawrence Chin. Lawrence Chin was appointed a director of Atlas in November 2019 and is a member of the Compensation and Governance Committee. Mr. Chin had served as a director and a member of the Compensation and Governance Committee of Seaspan since April 2018 to March 2020. Lawrence Chin has over 22 years of experience in global capital markets and has served as managing director of Hamblin Watsa Investment Counsel (Fairfax Financial Holdings Limited) since 2016, overseeing Asian and North American investments. Previous to this, he spent 17 years in leadership positions at Mackenzie Cundill Investments. From 2010 to 2016, as senior vice president and co-team lead, Mr. Chin co-led the Cundill brand, overseeing approximately \$10 billion in global assets. From 2008 to 2010, in his role as vice president, portfolio manager and head of research, he managed the company's research department and was the lead portfolio manager of over \$3 billion in assets. From 1999 to 2008, he held the position of partner, analyst, at Cundill Investments prior to its sale to Mackenzie Investments in 2006. Mr. Chin is a chartered financial analyst, and holds a Bachelor of Business Administration from Simon Fraser University.

John C. Hsu. John Hsu was appointed a director of Atlas in November 2019 and is a member of the audit committee. Mr. Hsu has been a director of Seaspan since April 2008. For generations, Mr. Hsu's family have owned and operated bulkers, tankers and specialized ships through entities such as Sincere Navigation Corp. (Taiwan-listed) and Oak Maritime Group. Currently, Mr. Hsu is a director of the family's single family office, OSS Capital, a member of the Advisory and Investment Committee of Isola Capital Group (a multifamily office based in Hong Kong that manages direct investments in private equity), and also holds directorships in various private companies and NGOs. From 2008 to 2012, he was the chairman of TSSI Inc. (a Taiwan-based surveillance IC solutions provider). From 2003 to 2010, Mr. Hsu was a partner of Ajia Partners, a prominent privately-owned alternative asset investment firm. From 1998 to 2002, he was chief investment officer of Matrix Global Investments, a hedge fund of US listed technology companies. Mr. Hsu received his Bachelor of Arts degree from Colgate University and his Masters of Business Administration degree from Columbia University, and is also fluent in Japanese and Mandarin.

Nicholas Pitts-Tucker. Nicholas Pitts-Tucker was appointed as a director of Atlas in November 2019 and serves as the chair of the audit committee. Mr. Pitts-Tucker served as a director of Seaspan from April 2010 to March 2020 and was chair of the audit committee since April 2015. Mr. Pitts-Tucker joined Sumitomo Mitsui Banking Corporation in 1997, following 14 years at Deutsche Morgan Grenfell and over 10 years at Grindlays Bank Limited in Asia. At Sumitomo Mitsui Banking Corporation, Mr. Pitts-Tucker served for 13 years with particular emphasis on project shipping and aviation finance in Asia, Europe and the Middle East. He also served on the Board as an executive director of SMBC Europe and of Sumitomo Mitsui Banking Corporation in Japan, or SMBC Japan. He retired from SMBC Europe and SMBC Japan in April 2010, and also retired as a non-executive director and as a member of the audit committee of SMBC Europe in April 2011. In December 2010, Mr. Pitts-Tucker was appointed as a director of Black Rock Frontier Investment Trust PLC, which is listed on the London Stock Exchange, and is a member of the audit committee. Mr. Pitts-Tucker is a member of the Royal Society for Asian Affairs, which was founded in 1901 to promote greater knowledge and understanding of Central Asia and countries from the Middle East to Japan. In August 2013, Mr Pitts-Tucker was appointed as Governor of the University of Northampton, UK's No 1 University for Social Enterprise. Mr. Pitts-Tucker has a Master of Arts degree from Christ Church, Oxford University and a Master of Business Administration from Cranfield University.

Lawrence Simkins. Larry Simkins was appointed as a director of Atlas in November 2019 and served as a director of Seaspan from April 2017 to March 2020. Mr. Simkins is chair of the compensation and governance

committee. Since 2001, Larry Simkins has been President of The Washington Companies, an affiliate of Seaspan's second largest shareholder. As President and CEO, Mr. Simkins provides leadership and direction to the enterprise by serving as a member of the board of directors of each individual company. The Washington Companies consist of privately owned companies and selected public company investments employing over 6,000 people worldwide, generating nearly US\$2 billion in annual revenue. Business is transacted in the sectors of rail transportation, marine transportation, shipyards, mining, environmental construction, heavy equipment sales and aviation products. Mr. Simkins is a former director of the Federal Reserve Bank of Minneapolis, completing his second term in December of 2016. Mr. Simkins currently serves on the boards of Trustees of Gonzaga University and the Boy Scouts of America-Montana Council. He is a certified public accountant (inactive), and received a B.S., Business Administration (Accounting) from the University of Montana.

Stephen Wallace. Stephen Wallace was appointed a director of Atlas in November 2019 and is a member of the audit committee. Mr. Wallace served as a director of Seaspan from April 2018 to March 2020. Stephen Wallace has worked for over 30 years in global affairs and public administration. A Deputy Minister in Canada's federal government until the end of 2017, he has worked extensively with emerging economies and large-scale enterprises, was responsible for core government operations at the Treasury Board, led civil reconstruction programs in some of the world's major conflict zones, and was most recently the Secretary to the Governor General of Canada. He is a graduate of the Institute of Corporate Directors with an academic background in international trade and extensive experience in international negotiation. Mr. Wallace grew up in an Atlantic Coast naval family and is currently an advisor to government, corporations and academic institutions.

B. Compensation

Compensation of Directors and Officers

Our non-employee directors receive cash and, as described below under "—Equity Incentive Plan," equity-based compensation.

In 2020, each non-employee member of the Atlas board of directors received the following annual cash retainers and fees. Each non-employee director received an annual cash retainer of \$70,000. The chair of the audit committee received an annual payment of \$20,000 and each other member of the audit committee received an annual payment of \$10,000 for the regular quarterly committee meetings. The chair of the compensation and governance committee received an annual payment of \$20,000 and each other member of the compensation and governance committee, other than David Sokol, received an annual payment of \$10,000 for the regular quarterly committee meetings. Each audit committee member and each compensation and governance committee member, other than David Sokol, also received a payment of \$1,500 for each additional committee meeting attended during the calendar year.

All annual cash retainers and payments are payable in equal quarterly installments. Non-employee directors who attend committee meetings (other than the regularly scheduled quarterly meetings) at the invitation of the chair of the committee, but who are not members of any such committee, also received a payment of \$1,500 per meeting.

Officers who also serve as directors do not receive compensation for their service as directors. Each director is reimbursed for out-of-pocket expenses incurred while attending any meeting of our board of directors or any committee.

For services during the year ended December 31, 2020, Atlas directors and management 14 persons in 2020 received aggregate cash compensation of approximately \$5.2 million. We do not have a retirement plan for members of our management team or our directors. The compensation amounts set forth above exclude equity-based compensation paid to our directors and management as described below.

Employment Agreements with Senior Management

Mr. Bing Chen serves as President & Chief Executive Officer of Atlas Corp. and each of its portfolio companies pursuant to an executive employment agreement between Mr. Chen and Seaspan Corporation, initially executed in October 2017 and most recently amended and restated in June 2020, with an effective date of January 1, 2021. Our senior management other than Mr. Chen, including Graham Talbot, Tina Lai, Karen Lawrie, Torsten Holst Pedersen, Sarah Pybus and Krista Yeung, have employment arrangements with Seaspan Ship Management Limited ("SSML").

Equity Incentive Plan

In December 2005, Seaspan's board of directors adopted the Seaspan Corporation Stock Incentive Plan (the "Seaspan Plan"), which was administered by Seaspan's board of directors and, under which its officers, employees and directors could be granted options, restricted shares, phantom share units and other stock-based awards as determined by the Seaspan board of directors. Upon consummation of the Reorganization, Atlas assumed Seaspan's equity-based compensation plans, including the Seaspan Plan. Awards previously granted under the Seaspan Plan are now exercisable for Atlas common shares instead of Seaspan common shares.

In connection with the Reorganization, the Seaspan Plan was amended and restated as the Atlas Corp. Stock Incentive Plan (the "Atlas Plan"). In June 2020, the Atlas Plan was amended and restated to increase the number of common shares issuable under the Atlas Plan from 5,000,000 to 10,000,000.

In February 2020, Mr. Chen was granted 130,955 common shares, vesting in equal tranches over a three-year period commencing on the date of grant. In June 2020, Mr. Chen received a grant of 1,500,000 restricted stock units and a grant of stock options to acquire 1,500,000 common shares at a price of \$7.80 per share, each award vesting in equal tranches over five years commencing December 31, 2021. The restricted stock units and stock options are subject to "claw-back" rights in favor of us for termination of Mr. Chen's employment in certain circumstances. The stock options expire on June 24, 2030.

In January and February 2020, each of Atlas's non-employee directors (other than Mr. Sokol) was awarded 8,582 restricted shares, which vested on January 1, 2021. In August 2020, Mr. Sokol, chairman of the Board, received a grant of 1,000,000 restricted shares which vested on December 31, 2020, subject to a clawback period from January 1, 2021 to December 31, 2022.

In 2020, Atlas also granted an aggregate 75,405 restricted stock units to our executive officers, other than Mr. Chen, of which certain of these grants vested immediately, with the remainder vesting on February 28 of 2021 and 2022. In September 2020, 71,799 restricted stock units granted in 2019 and 2020 were forfeited.

SSML has a Cash and Equity Bonus Plan ("CEBP") under which its key employees are eligible to receive awards comprised of 2/3 cash and 1/3 common shares under the Atlas Plan (previously the Seaspan Plan). The purpose of the CEBP is to align the interests of SSML's management with the interests of Atlas. In 2020, under the CEBP, SSML granted 8,818 common shares to Atlas executive officers for the equity portion of the award. Unvested awards granted prior to the Reorganization will vest and be paid out in common shares of Atlas and otherwise accordance with the terms of the CEBP.

In June 2020, Atlas established the Atlas Corp. Equity Bonus Plan ("EBP") under which employees of Atlas and its subsidiaries who do not participate in the CEBP may receive equity bonus awards. Like the CEBP, the purpose of the EBP is to align the interests of Atlas personnel with the interests of Atlas.

C. Board Practices

General

As of March 1, 2021, the board of directors consisted of seven members. From February 2020 to February 2021, our board of directors consisted of eight members. Alistair Buchanan resigned as a director in February 2021.

Each member of our board is elected to hold office until the next succeeding annual meeting of shareholders and until such director's successor is elected and has been qualified. The chairman of our board of directors is David Sokol.

Our board of directors has determined that each of the current members of our board of directors, other than Bing Chen, has no material relationship with us, either directly or as a partner, shareholder or officer of an organization that has a material relationship with us, and is therefore independent from management.

The independent directors on our board considered the independence of Mr. Chin in light of the fact that he serves as managing director Hamblin Watsa Investment Counsel Ltd., a wholly-owned subsidiary of Fairfax, our largest shareholder, as well as the independence of Mr. Sokol and Mr. Simkins, in light of their relationships with Dennis Washington, who controls entities that together represent our second largest shareholder, and determined that each of Messrs. Chin, Sokol and Simkins is an independent director in accordance with Atlas independent director standards.

Committees

The board of directors currently has two committees, including an audit committee and a compensation and governance committee. During 2020, the board of directors also had an executive committee, which was dissolved in March 2021. The membership of the audit committee and compensation and governance committee during 2020 and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the board, which are available under "Corporate Governance" in the Investor Relations section of our website at www.atlascorporation.com.

During 2020, the board of directors held five meetings, the audit committee held five meetings and the compensation and governance committee held six meetings.

The audit committee of the board is composed entirely of directors who currently satisfy applicable New York Stock Exchange ("NYSE") and SEC audit committee independence standards. During 2020, the audit committee members were Nicholas Pitts-Tucker (chair), Alistair Buchanan, John Hsu and Stephen Wallace. Mr. Buchanan resigned as a director in February 2021. All current members of the committee are financially literate, and our board of directors determined that Mr. Pitts-Tucker qualifies as a financial expert. The audit committee assists our board of directors in fulfilling its responsibilities for general oversight of: (1) the integrity of our consolidated financial statements; (2) our compliance with legal and regulatory requirements; (3) the independent auditors' qualifications and independence; (4) the performance of our internal audit function and independent auditors; and (5) potential conflicts and related party transactions.

The compensation and governance committee of the board consists of Lawrence Simkins (chair), David Sokol and Lawrence Chin. The compensation and governance committee is tasked with: (1) reviewing, evaluating and approving our agreements, plans, policies and programs to compensate our officers and directors; (2) reporting on executive compensation, which is included in our proxy statement; (3) otherwise discharging the board's responsibilities relating to the compensation of our officers and directors; (4) assisting the board with corporate governance practices, evaluating director independence and conducting periodic performance evaluations of the members of the board; and (5) performing such other functions as the board may assign to the committee from time to time.

Exemptions from NYSE Corporate Governance Rules

As a foreign private issuer, we are exempt from certain corporate governance rules that apply to U.S. domestic companies under NYSE listing standards. The significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies are that (1) we are not required to obtain shareholder approval prior to the adoption of equity compensation plans or certain equity issuances, including, among others, issuing 20% or more of our outstanding common shares or voting power in a transaction, and (2) our board of directors, rather than a separate nominating committee of independent directors, evaluates and approves our director nominees.

Unlike domestic companies listed on the NYSE, foreign private issuers are not required to have a majority of independent directors and the standard for independence applicable to foreign private issuers may differ from the standard that is applicable to domestic issuers. Our board of directors has determined that all of our directors, other than Bing Chen, satisfy the NYSE's independence standards for domestic companies.

D. Employees

As of December 31, 2020, we employed approximately 5,300 employees, on a consolidated basis. Seaspan had approximately 4,800 seagoing staff serve on the vessels that we manage and approximately 300 staff serve on shore in technical, commercial and administrative roles in Canada, Hong Kong and India. APR Energy had approximately 100 employees serve on the various plant sites and approximately 100 staff serve in technical, commercial and administrative roles in various locations including the US, Argentina, and Singapore.

In accordance with Maritime Labour Convention and Hong Kong employment regulations, all Seaspan seagoing staff are covered under a Collective Bargaining Agreement with the Hong Kong Seafarers Co-ordination Committee which is a consolidation of three Hong Kong seagoing staff unions, Merchant Navy Officers Guild (MNOG), Hong Kong Seamen's Union (HKSU) and Amalgamated Union of Seafarers (AUS). These unions are duly recognized members of the International Transport Workers Federation (ITF). Of the employees at APR, 70 employees located in Argentina are covered under union contracts.

E. Share Ownership

The following table sets forth certain information regarding the beneficial ownership of our common shares by:

- each of our current directors;
- each of our current executive officers; and
- all our current directors and current executive officers as a group.

The information presented in the table is based on information filed with the SEC and on information provided to us on, or prior, to March 1, 2021.

Name of Beneficial Owner	Common Shares	Percentage of Common Shares(1)
David Sokol(2)	2,425,000	1.0%
Bing Chen	*	*
Graham Talbot	*	*
Tina Lai	*	*
Karen Lawrie	*	*
Torsten Holst Pedersen	*	*
Sarah Pybus	*	*
Krista Yeung	*	*
Lawrence Chin	*	*
John Hsu	*	*
Nicholas Pitts-Tucker	*	*
Lawrence Simkins	*	*
Stephen Wallace	*	*
All directors, executive officers, senior management and key employees as a group (13 persons) (3)	3,867,822	1.6%

(1) Percentages are based on 246,810,001 common shares that were issued and outstanding on March 1, 2021.

(2) The Sokol Family Foundation, a charitable foundation of which David Sokol is a director, beneficially owns 1,759,481 common shares of the Company. Mr. Sokol disclaims beneficial ownership of such shares. This information was provided to us by Mr. Sokol on or about January 18, 2021.

(3) Includes an aggregate 300,000 common shares issuable upon the exercise of vested stock options granted to Bing Chen in January 2018. Please see note 19 to our consolidated financial statements included in this Annual Report for a description of these awards.

* Less than 1%.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth certain information regarding the beneficial ownership of our common shares by each person known by us to be a beneficial owner of more than 5% of the common shares. The information provided in the table is based on information filed with the SEC and on information provided to us on or about March 1, 2021.

Name of Beneficial Owner	Common Shares	Percentage of Common Shares(1)
Fairfax Financial Holdings Limited(2)	124,812,371	45.9%
Dennis R. Washington(3)	45,451,493	18.4%
Copper Lion, Inc.(4)	14,007,238	5.7%

(1) Percentages are based on the 246,810,001 common shares that were issued and outstanding on March 1, 2021; however, percentages for Fairfax Financial Holdings Limited are based on both the number of outstanding common shares issued and outstanding on March 1, 2021 plus 25,000,000 common shares issuable upon the exercise of warrants held by affiliates thereof.

(2) The number of common shares shown for Fairfax Financial Holdings Limited consists of 99,812,371 common shares and warrants exercisable for up to 25,000,000 common shares. As of the date hereof, Fairfax has not exercised any of such warrants. This information is based on SEC filings and information provided by Fairfax and certain of its affiliates on or before February 5, 2021. The information lists other affiliated individuals and entities that beneficially own all or a portion of the 99,812,371 common shares beneficially owned by Fairfax. As well, the information reports an additional 678,021 common shares are beneficially owned by V. Prem Watsa (the chairman and chief executive officer of Fairfax) and The Second 810 Holdco Ltd., and 231,922 common shares are beneficially owned by The Sixty Three Foundation, a registered Canadian charitable foundation to which Fairfax contributes to fund charitable donation, which total shares represent 46.3% of our outstanding common shares (including the 25,000,000 shares issuable upon exercise of the warrants described in this note).

(3) The number of Atlas common shares shown for Dennis R. Washington includes shares beneficially owned by Deep Water Holdings, LLC ("Deep Water") and The Roy Dennis Washington Revocable Living Trust u/a/d November 16, 1987. This information is based on prior SEC filings and information provided to us by Mr. Washington on or about January 25, 2021. Lawrence R. Simkins, the manager of Deep Water and a director of Atlas, has voting and investment power with respect to Atlas common shares held by Deep Water.

(4) The number of common shares shown for Copper Lion, Inc. includes those shares beneficially owned by The Kevin Lee Washington 2014 Trust, The Kyle Roy Washington 2005 Irrevocable Trust u/a/d July 15, 2005 and The Kyle Roy Washington 2014 Trust, for which trusts Copper Lion, Inc. serves as trustee. This information is based on prior SEC filings and information provided to us by Copper Lion, Inc. on or before January 21, 2021. Kevin L. Washington and Kyle R. Washington are sons of Dennis R. Washington, who controls our second largest shareholder. Lawrence R. Simkins and David Sokol, directors of the Company, are directors of Copper Lion, Inc.

In connection with the acquisition of APR Energy, Fairfax received an aggregate 23,418,798 common shares of Atlas in consideration of its equity interests in Apple Bidco Limited and in settlement of indebtedness owing to Fairfax by Apple Bidco Limited at the Closing Date. Such issuance increased Fairfax's holdings from 42.4% to 46.2% (including the 25,000,000 shares issuable upon the exercise of the warrants described above) as at the date of the acquisition. In addition, on the closing date of the acquisition, Atlas reserved for issuance 2,137,541 Holdback Shares to Fairfax in connection with post-closing purchase price adjustments and indemnification obligations of the Sellers, including Fairfax.

In August 2020, in connection with purchase price adjustments pursuant to the acquisition agreement, Fairfax forfeited its right to receive 391,246 Holdback Shares and returned 1,253,883 previously issued common shares to Atlas. Of the 1,253,883 common shares returned, 760,807 shares were permanently forfeited; 493,076 shares are held in reserve as treasury shares and may be issuable to Fairfax at a future date, subject to settlement of potential indemnified events. In addition, during the year ended December 31, 2020, none of the Holdback Shares were released from holdback and issued to Fairfax; however, Fairfax purchased 318,637 common shares that were released from the holdback of the minority Sellers, pursuant to the terms of Amendment No. 1 to the Acquisition Agreement. In February 2021, Fairfax purchased an additional 173,819 of such common shares.

In December 2020, Fairfax publicly announced that it has entered into a binding agreement with CVC Capital Partners (“CVC”) to sell all of its interests in RiverStone Europe to CVC Strategic Opportunities Fund II in a transaction that, subject to customary closing conditions, including various regulatory approvals, is expected to close in the first or second quarter of 2021. Fairfax has informed us that up to 9,018,474 common shares may be transferred as part of the sale transaction involving RiverStone Europe. Fairfax has undertaken that it will retain full operational control over such common shares, including having sole control over all transfer, voting and related matters.

Our major holders of common shares do not have different voting rights than other holders of our common shareholders.

As of March 1, 2021, a total of 62,994,747 of our common shares were held by 43 holders of record in the United States.

We are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control.

B. Related Party Transactions

From time to time, we have entered into agreements and have consummated transactions with certain related parties. These related party agreements and transactions have included the sale and purchase of our common and preferred shares, Seaspan’s private placements with affiliates of Fairfax Financial Holdings Limited (the transactions by which they became a related party) (see “Private Placements of Notes and Warrants with Fairfax” below), our acquisition of APR Energy (see “Item 5. Operating and Financial Review and Prospects—A. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments in Year 2020 and 2021—APR Energy Acquisition.”) and other matters. We may enter into related party transactions from time to time in the future. Our board has an audit committee, comprised entirely of independent directors, which must review, and if applicable, approve all proposed material related party transactions.

David Sokol, chairman of our board, is a director of certain of The Washington Companies and also a director of Copper Lion Inc. The Washington Companies is a group of privately held companies owned by Dennis R. Washington, who controls entities that together represent our second largest shareholder. Copper Lion, Inc., one of our significant shareholders, is the trustee of certain trusts of which sons of Dennis R. Washington are beneficiaries.

Lawrence Simkins, one of our directors, serves as the chief executive officer and president of certain of The Washington Companies and as manager of Deep Water Holdings LLC, and as a director on multiple private company boards with David Sokol. He is a member of the board of directors of Copper Lion, Inc.

Lawrence Chin, one of our directors, also serves as a managing director of Hamblin Watsa Investment Counsel Ltd., a wholly-owned subsidiary of Fairfax. Fairfax is currently our largest shareholder. Mr. Chin is one of the appointees to our board by the holders of the Fairfax Notes.

Stephen Wallace, one of our directors, is the other appointee to our board by the holders of the Fairfax Notes. Mr. Wallace has no employment relationship with Fairfax. Mr. Wallace served as a director of APR Energy prior to the APR Energy acquisition.

Private Placements of Notes and Warrants with Fairfax

During 2018, 2019 and 2020, Seaspan completed a series of private placements with Fairfax involving the issuance of an aggregate \$600.0 million aggregate principal amount of Fairfax Notes and 101,923,078 warrants exercisable for an equivalent number of common shares, of which 25,000,000 warrants remain unexercised. For more information about the terms of the Fairfax Notes, see “Item 5. Operating and Financial Review and Prospects—C. Liquidity and Capital Resources – Our Notes.” Our chairman, David Sokol, serves on a charitable board with Prem Watsa, the chairman and chief executive officer of Fairfax Financial Holdings Limited. Fairfax became a related party as a result of the 2018 and 2019 private placements.

If the 25,000,000 warrants that were issued to Fairfax in July 2018 were exercised in full, as of March 1, 2021, Fairfax's shareholdings, including shares owned by V. Prem Watsa (the chairman and chief executive officer of Fairfax Financial Holdings Limited) that he acquired in the open market, would have represented approximately 46.2% of our outstanding common shares on such date after taking into account the issuance of the shares to Fairfax.

Issuance of Additional Warrants to Fairfax

In February 2021, in connection with the acquisition of APR Energy, we and Fairfax agreed, subject to completion of definitive documentation, to amend the acquisition agreement to incorporate an indemnification and compensation arrangement. Concurrent with the amendment, we intend to issue to Fairfax warrants to purchase 5,000,000 of our common shares with an exercise price of \$13.00 per share.

Registration Rights Agreements

In connection with Seaspan's initial public offering, 2009 issuance of Series A preferred shares, acquisition of GCI, acquisition of SMSL in 2012, the August 2017 private placement of common stock to David Sokol, and the Fairfax private placements, Seaspan entered into one or more registration rights agreements pursuant to which it agreed to file, subject to the terms and conditions of the applicable registration rights agreements, registration statements under the Securities Act of 1933, as amended, or the Securities Act, and applicable state securities laws, covering common shares issued and/or issuable pursuant to the relevant transaction. Atlas assumed the obligations of Seaspan under these registration rights agreements upon the completion of the Reorganization. Shareholders of Atlas entitled to such registration rights include, among others, entities affiliated with Dennis R. Washington, his son Kyle R. Washington, a former member our board, David Sokol, chairman of our board, and Fairfax. The registration rights agreements give the counterparties piggyback registration rights allowing them to participate in certain offerings by us to the extent that their participation does not interfere or impede with our offering. In each case, we are obligated to pay substantially all expenses incidental to the registration, excluding underwriting discounts and commissions.

Item 8. Financial Information

A. Financial Statements and Other Financial Information

Please see Item 18 below.

Legal Proceedings

We have not been involved in any legal proceedings that may have, or have had a significant effect on our business, financial position, results of operations or liquidity, and we are not aware of any proceedings that are pending or threatened that may have a material effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, including commercial disputes and personal injury and property casualty claims. With respect to personal injury and property casualty claims, we expect that these claims would be covered by insurance, subject to customary deductibles. Any legal proceedings, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

Our quarterly dividend is \$0.125 per common share. We intend to use a significant portion of our internally generated cash flow to fund our capital requirements and reduce our debt levels, and the dividend policy adopted by our board contemplates the distribution of a portion of our cash available to pay dividends on our common shares. We offer a dividend reinvestment plan for common shareholders which provides shareholders with the opportunity to purchase additional common shares at a discount from the market price, as described in the prospectus for this plan.

Our board could modify or revoke our dividend policy at any time. Even if our dividend policy is not modified or revoked, the actual amount of dividends distributed under the policy, and the decision to make any distribution, will remain at all times entirely at the discretion of our board. Accordingly, there can be no assurance that Atlas Corp. will continue to pay regular quarterly dividends on our common shares at the current amount, or at all.

There are a number of factors that could affect the dividends on our common shares in the future. Many of these factors could also affect our ability to pay dividends on our preferred shares. As a result of these factors, you may not receive dividends based on current amounts or at all. These factors include, among others, the following:

- as a holding company, Atlas Corp. will depend on Seaspan's and APR Energy's ability to pay dividends to Atlas Corp.;
- Seaspan and APR Energy may not have enough cash to pay dividends due to changes in their operating cash flow, capital expenditure requirements, credit and other financing arrangements repayment obligations, working capital requirements and other cash needs;
- Seaspan's ability to pay dividends to Atlas Corp. is dependent upon the charter rates on new vessels and those obtained upon the expiration of our existing charters;
- the amount of dividends that Seaspan and APR Energy may distribute to Atlas Corp. is limited by restrictions under Seaspan's and APR Energy's credit and lease facilities, the Notes, and Seaspan's and APR Energy's future indebtedness could contain covenants that are even more restrictive; in addition, Seaspan's and APR Energy's credit and lease facilities and the Notes require us to comply with various financial covenants, and Seaspan's and APR Energy's credit and lease facilities and the Notes prohibit the payment of dividends if an event of default has occurred and is continuing thereunder or if the payment of the dividend would result in an event of default;
- Atlas Corp.'s ability to pay a cash dividend on Atlas Corp. common shares may be limited under debt instruments issued by Atlas Corp. in the future;
- the amount of dividends that we may distribute is subject to restrictions under Marshall Islands Law; and
- our common shareholders have no contractual or other legal right to dividends, and we are not otherwise required to pay dividends.

In addition, Seaspan's ability to pay a cash dividend on Atlas Corp. common shares that is greater than \$0.50 per share annually, when aggregated with all other cash dividends paid per Atlas Corp. common share in the preceding 360 days, may be limited under a restricted payments basket included in the indentures governing the Fairfax Notes.

All dividends are subject to declaration by our board. Our board may review and amend our dividend policy from time to time in light of our plans for future growth and other factors. We cannot provide assurance that we will pay, or be able to pay, regular quarterly dividends in the amounts and manner stated above.

Please read "Item 3. Key Information—D. Risk Factors—Risks Related to Macroeconomic Conditions and the Shipping Industry" for a more detailed description of various factors that could reduce or eliminate our ability to pay dividends.

B. Significant Changes

None.

Item 9. The Offer and Listing

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Our amended and restated articles of incorporation as well as our Series D Statement of Designation, Series E Statement of Designation, Series G Statement of Designation, Series H Statement of Designation and Series I Statement of Designation were previously filed as Exhibits 3.1, 3.3, 3.4, 3.5, 3.6 and 3.7, respectively, to our Form 6-K furnished to the SEC on February 27, 2020 and are hereby incorporated by reference into this Annual Report. Our amended and restated bylaws are filed herewith. In addition, a summary of the material terms of our common shares and preferred shares was filed as Exhibit 99.1 to our Form 6-K furnished to the SEC on February 27, 2020 and is hereby incorporated by reference into this Annual Report. Under the BCA, the Statements of Designation are deemed amendments to our articles of incorporation. Our amended and restated articles of incorporation, Statements of Designation and our amended and restated bylaws have also been filed with the Registrar of Corporations of the Republic of the Marshall Islands.

The necessary actions required to change the rights of shareholders, and the conditions governing the manner in which annual general meetings and special meetings of shareholders, are convened are described in our bylaws.

C. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

(a) Form of Indemnification Agreement between Atlas Corp. and each of its directors and officers, previously filed as Exhibit XX to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(b) Registration Rights Agreement by and among Seaspan Corporation and the investors named therein dated August 8, 2005, previously filed as Exhibit 10.1 to Seaspan Corporation's Amendment No. 2 to Form F-1, filed with the SEC on August 4, 2005.

(c) Registration Rights Agreement by and among Seaspan Corporation and the investors named therein dated January 30, 2009, previously filed as Exhibit 10.3 to Seaspan Corporation's Form 6-K, furnished to the SEC on February 2, 2009.

(d) Amended and Restated Management Agreement among Seaspan Corporation, Seaspan Management Services Limited, Seaspan Advisory Services Limited, Seaspan Ship Management Ltd. and Seaspan Crew Management Ltd. dated as of May 4, 2007, previously filed as Exhibit 99.1 to Seaspan Corporation's Form 6-K/A, furnished to the SEC on October 10, 2007.

(e) Amendment to Amended and Restated Management Agreement among Seaspan Corporation, Seaspan Management Services Limited, Seaspan Advisory Services Limited, Seaspan Ship Management Ltd. and Seaspan Crew Management Ltd. dated as of August 5, 2008, previously filed as Exhibit 4.9 to Seaspan Corporation's Form 20-F, filed with the SEC on March 30, 2011.

(f) U.S. \$920,000,000 Reducing, Revolving Credit Facility, dated August 8, 2007, among DnB Nor Bank ASA, Credit Suisse, The Export-Import Bank of China, Industrial and Commercial Bank of China Limited and Sumitomo Mitsui Banking Corporation, Brussels Branch, previously filed as Exhibit 99.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on August 9, 2007.

(g) Registration Rights Agreement by and among Seaspan Corporation and the investors named therein, dated January 27, 2012, previously filed as Exhibit 4.5 to Seaspan Corporation's Form 6-K, furnished to the SEC on January 30, 2012.

- (h) Registration Rights Agreement, dated August 17, 2017, by and between Seaspan Corporation and David Sokol, previously filed as Exhibit 10.1 to Seaspan Corporation's Form 6-K (File No. 1-32591), filed with the SEC on August 23, 2017.
- (i) Indenture, dated October 10, 2017, between Seaspan Corporation and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, filed with the SEC on October 12, 2017.
- (j) First Supplemental Indenture, dated October 10, 2017, between Seaspan Corporation and The Bank of New York Mellon, previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, filed with the SEC on October 12, 2017.
- (k) Second Supplemental Indenture, dated February 14, 2018, among Seaspan Corporation, the Guarantors (as defined therein) and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, filed with the SEC on February 15, 2018.
- (l) Registration Rights Agreement, dated February 14, 2018 among Seaspan Corporation, the Guarantors specified therein and the investors specified therein, previously filed as Exhibit 4.4 to Seaspan Corporation's Form 6-K, filed with the SEC on February 15, 2018.
- (m) Registration Rights Agreement Joinder, dated as of February 14, 2018, by and among Seaspan Corporation, the subsidiary guarantors and the investors specified therein, dated as of March 26, 2018, by Seaspan Investment I Ltd, previously filed as Exhibit 4.9 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 30, 2018.
- (n) Third Supplemental Indenture, dated February 22, 2018, by and among Seaspan Corporation, the Subsidiary Guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, file with the SEC on February 22, 2018.
- (o) Pledge Agreement, dated February 22, 2018, between Seaspan Corporation and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, filed with the SEC on February 22, 2018.
- (p) Agreement and plan of merger, dated as of March 13, 2018, by and among Seaspan Corporation, Seaspan Investments III LLC, Greater China Intermodal Investments LLC and Greater China Industrial Investments LLC, previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 14, 2018.
- (q) Registration Rights Agreement, dated as of March 13, 2018, by and among Seaspan Corporation, Greater China Industrial Investments LLC, Tiger Management Limited and Blue Water Commerce, LLC, previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 14, 2018.
- (r) Registration Rights Agreement, dated as of March 13, 2018, by and among Seaspan Corporation and Deep Water Holdings, LLC, previously filed as Exhibit 4.7 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 14, 2018.
- (s) Fourth Supplemental Indenture, dated as of March 22, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.5 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 30, 2018.
- (t) Fifth Supplemental Indenture, dated as of March 26, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.6 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 30, 2018.
- (u) Sixth Supplemental Indenture, dated as of March 26, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein (including Seaspan Investment I Ltd.) and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.7 to Seaspan Corporation's Form 6-K, furnished to the SEC on March 30, 2018.
- (v) Seventh Supplemental Indenture, dated as of June 8, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein (including Seaspan Investment I Ltd.) and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.8 to Seaspan's Form 6-K, furnished to the SEC on June 11, 2018.

(w) Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of June 8, 2018, by and among Seaspan Corporation, Seaspan Investment I Ltd. and The Bank of New York Mellon, as trustee and collateral agent, previously filed as Exhibit 4.9 to Seaspan Corporation's Form 6-K, furnished to the SEC on June 11, 2018.

(x) Eighth Supplemental Indenture, dated as of July 16, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.8 to Seaspan Corporation's Form 6-K, furnished to the SEC on July 16, 2018.

(y) Warrant Agreement, dated July 16, 2018, by and among Seaspan Corporation and the Investors specified therein, previously filed as Exhibit 4.9 to Seaspan Corporation's Form 6-K, furnished to the SEC on July 16, 2018.

(z) Registration Rights Agreement, dated July 16, 2018, by and between Seaspan Corporation and the Investors specified therein, previously filed as Exhibit 4.10 to Seaspan Corporation's Form 6-K, furnished to the SEC on July 16, 2018.

(aa) First Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of August 8, 2018, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent, previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, furnished to the SEC on August 13, 2018.

(bb) Second Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of August 31, 2018, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent, previously filed as Exhibit 4.3 to Seaspan Corporation's Form 6-K, furnished to the SEC on September 4, 2018.

(cc) Registration Rights Agreement, dated January 14, 2019, by and between Seaspan Corporation and the Investors specified therein, previously filed as Exhibit 1.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on January 14, 2019.

(dd) Ninth Supplemental Indenture, dated as of January 15, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.9 to Seaspan Corporation's Form 6-K, furnished to the SEC on January 17, 2019.

(ee) Tenth Supplemental Indenture, dated as of January 15, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.10 to Seaspan Corporation's Form 6-K, furnished to the SEC on January 17, 2019.

(ff) Registration Rights Agreement, dated January 15, 2019, by and among Seaspan Corporation, the guarantors specified therein and the investors specified therein, previously filed as Exhibit 4.12 to Seaspan Corporation's Form 6-K, furnished to the SEC on January 17, 2019.

(gg) Credit Agreement, dated May 15, 2019, by and among, *inter alia*, Seaspan Holdco III Ltd., as borrower, Seaspan Corporation, as guarantor, the several lenders from time to time party thereto, and Citibank, N.A., as administrative agent, previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on May 16, 2019.

(hh) Intercreditor and Proceeds Agreement, dated May 15, 2019, by and among Seaspan Holdco III Ltd., as borrower, Seaspan Corporation, as primary guarantor, certain subsidiaries guarantors from time to time party thereto, the other secured parties from time to time party thereto, UMB Bank, National Association and Citibank, N.A., previously filed as Exhibit 4.2 to Seaspan Corporation's Form 6-K, furnished to the SEC on May 16, 2019.

(ii) Eleventh Supplemental Indenture, dated as of August 22, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.11 to Seaspan Corporation's Form 6-K, furnished to the SEC on August 23, 2019).

(jj) Twelfth Supplemental Indenture, dated as of August 22, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.12 to Seaspan Corporation's Form 6-K, furnished to the SEC on August 23, 2019.

(kk) Agreement and Plan of Merger, dated November 20, 2019, by and among Seaspan Corporation, Atlas Corp. and Seaspan Holdco V Ltd., previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on November 22, 2019.

(ll) Acquisition Agreement, dated November 20, 2019, by and among the sellers party thereto, Apple Bidco Limited, Seaspan Corporation, Atlas Corp. and Fairfax Financial Holdings Limited, as the seller representative, previously filed as Exhibit 4.2 to Seaspan's Form 6-K, furnished to the SEC on November 22, 2019.

(mm) Amendment No. 1 to the Agreement and Plan of Merger, dated December 31, 2019, by and among Seaspan Corporation, Atlas Corp. and Seaspan Holdco V Ltd., previously filed as Exhibit 2.2 to Atlas Corp.'s Amendment No. 1 to Registration Statement on Form 4-F, filed with the SEC on December 31, 2019.

(nn) Thirteenth Supplemental Indenture, dated January 13, 2020, by and among Seaspan Corporation, Atlas Corp., the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.13 to Seaspan's Form 6-K, furnished to the SEC on January 14, 2020.

(oo) Assignment and Assumption Agreement, dated as of February 5, 2020, by and among Seaspan Corporation, Atlas Corp., the guarantors specified therein and the investors specified therein, previously filed as Exhibit 4.1 to Seaspan Corporation's Form 6-K, furnished to the SEC on February 10, 2020.

(pp) Amendment and Waiver to Acquisition Agreement, dated February 21, 2020, by and among Apple Bidco Limited, Atlas Corp., Fairfax Financial Holdings Limited, in its capacity as the "Seller Representative", and the other Parties listed on the signature pages attached hereto, previously filed as Exhibit 4.1 to Seaspan's Form 6-K, furnished to the SEC on February 26, 2020.

(qq) Fourteenth Supplemental Indenture, dated February 28, 2020, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee, previously filed as Exhibit 4.14 to Atlas' Form 6-K, furnished to the SEC on March 10, 2020.

(rr) Credit Agreement, dated February 28, 2020, by and among, *inter alia*, APR Energy, LLC, as borrower, Citibank, N.A., as administrative agent, and the lenders from time to time party thereto, previously filed as Exhibit 4.44 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(ss) Intercreditor and Proceeds Agreement, dated February 28, 2020, by and among APR Energy, LLC, as borrower, certain affiliates of the borrower from time to time party thereto, the other secured parties from time to time party thereto, UMB Bank, National Association and Citibank, N.A., previously filed as Exhibit 4.45 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(tt) APR Guaranty, dated February 28, 2020, by and between Atlas Corp. and UMB Bank, National Association, in its capacity as security trustee, previously filed as Exhibit 4.46 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(uu) Registration Rights Agreement, dated February 28, 2020, by and among Atlas Corp. and the investors specified therein, previously filed as Exhibit 4.47 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(vv) Credit Agreement, dated March 6, 2020, by and among, *inter alia*, APR Energy, LLC, as borrower, Citibank, N.A., as administrative agent, and the lenders from time to time party thereto, previously filed as Exhibit 4.48 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(ww) APR Guaranty, dated March 6, 2020, by and between Atlas Corp. and UMB Bank, National Association, in its capacity as security trustee, previously filed as Exhibit 4.49 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(xx) Amendment Side Letter to Credit Agreement, dated as of March 19, 2020, by and among APR Energy, LLC, as Borrower, Atlas Corp., as Parent Guarantor, and Citibank, N.A., as Administrative Agent, previously filed as Exhibit 4.50 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020.

(yy) Agreement and Amendment No. 2 to Acquisition Agreement, dated June 30, 2020, by and among Apple Bidco Limited, Atlas Corp., each shareholder listed on the signature pages thereto, and Fairfax Financial Holdings Limited, in its capacity as the Seller Representative, previously filed as Exhibit 10.1 to Atlas's Form 6-K, furnished to the SEC on August 13, 2020.

(zz) Third Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of July 15, 2020, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent, previously filed as Exhibit 10.1 to Atlas Corp.'s Form 6-K, furnished to the SEC on November 10, 2020.

(aaa) Indenture, dated as of December 21, 2020, by and among Atlas Corp., Seaspan Corporation and The Bank of New York Mellon, as Trustee (including form of 3.75% Exchangeable Senior Notes due 2025), previously filed as Exhibit 4.1 to Atlas Corp.'s Form 6-K, furnished to the SEC on December 23, 2020.

(bbb) Registration Rights Agreement, dated December 21, 2020, by and among Atlas Corp., Seaspan Corporation and BofA Securities, Inc. and BMO Capital Markets Corp., as representatives of the Initial Purchasers, previously filed as Exhibit 4.2 to Atlas Corp.'s Form 6-K, furnished to the SEC on December 23, 2020.

D. Exchange Controls

We are not aware of any governmental laws, decrees or regulations in the Republic of the Marshall Islands that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities imposed by the laws of the Republic of the Marshall Islands or our articles of incorporation and bylaws.

E. Taxation

Material U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax considerations that may be relevant to our shareholders. This discussion is based upon the provisions of the Code, applicable U.S. Treasury Regulations promulgated thereunder, legislative history, judicial authority and administrative interpretations, as of the date of this Annual Report, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. Changes in these authorities may cause the U.S. federal income tax considerations to vary substantially from those described below.

This discussion applies only to beneficial owners of our shares that own the shares as "capital assets" (generally, for investment purposes) and does not comment on all aspects of U.S. federal income taxation that may be important to certain shareholders in light of their particular circumstances, such as shareholders subject to special tax rules (e.g., financial institutions, regulated investment companies, real estate investment trusts, insurance companies, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for alternative minimum tax, broker-dealers, tax-exempt organizations, shareholders that own, directly, indirectly or constructively, 10% or more of our shares (by vote or value), or former citizens or long-term residents of the United States) or shareholders that hold our shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes, all of whom may be subject to U.S. federal income tax rules that differ significantly from those summarized below. If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our shares, the tax treatment of its partners generally will depend upon the status of the partner and the activities of the partnership. Partners in partnerships holding our shares should consult their own tax advisors to determine the appropriate tax treatment of the partnership's ownership of our shares.

No ruling has been requested from the IRS regarding any matter affecting us or our shareholders. Accordingly, statements made herein may not be sustained by a court if contested by the IRS.

This discussion does not address any U.S. estate, gift or alternative minimum tax considerations or tax considerations arising under the laws of any state, local or non-U.S. jurisdiction. Each shareholder is urged to consult its tax advisor regarding the U.S. federal, state, local, non-U.S. and other tax consequences of owning and disposing of our shares.

U.S. Federal Income Taxation of the Reorganization

We intend to take the position that the Reorganization constitutes for U.S. federal income tax purposes a “reorganization” within the meaning of Section 368(a) of the Code. For details on the U.S. federal income tax consequences of the Reorganization, please refer to the proxy statement/prospectus dated January 29, 2020 filed by Seaspan Corporation pursuant to Rule 424(b)(3) of the Securities Exchange Act of 1933.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of our shares that is for U.S. federal income tax purposes: (a) a U.S. citizen or U.S. resident alien (or a U.S. Individual Holder); (b) a corporation, or other entity taxable as a corporation that was created or organized under the laws of the United States, any state thereof, or the District of Columbia; (c) an estate whose income is subject to U.S. federal income taxation regardless of its source or (d) a trust that either is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions

Subject to the discussion of passive foreign investment companies (“PFICs”), below, any distributions made by us to a U.S. Holder generally will constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current and accumulated earnings and profits allocated to the U.S. Holder’s shares, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits allocated to the U.S. Holder’s shares will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in our shares and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder has held the shares for more than one year. U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. However, U.S. Holders that are corporations owning at least 10% in vote or value of our stock may be able to deduct a “foreign-source portion” (that is, an amount which bears the same ratio to the dividend as our undistributed foreign-earnings bear to our total undistributed earnings) of the dividend received from us. For purposes of computing allowable foreign tax credits for U.S. federal income tax purposes, dividends received with respect to our shares should be treated as foreign source income.

Under current law, subject to holding-period requirements and certain other limitations, dividends received with respect to our publicly traded shares by a U.S. Holder who is an individual, trust or estate, or a Non-Corporate U.S. Holder, generally will be treated as qualified dividend income that is taxable to such Non-Corporate U.S. Holder at preferential capital gain tax rates (provided we are not classified as a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year). Any dividends received with respect to our publicly traded shares not eligible for these preferential rates will be taxed as ordinary income to a Non-Corporate U.S. Holder.

Special rules may apply to any “extraordinary dividend” paid by us. Generally, an extraordinary dividend is a dividend with respect to a share of stock if the amount of the dividend is equal to or in excess of 10% of a common shareholder’s, or 5% of a preferred shareholder’s, adjusted tax basis (or fair market value in certain circumstances) in such share. In addition, extraordinary dividends include dividends received within a one year period that, in the aggregate, exceed 20% of a shareholder’s adjusted tax basis (or fair market value in certain circumstances). If we pay an extraordinary dividend on our shares that is treated as qualified dividend income, then any loss recognized by a Non-Corporate U.S. Holder from the sale or exchange of such shares will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Our Shares

Subject to the discussion of PFICs below, a U.S. Holder who is not a CFC Shareholder, as discussed below, generally will recognize capital gain or loss upon a sale, exchange or other disposition of our shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s tax basis in such shares.

Subject to the discussion of extraordinary dividends above, such gain or loss generally will be treated as (a) long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition, or short-term capital gain or loss otherwise, and (b) U.S. source income or loss, as applicable, for foreign tax credit purposes. Non-Corporate U.S. Holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Consequences of CFC Classification

If CFC Shareholders (generally, U.S. Holders who each own, directly, indirectly or constructively, 10% or more of our shares by vote or value) own directly, indirectly or constructively more than 50% of either the total combined voting power of all classes of our outstanding shares entitled to vote or the total value of all of our outstanding shares, we generally would be treated as a controlled foreign corporation, or a CFC. We believe that we and our non-U.S. corporate subsidiaries will be treated as CFCs in 2021 as a result of the total direct, indirect, and constructive ownership of us by 10% CFC Shareholders. It is unclear whether we would be treated as a CFC in future years.

CFC Shareholders are subject to certain burdensome U.S. federal income tax and administrative requirements but generally are not also subject to the requirements generally applicable to shareholders of a PFIC (as discussed below). U.S. persons who own or may obtain a substantial interest in us should consult their tax advisors with respect to the implications of being treated as a CFC Shareholder and the effect of changes to the rules governing CFC Shareholders made by the legislation commonly known as the "Tax Cuts and Jobs Act."

The U.S. federal income tax consequences to U.S. Holders who are not CFC Shareholders would not change if we are a CFC.

PFIC Status and Significant Tax Consequences

Special and adverse U.S. federal income tax rules apply to a U.S. Holder that holds stock in a non-U.S. corporation classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC for any taxable year in which either (a) at least 75% of our gross income (including the gross income of certain of our subsidiaries) consists of passive income or (b) at least 50% of the average value of our assets (including the assets of certain of our subsidiaries) is attributable to assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business) but does not include income derived from the performance of services.

There are legal uncertainties involved in determining whether the income derived from our time chartering activities constitutes rental income or income derived from the performance of services, including legal uncertainties arising from the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Code. However, the IRS stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and that of our subsidiaries), we intend to take the position that we are not now and have never been a PFIC. Further, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of our operations, and therefore the composition of our income and assets, will remain the same in the future. Moreover, the market value of our stock may be treated as reflecting the value of our assets at any given time. Therefore, a decline in the market value of our stock (which is not within our control) may impact the determination of whether we are a PFIC. Because our status as a PFIC for any taxable year will not be determinable until after the end of the taxable year, there can be no assurance that we will not be considered a PFIC for the current or any future taxable year.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder generally would be subject to one of three different U.S. income tax regimes, depending on whether the U.S. Holder makes certain elections.

Taxation of U.S. Holders Making a Timely QEF Election

If we were classified as a PFIC for a taxable year, a U.S. Holder making a timely election to treat us as a "Qualified Electing Fund" for U.S. tax purposes (a "QEF Election") would be required to report its pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the U.S. Holder's taxable year regardless of whether the U.S. Holder received distributions from us in that year. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income. The U.S. Holder's adjusted tax basis in our shares would be increased to reflect taxed but undistributed earnings and profits, and distributions of earnings and profits that had previously been taxed would not be taxed again when distributed but would result in a corresponding reduction in the U.S. Holder's adjusted tax basis in our shares. The U.S. Holder generally would recognize capital gain or loss on the sale, exchange or other disposition of our shares. A U.S. Holder would not, however, be entitled to a deduction for its pro-rata share of any losses that we incurred with respect to any year.

A U.S. Holder would make a QEF Election with respect to any year that we are a PFIC by filing IRS Form 8621 with its U.S. federal income tax return and complying with all other applicable filing requirements. However, a U.S. Holder's QEF Election will not be effective unless we annually provide the U.S. Holder with certain information concerning our income and gain, calculated in accordance with the Code, to be included with the U.S. Holder's U.S. federal income tax return. We have not provided our U.S. Holders with such information in prior taxable years and do not intend to provide such information in the current taxable year. Accordingly, you will not be able to make an effective QEF Election at this time. If, contrary to our expectations, we determine that we are or expect to be a PFIC for any taxable year, we will provide U.S. Holders with the information necessary to make an effective QEF Election with respect to our shares.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we believe, our shares are treated as "marketable stock," then a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our shares, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our shares at the end of the taxable year over the U.S. Holder's adjusted tax basis in our shares. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in our shares over the fair market value thereof at the end of the taxable year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). The U.S. Holder's tax basis in our shares would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our shares would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of our shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. Because the mark-to-market election only applies to marketable stock, however, it would not apply to a U.S. Holder's indirect interest in any of our subsidiaries that were also determined to be PFICs.

Taxation of U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election

Finally, if we were to be treated as a PFIC for any taxable year and if a U.S. Holder did not make either a QEF Election or a mark-to-market election for that year, the U.S. Holder would be subject to special rules resulting in increased tax liability with respect to (a) any excess distribution (i.e., the portion of any distributions received by the U.S. Holder on our shares in a taxable year in excess of 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for our shares) and (b) any gain realized on the sale, exchange or other disposition of our shares. Under these special rules:

- the excess distribution or gain would be allocated ratably over the U.S. Holder's aggregate holding period for our shares;
- the amount allocated to the current taxable year and any taxable year prior to the taxable year we were first treated as a PFIC with respect to the U.S. Holder would be taxed as ordinary income in the current taxable year;
- the amount allocated to each of the other taxable years would be subject to U.S. federal income tax at the highest rate of tax in effect for the applicable class of taxpayers for that year, and
- an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

Additionally, for each year during which (a) a U.S. Holder owns shares, (b) we are a PFIC and (c) the total value of all PFIC stock that such U.S. Holder directly or indirectly owns exceeds certain thresholds, such U.S. Holder will be required to file IRS Form 8621 with its annual U.S. federal income tax return to report its ownership of our shares. In addition, if a U.S. Individual Holder dies while owning our shares, such U.S. Individual Holder's successor generally would not receive a step-up in tax basis with respect to such shares.

U.S. Holders are urged to consult their own tax advisors regarding the PFIC rules, including the PFIC annual reporting requirements, as well as the applicability, availability and advisability of, and procedure for, making QEF Mark-to-Market Elections and other available elections with respect to us, and the U.S. federal income tax consequences of making such elections.

Medicare Tax on Unearned Income

Certain Non-Corporate U.S. Holders are subject to a 3.8% tax on certain investment income, including dividends and gain from the sale or other disposition of our shares. Non-Corporate U.S. Holders should consult their advisors regarding the effect, if any, of this tax on their ownership and disposition of our shares.

U.S. Return Disclosure Requirements for U.S. Individual Holders

Generally, U.S. Individual Holders who hold certain specified foreign financial assets, including stock in a foreign corporation that is not held in an account maintained by a financial institution, with an aggregate value in excess of \$50,000 on the last day of a taxable year, or \$75,000 at any time during that taxable year, may be required to report such assets on IRS Form 8938 with their U.S. federal income tax return for that taxable year. This reporting requirement does not apply to U.S. Individual Holders who report their ownership of our shares under the PFIC annual reporting rules described above. Penalties apply for failure to properly complete and file IRS Form 8938. Investors are encouraged to consult with their tax advisors regarding the possible application of this disclosure requirement to their investment in our shares.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our shares (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a non-U.S. Holder.

Distributions

In general, a non-U.S. Holder is not subject to U.S. federal income tax on distributions received from us with respect to our shares unless the distributions are effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the non-U.S. Holder maintains in the United States). If a non-U.S. Holder is engaged in a trade or business within the United States and the distributions are deemed to be effectively connected to that trade or business, the non-U.S. Holder generally will be subject to U.S. federal income tax on those distributions in the same manner as if it were a U.S. Holder.

Sale, Exchange or Other Disposition of Our Shares

In general, a non-U.S. Holder is not subject to U.S. federal income tax on any gain resulting from the disposition of our shares unless (a) such gain is effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that the non-U.S. Holder maintains in the United States) or (b) the non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year in which those shares are disposed of (and certain other requirements are met). If a non-U.S. Holder is engaged in a trade or business within the United States and the disposition of shares is deemed to be effectively connected to that trade or business, the non-U.S. Holder generally will be subject to U.S. federal income tax on the resulting gain in the same manner as if it were a U.S. Holder.

Information Reporting and Backup Withholding

In general, payments of distributions with respect to, or the proceeds of a disposition of our shares to a Non-Corporate U.S. Holder will be subject to information reporting requirements. These payments to a Non-Corporate U.S. Holder also may be subject to backup withholding if the Non-Corporate U.S. Holder:

- fails to timely provide an accurate taxpayer identification number;
- is notified by the IRS that it has failed to report all interest or distributions required to be shown on its U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding on payments made to them within the United States, or through a U.S. payor, by certifying their status on an IRS Form W-8BEN, W-8BEN-E, W-8ECI, W-8EXP or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a shareholder generally may obtain a credit for any amount withheld against its liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by accurately completing and timely filing a U.S. federal income tax return with the IRS.

Material Marshall Islands Tax Considerations

Because we do not, and we do not expect that we will, conduct business or operations in the Republic of the Marshall Islands, under current Marshall Islands law our shareholders will not be subject to Marshall Islands taxation or withholding on distributions, including upon a return of capital, we make to our shareholders. In addition, our shareholders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of shares, and our shareholders will not be required by the Republic of the Marshall Islands to file a tax return relating to the shares.

Each prospective shareholder is urged to consult its tax counsel or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including the Marshall Islands, of its investment in us. Further, it is the responsibility of each shareholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of it.

Material U.K. tax Considerations

The following discussion is a summary of the material U.K. tax considerations under current U.K. tax law and HM Revenue & Customs ("HMRC") published practice applying as at the date of this Annual report (both of which are subject to change at any time, possibly with retrospective effect) relating to the holding of Atlas shares by non-U.K. tax resident holders of Atlas shares. It does not constitute legal or tax advice to any particular shareholder and does not purport to be a complete analysis of all U.K. tax considerations relating to the holding of shares, or all of the circumstances in which holders of Atlas shares may benefit from an exemption or relief from U.K. taxation. It is understood that Atlas does not (and will not) derive 75% or more of its qualifying asset value from U.K. land, and that, Atlas is solely resident in the U.K. for tax purposes and will therefore be subject to the U.K. corporation tax regime.

This guide may not relate to certain classes of shareholders, such as (but not limited to):

- persons who are connected with the company;
- financial institutions;
- insurance companies;
- charities or tax-exempt organizations;
- collective investment schemes;
- pension schemes;
- market makers, intermediaries, brokers or dealers in securities;
- persons who have (or are deemed to have) acquired their shares by virtue of an office or employment or who are or have been officers or employees of the company or any of its affiliates; and
- individuals who are subject to U.K. taxation on a remittance basis.

THESE PARAGRAPHS ARE A SUMMARY OF MATERIAL U.K. TAX CONSIDERATIONS RELATING TO THE HOLDING OF ATLAS SHARES AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ATLAS SHARES OBTAIN ADVICE AS TO THE CONSEQUENCES OF OWNERSHIP AND DISPOSAL OF ATLAS SHARES IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, NON-U.K. RESIDENT OR DOMICILED PERSONS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.

Dividends; Withholding Tax

Dividends paid by Atlas will not be subject to any withholding or deduction for or on account of U.K. tax.

Income Tax

An individual holder of Atlas shares who is not resident for tax purposes in the U.K. will not be chargeable to U.K. income tax on dividends received from Atlas unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the U.K. through a branch or agency to which the shares are attributable. There are certain exceptions for trading in the U.K. through independent agents, such as some brokers and investment managers.

Corporation Tax

A corporate holder of shares who is not resident for tax purposes in the U.K. will not be chargeable to U.K. corporation tax on dividends received from Atlas unless it carries on (whether solely or in partnership) a trade in the U.K. through a permanent establishment to which the shares are attributable.

Chargeable Gains

A holder of Atlas shares who is not resident for tax purposes in the U.K. will not generally be liable to U.K. capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of Atlas shares unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the U.K. through a branch, agency or permanent establishment to which the shares are attributable. However, an individual holder of Atlas shares who has ceased to be resident for tax purposes in the U.K. for a period of less than five years and who disposes of Atlas shares during that period may be liable, on his or her return to the U.K., to U.K. tax on any capital gain realized (subject to any available exemption or relief).

Stamp duty and stamp duty reserve tax (SDRT)

No U.K. stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issuance of Atlas shares. U.K. stamp duty will generally not need to be paid on a transfer of Atlas shares, and no U.K. SDRT will be payable in respect of any agreement to transfer Atlas shares unless they are registered in a register kept in the U.K. by or on behalf of Atlas. It is not intended that such a register will be kept in the U.K. The statements in this paragraph summarize the current position on stamp duty and SDRT and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries and certain categories of person may be liable to stamp duty or SDRT at higher rates. In particular, this paragraph does not consider where shares are issued or transferred to clearance services or depository receipt issuers.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

Documents concerning us that are referred to herein may be inspected at the offices of Seaspan Ship Management Ltd. at 2600-200 Granville Street, Vancouver, British Columbia. Those documents electronically filed with the SEC may be obtained from the SEC's website at www.sec.gov or from the SEC public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Further information on the operation of the public reference rooms may be obtained by calling the SEC at 1-800-SEC-0330.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and foreign currency fluctuations. We use interest rate swaps to manage interest rate price risks. We enter into capped call transactions to manage exposures to changes in the price of our common shares. We do not use these financial instruments for trading or speculative purposes.

Interest Rate Risk

As of December 31, 2020, our variable-rate credit facilities totaled \$2.7 billion, of which we had entered into interest rate swap agreements to fix the rates on a notional principal amount of \$0.9 billion. These interest rate swaps have a fair value of \$63.0 million in the counterparties' favor.

The tables below provide information about our financial instruments at December 31, 2020 that are sensitive to changes in interest rates. Please see note 12—"Long term debt", note 13—"Operating lease liabilities" and note 14—"Other financing arrangements" to our consolidated financial statements included in this Annual Report, which provides additional information with respect to our existing credit and lease facilities.

In Millions of USD	Principal Payment Dates					
	2021	2022	2023	2024	2025	Thereafter
Credit facilities(1)	\$ 324.0	\$ 567.2	\$ 425.4	\$ 1,114.3	\$ 212.7	\$ 83.3
Vessel operating leases(2)	142.8	140.0	142.9	147.0	125.7	218.6
Sale-leaseback facilities(3)	64.6	64.6	64.6	64.6	57.4	563.7

(1) Represents principal payments on amounts drawn on our credit facilities that bear interest at variable rates. We have entered into interest rate swap agreements under certain of our credit facilities to swap the variable interest

rates for fixed interest rates. For the purposes of this table, principal payments are determined based on contractual repayments in commitment reduction schedules for each related facility.

- (2) Represents payments under our operating leases. Payments under the operating leases have a variable component based on underlying interest rates.
- (3) Represents payments, excluding amounts representing interest payments, on amounts drawn on our sale-leaseback facilities where the vessels remain on our balance sheet and that bear interest at variable rates.

As of December 31, 2020, we had the following interest rate swaps outstanding:

Fixed Per Annum Rate Swapped for LIBOR	Notional Amount as of December 31, 2020 (in millions of US dollars)	Maximum Notional Amount(1) (in millions of US dollars)	Effective Date	Ending Date
5.4200%	\$ 302.3	\$ 302.3	September 6, 2007	May 31, 2024
1.6490%	160.0	160.0	September 27, 2019	May 14, 2024
0.7270%	125.0	125.0	March 26, 2020	March 26, 2025
0.7800%	125.0	125.0	March 23, 2020	March 23, 2025
1.6850%	110.0	110.0	November 14, 2019	May 15, 2024
5.6000%	93.6	93.6	June 23, 2010	December 23, 2021(2)
1.4900%	29.4	29.4	February 4, 2020	December 30, 2025

- (1) Over the term of the interest rate swaps, the notional amounts increase and decrease. These amounts represent the peak notional amount over the remaining term of the swap.
- (2) Prospectively de-designated as an accounting hedge in 2008.

Counterparties to these financial instruments may expose us to credit-related losses in the event of non-performance. As of December 31, 2020, these financial instruments are in the counterparties' favor. We have considered and reflected the risk of non-performance by us in the fair value of our financial instruments as of December 31, 2020. As part of our consideration of non-performance risk, we perform evaluations of our counterparties for credit risk through ongoing monitoring of their financial health and risk profiles to identify funding risk or changes in their credit ratings.

Counterparties to these agreements are major financial institutions, and we consider the risk of loss due to non-performance to be minimal. We do not require collateral from these institutions. We do not hold and will not issue interest rate swaps for trading purposes.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), management of Atlas has evaluated, with the participation of each of Atlas's chief executive officer and chief financial officer, the effectiveness of Atlas's disclosure controls and procedures as of the end of the period covered by this Annual Report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and the management of each Atlas was required to apply its judgment in evaluating and implementing possible controls and procedures.

Based on the foregoing, the chief executive officer and chief financial officer of each of Atlas have concluded that, as of December 31, 2020, the end of the period covered by this Annual Report, Atlas's disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

The management of Atlas is responsible for establishing and maintaining adequate internal control over financial reporting.

Internal control over financial reporting refers to a process designed by, or under the supervision of, the chief executive officer and chief financial officer of each of Atlas and effected by their respective board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and members of the board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on our financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process, and it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management evaluated the effectiveness of Atlas's internal control over financial reporting as of December 31, 2020 using the framework set forth in the 2013 report of the Treadway Commission's Committee of Sponsoring Organizations.

Based on the foregoing, management has concluded that Atlas's internal control over financial reporting was effective as of December 31, 2020. The assessment did not include the internal controls over financial reporting related to APR Energy which was acquired by Atlas on February 28, 2020. APR Energy represented \$829.9 million of Atlas's total assets as of December 31, 2020, and \$198.3 million of the Company's revenues for the year ended December 31, 2020.

The effectiveness of Atlas's internal controls over financial reporting as of December 31, 2020 has been audited by KPMG LLP, the independent registered public accounting firm that audited Atlas's December 31, 2020 consolidated annual financial statements, as stated in their report which is included in this Annual Report on Form 20-F.

Changes in Internal Control over Financial Reporting

Management has evaluated, with the participation of the chief executive officer and chief financial officer of Atlas, whether any changes in Atlas's internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, Atlas's internal control over financial reporting.

Except for the acquisition of APR Energy, there was no change to Atlas's internal control over financial reporting that occurred during the last fiscal year that has materially affected, or is reasonably likely to materially affect, Atlas's control over financial reporting.

Item 16A. ¹Audit Committee Financial Expert

The board of directors has determined that Nicholas Pitts-Tucker qualifies as an audit committee financial expert and is independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

We have adopted a Standards of Business Conduct and Ethics for all employees and directors. This document is available under "Corporate Governance" in the Investor Relations section of our website (www.atlascorporation.com). We also intend to disclose any waivers to or amendments of our Code of Business Conduct and Ethics for the benefit of our directors and executive officers on our website. We will provide a hard copy of our Code of Business Conduct and Ethics free of charge upon written request of a shareholder. Please contact our Chief Financial Officer for any such request at 23 Berkeley Square, London, Fax Line: +44 843 320 5270.

Item 16C. Principal Accountant Fees and Services

Our principal accountant for 2020 was KPMG LLP, Chartered Professional Accountants.

In 2020 and 2019, the fees billed and accrued to us by the accountants for services rendered were as follows:

	2020	2019
Audit Fees	\$ 3.4	\$ 1.0
Tax Fees	2.4	1.4
	\$ 5.8	\$ 2.4

Audit Fees

Audit fees for 2020 include fees related to our annual audit, quarterly reviews, and accounting consultations. The 2020 fees also include audit related fees for various registration statements and securities offerings. The fees for 2020 include the audits for various APR Energy subsidiaries and the audit of the purchase price allocation for the acquisition of APR Energy.

Audit fees for 2019 include fees related to our annual audit, quarterly reviews and accounting consultations and audit related fees that relate to various registration statements.

Tax Fees

Tax fees for 2020 and 2019 were primarily for tax consultation services related to general tax consultation services and tax compliance, including preparation of corporate income tax returns. The fees for 2020 include tax compliance and advisory related to APR Energy.

The audit committee has the authority to pre-approve permissible audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the audit committee or entered into pursuant to detailed pre-approval policies and procedures established by the audit committee, as long as the audit committee is informed on a timely basis of any engagement entered into on that basis. The audit committee separately pre-approved all engagements and fees paid to our principal accountant in 2020 and 2019.

Other Fees

None.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrants' Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

The following are the significant ways in which our corporate governance practices differ from those followed by domestic companies:

- We are not required to obtain shareholder approval prior to the adoption of equity compensation plans or certain equity issuances, including, among others, issuing 20% or more of our outstanding common shares or voting power in a transaction.
- Our board of directors, rather than a nominating committee of independent directors, evaluates and approves director nominees.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The following financial statements, together with the reports of KPMG LLP, Chartered Professional Accountants thereon, are filed as part of this Annual Report:

ATLAS CORP.

<u>Report of Independent Registered Public Accounting Firm</u>	F-1
<u>Report of Independent Registered Public Accounting Firm</u>	F-4
<u>Consolidated Balance Sheets as of December 31, 2020 and 2019</u>	F-6
<u>Consolidated Statements of Operations for the Years Ended December 31, 2020, 2019 and 2018</u>	F-7
<u>Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018</u>	F-8
<u>Consolidated Statements of Puttable Preferred Shares and Shareholders' Equity for the Years Ended December 31, 2020, 2019 and 2018</u>	F-9
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018</u>	F-12
<u>Notes to the Consolidated Financial Statements</u>	F-13

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required, are inapplicable or have been disclosed in the notes to the consolidated financial statements and therefore have been omitted

Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

<u>Exhibit Number</u>	<u>Description</u>
1.1	<u>Amended and Restated Articles of Incorporation of Atlas Corp. (incorporated herein by reference to Exhibit 3.1 to Atlas Corp.'s Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.2*	<u>Second Amended and Restated Bylaws of Atlas Corp.</u>
1.3	<u>Statement of Designation of the 7.95% Cumulative Redeemable Perpetual Preferred Shares—Series D of Atlas Corp., dated February 27, 2020 (incorporated herein by reference to Exhibit 3.3 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.4	<u>Statement of Designation of the 8.25% Cumulative Redeemable Perpetual Preferred Shares—Series E of Atlas Corp., dated February 27, 2020 (incorporated herein by reference to Exhibit 3.4 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.5	<u>Statement of Designation of the 8.20% Cumulative Redeemable Perpetual Preferred Shares—Series G of Atlas Corp., dated February 27, 2020 (incorporated herein by reference to Exhibit 3.5 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.6	<u>Statement of Designation of the 7.875% Cumulative Redeemable Perpetual Preferred Shares—Series H of Atlas Corp., dated February 27, 2020 (incorporated herein by reference to Exhibit 3.6 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.7	<u>Statement of Designation of the Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Shares—Series I of Atlas Corp., dated February 27, 2020 (incorporated herein by reference to Exhibit 3.7 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.8	<u>Specimen of Share Certificate of Atlas Corp. (incorporated herein by reference to Exhibit 4.1 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
1.9	<u>Specimen of Share Certificate of 7.95% Cumulative Redeemable Perpetual Preferred Shares—Series D of Atlas Corp. (incorporated herein by reference to Exhibit 4.2 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
2.0	<u>Specimen of Share Certificate of 8.25% Cumulative Redeemable Perpetual Preferred Shares—Series E of Atlas Corp. (incorporated herein by reference to Exhibit 4.3 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
2.1	<u>Specimen of Share Certificate of 8.20% Cumulative Redeemable Perpetual Preferred Shares—Series G of Atlas Corp. (incorporated herein by reference to Exhibit 4.4 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
2.2	<u>Specimen of Share Certificate of 7.875% Cumulative Redeemable Perpetual Preferred Shares—Series H of Atlas Corp. (incorporated herein by reference to Exhibit 4.5 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
2.3	<u>Specimen of Share Certificate of Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Shares—Series I of Atlas Corp (incorporated herein by reference to Exhibit 4.6 to Atlas Corp's Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
2.4	<u>Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated herein by reference to Exhibit 2.4 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020).</u>
4.1	<u>Form of Indemnification Agreement between Atlas Corp. and its directors and officers (incorporated herein by reference to Exhibit 4.1 to Atlas Corp.'s Form 20-F, filed with the SEC on April 13, 2020).</u>

<u>Exhibit Number</u>	<u>Description</u>
4.2	<u>Registration Rights Agreement by and among Seaspan Corporation and the investors named therein dated August 8, 2005 (incorporated herein by reference to Exhibit 10.1 to Seaspan Corporation's Amendment No. 2 to Form F-1 (File No. 333-126762), filed with the SEC on August 4, 2005).</u>
4.3	<u>Registration Rights Agreement by and among Seaspan Corporation and the investors named therein dated January 30, 2009 (incorporated herein by reference to Exhibit 10.3 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on February 2, 2009).</u>
4.4	<u>Amended and Restated Management Agreement among Seaspan Corporation, Seaspan Management Services Limited, Seaspan Advisory Services Limited, Seaspan Ship Management Ltd. and Seaspan Crew Management Ltd. dated as of May 4, 2007 (incorporated herein by reference to Exhibit 99.1 to Seaspan Corporation's Form 6-K/A (File No. 001-32591), furnished to the SEC on October 10, 2007).</u>
4.5	<u>Amendment to Amended and Restated Management Agreement among Seaspan Corporation, Seaspan Management Services Limited, Seaspan Advisory Services Limited, Seaspan Ship Management Ltd. and Seaspan Crew Management Ltd. dated as of August 5, 2008 (incorporated herein by reference to Exhibit 4.9 to Seaspan Corporation's Form 20-F (File No. 001-32591), filed with the SEC on March 30, 2011).</u>
4.6	<u>U.S. \$920,000,000 Reducing, Revolving Credit Facility, dated August 8, 2007, among DnB Nor Bank ASA, Credit Suisse, The Export-Import Bank of China, Industrial and Commercial Bank of China Limited and Sumitomo Mitsui Banking Corporation, Brussels Branch (incorporated herein by reference to Exhibit 99.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on August 9, 2007).</u>
4.7	<u>Registration Rights Agreement, dated January 27, 2012, by and among Seaspan Corporation and certain shareholders named therein (incorporated herein by reference to Exhibit 4.5 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 30, 2012).</u>
4.8	<u>Registration Rights Agreement, dated August 17, 2017, by and between Seaspan Corporation and David Sokol (incorporated herein by reference to Exhibit 10.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on August 23, 2017).</u>
4.9	<u>Indenture, dated October 10, 2017, between Seaspan Corporation and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on October 12, 2017).</u>
4.10	<u>First Supplemental Indenture, dated October 10, 2017, between Seaspan Corporation and The Bank of New York Mellon (incorporated herein by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on October 12, 2017).</u>
4.11	<u>Second Supplemental Indenture, dated February 14, 2018, among Seaspan Corporation, the Guarantors (as defined therein) and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on February 15, 2018).</u>
4.12	<u>Registration Rights Agreement, dated February 14, 2018 among Seaspan Corporation, the Guarantors specified therein and the investors specified therein (incorporated herein by reference to Exhibit 4.4 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on February 15, 2018).</u>
4.13	<u>Registration Rights Agreement Joinder, dated as of February 14, 2018, by and among Seaspan Corporation, the subsidiary guarantors and the investors specified therein, dated as of March 26, 2018, by Seaspan Investment I Ltd (incorporated by reference to Exhibit 4.9 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 30, 2018).</u>
4.14	<u>Third Supplemental Indenture, dated February 22, 2018, by and among Seaspan Corporation, the Subsidiary Guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on February 22, 2018).</u>
4.15	<u>Pledge Agreement, dated February 22, 2018, between Seaspan Corporation and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591) furnished to the SEC on February 22, 2018).</u>

<u>Exhibit Number</u>	<u>Description</u>
4.16	<u>Agreement and plan of merger, dated as of March 13, 2018, by and among Seaspan Corporation, Seaspan Investments III LLC, Greater China Intermodal Investments LLC and Greater China Industrial Investments LLC (incorporated by reference to Exhibit 4.1 to Seaspan Corporation's Report of Foreign Private Issuer on Form 6-K (File No. 001-32591), furnished to the SEC on March 14, 2018).</u>
4.17	<u>Registration Rights Agreement, dated as of March 13, 2018, by and among Seaspan Corporation, Greater China Industrial Investments LLC, Tiger Management Limited and Blue Water Commerce, LLC (incorporated by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 14, 2018).</u>
4.18	<u>Registration Rights Agreement, dated as of March 13, 2018, by and among Seaspan Corporation and Deep Water Holdings, LLC (incorporated by reference to Exhibit 4.7 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 14, 2018).</u>
4.19	<u>Fourth Supplemental Indenture, dated as of March 22, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.5 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 30, 2018).</u>
4.20	<u>Fifth Supplemental Indenture, dated as of March 26, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.6 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 30, 2018).</u>
4.21	<u>Sixth Supplemental Indenture, dated as of March 26, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein (including Seaspan Investment I Ltd.) and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.7 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on March 30, 2018).</u>
4.22	<u>Seventh Supplemental Indenture, dated as of June 8, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein (including Seaspan Investment I Ltd.) and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.8 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on June 11, 2018).</u>
4.23	<u>Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of June 8, 2018, by and among Seaspan Corporation, Seaspan Investment I Ltd. and The Bank of New York Mellon, as trustee and collateral agent (incorporated by reference to Exhibit 4.9 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on June 11, 2018).</u>
4.24	<u>Eighth Supplemental Indenture, dated as of July 16, 2018, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.8 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on July 16, 2018).</u>
4.25	<u>Warrant Agreement, dated July 16, 2018, by and among Seaspan Corporation and the Investors specified therein (incorporated by reference to Exhibit 4.9 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on July 16, 2018).</u>
4.26	<u>Registration Rights Agreement, dated July 16, 2018, by and between Seaspan Corporation and the Investors specified therein (incorporated by reference to Exhibit 4.10 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on July 16, 2018).</u>
4.27	<u>First Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of August 8, 2018, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent (incorporated by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on August 13, 2018).</u>

<u>Exhibit Number</u>	<u>Description</u>
4.28	<u>Second Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of August 31, 2018, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent (incorporated by reference to Exhibit 4.3 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on September 4, 2018).</u>
4.29	<u>Registration Rights Agreement, dated January 14, 2019, by and between Seaspan Corporation and the Investors specified therein (incorporated by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 14, 2019).</u>
4.30	<u>Ninth Supplemental Indenture, dated as of January 15, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.9 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 17, 2019).</u>
4.31	<u>Tenth Supplemental Indenture, dated as of January 15, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.10 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 17, 2019).</u>
4.32	<u>Registration Rights Agreement, dated January 15, 2019, by and among Seaspan Corporation, the guarantors specified therein and the investors specified therein (incorporated by reference to Exhibit 4.12 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 17, 2019).</u>
4.33	<u>Credit Agreement, dated as of May 15, 2019, by and among Seaspan Holdco III Ltd., as Borrower, Seaspan Corporation, as Guarantor, the several lenders from time to time party thereto, Citibank, N.A., as Administrative Agent and Lead Bookrunner, Citigroup Global Markets Inc., as Sole Structuring Agent, Citibank, N.A., Bank of Montreal and Wells Fargo Bank, N.A., as Mandated Lead Arrangers and Bookrunners, BNP Paribas, National Australia Bank Limited and Société Générale, Hong Kong Branch, as Lead Arrangers, and Bank Sinopac, as Co-documentation Agent (incorporated by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on May 16, 2019).</u>
4.34	<u>Intercreditor and Proceeds Agreement, dated as of May 15, 2019, by and among Seaspan Holdco III Ltd., as Borrower, Seaspan Corporation, as Primary Guarantor, the subsidiaries of the Borrower from time to time party thereto as Guarantors, UMB Bank, National Association, as Security Trustee, and Citibank, N.A., as Administrative Agent (incorporated by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on May 16, 2019).</u>
4.35	<u>Eleventh Supplemental Indenture, dated as of August 22, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.11 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on August 23, 2019).</u>
4.36	<u>Twelfth Supplemental Indenture, dated as of August 22, 2019, by and among Seaspan Corporation, the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.12 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on August 23, 2019).</u>
4.37	<u>Acquisition Agreement, dated as of November 20, 2019, among Seaspan Corporation, Atlas Corp., Fairfax Financial Holdings Limited and certain affiliated companies, Albright Capital Management LLC, certain other shareholders of Apple Bidco Limited, Apple Bidco Limited, Atlas Corp. and Fairfax Financial Holdings Limited, as representative of sellers (incorporated by reference to Exhibit 4.2 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on November 22, 2019).</u>
4.38	<u>Thirteenth Supplemental Indenture, dated as of January 13, 2020, by and among Seaspan Corporation, Atlas Corp., the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.13 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on January 14, 2020).</u>

<u>Exhibit Number</u>	<u>Description</u>
4.39	<u>Assignment and Assumption Agreement, dated as of February 5, 2020, by and among Seaspan Corporation, Atlas Corp., the guarantors specified therein and the investors specified therein (incorporated by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on February 10, 2020).</u>
4.40	<u>Amendment and Waiver to the Acquisition Agreement, dated February 21, 2020, by and among Apple Bidco Limited, Atlas Corp., the entities listed on Exhibit A thereto, including Fairfax Financial Holdings Limited in its capacity as the Seller Representative, ACM Energy Holdings I Ltd., ACM Apple Holdings I, LP, JCLA Cayman Limited and Seaspan Corporation (incorporated by reference to Exhibit 4.1 to Seaspan Corporation's Form 6-K (File No. 001-32591), furnished to the SEC on February 26, 2020).</u>
4.41	<u>Atlas Corp. Stock Incentive Plan, as amended and restated on February 27, 2020 (incorporated herein by reference to Exhibit 4.7 to Atlas Corp.'s Form 6-K (File No. 001-39237), furnished to the SEC on February 27, 2020).</u>
4.42	<u>Fourteenth Supplemental Indenture, dated as of February 28, 2020, by and among Seaspan Corporation, Atlas Corp., the subsidiary guarantors specified therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.14 to Atlas Corp.'s Form 6-K (File No. 001-39237), furnished to the SEC on March 10, 2020).</u>
4.43	<u>Credit Agreement, dated as of February 28, 2020, by and among APR Energy, LLC, as Borrower, Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc., as Sole Structuring Agent, Citibank N.A., Export Development Canada, Bank of Montreal, Chicago Branch and Toronto-Dominion Bank, as Mandated Lead Arrangers, and the several lenders from time to time party thereto (incorporated herein by reference to Exhibit 4.44 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.44	<u>Intercreditor and Proceeds Agreement, dated as of February 28, 2020, by and among APR Energy, LLC, as Borrower, certain affiliates of APR Energy, LLC from time to time party thereto, the other secured parties from time to time party thereto, UMB Bank, National Association, as Security Trustee, and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4.45 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.45	<u>APR Guaranty, dated February 28, 2020, by and between Atlas Corp. and UMB Bank, National Association, in its capacity as security trustee (incorporated herein by reference to Exhibit 4.46 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.46	<u>Registration Rights Agreement, dated February 28, 2020, by and among Atlas Corp. and the investors specified therein (incorporated herein by reference to Exhibit 4.47 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.47	<u>Credit Agreement, dated as of March 6, 2020, by and among APR Energy, LLC, as Borrower, Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc., as Sole Structuring Agent, Citibank N.A., as Mandated Lead Arrangers, and the several lenders from time to time party thereto (incorporated herein by reference to Exhibit 4.48 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.48	<u>APR Guaranty, dated March 6, 2020, by and between Atlas Corp. and UMB Bank, National Association, in its capacity as security trustee (incorporated herein by reference to Exhibit 4.49 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.49	<u>Amendment Side Letter to Credit Agreement, dated as of March 19, 2020, by and among APR Energy, LLC, as Borrower, Atlas Corp., as Parent Guarantor, and Citibank, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 4.50 to Atlas Corp.'s Form 20-F (File No. 333-229312), filed with the SEC on April 13, 2020).</u>
4.50	<u>Agreement and Amendment No. 2 to Acquisition Agreement, dated June 30, 2020, by and among Apple Bidco Limited, Atlas Corp., each shareholder listed on the signature pages thereto, and Fairfax Financial Holdings Limited, in its capacity as the Seller Representative (incorporated herein by reference to Exhibit 10.1 to Atlas Corp.'s Form 6-K (File No. 333-229312), furnished to the SEC on August 13, 2020).</u>

<u>Exhibit Number</u>	<u>Description</u>
4.51	<u>Third Amendment to the Amended and Restated Seaspan Investment Pledge and Collateral Agent Agreement, dated as of August 31, 2018, by and between Seaspan Investment I Ltd. and The Bank of New York Mellon, as collateral agent (incorporated by reference to Exhibit 10.1 to Atlas Corp.'s Form 6-K (File No. 333-229312), furnished to the SEC on November 10, 2020).</u>
4.52	<u>Indenture, dated as of December 21, 2020, by and among Atlas Corp., Seaspan Corporation and The Bank of New York Mellon, as Trustee (including form of 3.75% Exchangeable Senior Notes due 2025) (incorporated herein by reference to Exhibit 4.1 to Atlas Corp.'s Form 6-K (File No. 333-229312), furnished to the SEC on December 23, 2020).</u>
4.53	<u>Registration Rights Agreement, dated December 21, 2020, by and among Atlas Corp., Seaspan Corporation and BofA Securities, Inc. and BMO Capital Markets Corp., as representatives of the Initial Purchasers (incorporated herein by reference to Exhibit 4.2 to Atlas Corp.'s Form 6-K (File No. 333-229312), furnished to the SEC on December 23, 2020).</u>
8.1*	<u>Subsidiaries of Atlas Corp.</u>
12.1*	<u>Rule 13a-14(a)/15d-14(a) Certification of Atlas Corp.'s Chief Executive Officer.</u>
12.2*	<u>Rule 13a-14(a)/15d-14(a) Certification of Atlas Corp.'s Chief Financial Officer.</u>
13.1*	<u>Atlas Corp. Certification of Bing Chen, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
13.2*	<u>Atlas Corp. Certification of Graham Talbot, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
15.1*	<u>Consent of KPMG LLP, relating to the Company Financial Statements</u>
101	The following financial information from Atlas Corp.'s Report on Form 20-F for the year ended December 31, 2020, formatted in Extensible Business Reporting Language (XBRL): (a) Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019; (b) Consolidated Statements of Operations for each of the years in the three-year period ended December 31, 2020; (c) Consolidated Statements of Shareholder's Equity for each of the years in the two-year ended December 31, 2020; (d) Consolidated Statements of Cash Flows for each of the years in the three year period ended December 31, 2020 ; (e) Notes to the Consolidated Financial Statements

* Filed herewith

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Atlas Corp.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Atlas Corp. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, puttable preferred shares and shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 19, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2020, the Company adopted Accounting Standards' Update (ASU) 2017-04, "Simplifying the Test for Goodwill Impairment", which eliminates the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the implied goodwill impairment and effective January 1, 2019, the Company adopted ASU 2016-02, "Leases" which changed its accounting for leases. Our opinion is not modified with respect to these matters.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of indicators of impairment for vessels

As discussed in Note 2(f) to the consolidated financial statements, the Company evaluates property, plant and equipment that are held for use for impairment when events or circumstances indicate that their carrying amounts may not be recoverable from future undiscounted cash flows. Examples of such events or changes in circumstances for vessels ("impairment indicators") include, among others, a significant adverse change in the extent or manner in which the vessel is being used or in its physical condition, a current-period operating or cash flow loss combined with a history of operating or cash flow losses; or a projection or forecast that demonstrates continuing losses associated with the vessel's use; or a general decline in the market value of a vessel. The determination of whether impairment indicators exist requires significant judgment in evaluating underlying significant assumptions including charter rates, utilization rates, operating costs and current vessel market values. The Company did not identify any indicators of impairment related to the vessels for the year ended December 31, 2020. As disclosed in Note 8 & 9 to the consolidated financial statements, the carrying value of the Company's vessels, including right of use vessels, was \$7,410.5 million as of December 31, 2020.

We identified the assessment of indicators of impairment for vessels as a critical audit matter. A higher degree of subjective auditor judgment was required to assess the Company's determination of whether an indicator of impairment existed, based on the Company's evaluation of the significant assumptions. Changes in these significant assumptions could have changed the Company's conclusion that no indicators of impairment were identified.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process for the identification and evaluation of indicators of impairment and underlying significant assumptions. We evaluated significant assumptions used in the Company's evaluation by comparing current charter rates to existing customer contracts and estimates of future charter rates to third-party industry publications for vessels with similar characteristics. We evaluated the Company's anticipated future utilization rates and operating costs assumptions by comparing to the Company's historical utilization rates and operating costs. For utilization rates, we also compared anticipated supply and demand conditions that would impact utilization to third party industry publications. We evaluated the Company's assessment of current market values of vessels by comparing to recent vessel purchases and third-party industry publications.

Evaluation of the acquisition-date fair value of property, plant, and equipment assets

As discussed in Note 3 to the consolidated financial statements, the acquisition of Apple Bidco Limited included property, plant, and equipment assets, which were recorded at fair value as of the acquisition date. The acquisition-date fair value of the acquired property, plant, and equipment was \$447.2 million. The Company engaged third-party specialists to assist in determining the acquisition-date fair value of the acquired property, plant, and equipment.

We identified the evaluation of the acquisition-date fair value of the acquired property, plant, and equipment assets as a critical audit matter. A high degree of subjectivity was involved in assessing certain significant inputs and assumptions used to determine the acquisition-date fair values. Significant inputs and assumptions included:

- Replacement cost / market values of similar assets at the acquisition date based on external comparable sales data and recent purchases of comparable assets;

- Economic useful lives, remaining useful lives and residual values; and
- Operational status of the assets.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's acquisition-date valuation process. This included controls related to the determination of the significant inputs and assumptions used in the Company's acquisition-date fair value of the acquired property, plant, and equipment assets. We assessed the economic useful lives, remaining useful lives and residual values by comparing to historical experience for similar assets of the acquired entity. For a selection of assets, we tested the historical cost, date of initial acquisition and remaining useful lives. For a selection of assets, we performed physical verification to observe the operational status of the assets and compared the fair values allocated to external comparable sales data and recent purchases of comparable assets. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the professional competency, experience and objectivity of the third-party specialists engaged by the Company;
- Evaluating for selection of assets, the Company's significant inputs and assumptions by:
 - o Comparing the information used by the third-party specialist to supporting documentation, external information, industry sources and standards;
 - o Comparing the useful lives and residual value utilized by the third-party specialist to industry standards and estimates; and
 - o Performing independent market research to assess the estimates of fair values for assets which were valued based on comparable market data.

/s/ KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2000.

Vancouver, Canada
March 19, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
Atlas Corp.:

Opinion on Internal Control Over Financial Reporting

We have audited Atlas Corp.'s (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and in accordance with audited standards generally accepted in the United States of America, the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, puttable preferred shares and shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated March 19, 2021 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired APR Energy on February 28, 2020, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, APR Energy's internal control over financial reporting associated with total assets of \$829.9 million and total revenues of \$198.3 million included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of APR Energy.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 19, 2021

ATLAS CORP.
Consolidated Balance Sheets
(Expressed in millions of United States dollars, except number of shares and par value amounts)
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 304.3	\$ 195.0
Accounts receivable	75.9	18.7
Inventories	60.2	14.2
Prepaid expenses and other	33.9	17.6
Net investment in lease (note 7)	10.7	35.2
Acquisition related assets	99.3	—
	584.3	280.7
Property, plant and equipment (note 8)	6,974.7	5,707.7
Right-of-use asset (note 9)	841.2	957.2
Net investment in lease (note 7)	418.6	723.6
Goodwill (note 10)	75.3	75.3
Deferred tax assets (note 16)	19.3	—
Other assets (note 11)	375.7	172.5
	\$ 9,289.1	\$ 7,917.0
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 20(a))	\$ 134.1	\$ 83.4
Deferred revenue	28.2	20.3
Income tax payable (note 16)	110.4	—
Long-term debt - current (note 12)	332.1	363.7
Operating lease liabilities - current (note 13)	160.9	159.7
Other financing arrangements - current (note 14)	64.1	134.6
Other liabilities - current (note 15)	24.8	7.8
	854.6	769.5
Long-term debt (note 12)	3,234.0	2,696.9
Operating lease liabilities (note 13)	669.3	782.6
Other financing arrangements (note 14)	801.7	373.9
Derivative instruments (note 22(c))	63.0	50.2
Other liabilities (note 15)	40.9	11.2
Total liabilities	5,663.5	4,684.3
Shareholders' equity:		
Share capital (note 17):		
Preferred shares; \$0.01 par value; 150,000,000 shares authorized (2019 - 150,000,000); 33,335,570 shares issued and outstanding (2019 - 33,335,570)		
Common shares; \$0.01 par value; 400,000,000 shares authorized (2019 - 400,000,000); 246,277,338 shares issued and outstanding (2019 - 215,675,599); 727,351 shares held in treasury (2019 - 37,778)	2.4	2.1
Additional paid in capital	3,842.7	3,452.9
Deficit	(199.2)	(200.7)
Accumulated other comprehensive loss	(20.3)	(21.6)
	3,625.6	3,232.7
	\$ 9,289.1	\$ 7,917.0

Commitments and contingencies (note 21)
Subsequent events (note 23)

See accompanying notes to consolidated financial statements.

ATLAS CORP.
Consolidated Statements of Operations
(Expressed in millions of United States dollars, except per share amounts)
Years ended December 31, 2020, 2019 and 2018

	2020	2019	2018
Revenue (note 5)	\$ 1,421.1	\$ 1,131.5	\$ 1,096.3
Operating expenses (income):			
Operating expenses	274.8	229.8	219.3
Depreciation and amortization	353.9	254.3	245.8
General and administrative	65.4	33.1	31.6
Operating leases (note 13)	150.5	154.3	129.7
Goodwill impairment (note 10)	117.9	—	—
Income related to modification of time charters	—	(227.0)	—
Operating earnings	458.6	687.0	469.9
Other expenses (income):			
Interest expense	191.6	218.9	212.1
Interest income	(5.0)	(9.3)	(4.2)
Acquisition related gain on contract settlement	—	—	(2.4)
Loss (gain) on derivative instruments (note 22(c))	35.5	35.1	(15.5)
Equity income on investment	—	—	(1.2)
Other expenses	27.3	2.0	1.7
Net earnings before income tax	249.4	246.7	190.5
Income tax expense	209.2	440.3	279.4
Net earnings	\$ 192.6	\$ 439.1	\$ 278.8
Earnings per share (note 18):			
Class A common share, basic	\$ 0.52	\$ 1.72	\$ 1.34
Class A common share, diluted	\$ 0.50	\$ 1.67	\$ 1.31

See accompanying notes to consolidated financial statements.

ATLAS CORP.
Consolidated Statements of Comprehensive Income
(Expressed in millions of United States dollars)
Years ended December 31, 2020, 2019 and 2018

	2020	2019	2018
Net earnings	\$ 192.6	\$ 439.1	\$ 278.8
Other comprehensive income:			
Amounts reclassified to net earnings during the year relating to cash flow hedging instruments (note 22(c))	1.3	1.0	1.1
Comprehensive income	\$ 193.9	\$ 440.1	\$ 279.9

See accompanying notes to consolidated financial statements.

ATLAS CORP.
Consolidated Statements of Puttable Preferred Shares and Shareholders' Equity

(Expressed in millions of United States dollars, except number of shares and per share amounts)

Years ended December 31, 2020, 2019 and 2018

	Series D puttable preferred shares		Number of			Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Shares	Amount	Number of common shares	non-puttable preferred shares	Common shares				
Balance, December 31, 2017	—	\$ —	131,664,101	32,872,706	\$ 0.9	\$ 2,753.0	\$ (781.1)	\$ (23.7)	\$ 1,949.4
Net earnings	—	—	—	—	—	—	278.8	—	278.8
Other comprehensive income	—	—	—	—	—	—	—	1.1	1.1
Class A common shares issued	—	—	2,514,996	—	—	13.9	—	—	13.9
Series D Preferred shares issued	1,986,449	46.7	—	—	—	—	—	—	—
Series I Preferred shares issued	—	—	—	6,000,000	—	149.9	—	—	150.0
Warrants issued	—	—	—	—	—	67.5	—	—	67.5
Exercise of warrants	—	—	38,461,539	—	0.5	328.2	—	—	328.7
Fees and expenses in connection with issuance of common and preferred shares	—	—	—	—	—	(74.3)	—	—	(74.3)
Dividends on Class A common shares (\$0.50 per share)	—	—	—	—	—	—	(72.7)	—	(72.7)
Dividends on preferred shares (Series D - \$1.99 per share; Series E - \$2.06 per share; Series F - \$1.77 per share; Series G - \$2.05 per share; Series H - \$1.97 per share; Series I - \$0.23 per share)	—	—	—	—	—	—	(68.7)	—	(68.7)
Accretion of preferred shares with holder put options	—	1.4	—	—	—	—	(1.5)	—	(1.5)
Redemption of Series F preferred shares	—	—	—	(5,600,000)	—	(0.1)	(139.9)	—	(140.0)
Shares issued through dividend reinvestment program	—	—	2,986,159	—	—	22.8	—	—	22.8
Share-based compensation expense	—	—	325,221	—	—	3.1	—	—	3.1
Other share-based compensation	—	—	890,927	—	—	2.3	(0.4)	—	1.9
Treasury shares	—	—	(7,106)	—	—	—	—	—	—
Balance, December 31, 2018	1,986,449	\$ 48.1	176,835,837	33,272,706	\$ 1.4	\$ 3,126.5	\$ (645.6)	\$ (22.6)	\$ 2,460.0

See accompanying notes to consolidated financial statements.

ATLAS CORP.
Consolidated Statements of Puttable Preferred Shares and Shareholders' Equity (Continued)
 (Expressed in millions of United States dollars, except number of shares and per share amounts)

Years ended December 31, 2020, 2019 and 2018

	Series D puttable preferred shares		Number of common shares	Number of non-puttable preferred shares		Common shares	Non-puttable preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Shares	Amount		shares							
Balance, December 31, 2018	1,986,449	\$ 48.1	176,835,837	33,272,706	\$	1.4	\$ 0.3	\$ 3,126.5	\$ (645.6)	\$ (22.6)	\$ 2,460.0
Impact of accounting policy change	—	—	—	—	—	—	—	—	181.1	—	181.1
Adjusted balance, December 31, 2018	1,986,449	48.1	176,835,837	33,272,706	—	1.4	0.3	3,126.5	(464.5)	(22.6)	2,641.1
Net earnings	—	—	—	—	—	—	—	—	439.1	—	439.1
Other comprehensive income	—	—	—	—	—	—	—	—	—	1.0	1.0
Exercise of puttable preferred shares	(1,923,585)	(47.7)	—	—	—	—	—	—	—	—	—
Cancellation of put option on puttable preferred shares	(62,864)	(1.6)	—	62,864	—	—	—	1.6	—	—	1.6
Exercise of warrants	—	—	38,461,539	—	—	0.4	—	321.2	—	—	321.6
Fees and expenses in connection with issuance of Fairfax warrants	—	—	—	—	—	—	—	(0.2)	—	—	(0.2)
Dividends on Class A common & shares (\$0.50 per share)	—	—	—	—	—	—	—	—	(103.0)	—	(103.0)
Dividends on preferred shares (Series D - \$1.99 per share; Series E - \$2.06 per share; Series G - \$2.05 per share; Series H - \$1.97 per share; Series I - \$2.00 per share)	—	—	—	—	—	—	—	—	(70.4)	—	(70.4)
Accretion of preferred shares with holder put option	—	1.2	—	—	—	—	—	—	(1.2)	—	(1.2)
Shares issued through dividend reinvestment program	—	—	122,148	—	—	—	—	1.2	—	—	1.2
Share-based compensation expense	—	—	257,799	—	—	—	—	2.6	(0.7)	—	1.9
Treasury shares	—	—	(1,724)	—	—	—	—	—	—	—	—
Balance, December 31, 2019	—	\$ —	215,675,599	33,335,570	\$	1.8	\$ 0.3	\$ 3,452.9	\$ (200.7)	\$ (21.6)	\$ 3,232.7

See accompanying notes to consolidated financial statements.

ATLAS CORP.
Consolidated Statements of Puttable Preferred Shares and Shareholders' Equity (Continued)
 (Expressed in millions of United States dollars, except number of shares and per share amounts)

Years ended December 31, 2020, 2019 and 2018

	Number of common shares	Number of non- puttable preferred shares	Common shares	Non-puttable preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
Balance, December 31, 2019, carried forward	215,675,599	33,335,570	\$ 1.8	\$ 0.3	\$ 3,452.9	\$ (200.7)	\$ (21.6)	\$ 3,232.7
Impact of accounting policy change (note 2(u))						(2.3)		(2.3)
Adjusted balance, December 31, 2019	215,675,599	33,335,570	\$ 1.8	\$ 0.3	\$ 3,452.9	\$ (203.0)	\$ (21.6)	\$ 3,230.4
Net earnings						192.6		192.6
Other comprehensive income							1.3	1.3
Common shares issued on acquisition (note 3)	29,891,266		0.2		316.6			316.8
Unissued acquisition related equity consideration (note 3)					80.8			80.8
Cancellation of unissued acquisition related equity consideration (note 3)					(1.3)			(1.3)
Issuance of common shares from unissued acquisition related equity consideration (note 3)	318,637							
Return of common shares to unissued acquisition related equity consideration (note 3)	(727,351)							
Cancellation of common shares issued on acquisition (note 3)	(1,122,290)				(12.5)			(12.5)
Common shares issued on loan settlement	775,139		0.1		8.2			8.3
Dividends on Class A common shares (\$0.50 per share)						(120.7)		(120.7)
Dividends on preferred shares (Series D - \$1.99 per share; Series E - \$2.06 per share; Series G - \$2.05 per share; Series H - \$1.97 per share; Series I - \$2.00 per share)						(67.1)		(67.1)
Shares issued through dividend reinvestment program	30,007				0.3	(0.3)		
Share-based compensation expense	1,398,553				7.1	(0.7)		6.4
Treasury shares	37,778							
Equity component on issuance of Exchangeable Notes, net of issuance costs (note 12(f))					6.1			6.1
Premium paid on capped call (note 12(f))					(15.5)			(15.5)
Balance, December 31, 2020	246,277,338	33,335,570	\$ 2.1	\$ 0.3	\$ 3,842.7	\$ (199.2)	\$ (20.3)	\$ 3,625.6

See accompanying notes to consolidated financial statement.

ATLAS CORP.
Consolidated Statements of Cash Flows

(Expressed in millions of United States dollars)

Years ended December 31, 2020, 2019 and 2018

	2020	2019	2018
Cash from (used in):			
Operating activities:			
Net earnings	\$ 192.6	\$ 439.1	\$ 278.8
Items not involving cash:			
Depreciation and amortization	353.9	254.3	245.8
Impairment	117.9	—	—
Change in right-of-use asset	120.1	111.8	—
Non-cash interest expense and accretion	40.5	38.4	20.2
Deferred gain on sale-leasebacks	—	—	(23.6)
Unrealized change in derivative instruments	12.9	(20.0)	(57.4)
Amortization of acquired revenue contracts	16.9	13.8	8.1
Other	6.1	1.5	(0.5)
Change in other operating assets and liabilities (note 20(b))	(166.7)	(55.9)	53.7
Cash from operating activities	694.2	783.0	525.1
Investing activities:			
Expenditures for property, plant and equipment	(783.5)	(332.5)	(319.2)
Short-term investments	—	2.5	(2.4)
Prepayment on vessel purchase	(82.2)	(13.0)	—
Payment on settlement of interest swap agreements	(21.8)	(126.8)	(41.3)
Cash and restricted cash acquired from APR Energy acquisition	50.6	—	—
Acquisition of GCI	—	—	(333.6)
Cash acquired from GCI acquisition	—	—	70.1
Loss on cash repatriation	(18.7)	—	—
Receipt from contingent consideration asset	11.1	—	—
Other assets	(15.4)	(5.8)	(1.0)
Cash used in investing activities	(859.9)	(475.6)	(627.4)
Financing activities:			
Repayments of long-term debt and other financing arrangements	(1,122.2)	(1,961.9)	(535.3)
Issuance of long-term debt and other financing arrangements	1,383.5	1,227.3	372.6
Issuance of Exchangeable Notes	201.3	—	—
Purchase of capped call	(15.5)	—	—
Preferred shares issued, net of issuance costs	—	—	144.4
Notes and warrants issued	100.0	250.0	250.0
Proceeds from exercise of warrants	—	250.0	250.0
Redemption of preferred shares	—	(47.7)	(143.4)
Financing fees	(49.1)	(27.0)	(16.1)
Dividends on common shares	(120.0)	(101.8)	(49.9)
Dividends on preferred shares	(67.1)	(70.4)	(65.8)
Cash from (used in) financing activities	310.9	(481.5)	206.5
Increase (decrease) in cash and cash equivalents	145.2	(174.1)	104.2
Cash and cash equivalents and restricted cash, beginning of year	197.3	371.4	267.2
Cash and cash equivalents and restricted cash, end of year	\$ 342.5	\$ 197.3	\$ 371.4

Supplemental cash flow information (note 20(b))

See accompanying notes to consolidated financial statements.

ATLAS CORP.

Notes to Consolidated Financial Statements

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

1. General:

Atlas Corp. (the "Company" or "Atlas") owns, leases and operates a fleet of containerships and power generation assets through its containership leasing and mobile power generation segments, respectively. It is a Republic of the Marshall Islands corporation incorporated on October 1, 2019 for the purpose of facilitating the Reorganization (as defined below).

On November 20, 2019, Seaspan Corporation ("Seaspan") entered into an Agreement and Plan of Merger with the Company, then a wholly owned subsidiary of Seaspan, and Seaspan Holdco V Ltd., a wholly owned subsidiary of Atlas, in order to implement a reorganization of Seaspan's corporate structure into a holding company structure, pursuant to which Seaspan would become a direct, wholly owned subsidiary of Atlas (the "Reorganization").

On February 27, 2020, the Reorganization was completed. Common and preferred shareholders of Seaspan (the predecessor publicly held parent company) became common and preferred shareholders of Atlas, as applicable, on a one-for-one basis, maintaining the same number of shares and ownership percentage held in Seaspan immediately prior to the Reorganization. Atlas assumed all of Seaspan's share purchase warrants and equity plans and will perform all relevant obligations.

Atlas common shares trade on the New York Stock Exchange under the ticker symbol "ATCO".

On February 28, 2020, after the Reorganization, Atlas completed the acquisition of all the issued and outstanding common shares of Apple Bidco Limited, which owns 100% of APR Energy Limited (collectively "APR Energy") (see note 3).

The outbreak of COVID-19, which was declared a pandemic by the World Health Organization, has had a negative effect on the global economy and has adversely impacted the industries that Atlas operates in. In the containership industry, there were significant improvements in charter rates and reductions in idle capacity in the latter half of the year, signaling recovery. In the power generation industry, while COVID-19 continues to impact developing countries, which reduces general power demand in some areas, it has not materially impacted the Company's ability to execute contracts in the peaking power and emergency power segments of the market in which it operates. However, the situation continues to evolve and the impact of the pandemic on both industries remain unpredictable. As a result, this increases the uncertainties and the degree of judgment associated with many of the Company's estimates and assumptions. As events develop and additional information becomes available, the Company's estimates may change in future periods.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

2. Significant accounting policies:

(a) Basis of preparation:

The Reorganization was accounted for as a transaction among entities under common control under the pooling of interest method and represented a change in reporting entity whereby the financial information of Seaspan prior to the Reorganization was assumed by Atlas on a carry-over basis. Accordingly, the accompanying consolidated financial statements represent the consolidated historical operations and changes in consolidated financial position of Seaspan, which included the Company as a consolidated subsidiary from its incorporation on October 1, 2019 to February 27, 2020 and those of the Company thereafter, following the Reorganization.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the following accounting policies have been consistently applied in the preparation of the consolidated financial statements.

(b) Principles of consolidation:

The accompanying consolidated financial statements include the accounts of Atlas Corp. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation.

The Company also consolidates any variable interest entities ("VIEs") of which it is the primary beneficiary. The primary beneficiary is the enterprise that has both the power to make decisions that most significantly affect the economic performance of the VIE and has the right to receive benefits or the obligation to absorb losses that in either case could potentially be significant to the VIE. The impact of the consolidation of these VIEs is described in note 14.

The Company accounts for its investment in companies in which it has significant influence by the equity method. The Company's proportionate share of earnings is included in earnings and added to or deducted from the cost of the investment.

(c) Foreign currency translation:

The functional and reporting currency of the Company is the United States dollar. Transactions involving other currencies are converted into United States dollars using the exchange rates in effect at the time of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the United States dollar are translated into United States dollars using exchange rates at that date. Exchange gains and losses are included in net earnings.

(d) Cash equivalents:

Cash equivalents include highly liquid securities with terms to maturity of three months or less when acquired.

(e) Inventories:

Inventories consist primarily of spare parts and consumables. Inventories are stated at the lower of cost or net realizable value. Inventory cost is primarily determined using average or weighted average cost method, depending on the nature of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less costs to complete, disposal and transportation.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

2. Significant accounting policies (continued):**(f) Property, plant and equipment:***Vessels*

Except as described below, vessels are recorded at their cost, which consists of the purchase price, acquisition and delivery costs, less accumulated depreciation.

Vessels purchased from Seaspan's predecessor upon completion of Seaspan's initial public offering in 2005 were initially recorded at the predecessor's carrying value.

Depreciation is calculated on a straight-line basis over the estimated useful life of each vessel, which is 30 years from the date of completion. The Company calculates depreciation based on the estimated remaining useful life and the expected salvage value of the vessel.

Power generating equipment

Power generating equipment are recorded at their costs, which represent its original cost at the time of purchase, less accumulated depreciation. Costs incurred to mobilize and install power-generating equipment pursuant to a contract for the provision of power generation services are recorded in property, plant and equipment and are depreciated on a straight-line basis over the non-cancellable lease term to which the power generating equipment relates.

A summary of the useful lives used for calculating depreciation and amortization is as follows:

Turbines	25 years
Generators	15 years
Transformers	15 years

Property, plant and equipment that are held for use are evaluated for impairment when events or circumstances indicate that their carrying amounts may not be recoverable from future undiscounted cash flows. Such evaluations include the comparison of current and anticipated operating cash flows, assessment of future operations and other relevant factors. If the carrying amount of the property, plant and equipment exceeds the estimated net undiscounted future cash flows expected to be generated over the asset's remaining useful life, the carrying amount of the asset is reduced to its estimated fair value.

(g) Vessel dry-dock activities:

Classification society rules require that vessels be dry-docked for inspection including planned major maintenance and overhaul activities for ongoing certification. The Company generally dry-docks its vessels once every five years. Dry-docking activities include the inspection, refurbishment and replacement of steel, engine components, electrical, pipes and valves, and other parts of the vessel. The Company uses the deferral method of accounting for dry-dock activities whereby capital costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled dry-dock activity.

(h) Business combinations:

Business combinations are accounted for under the acquisition method. The acquired identifiable net assets are measured at fair value at the date of acquisition. Deferred taxes are recognized for any differences between the fair value of net assets acquired and the related tax basis. Any excess of the purchase price over the fair value of net assets acquired is recognized as goodwill. Associated transaction costs are expensed as incurred.

2. Significant accounting policies (continued):**(i) Goodwill:**

Goodwill represents the excess of the purchase price of an acquired enterprise over the fair value assigned to assets acquired and liabilities assumed in a business combination. Goodwill is not amortized, but reviewed for impairment annually or more frequently if impairment indicators arise. When goodwill is reviewed for impairment, the Company may elect to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. Alternatively, the Company may bypass this step and use a fair value approach to identify potential goodwill impairment and, when necessary, measure the amount of impairment. The Company uses a discounted cash flow model to determine the fair value of reporting units, unless there is a readily determinable fair market value.

(j) Asset retirement obligations:

The Company records a provision and a corresponding long-lived asset for asset retirement obligations ("ARO") when there is a legal obligation associated with the retirement of long-lived assets and the fair value of the liability can be reasonably estimated. The fair value of the ARO is measured using expected future cash flows discounted at the Company's credit-adjusted risk-free interest rate. The liability is accreted up to the cost of retirement through interest expense over the non-cancellable lease term. The long-lived asset is depreciated straight-line over the same period. Changes in the amount or timing of the estimated ARO are recorded as an adjustment to the related asset and liability.

(k) Deferred financing fees:

Deferred financing fees represent the unamortized costs incurred on issuance of the Company's credit facilities and other financing arrangements and are presented as a direct deduction from the related debt liability when available. Amortization of deferred financing fees on credit facilities is provided on the effective interest rate method over the term of the facility based on amounts available under the facilities. Amortization of deferred financing fees on other financing arrangements is provided on the effective interest rate method over the term of the underlying obligation. Amortization of deferred financing fees is recorded as interest expense.

(l) Revenue:*Containership leasing revenue*

The Company derives revenue from the charter of its containership vessels. Each charter agreement is evaluated and classified as an operating lease or financing lease based on the lease term, fair value associated with the lease and any purchase options or obligations. The assessment is done at lease commencement and reassessed only when a modification occurs that is not considered a separate contract.

Charters classified as operating leases include a lease component associated with the use of the vessel and a non-lease component related to vessel management. Total consideration in the lease agreement is allocated between the lease and non-lease components based on their relative standalone selling prices. For arrangements where the timing and pattern of transfer to the lessee is consistent between the lease and non-lease components and the lease component, if accounted for separately, would be classified as an operating lease, the Company has elected to treat the lease and non-lease components as a single lease component. Revenue is recognized each day the vessels are on-hire, managed and performance obligations are satisfied.

2. Significant accounting policies (continued):**(l) Revenue (continued):***Containership leasing revenue (continued):*

For charters that are classified as direct financing leases and sales-type leases, the present value of minimum lease payments and any unguaranteed residual value are recognized as net investment in lease. The discount rate used in determining the present values is the interest rate implicit in the lease. The lower of the fair value of the vessel based on information available at lease commencement date and the present value of the minimum lease payments computed using the interest rate implicit specific to each lease, represents the price, from which the carrying value of the vessel and any initial direct costs are deducted in order to determine the selling profit or loss.

For financing leases that are classified as direct financing leases, the unearned lease interest income including any selling profit and initial direct costs are deferred and amortized to income over the period of the lease so as to produce a constant periodic rate of return on the net investment in lease. Any selling loss is recognized at lease commencement date.

For financing leases that are classified as sales-type leases, any selling profit or loss is recognized at lease commencement date. Initial direct costs are expensed at lease commencement date if the fair value of the vessel is different from its carrying amount. If the fair value of the vessel is equal to its carrying amount, initial direct costs should be deferred and amortized to income over the term of the lease.

Power generation revenue

The Company also derives revenue from lease and service contracts that provide customers with comprehensive power generation services that include leasing of the power generation equipment, installation and dismantling services, operations and maintenance of the power generating equipment ("O&M"), operations monitoring and logistical support.

The Company earns a fixed portion of revenue on these contracts by providing megawatt capacity to its customers. Each power equipment lease contract may, depending on its terms, contain a lease component, a non-lease component or both. Lease classification is determined on a contract-specific basis. Total consideration in contracts that include a lease component associated with the use of the power-generation equipment and a non-lease component related to O&M is allocated between the lease and non-lease components based on their relative standalone selling prices. For arrangements where the timing and pattern of transfer to the lessee is consistent between the lease and non-lease components and the lease component, if accounted for separately, would be classified as an operating lease, the Company has elected to treat the components as a single lease component. Revenue is recognized over the period in which the equipment is available to the customer for use and service is provided to the customer.

Certain contracts provide for mobilization and decommissioning payments. Mobilization revenue received up front is deferred and recognized as revenue on a straight-line basis over the term of the contract. Decommissioning revenue is recognized ratably over the term of the contract, as it is earned.

(m) Leases:

Leases classified as operating leases, where the Company is the lessee, are recorded as lease liabilities based on the present value of minimum lease payments over the lease term, discounted using the lessor's rate implicit in the lease for each individual lease arrangement or the Company's incremental borrowing rate, if the lessor's implicit rate is not readily determinable. The lease term includes all periods covered by renewal and termination options where the Company is reasonably certain to exercise the renewal options or not to exercise the termination options. Corresponding right-of-use assets are recognized consisting of the lease liabilities, initial direct costs and any lease incentive payments.

2. Significant accounting policies (continued)**(m) Leases (continued):**

Lease liabilities are drawn down as lease payments are made and right-of-use assets are depreciated over the term of the lease. Operating lease expenses are recognized on a straight-line basis over the term of the lease, consisting of interest accrued on the lease liability and depreciation of the right-of-use asset, adjusted for changes in index-based variable lease payments in the period of change.

Lease payments on short-term operating leases with lease terms of twelve months or less are expensed as incurred.

Transactions are accounted for as sale-leaseback transactions when control of the asset is transferred. For sale-leaseback transactions, where the Company is the seller-lessee, any gains or losses on sale are recognized upon transfer.

(n) Derivative financial instruments:

From time to time, the Company utilizes derivative financial instruments. All of the Company's derivatives are measured at their fair value at the end of each period. Derivatives that mature within one year are classified as current. For derivatives not designated as accounting hedges, changes in their fair value are recorded in earnings.

The Company's hedging policies permit the use of various derivative financial instruments to manage interest rate risk.

The Company had previously designated certain of its interest rate swaps as accounting hedges and applied hedge accounting to those instruments. By September 30, 2008, the Company de-designated all of the interest rate swaps it had accounted for as hedges to that date. Subsequent to their de-designation dates, changes in their fair value are recorded in earnings.

The Company evaluates whether the occurrence of any of the previously hedged interest payments are considered to be remote. When the previously hedged interest payments are not considered remote of occurring, unrealized gains or losses in accumulated other comprehensive income associated with the previously designated interest rate swaps are recognized in earnings when and where the interest payments are recognized. If such interest payments are identified as being remote, the accumulated other comprehensive income balance pertaining to these amounts is reversed through earnings immediately.

(o) Income taxes:

The Company accounts for income taxes using the asset and liability method. Under the liability method, deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the accounting basis and the tax basis of the Company's assets and liabilities using the applicable jurisdictional tax rates. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized. The Company recognizes the tax benefits of uncertain tax positions only if it is more-likely-than-not that a tax position taken or expected to be taken in a tax return will be sustained upon examination by the taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense in the Company's consolidated statements of operations.

2. Significant accounting policies (continued)**(p) Share-based compensation:**

The Company grants phantom share units, restricted shares, restricted stock units and stock options to certain of its officers, members of management and directors as compensation. Compensation cost is measured at the grant date fair values as follows:

- Restricted shares, phantom share units and restricted stock units are measured based on the quoted market price of the Company's common shares on the date of the grant.
- Stock options are measured at fair value using the Black-Scholes model.

The fair value of each grant is recognized on a straight-line basis over the requisite service period. The Company accounts for forfeitures in share-based compensation expense as they occur.

(q) Fair value measurement:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 — Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

(r) Earnings per share:

The treasury stock method is used to compute the dilutive effect of the Company's share-based compensation awards, warrants and convertible instruments, where the presumption of share settlement has been overcome. Under this method, the incremental number of shares used in computing diluted earnings per share ("EPS") is the difference between the number of shares assumed issued and purchased using assumed proceeds.

The if-converted method is used to compute the dilutive effect of the Company's convertible instruments where the presumption of share settlement has not been overcome. Under the if-converted method, the instruments are assumed to have been converted at the share price applicable at the end of the period, if dilutive.

Contingently issuable shares are included in diluted EPS as of the beginning of the period, if contingencies are satisfied by the end of the period. If contingencies have not been satisfied by the end of the period, the number of contingently issuable shares included in diluted EPS is based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period, if the result is dilutive.

The cumulative dividends applicable to the Series D, E, G, H and I preferred shares reduce the earnings available to common shareholders, even if not declared.

(s) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the:

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

2. Significant accounting policies (continued):

(s) Use of estimates (continued):

- reported amounts of assets and liabilities;
- disclosure of contingent assets and liabilities at the balance sheet dates; and
- reported amounts of revenue and expenses during the reporting fiscal periods.

Areas where accounting judgments and estimates are significant to the Company and where actual results could differ from those estimates, include, but are not limited to the:

- assessment of going concern;
- assessment of property, plant and equipment useful lives;
- expected salvage values;
- recoverability of the carrying value of property, plant and equipment and intangible assets with finite lives which are subject to future market events;
- carrying value of goodwill;
- fair values of assets acquired and liabilities assumed from business combination;
- fair value of asset retirement obligations; and
- fair value of interest rate swaps, other derivative financial instruments and contingent consideration asset.

(t) Comparative information:

Certain information has been reclassified to conform to the financial statement presentation adopted for the current year.

(u) Recently adopted accounting pronouncement:

Leases

Effective January 1, 2019, the Company adopted ASU 2016-02, "Leases", using the modified retrospective method, whereby a cumulative effect adjustment was made as of the date of initial application. The Company elected the practical expedient to use the effective date of adoption as the date of initial application. Accordingly, financial information and disclosures in the comparative period were not restated. It also elected to apply the package of practical expedients such that for any expired or existing leases, it did not reassess lease classification, initial direct costs or whether the relevant contracts are or contain leases. The Company did not use hindsight to reassess lease term for the determination of impairment of right-of-use assets.

The impacts of the adoption of ASU 2016-02 are as follows:

(in millions of US dollars)	As reported at December 31, 2018	Adjustments	Adjusted at January 1, 2019
Right-of-use assets (1) (2)	\$ —	\$ 1,068.3	\$ 1,068.3
Other assets (2)	204.9	(17.3)	187.6
Accounts payable and accrued liabilities (1)	70.2	(2.5)	67.7
Current portion of operating lease liabilities (1)	—	160.2	160.2
Current portion of other long-term liabilities (3)	32.2	(22.2)	10.0
Operating lease liabilities (1)	—	893.3	893.3
Other long-term liabilities (3)	181.1	(158.9)	22.2
Deficit (3)	(645.6)	181.1	(464.5)

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

- (1) Upon adoption of ASU 2016-02, the Company recorded non-cash right-of-use assets and operating lease liabilities on the balance sheet for its vessel sale-leaseback transactions and office leases under operating lease arrangements. Prior to January 1, 2019, operating leases were not included on the balance sheet and were recorded as operating lease expenses when incurred. The amount recognized as operating lease liabilities was based on the present value of future minimum lease payments, discounted using the lessor's rate implicit in the lease or the Company's incremental borrowing rate if the lessor's implicit rate is not readily determinable and includes any existing accrued payments related to lease liabilities. Minimum lease payments referenced to an indexed rate were determined based on the respective rates at the adoption date.
- (2) Initial direct costs related to the Company's vessel sale-leaseback transactions under operating lease arrangements were reclassified from other assets to right-of-use assets.
- (3) Deferred gain related to the Company's vessel sale-leaseback transactions was recognized through deficit on the initial date of application.

The accounting for lessors is largely unchanged under ASU 2016-02. The Company evaluated its lessor arrangements and determined that the amounts recognized and the pattern of recognition remained substantially the same as existing guidance which was previously used.

Leases are classified as operating leases or financing leases based on the lease term and fair value associated with the lease. The assessment is done at lease commencement and reassessed only when a modification occurs that is not considered a separate contract.

Measurement of credit loss

Effective January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, "Measurement of Credit Loss on Financial Instruments". ASU 2016-13 replaces the current incurred loss impairment methodology with the expected credit loss impairment model ("CECL"), which requires consideration of a broader range of reasonable and supportable information to estimate expected credit losses over the life of the instrument instead of only when losses are incurred. This standard applies to financial assets measured at amortized cost basis and net investments in leases recognized by the lessor. Upon adoption, a cumulative effect adjustment of \$2,293,000 was made to deficit as part of the modified retrospective transition approach.

Simplifying test for goodwill impairment

Effective January 1, 2020, the Company adopted ASU 2017-04, "Simplifying the Test for Goodwill Impairment." ASU 2017-04 eliminates the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the implied goodwill impairment. As a result of the adoption, the Company now calculates goodwill impairment as the amount by which the carrying value exceeds fair value of a reporting unit, not to exceed the carrying amount of goodwill.

- (v) Recent accounting pronouncements:

Discontinuation of LIBOR

In March 2020, FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)", which provides optional relief for the discontinuation of LIBOR resulting from rate reform. Contract terms that are modified due to the replacement of a reference rate are not required to be remeasured or reassessed under FASB's relevant U.S. GAAP Topic. The election is available by Topic. This guidance is effective for all entities as of March 12, 2020 through December 31, 2022 and may be applied from the beginning of an interim period that includes the issuance date of the ASU. The Company is currently evaluating the impact this guidance.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

2. Significant accounting policies (continued):

(w) Recent accounting pronouncements (continued):

Debt with conversion and other options

In August 2020, FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20)", which simplifies the accounting for convertible debt instruments by reducing the number of accounting models and circumstances when embedded conversion features are separately recognized. This update also revises the method in which diluted EPS is calculated related to certain instruments with conversion features, among other clarifications. The guidance is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact of this guidance.

3. Acquisition of Apple Bidco Limited

On February 28, 2020, the Company acquired 100.0% of the share capital of APR Energy from Fairfax Financial Holdings Ltd. and its affiliates ("Fairfax") and certain other minority shareholders (collectively, the "Sellers"). Fairfax held 67.8% of APR Energy's common shares. APR Energy owns and operates a fleet of capital-intensive assets, including gas turbines and other power generation equipment, and provides power solutions to customers through various contracts. The financial results of APR Energy have been included in the Company's consolidated financial statements from February 29, 2020, after the date of acquisition, and include revenue of \$198,300,000 and net earnings of \$4,000,000 from that date through December 31, 2020.

At closing, Atlas issued 29,891,266 common shares and reserved 6,664,270 common shares for future issuance (the "Holdback Shares"). The Holdback Shares are issuable over a period of 90 days to five years after the date of acquisition and are subject to settlement of purchase price adjustments, indemnification arrangements and other future compensable events. These arrangements may be settled, at the Sellers' option, by either cancellation of Holdback Shares or cash. In the case of purchase price adjustments, and certain inventory mechanisms, if Holdback Shares are insufficient, Sellers may choose to compensate the Company in cash or cancel previously issued common shares. Any Holdback Shares that are not cancelled after the expiry of their respective holdback periods, will be issued to the Sellers, plus any accrued distributions or dividends.

The net purchase price of \$287,700,000 comprises of the following. Adjustments have been made from what was originally reported as a result of settlement of purchase price adjustments:

	As originally reported	Adjustments	As adjusted
29,891,266 common shares issued (1)	\$ 316.8	—	\$ 316.8
6,664,270 Holdback Shares (1)	70.6	—	70.6
Less: Contingent consideration asset (2)	(41.5)	(53.7)	(95.2)
Less: Purchase price adjustment (3)	(52.5)	48.0	(4.5)
Net purchase price	\$ 293.4	\$ (5.7)	\$ 287.7

(1) The fair value was determined based on the closing market price of common shares on February 28, 2020, the acquisition date.

(2) Pursuant to the acquisition agreement, the Sellers are required to compensate the Company for losses on cash repatriation from a foreign jurisdiction related to specified contracts. Losses on cash repatriation is recognized in other expenses in the period incurred. Subsequently, Fairfax had agreed, subject to definitive documentation, to compensate the Company for future losses realized on sale or disposal of certain property, plant and equipment and inventory items (note 11(d)).

(3) During the year ended December 31, 2020, the Sellers forfeited their rights to receive 577,139 Holdback Shares and returned 1,849,641 previously issued common shares to the Company. Of this number, 1,122,290 shares were permanently forfeited as part of post-closing purchase price adjustments. The remaining 727,351 shares are held in reserve as treasury shares. The shares held in reserve will be issuable to the Sellers at a future date, subject to settlement of potential indemnified events. In addition, the Company agreed to issue 5-year warrants to purchase 5,000,000 common shares at an exercise price of \$13.00 per share to Fairfax, subject to definitive documentation. As of December 31, 2020, the warrants were not yet issued. During the year ended December 31, 2020, 318,637 common shares were released from holdback and issued to the Sellers.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

3. Acquisition of Apple Bidco Limited (continued):

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date. Adjustments have been made from what was previously reported as a result of settlement of purchase price adjustments and refinements of estimates.

	As originally reported	Adjustments	As adjusted
Cash and cash equivalents	\$ 36.7	—	\$ 36.7
Inventory	54.4	(13.5)	40.9
Acquisition related assets (1)	65.0	31.4	96.4
Accounts receivable (2)	41.4	7.7	49.1
Other current assets	7.9	1.2	9.1
Property, plant and equipment	597.3	(150.1)	447.2
Intangible assets	35.4	(8.0)	27.4
Deferred tax assets	23.5	(6.9)	16.6
Other assets	13.9	—	13.9
Goodwill	—	117.9	117.9
Total assets acquired	875.5	(20.3)	855.2
Accounts payable and accrued liabilities	91.3	1.2	92.5
Income tax payable	104.0	2.5	106.5
Other current liabilities	17.2	—	17.2
Long-term debt (including current and non-current portions) (3)	311.6	—	311.6
Deferred tax liabilities	7.0	(6.0)	1.0
Other long-term liabilities	51.0	(12.3)	38.7
Net assets acquired	\$ 293.4	\$ (5.7)	\$ 287.7

- (1) Consists of indemnification assets recognized on acquisition. The Sellers are required to indemnify the Company for certain legal and tax matters through cancellation of the Holdback Shares or in cash, at the Sellers' option. For certain of these arrangements, if the Holdback Shares are insufficient, Fairfax may be required to compensate the Company in cash. The amount to be indemnified is subject to the aggregate losses incurred at settlement of these legal and tax matters. The amount recognized is equal to the liabilities accrued for such legal and tax matters, based on the Company's best estimates. For certain other indemnification arrangements, Fairfax is required to compensate the Company in cash, without minority shareholders.
- (2) The gross contractual accounts receivables acquired is \$57.0 million. The amount not expected to be collected is \$7.9 million.
- (3) Concurrent with the acquisition, the Company refinanced the debt facilities acquired (note 12).

The carrying amounts of cash and cash equivalents, accounts receivable and other current assets (consisting of prepaid expenses), accounts payable and accrued liabilities, income taxes payable and other current liabilities approximate their fair values due to the short-term maturity of the instruments. The fair value of long-term debt and other assets are categorized within Level 2 of the fair value hierarchy and determined based on expected payments. The fair values of contingent consideration assets, inventory, property, plant and equipment, intangible assets and asset retirement obligation included in other long-term liabilities were categorized within Level 3 of the fair value hierarchy and were determined using relevant market assumptions, including comparable sales and cost data, discount rates and future cash flows.

As part of the acquisition, the Company recorded \$117,900,000 of goodwill resulting from expected synergies in congruence with APR's unique position in the power generation market, which is not deductible for tax purposes and has been assigned to the power generation segment.

During the year ended December 31, 2020, the Company recognized \$1,498,000 of acquisition related costs that were included in general and administrative expense. Cost recognized in the fourth quarter of 2019 was \$2,294,000.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)
(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

3. Acquisition of Apple Bidco Limited (continued):
Pro forma financial information

The following table presents unaudited pro forma results for the year ended December 31, 2020 and 2019. The unaudited pro forma financial information combines the results of operations of the Company and APR Energy as though the acquisition had occurred as of January 1, 2019. The pro forma results contain adjustments that are directly attributable to the transaction, including depreciation of the fair value of property, plant and equipment, amortization of acquired intangible assets, and refinancing of debt. Additionally, pro forma net earnings were adjusted to exclude acquisition-related costs incurred.

Pro forma information	Year ended December 31,	
	2020	2019
Revenue	\$ 1,464.6	\$ 1,452.9
Net earnings	179.3	454.4

4. Segment reporting:

For management purposes, the Company is organized based on its two leasing businesses and has two reportable segments, containership leasing and mobile power generation. The Company's containership leasing segment owns and operates a fleet of containerships which are chartered primarily pursuant to long-term, fixed-rate charters. The Company's mobile power generation segment owns and operates a fleet of power generation assets, including gas turbines and other equipment, and provides power solutions to customers.

The Company's chief operating decision makers monitor the operating results of the leasing businesses separately for the purpose of making decisions about resource allocation and performance assessment. In the second quarter of 2020, in an effort to align the performance metrics of the Company's segments, the performance measure evaluated by the Company's chief operating decision makers for internal resource allocation and performance assessment was revised to be Adjusted EBITDA, which is computed as earnings before interest, taxes, depreciation and amortization, loss on derivative instruments, gain/loss on contingent consideration asset, gain/loss on sale, loss on foreign currency repatriation, impairment and other expenses.

The financial results of APR Energy have been included in the Company's consolidated financial statements from February 29, 2020, after the date of acquisition. The following table includes the Company's selected financial information by segment:

Year ended December 31, 2020	Containership Leasing	Mobile Power Generation	Elimination and Other	Total
Revenue	\$ 1,222.8	\$ 198.3	\$ —	\$ 1,421.1
Operating expense	243.4	31.4	—	274.8
Depreciation and amortization expense	288.1	65.8	—	353.9
General and administrative expense	36.6	36.9	(8.1)	65.4
Operating leases	147.3	3.2	—	150.5
Goodwill impairment	—	117.9	—	117.9
Interest expense	176.0	19.5	(3.9)	191.6
Interest income	(1.4)	(3.6)	—	(5.0)
Income tax expense	1.0	15.6	—	16.6

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

4. Segment reporting (continued):

	Year ended December 31, 2020
Containership leasing adjusted EBITDA	\$ 795.5
Mobile power generation adjusted EBITDA	127.0
Total segment adjusted EBITDA	922.5
Eliminations and other	(1.3)
Depreciation and amortization	353.9
Interest expense	191.6
Interest income	(5.0)
Loss on derivative instruments	35.5
Other expenses	8.6
Gain on contingent consideration asset	(6.8)
Loss on foreign currency repatriation	18.7
Loss on sale	0.2
Goodwill impairment	117.9
Consolidated net earnings before taxes	\$ 209.2

	Containership Leasing	Mobile Power Generation	Elimination and Other	Total
December 31, 2020				
Total assets	\$ 8,475.4	\$ 829.9	\$ (16.2)	\$ 9,289.1

Capital expenditures by segment:

	Year ended December 31, 2020
Containership leasing	\$ 848.1
Mobile power generation	17.6

5. Revenue:

The Company generates revenue by leasing and operating its fleet of containerships and power generation assets, largely through operating leases, direct financing leases and sales-type leases. Revenue disaggregated by segment and by type for the year ended December 31, 2020 is as follows:

	Containership Leasing (1)	Mobile Power Generation	Total
Operating lease revenue	\$ 1,180.0	\$ 187.4	\$ 1,367.4
Interest income from leasing	40.5	—	40.5
Other	2.3	10.9	13.2
	\$ 1,222.8	\$ 198.3	\$ 1,421.1

(1) Operating lease revenue includes both bareboat charter and time charter revenue.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

5. Revenue (continued):

Prior to the acquisition of APR Energy on February 28, 2020, for the year ended December 31, 2019 and 2018, our results were fully attributable to containership leasing. Revenue disaggregated by type for the year ended December 31, 2019 and 2018 are as follows:

	2019	2018
Operating lease revenue	\$ 1,096.0	\$ 1,061.1
Interest income from leasing	35.5	35.2
	<u>\$ 1,131.5</u>	<u>\$ 1,096.3</u>

As at December 31, 2020, the minimum future revenues to be received on committed operating leases, interest income to be earned from direct financing leases and other revenue are as follows:

	Operating lease revenue (1)	Direct financing leases (2)	Other	Total committed revenue
2021	\$ 1,354.1	\$ 36.1	\$ 10.0	\$ 1,400.2
2022	1,051.1	34.4	4.1	1,089.6
2023	722.9	32.5	0.7	756.1
2024	447.9	30.3	—	478.2
2025	264.6	28.2	—	292.8
Thereafter	274.6	180.7	—	455.3
	<u>\$ 4,115.2</u>	<u>\$ 342.2</u>	<u>\$ 14.8</u>	<u>\$ 4,472.2</u>

(1) Minimum future operating lease revenue includes payments from signed charter agreements that have not yet commenced.

(2) Minimum future interest income includes direct financing leases currently in effect.

As at December 31, 2020, the minimum future revenues to be received based on each segment are as follows:

	Containership Leasing (1) (2)	Mobile Power Generation	Total committed revenue
2021	\$ 1,243.1	\$ 157.1	\$ 1,400.2
2022	1,000.9	88.7	1,089.6
2023	718.0	38.1	756.1
2024	478.2	—	478.2
2025	292.8	—	292.8
Thereafter	455.3	—	455.3
	<u>\$ 4,188.3</u>	<u>\$ 283.9</u>	<u>\$ 4,472.2</u>

(1) Minimum future operating lease revenue includes payments from signed charter agreements that have not yet commenced.

(2) Minimum future interest income includes direct financing leases currently in effect.

Minimum future revenues assume 100% utilization, extensions only at the Company's unilateral option and no renewals.

In March 2019, the Company entered into an agreement with a customer to modify seven time charters such that the charters terminated effective March 31, 2019, subsequent to which the vessels were re-chartered to other customers. Pursuant to this agreement, the Company received a settlement payment of \$227,000,000, which was recorded in income related to modification of time charters.

ATLAS CORP.**Notes to Consolidated Financial Statements (Continued)**

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

5. Revenue (continued):

The Company's revenue is derived from the following customers:

	2020	2019	2018
COSCO	\$ 401.1	\$ 407.4	\$ 412.3
Yang Ming Marine	255.7	257.5	235.6
ONE	237.3	199.4	241.6
Other	527.0	267.2	206.8
	<u>\$ 1,421.1</u>	<u>\$ 1,131.5</u>	<u>\$ 1,096.3</u>

6. Related party transactions:

Prior to March 13, 2018, the Company had a 10.8% equity interest in GCI. The Company purchased the remaining 89.2% interest in GCI on March 13, 2018 and consolidated GCI from the date of acquisition.

The income or expenses with related parties relate to amounts paid to or received from individuals or entities that are associated with the Company or with the Company's directors or officers and these transactions are governed by pre-arranged contracts.

On each of February 14, 2018 and January 15, 2019, the Company issued to Fairfax \$250,000,000 aggregate principal of 5.50% senior notes, due on February 14, 2025 ("2025 Notes") and January 15, 2026 ("2026 Notes"), respectively, and a tranche of warrants to purchase 38,461,539 common shares of Seaspan at an exercise price of \$6.50 per share, on each date. On May 31, 2018, the Company entered into an agreement with Fairfax whereby Fairfax agreed to (i) exercise the warrants issued in February 2018 on July 16, 2018 and (ii) exercise the 2019 warrants upon issuance thereof on January 15, 2019. In exchange, Seaspan issued to Fairfax warrants to purchase 25,000,000 common shares of Seaspan at an exercise price of \$8.05 per share. These warrants remain outstanding and are exercisable for common shares of the Company.

On February 28, 2020, Seaspan issued to Fairfax, in a private placement, \$100,000,000 aggregate principal amount of 5.50% senior notes due on March 1, 2027 (the "2027 Fairfax Notes" and together with the 2025 Notes and the 2026 Notes, the "Fairfax Notes") (note 12(e)).

On February 28, 2020, in connection with the acquisition of APR Energy, Fairfax received 23,418,798 common shares of Atlas as consideration for its equity interests in APR Energy and as settlement of indebtedness owing to Fairfax by APR Energy. In addition, Atlas reserved for issuance 2,137,541 Holdback Shares for Fairfax. Fairfax remains a counterparty to certain indemnification and compensation arrangements related to the acquisition of APR Energy. In connection with purchase price adjustments, Fairfax forfeited its right to receive 391,246 Holdback Shares and returned 1,253,883 previously issued common shares to Atlas. Of the 1,253,883 common shares returned, 760,807 shares were permanently forfeited; 493,076 shares are held in reserve as treasury shares and may be issuable to Fairfax at a future date, subject to settlement of potential indemnified events. During the year ended December 31, 2020, 318,637 common shares were issued to Fairfax out of Holdback Shares. At December 31, 2020, Fairfax held approximately 40.5% of the Company's issued and outstanding common shares and has designated two members to the Company's board of directors.

For the year ended December 31, 2020, interest expense related to the 2025 Notes, the 2026 Notes and the 2027 Fairfax Notes, excluding amortization of the debt discount, was \$32,114,000 (2019 – \$26,927,000, 2018 – \$19,380,000). For the year ended December 31, 2020, amortization of debt discount was \$19,963,000 (2019 – \$17,347,000, 2018 – \$7,310,000).

7. Net investment in lease:

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

	2020	2019
Undiscounted lease receivable	\$ 773.2	\$ 1,224.2
Unearned interest income	(343.9)	(465.4)
Net investment in lease	\$ 429.3	\$ 758.8

	2020	2019
Lease receivables	\$ 429.3	\$ 608.8
Unguaranteed residual value		150.0
Net investment in lease	429.3	758.8
Current portion of net investment in lease	(10.7)	(35.2)
Long-term portion of net investment in lease	\$ 418.6	\$ 723.6

Between August 2017 and January 2018, the Company received delivery of five 11000 TEU vessels that immediately commenced fixed-rate bareboat charters with a 17-year term. At the end of their respective lease terms, the customer has agreed to purchase the vessels for \$32,000,000 each. Each transaction is considered a direct financing lease and accounted for as a disposition of vessels upon delivery of each vessel.

In November 2019, the Company entered into an agreement to acquire six vessels and their existing fixed-rate bareboat charters. Five vessels were delivered in December 2019 and one vessel was delivered in January 2020. The acquired bareboat charter agreements included the option for the charterer to purchase each vessel for an amount equal to fair market value, subject to minimum and maximum purchase prices. At the date of acquisition, it was determined that the customer was reasonably certain to exercise these purchase options. Accordingly, these leases were classified as sales-type leases and accounted for as a disposition of vessels upon their respective delivery dates.

In February 2020, the bareboat charters for the six vessels acquired in November 2019 were modified to extend the terms of the leases by six years, with similar purchase options. As a result of the modification, it was determined that the customer is no longer reasonably certain to exercise the purchase options and these leases were reclassified as operating leases.

At December 31, 2020, the minimum lease receivable from direct financing leases are as follows:

2021	\$	44.3
2022		44.3
2023		44.3
2024		44.5
2025		44.4
Thereafter		551.4
	\$	773.2

8. Property, plant and equipment:

December 31, 2020	Cost	Accumulated depreciation	Net book value
Vessels	\$ 9,148.9	\$ (2,571.3)	\$ 6,577.6
Equipment and other	543.1	(146.0)	397.1
Property, plant and equipment	\$ 9,692.0	\$ (2,717.3)	\$ 6,974.7

December 31, 2019	Cost	Accumulated depreciation	Net book value
Vessels	\$ 8,018.5	\$ (2,311.4)	\$ 5,707.1
Equipment and other	4.6	(4.0)	0.6
Property, plant and equipment	\$ 8,023.1	\$ (2,315.4)	\$ 5,707.7

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

8. Property, plant and equipment (continued):

During the year ended December 31, 2020, depreciation and amortization expense relating to property, plant and equipment was \$324,597,000 (2019 - \$233,729,000, 2018 - \$219,330,000).

In February 2020, the Company acquired gas turbines and other equipment of \$447,166,000 as part of the acquisition of APR Energy (note 3).

In February 2020, sales-type leases related to six bareboat charters were re-assessed to be operating leases at lease modification. Accordingly, vessels of \$377,393,000 were reclassified to property, plant and equipment and recorded at a value equal to the net investment in leases derecognized (note 7).

During the year ended December 31, 2020 the Company took delivery of ten secondhand vessels, with an aggregate purchase price of \$785,033,000, including one vessel that was reclassified to property, plant and equipment from net investment in leases at lease modification, subsequent to initial acquisition during the year.

9. Right-of-use assets:

December 31, 2020	Cost	Accumulated amortization	Net book value
Vessel operating leases	\$ 1,060.9	\$ (228.0)	\$ 832.9
Other operating leases	13.6	(5.3)	8.3
Right-of-use assets	\$ 1,074.5	\$ (233.3)	\$ 841.2

December 31, 2019	Cost	Accumulated amortization	Net book value
Vessel operating leases	\$ 1,060.9	\$ (110.1)	\$ 950.8
Office operating leases	8.2	(1.8)	6.4
Right-of-use assets	\$ 1,069.1	\$ (111.9)	\$ 957.2

During the year ended December 31, 2020, change in right-of-use assets was \$120,140,000 (2019 - \$111,810,000).

10. Goodwill:

	Containership leasing	Mobile power generation
Balance, December 31, 2019	\$ 75.3	\$ —
Goodwill arising from acquisition of APR Energy (note 3)	—	117.9
Impairment loss recognized during the period	—	(117.9)
Balance, December 31, 2020	\$ 75.3	\$ —

Upon the acquisition of APR Energy, the Company recognized \$117,900,000 of goodwill. As part of the Company's annual goodwill impairment test, it was determined that the carrying value of the mobile power generation reporting unit exceeded its fair value, as a result of potential strategic repositioning contemplated subsequent to acquisition. Fair value was determined using a discounted cash flow approach. As a result, an impairment loss of \$117,900,000 equal to the balance of goodwill related to the mobile power generation reporting unit, was recognized.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

11. Other assets:

	2020	2019
Intangible assets (a)	\$ 104.8	\$ 94.0
Deferred dry-dock (b)	63.8	41.3
Restricted cash (c)	38.2	—
Contingent consideration asset (d)	84.0	—
Vessels under construction(e)	42.0	—
Other	42.9	37.2
Other assets	<u>\$ 375.7</u>	<u>\$ 172.5</u>

(a) Intangible assets:

December 31, 2020	Cost	Accumulated Amortization	Net book value
Customer contracts	\$ 129.9	\$ (58.6)	\$ 71.3
Trademark	27.4	(1.1)	26.3
Other	11.5	(4.3)	7.2
	<u>\$ 168.8</u>	<u>\$ (64.0)</u>	<u>\$ 104.8</u>
December 31, 2019	Cost	Accumulated Amortization	Net book value
Customer contracts	\$ 129.9	\$ (39.3)	\$ 90.6
Other	6.6	(3.2)	3.4
	<u>\$ 136.5</u>	<u>\$ (42.5)</u>	<u>\$ 94.0</u>

As part of the acquisition of APR Energy on February 28, 2020, the Company recorded \$27,400,000 related to the fair value of a trademark. The trademark is amortized on a straight-line basis over its estimated useful life of 20 years.

Acquired customer contracts are amortized on a straight-line basis over their remaining useful lives. As of December 31, 2020, the weighted average remaining useful lives of acquired customer contracts was 5 years (2019 – 5 years).

During the year ended December 31, 2020, the Company recorded \$21,396,000 of amortization related to intangible assets (2019 – \$20,729,000, 2018 – \$16,569,000).

Future amortization of intangible assets is as follows:

2021	\$ 19.1
2022	18.2
2023	14.5
2024	11.7
2025	8.3
Thereafter	33.0
	<u>\$ 104.8</u>

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

11. Other assets (continued):
(b) Deferred dry-dock:

During the year ended December 31, 2020, changes in deferred dry-dock were as follows:

December 31, 2018	36.7
Costs incurred	23.5
Amortization expensed (1)	(18.9)
December 31, 2019	41.3
Costs incurred	45.2
Amortization expensed (1)	(22.7)
December 31, 2020	\$ 63.8

(1) Amortization of dry-docking costs is included in depreciation and amortization

(c) Restricted cash:

Restricted cash consists primarily of amounts held in reserve accounts related to the Company's debt facilities.

(d) Contingent consideration asset:

As a part of the acquisition of APR Energy on February 28, 2020, the Company is compensated by the Sellers for certain losses that may be incurred on future cash repatriation from a foreign jurisdiction until the earlier of (1) reaching the maximum cash flows subject to compensation, (2) termination of specified contracts, (3) sustaining the ability to repatriate cash without losses and (4) April 30, 2022. The amount of compensation depends on the Company's ability to generate cash flows on specific contracts in the foreign jurisdiction and the magnitude of losses incurred on repatriation. The maximum amount of cash flows subject to compensation is \$110,000,000.

Fairfax agreed, subject to definitive documentation, to compensate the Company for future losses realized on sale or disposal of certain property, plant and equipment and inventory items calculated as the difference between the proceeds on sale or disposal and the book value of the respective assets at February 28, 2020, prior to acquisition. The maximum amount of losses subject to compensation is \$64,000,000.

Contingent consideration asset, December 31, 2019	\$ —
Assets acquired	95.2
Change in fair value	6.8
Compensation received	(11.1)
Contingent consideration asset	90.9
Current portion included in prepaid expenses and other	(6.9)
Contingent consideration asset, December 31, 2020	\$ 84.0

(e) Vessels under construction:

Vessels under construction include installment payments, interest and financing costs incurred on the construction of new vessels, net of address commissions. In November 2020, the Company entered into agreements with a shipyard to build five 12200 TEU vessels for an aggregate purchase price of \$419,825,000, net of address commissions, payable in four installments (note 21(b)). As of December 31, 2020, \$41,982,500, net of address commissions, relating to the first installment was paid.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

12. Long term debt:

	2020	2019
Long-term debt:		
Revolving credit facilities (a) (c)	\$ 772.1	\$ 867.0
Term loan credit facilities (b) (c)	2,094.7	1,799.4
Senior unsecured notes (d)	80.0	80.0
Fairfax Notes (e)	600.0	500.0
Exchangeable Notes (f)	201.3	—
	3,748.1	3,246.4
Fair value adjustment on term loan credit facilities	(0.1)	(0.1)
Debt discount on Fairfax Notes (e)	(130.9)	(150.9)
Debt discount on Exchangeable Notes (f)	(6.1)	—
Deferred financing fees	(44.9)	(34.8)
Long-term debt	3,566.1	3,060.6
Current portion of long-term debt	(332.1)	(363.7)
Long-term debt	\$ 3,234.0	\$ 2,696.9

(a) Revolving credit facilities

As at December 31, 2020, the Company had five revolving credit facilities available (December 31, 2019 – four revolving credit facilities) which provided for aggregate borrowings of up to \$989,119,000 (December 31, 2019 – \$987,012,000), of which \$217,000,000 (December 31, 2019 - \$120,000,000) was undrawn.

On February 28, 2020, the Company acquired the outstanding debt of APR Energy. Concurrently, the Company entered into a credit facility of up to \$185,000,000 (the “Bank Facility”) comprised of a revolving loan facility of \$50,000,000 and a term loan facility of \$135,000,000, the proceeds of which were used to refinance the APR Energy’s outstanding debt. The Bank Facility matures on February 28, 2023 and is secured by the Company’s power generation assets.

On July 2, 2020, the Company entered into a \$150,000,000 revolving credit facility, refinancing a \$150,000,000 revolving credit facility due to mature in August 2020. The new facility matures on July 2, 2022 and can increase to a maximum capacity of \$200,000,000, subject to additional commitments.

The revolving credit facilities drawn mature between December 31, 2022 and May 15, 2024.

The following is a schedule of future minimum repayments under the Company’s revolving facilities as of December 31, 2020:

2021	\$ 50.7
2022	392.2
2023	82.2
2024	247.0
2025	-
Thereafter	-
	\$ 772.1

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

12. Long term debt (continued):

(a) Revolving credit facilities (continued):

As at December 31, 2020, the one month, three month and six month average LIBOR on the Company's revolving credit facilities was 0.2%, 0.2% and 0.3%, respectively (December 31, 2019 – one month and three months average LIBOR of 1.8% and 1.9%, respectively) and the margins ranged between 0.5% and 2.25% (December 31, 2019 – 0.5% and 2.25%). The weighted average rate of interest, including the margin, for the Company's revolving credit facilities was 1.4% as at December 31, 2020 (December 31, 2019 – 2.9%). Interest payments are made monthly, quarterly and semi-annually.

The Company is subject to commitment fees ranging between 0.2% and 0.6% (December 31, 2019 – 0.2% and 0.5%) calculated on the undrawn amounts under the various facilities.

For one of the revolving credit facilities, semi-annual payments commence thirty-six months after delivery of the associated newbuild containership for the facility. One revolving credit facility, with a principal outstanding of \$58,240,000, is due in full at maturity on December 31, 2023. Another revolving credit facility with a principal outstanding of \$283,000,000, will be converted into a term loan facility on May 15, 2022.

(b) Term loan credit facilities

As at December 31, 2020, the Company had \$2,344,730,000 (December 31, 2019 - \$1,954,375,000) of term loan credit facilities available, of which \$250,000,000 (December 31, 2019 - \$155,000,000) was undrawn. Three of the term loan credit facilities have a revolving loan component, all of which have been included in the revolving facilities above.

On February 28, 2020, the Company entered into the Bank Facility which includes a \$135,000,000 term loan facility (note 12(a)).

On March 6, 2020, the Company entered into a \$100,000,000 term loan credit facility, which bears a fixed interest rate of 7.7% per annum and matures on March 6, 2026. This facility is secured by the Company's power generation assets.

In February 2020 and March 2020, the Company increased the aggregate commitment under an existing term loan credit facility (the "December 2019 Term Loan"), which matures on December 30, 2025, by \$100,000,000.

On October 15, 2020, the Company entered into a sustainability-linked term loan facility (the "October 2020 Term Loan") with an aggregate principal of \$200,000,000, which was subsequently upsized to \$250,000,000 on December 14, 2020. The facility matures on October 14, 2026 and bears an initial interest rate of 2.25% margin plus three month LIBOR. The margin may be subsequently adjusted if the Company meets certain sustainability metrics during the term of the loan. No amounts have been drawn under the facility as of December 31, 2020.

The December 2019 Term Loan and the October 2020 Term Loan are secured by a portfolio of vessels, which also secured some of the Company's other credit facilities.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

12. Long term debt (continued):

(b) Term loan credit facilities (continued):

Term loan credit facilities mature between December 23, 2021 and January 21, 2030.

The following is a schedule of future minimum repayments under the Company's term loan credit facilities as of December 31, 2020:

2021	\$ 286.1
2022	187.9
2023	364.5
2024	877.2
2025	222.7
Thereafter	156.3
	\$ 2,094.7

For all of the Company's term loan credit facilities, except for one, interest is calculated based on three month or six month LIBOR plus a margin per annum, dependent on the interest period selected by the Company. The three month and six month average LIBOR was 0.2% and 0.3%, respectively (December 31, 2019 – 2.0% and 2.1%) and the margins ranged between 0.4% and 4.3% as at December 31, 2020 (December 31, 2019 – 0.4% and 4.3%).

For one of our term loan credit facilities with a total principal amount outstanding of \$39,970,000 (December 31, 2019 - \$52,743,000), interest is calculated based on the Export-Import Bank of Korea (KEXIM) rate plus 0.7% per annum.

The weighted average rate of interest, including the applicable margin, was 2.7% as at December 31, 2020 (December 31, 2019 – 4.0%) for the Company's term loan credit facilities. One of the Company's term loan credit facilities bears interest at a fixed rate of 7.7%. Interest payments are made in monthly, quarterly or semi-annual payments.

Repayments under term loan credit facilities are made in quarterly or semi-annual payments. For those related to newbuilding containerships, payments commence three, six or thirty-six months after delivery of the associated newbuilding containership, utilization date or the inception date of the term loan credit facilities.

(c) Credit facilities – other:

As at December 31, 2020, the Company's credit facilities were secured by first-priority mortgages granted on most of its power generation assets and 70 of its vessels together with other related security. The security for each of the Company's current secured credit facilities includes:

- A first priority mortgage on collateral assets;
- An assignment of the Company's lease agreements and earnings related to the related collateral assets;
- An assignment of the insurance policies covering each of the collateral assets that are subject to a related mortgage and/or security interest;
- An assignment of the Company's related shipbuilding contracts and the corresponding refund guarantees;
- A pledge over shares of various subsidiaries; and
- A pledge over the related retention accounts.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

12. Long term debt (continued):

(c) Credit facilities – other (continued):

As at December 31, 2020, \$1,582,470,000 principal amount of indebtedness under the Company's term loan and revolving credit facilities was secured by a portfolio of 48 vessels, the composition of which can be changed, and is subject to a borrowing base and portfolio concentration requirements, as well as compliance with financial covenants and certain negative covenants.

The Company may prepay certain amounts outstanding without penalty, other than breakage costs in certain circumstances. A prepayment may be required as a result of certain events, including without limitation the sale or loss of a vessel, a termination or expiration of a charter (and the inability to enter into a replacement charter acceptable to lenders within a prescribed period of time). The amount that must be prepaid may be calculated based on the loan to market value of the Company's assets. In these circumstances, valuations of the Company's assets are conducted on a "without lease" and/or a "orderly liquidation" basis as required under the credit facility agreement.

Each credit facility contains a mix of financial covenants requiring the Company to maintain minimum liquidity, tangible net worth, interest and principal coverage ratios, and debt-to-assets ratios, as defined. Certain facilities are guaranteed by an intermediate parent entity, in which case the parent entity must meet certain consolidated financial covenants under those term loan facilities including maintaining certain minimum tangible net worth, cash requirements and debt-to-asset ratios.

Some of the facilities also have an interest and principal coverage ratio, debt service coverage and vessel value requirement for the subsidiary borrower. The Company was in compliance with these covenants as at December 31, 2020.

(d) Senior unsecured notes:

During the year ended December 31, 2019, the Company repaid \$320,396,000 of its 6.375% senior unsecured notes due April 2019. The remaining senior unsecured notes, issued in a public offering in 2017 will mature on October 30, 2027 and bear interest at a rate of 7.125% per annum, payable quarterly.

(e) Fairfax Notes:

On February 28, 2020, the Company issued to Fairfax, in a private placement, \$100,000,000 aggregate principal amount of senior notes, which bear interest at a fixed rate of 5.50% per annum and mature on March 1, 2027.

The Fairfax Notes allow Fairfax to call for early redemption some or all of the Fairfax Notes on each respective anniversary date of issuance (the "Annual Put Right") by providing written notice between 150 days and 120 days prior to each applicable anniversary date. In December 2020, Fairfax undertook not to exercise its Annual Put Right to call for early redemption of Fairfax Notes on their respective 2022 anniversary dates; the Fairfax Notes are not puttable to the Company until 2023. At any time on or after February 14, 2023, January 15, 2024 and January 15, 2025, the Company may elect to redeem all or any portion of the 2025 Notes, 2026 Notes and 2027 Fairfax Notes, respectively, at a price equal to 100% of the principal amount being redeemed. Interest payments on the Fairfax Notes are payable quarterly.

The Fairfax Notes are guaranteed by certain of the Company's subsidiaries and secured by ownership interest in other subsidiaries of the Company.

(f) Exchangeable Notes:

On December 21, 2020, the Company, through its wholly-owned subsidiary, Seaspan Corporation issued \$201,250,000 aggregate principal amount of 3.75% exchangeable senior unsecured notes due 2025 (the "Exchangeable Notes") in a private placement. The Exchangeable Notes are exchangeable at the holders' option into an aggregate of 15,474,817 Atlas common shares at an initial exchange price of \$13.005 per share, in equivalent cash or a combination of Atlas common shares and cash, as elected by the Company, on or after September 15, 2020, or earlier in the following circumstances:

ATLAS CORP.**Notes to Consolidated Financial Statements (Continued)**

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

12. Long-term debt (continued)**(f) Exchangeable Notes (continued):**

- After December 31, 2020, if the last reported price of an Atlas common share is at least 130% of the exchange price then in effect over a specified measurement period;
- If the trading price per \$1,000 principal amount of Exchangeable Notes during a specified measurement period is less than 98% of the last reported sale price on Atlas common shares multiplied by the applicable exchange rate; and
- Upon the occurrence of certain significant corporate events, or in response to early redemption elected by the Company.

The exchange price is subject to anti-dilution and make-whole clauses.

The holders may require the Company to redeem the Exchangeable Notes held by them upon the occurrence of certain corporate events qualifying as a fundamental change in the business. The Company may redeem the Exchangeable Notes in connection with certain tax-related events or on any business day on or after December 20, 2023 and prior to September 15, 2025, if the last reported sale price of an Atlas common share is at least 130% of the exchange price during a specified measurement period. A redemption of the Exchangeable Notes is made at 100% of the principal amount, plus accrued and unpaid interest. The Exchangeable Notes mature on December 15, 2025, unless earlier exchanged, repurchased or redeemed.

Upon issuance, the proceeds from the Exchangeable Notes were allocated between debt, measured at fair value of \$195,000,000 and equity of \$6,250,000 representing the residual value related to the conversion feature. The difference between the face value and carrying value of the debt reflects the debt discount, which is amortized through interest expense using an effective interest rate of 4.5%, over the remaining life of the debt. Interest payment is semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2021.

Capped Call Transactions

In connection with the issuance of the Exchangeable Notes, the Company entered into capped call transactions with affiliates of certain of the initial purchasers of the Exchangeable Notes and other financial institutions, using \$15,536,000 in proceeds from the issuance, to reduce the potential dilution to Atlas common shares upon any exchange of notes and/or offset any cash payments the Company is required to make upon exchange of the Exchangeable Notes, in excess of the principal amount. They may be settled in cash, shares, or a combination of cash and shares as determined by the settlement method of the Exchangeable Notes, at a strike price with underlying shares equal to that of the Exchangeable Notes and subject to anti-dilution adjustments substantially similar to those applicable to the Exchangeable Notes. The capped calls are exercisable up to a maximum price of \$17.85 per share, subject to certain adjustments. The instruments expire on December 15, 2025.

13. Operating lease liabilities:

	December 31, 2020	December 31, 2019
Operating lease commitments	\$ 927.0	\$ 1,107.6
Impact of discounting	(141.5)	(184.4)
Impact of changes in variable rates	44.7	19.1
Operating lease liabilities	830.2	942.3
Current portion of operating lease liabilities	(160.9)	(159.7)
Operating lease liabilities	\$ 669.3	\$ 782.6

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

13. Operating lease liabilities (continued):

Operating lease liabilities relate to vessel sale-leaseback transactions and other operating leases. Vessel sale-leaseback transactions under operating lease arrangements are in part, indexed to three month LIBOR, reset on a quarterly basis. For one of the Company's vessel operating leases, an option to repurchase the vessel exists at the end of its lease term. For all other arrangements, the lease may be terminated prior to the end of the lease term, at the option of the Company, by repurchasing the respective vessels on a specified repurchase date at a pre-determined fair value amount. For one of these arrangements, if the Company elects not to repurchase the vessel, the lessor may choose not to continue the lease until the end of its term. Each sale-leaseback transaction contains financial covenants requiring the Company to maintain certain tangible net worth, interest coverage ratios and debt-to-assets ratios, as defined. These vessels are leased to customers under time charter arrangements.

Operating lease costs related to vessel sale-leaseback transactions and other leases are summarized as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Lease costs:		
Operating lease costs	\$ 166.5	\$ 160.0
Variable lease adjustments	(12.4)	(3.0)
Other information:		
Operating cash outflow used for operating leases	147.8	153.2
Weighted average discount rate	4.8%	4.8%
Weighted average remaining lease term	7 years	8 years

14. Other financing arrangements:

	2020	2019
Other financing arrangements	\$ 879.5	\$ 513.8
Deferred financing fees	(13.7)	(5.3)
Other financing arrangements	865.8	508.5
Current portion of other financing arrangements	(64.1)	(134.6)
Other financing arrangements	\$ 801.7	\$ 373.9

The Company, through certain of its wholly-owned subsidiaries, has entered into non-recourse or limited recourse sale-leaseback arrangements with financial institutions to fund the acquisition of vessels.

Under these arrangements, the Company has agreed to transfer the vessels to the counterparties and lease the vessels back from the counterparties over the applicable lease term as a financing lease arrangement. In the arrangements where the shipbuilding contracts are novated to the counterparties, the counterparties assume responsibility for the remaining payments under the shipbuilding contracts.

In certain of the arrangements, the counterparties are companies whose only assets and operations are to hold the Company's leases and vessels. The Company operates the vessels during the lease term, supervises the vessels' construction before the lease term begins, if applicable, and/or is required to purchase the vessels from the counterparties at the end of the lease term. As a result, in most cases, the Company is considered to be the primary beneficiary of the counterparties and consolidates the counterparties for financial reporting purposes. In all cases, these arrangements are considered failed-sales. The vessels are recorded as an asset and the obligations under these arrangements are recorded as a liability. The terms of the leases are as follows:

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

14. Other financing arrangements (continued):

- (i) **COSCO Faith - 13100 TEU vessel:**
Under this arrangement, the counterparty has provided financing of \$109,000,000. The 12-year lease term began in March 2012, which was the vessel's delivery date. Lease payments include an interest component based on three month LIBOR plus a 3.0% margin. At the end of the lease, the Company will have the option to purchase the vessel from the lessor for \$1. In January 2020, the Company made a prepayment of \$48,316,000 on the remaining balance of the arrangement.
- (ii) **Leases for three 4500 TEU vessels:**
Under these arrangements, the counterparty has provided refinancing of \$150,000,000. The five year lease terms began in March 2015. At delivery, the Company sold and leased the vessels back over the terms of the sale-leaseback transactions. At the end of the lease terms, the Company is obligated to purchase the vessels at a pre-determined purchase price. The remaining balance was paid in March 2020.
- (iii) **Leases for five 11000 TEU vessels:**
Under these arrangements, the counterparty has provided financing of \$420,750,000. The 17-year lease terms began between August 2017 and January 2018, which were the vessels' delivery dates. Lease payments include interest components based on three month LIBOR plus a 3.3% margin. At delivery, the Company sold and leased the vessels back over the term of the sale-leaseback transactions. At the end of the lease terms, the Company is obligated to purchase the vessels at a pre-determined purchase price. In October 2020, the Company made a prepayment of \$71,084,000 on the remaining principal balance of one of the 11000 TEU vessels under sales-leaseback financing arrangement.
- (iv) **Leases for four 12000 TEU vessels:**
Under these arrangements, the counterparty has provided financing of \$337,732,000. The 10-year lease terms began in March and April 2020, which were the vessels' delivery dates. Lease payments include interest components based on one month LIBOR plus a 2.75% margin. At delivery, the Company sold and leased the vessels back over the term of the sale-leaseback transactions. At the end of the lease terms, the Company is obligated to purchase the vessels at a pre-determined purchase price.
- (v) **Leases for two 13000 TEU vessels:**
Under these arrangements, the counterparty has provided financing of \$138,225,000. The 10-year lease terms began in August and September 2020, which were the vessels' delivery dates. Lease payments include interest components based on three month LIBOR plus a 2.75% margin. At delivery, the Company sold and leased the vessels back over the term of the sale-leaseback transactions. At the end of the lease terms, the Company is obligated to purchase the vessels at a pre-determined purchase price.
- (vi) **Leases for two 12000 TEU vessels:**
Under these arrangements, the counterparty has provided financing of \$158,400,000. The 10-year and 12-year lease terms began in October and November 2020, respectively, which were the vessels' delivery dates. Lease payments include interest components based on three month LIBOR plus a 2.75% margin. At delivery, the Company sold and leased the vessels back over the term of the sale-leaseback transactions. The Company has the option to purchase the vessels throughout their respective lease terms at a pre-determined purchase price.

The weighted average rate of interest, including the margin, was 3.12% at December 31, 2020 (2019 – 5.25%).

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

14. Other financing arrangements (continued):

Based on amounts funded for other financing arrangements, payments due to lessors would be as follows:

2021	\$	64.6
2022		64.6
2023		64.6
2024		64.6
2025		57.4
Thereafter		563.7
	\$	<u>879.5</u>

15. Other liabilities:

	2020	2019
Asset retirement obligations(a)	\$ 42.3	\$ —
Other	23.4	19.0
Other long-term liabilities	65.7	19.0
Current portion of other long-term liabilities	(24.8)	(7.8)
Other long-term liabilities	<u>\$ 40.9</u>	<u>\$ 11.2</u>

(a) Asset retirement obligations:

Asset retirement obligations were assumed as part of the APR Energy acquisition and consist of the contractual requirement to demobilize the Company's mobile power generation sites when there is a legal obligation associated with the demobilization and the fair value of the liability can be reasonably estimated.

Asset retirement obligations, December 31, 2019	\$	—
Liabilities acquired		45.9
Liabilities incurred		5.3
Liabilities settled		(6.6)
Provision reassessment		(2.9)
Accretion expense		0.6
Asset retirement obligations, December 31, 2020	\$	<u>42.3</u>

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

16. Income tax:

The Company is tax resident in the United Kingdom and consists of its containership leasing and mobile power generation segments. The effective tax rate for its containership segment is nominal, primarily due to international shipping reciprocal exemptions. Its mobile power generation segment, acquired on February 28, 2020 through APR Energy, is subject to income taxes in multiple jurisdictions.

Net earnings before income taxes for the year ended December 31, 2020 relates only to the foreign jurisdictions. Similarly, the Company's income tax expense for the year ended December 31, 2020 related only to foreign jurisdictions and consists of the following:

	2020		
	Domestic	Foreign	Total
Current tax			
Current tax expense	\$ —	\$ 20.2	\$ 20.2
	\$ —	\$ 20.2	\$ 20.2
Deferred tax			
Deferred tax expense	\$ —	\$ (3.6)	\$ (3.6)
	\$ —	\$ (3.6)	\$ (3.6)
Total tax expense	\$ —	\$ 16.6	\$ 16.6

As a result of the acquisition of APR Energy, the Company operates in countries that have differing tax laws and rates. Therefore, a consolidated weighted average tax rate will vary from year to year according to the source of earnings or losses by country and the change in applicable tax rates. Prior to the APR Energy acquisition, the Company was subject to nominal income taxes primarily due to international shipping reciprocal exemptions for the containership segment. For the year ended December 31, 2020, the reconciliation between the effective tax rate of 7.94% and the statutory UK income tax rate of 19.0% is as follows:

	2020
<i>Computed "Expected" tax expense:</i>	
Computed tax expense on income from continuing operations	\$ 39.7
<i>Increase (reduction) in income taxes resulting from:</i>	
Certain income from containership leasing segment that is exempt from tax	(58.0)
Goodwill impairment not deductible for tax	22.4
Change in valuation allowance	25.4
Change in current year uncertain tax positions	1.2
Change in tax law	(0.1)
Foreign rate differential	(26.8)
Withholding taxes	7.8
Other, net	5.0
	<u>\$ 16.6</u>

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

16. Income tax (continued):

The deferred tax assets and liabilities were as follows for the year ended 31 December, 2020:

Deferred tax assets	2020
Decommission provisions	16.6
Property, plant and equipment	25.9
Reserves and accrued expenses	63.9
Tax losses carried forward	40.4
Interest allowance	16.8
Deferred revenue	0.4
Valuation allowance	(129.3)
	\$ 34.7
Deferred tax liabilities	2020
Deferred job costs	(3.8)
Accelerated asset costs	(2.7)
Inflation adjustment	(5.2)
Other timing differences	(3.7)
	\$ (15.4)
Net deferred tax asset	\$ 19.3

As at December 31, 2019, the Company did not have deferred tax assets and liabilities. The increase in the valuation allowances during the year ended December 31, 2020 primarily relates to an increase in net operating losses related to APR Energy since the acquisition date of February 28, 2020. Substantially all of the Company's net operating losses have no expiry date.

As at 31 December 2020, the Company has foreign tax losses carried forward of \$207,800,000, (2019 – nil), for which no deferred tax assets are being recognised on the basis that no tax benefit is expected to arise in the jurisdictions these tax losses are offset by 100% valuation allowance. The material tax losses carried forward generally have no expiry date. The Company's ability to utilize the net operating loss and tax credit carry forward may be subject to restriction in the event of past or future ownership changes as defined in Section 382 of the Internal Revenue Code and similar tax law.

Tax years that remain open to examination by some of the major jurisdictions in which the Company is subject to tax range from two to four years.

As at December 31, 2020, the Company had income tax payable of \$110,400,000 (2019 – nil). This balance includes cash taxes payable and a reserve for global uncertain tax positions.

The Company's uncertain tax positions relate primarily to items that were acquired as part of the APR Energy acquisition. Substantially all of these items are indemnified and a corresponding indemnification asset has been recorded (note 3). The total amount of unrecognized benefits on uncertain tax positions that, if recognized, would affect the Company's effective tax rate by \$1.2 million. The Company does not presently anticipate that its provisions for these uncertain tax positions will significantly increase in the next 12 months. The Company reviews its tax obligations regularly and may update its assessment of its tax positions based on available information at the time.

ATLAS CORP.**Notes to Consolidated Financial Statements (Continued)**

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

16. Income tax (continued):

The Company's uncertain tax positions relate primarily to items that were acquired as part of the APR Energy acquisition. Substantially all of these items are indemnified and a corresponding indemnification asset has been recorded (note 3). The Company does not presently anticipate that its provisions for these uncertain tax positions will significantly increase in the next 12 months. The Company reviews its tax obligations regularly and may update its assessment of its tax positions based on available information at the time.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

	2020
Balance as of December 31, 2019	-
Acquired as part of APR Energy acquisition (note 3)	75.4
Decreases due to tax provisions expired	1.2
Balance as of December 31, 2020	\$ 76.6

As at December 31, 2019, the Company did not have unrecognized tax benefits.

The Company recognizes interest expense and penalties related to unrecognized tax benefits as income tax expense. The Company had interest or penalties accrued in the consolidated balance sheet at December 31, 2020.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company evaluated the impact of the CARES Act, and the NOL carryback provision of the CARES Act does not result in a material cash benefit to it.

17. Preferred shares and share capital:**(a) Common shares:**

On February 27, 2020, upon completion of the Reorganization, the common shares of Seaspan, the predecessor of Atlas, was exchanged for Atlas common shares on a one-for-one basis. The Company has 400,000,000 Class A common shares authorized at December 31, 2020, with a par value of \$0.01 per share.

On February 28, 2020, the Company issued 29,891,266 common shares and reserved 6,664,270 common shares for holdback as part of the consideration paid for the acquisition of the shares of APR Energy (note 3). Concurrent with the acquisition, the Company issued 775,139 common shares to Fairfax to settle APR Energy's indebtedness to Fairfax at closing.

During the year ended December 31, 2020, the Sellers returned 1,849,641 previously issued common shares to the Company and 557,139 Holdback Shares were cancelled. Of the common shares returned, 1,122,290 shares were permanently forfeited as part of post-closing purchase price adjustments. The remaining 727,351 shares are held in reserve as treasury shares. These shares may be issuable to the Sellers at a future date, subject to settlement of potential indemnified events. During the year ended December 31, 2020, 318,637 shares were released from holdback and issued to the Sellers.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

17. Preferred shares and share capital (continued):
(a) Common shares (continued):

The Company has a dividend reinvestment program ("DRIP") that allows interested shareholders to reinvest all or a portion of cash dividends received in the Company's common shares. If new common shares are issued by the Company, the reinvestment price is equal to the average price of the Company's common shares for the five days immediately prior to the reinvestment, less a discount. The discount rate is set by the Board of Directors and is currently 3.0%. If common shares are purchased in the open market, the reinvestment price is equal to the average price per share paid.

(b) Preferred shares:

As at December 31, 2020, the Company had the following preferred shares outstanding:

Series	Shares		Dividend rate per annum	Redemption by Company permitted on or after	Liquidation preference	
	Authorized	Issued			December 31, 2020	December 31, 2019
D	20,000,000	5,093,728	7.95%	January 30, 2018 ⁽¹⁾	127.3	127.3
E	15,000,000	5,415,937	8.25%	February 13, 2019 ⁽¹⁾	135.4	135.4
G	15,000,000	7,800,800	8.20%	June 16, 2021 ⁽¹⁾	195.0	195.0
H	15,000,000	9,025,105	7.875%	August 11, 2021 ⁽¹⁾	225.6	225.6
I	6,000,000	6,000,000	8.00%	October 30, 2023 ⁽¹⁾	150.0	150.0

(1) Redeemable by the Company, in whole or in part, at a redemption price of \$25.00 per share plus unpaid dividends. The preferred shares are not convertible into common shares and are not redeemable by the holder.

The preferred shares are subject to certain financial covenants. The Company is in compliance with these covenants on December 31, 2020.

(c) Warrants:

The Company issued warrants to purchase 25,000,000 Class A common shares at an exercise price of \$8.05 per share, subject to customary anti-dilution adjustments. Each warrant is exercisable within seven years. The holder may pay the aggregate exercise price by cash, by cashless exercise or by any combination of the foregoing. The Company can elect to require early exercise of the warrants, at any time after July 16, 2022, if the volume weighted average price of the Company's Class A common shares, averaged over a 20-day period, equals or exceeds twice the exercise price of the warrants.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

18. Earnings per share ("EPS"):

For the year ended December 31, 2020	Year ended December 31, 2020		
	Earnings (numerator)	Shares (denominator)	Per share amount
Net earnings	192.6		
Less preferred share dividends:			
Series D	(10.1)		
Series E	(11.2)		
Series G	(16.0)		
Series H	(17.8)		
Series I	(12.0)		
Basic EPS:			
Net earnings attributable to common shareholders	\$ 125.5	241,502,000	\$ 0.52
Effect of dilutive securities:			
Share-based compensation	—	541,000	
Fairfax warrants	—	3,096,000	
Holdback shares	—	5,375,000	
Diluted EPS(1):			
Net earnings attributable to common shareholders	\$ 125.5	250,514,000	\$ 0.50

(1) The Exchangeable Notes are not included in the computation of diluted EPS when their effects are anti-dilutive.

For the year ended December 31, 2019	Year ended December 31, 2019		
	Earnings (numerator)	Shares (denominator)	Per share amount
Net earnings	\$ 439.1		
Less preferred share dividends:			
Series D	(14.1)		
Series E	(11.2)		
Series G	(16.0)		
Series H	(17.8)		
Series I	(12.0)		
Basic EPS:			
Net earnings attributable to common shareholders	\$ 368.0	214,499,000	\$ 1.72
Effect of dilutive securities:			
Share-based compensation	—	471,000	
Fairfax warrants	—	4,902,000	
Diluted EPS:			
Net earnings attributable to common shareholders	\$ 368.0	219,872,000	\$ 1.67

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

18. Earnings per share ("EPS") (continued):

For the year ended December 31, 2018	Year ended December 31, 2018		
	Earnings (numerator)	Shares (denominator)	Per share amount
Net earnings	\$ 278.8		
Less preferred share dividends:			
Series D	(14.6)		
Series E	(11.2)		
Series F	(8.3)		
Series G	(16.0)		
Series H	(17.8)		
Series I	(3.4)		
Basic EPS:			
Net earnings attributable to common shareholders	\$ 207.5	154,848,000	\$ 1.34
Effect of dilutive securities:			
Share-based compensation	—	91,000	
Fairfax warrants	—	3,129,000	
Diluted EPS(1):			
Net earnings attributable to common shareholders	\$ 207.5	158,068,000	\$ 1.31

(1) The convertible Series F preferred shares are not included in the computation of diluted EPS when their effects are anti-dilutive.

19. Share-based compensation:

In December 2005, Seaspan's board of directors adopted the Seaspan Corporation Stock Incentive Plan, which was administered by Seaspan's board of directors and, under which its officers, employees and directors could be granted options, restricted shares, phantom share units and other stock-based awards as determined by the Seaspan board of directors. Upon consummation of the Reorganization, Atlas assumed Seaspan's equity-based compensation plans, including the Seaspan Corporation Stock Incentive Plan. Awards previously granted under the Seaspan Corporation Stock Incentive Plan are now exercisable for Atlas common shares instead of Seaspan common shares.

In connection with the Reorganization, the Seaspan Plan was amended and restated as the Atlas Corp. Stock Incentive Plan (the "Atlas Plan"). In June 2020, the Atlas Plan was amended and restated to increase the number of common shares issuable under the Atlas Plan from 5,000,000 to 10,000,000.

At December 31, 2020, there are 1,993,398 (2019 – 1,291,076) remaining shares left for issuance under this Plan.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

19. Share-based compensation (continued):

A summary of the Company's outstanding restricted shares, phantom share units, stock appreciation rights ("SARs") and restricted stock units as of and for the twelve months ended December 31, 2020, 2019, and 2018 are presented below:

	Restricted shares		Phantom share units		SARs		Restricted stock units		Stock options	
	Number of shares	W.A. grant date FV	Number of units	W.A. grant date FV	Number of SARs	W.A. grant date FV	Number of units	W.A. grant date FV	Number of options	W.A. grant date FV
December 31, 2017	94,533	8.89	727,001	13.60	485,974	3.40	71,184	7.80	—	—
Granted	164,326	7.19	30,000	6.86	—	—	609,248	8.18	500,000	2.45
Vested and exercised	(119,509)	8.52	(113,333)	18.80	—	—	(83,220)	9.87	—	—
Expired	—	—	—	—	(485,974)	3.40	—	—	—	—
Cancelled	(53,608)	7.10	(76,666)	7.90	—	—	(12,441)	7.28	—	—
December 31, 2018	85,742	\$ 7.28	567,002	\$ 12.97	—	\$ —	584,771	\$ 7.91	500,000	\$ 2.45
Granted	67,400	8.15	—	—	—	—	249,732	8.90	—	—
Vested and exercised	(85,742)	7.28	(60,001)	16.68	—	—	(224,073)	8.59	—	—
Cancelled	—	—	—	—	—	—	(33,466)	9.05	—	—
December 31, 2019	67,400	\$ 8.15	507,001	\$ 12.53	—	\$ —	576,964	\$ 8.01	500,000	\$ 2.45
Granted	1,051,492	7.84	—	—	—	—	1,824,786	7.83	1,500,000	2.57
Vested and exercised	(67,400)	8.15	(20,000)	6.85	—	—	(313,231)	9.32	—	—
Cancelled	—	—	—	—	—	—	(79,635)	9.84	—	—
December 31, 2020	1,051,492	\$ 7.84	487,001	\$ 12.76	—	\$ —	2,008,884	\$ 7.57	2,000,000	\$ 2.51
Vested and exercisable, December 31, 2020	—	\$ —	487,001	\$ 12.76	—	\$ —	—	\$ —	200,000	\$ 2.54

During the year ended December 31, 2020, the Company amortized \$7,068,000 (2019 – \$3,310,000; 2018 – \$2,989,000) in share-based compensation expense related to the above share-based compensation awards.

At December 31, 2020, there was \$22,334,000 (2019 – \$3,764,000) of total unamortized compensation costs relating to unvested share-based compensation awards, which are expected to be recognized over a weighted-average period of 29 months.

(a) Restricted shares and phantom share units:

Common shares are issued on a one-for-one basis in exchange for the cancellation of vested and exchanged phantom share units. The restricted shares generally vest over one year and the phantom share units generally vest over three years.

During the year ended December 31, 2020, the Company granted 1,051,492 restricted shares to its board of directors. 1,000,000 restricted shares have requisite service periods ending on December 31, 2022. The remaining 51,492 restricted shares vest on January 1, 2021.

(b) Restricted stock units:

The restricted stock units generally vest over two or five years, in equal tranches. Upon vesting of the restricted stock units, the participant will receive common shares.

In June 2020, the Company granted the Chief Executive Officer ("CEO") 1,500,000 restricted stock units. The restricted stock units vest in five tranches annually over five years beginning December 31, 2021 and have a grant date fair value of \$7.25 per unit.

In September 2020, 71,799 restricted stock units previously issued to an executive officer of the Company were forfeited.

ATLAS CORP.**Notes to Consolidated Financial Statements (Continued)**

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

19. Share-based compensation (continued):**(c) Stock options:**

In January 2018, the Company granted the CEO stock options to acquire 500,000 Class A common shares at an exercise price of \$7.20 per share. The stock options vest equally on each of the first five anniversaries of the CEO's start date in January 2018 and expire on January 8, 2028.

In June 2020, the Company granted the CEO stock options to acquire 1,500,000 common shares at an exercise price of \$7.80 per share. The stock options vest in five tranches annually over five years beginning December 31, 2021 and expire on June 24, 2030.

20. Other information:**(a) Accounts payable and accrued liabilities:**

The principal components of accounts payable and accrued liabilities are:

	2020	2019
Accrued interest	\$ 17.2	\$ 17.1
Accounts payable and other accrued liabilities	116.9	66.3
	\$ 134.1	\$ 83.4

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

20. Other information (continued):
(b) Supplemental cash flow information:

	2020	2019	2018
Interest paid	\$ 156.2	\$ 183.1	\$ 194.3
Interest received	5.0	8.9	3.7
Undrawn credit facility fee paid	0.8	1.7	0.6
Income taxes paid	16.8	—	—
Non-cash investing and financing transactions:			
Dividend reinvestment	0.3	1.2	22.8
Arrangement and transaction fee settled in shares	—	—	2.3
Commencement of sales-type lease	57.0	316.7	—
Carrying value of previously held equity in GCI settled on acquisition	—	—	61.9
Issuance of common shares on GCI acquisition	—	—	13.9
Issuance of warrants	—	—	67.5
Issuance of Series D preferred shares on GCI acquisition	—	—	47.2
Settlement of GCI transaction fees paid by the Company	—	—	15.2
Settlement of loans to affiliate, accrued interest and other intercompany balances on GCI acquisition	—	—	38.8
APR Energy loans settled in shares	8.3	—	—
Common shares issued on APR Energy acquisition	316.8	—	—
Holdback Shares reserved on APR Energy acquisition	70.6	—	—
Purchase price adjustment related to APR Energy acquisition	4.5	—	—
Reclassification on lease modification	377.4	—	—
Contingent consideration asset related to APR Energy acquisition	95.2	—	—
Net assets acquired on APR Energy acquisition	287.7	—	—
ARO liabilities incurred	5.3	—	—
ARO provision re-assessment	2.9	—	—
Refinancing of existing term loan credit facilities with draws made on new debt	—	302.7	—
Right-of-use assets arising from new operating leases	1.2	0.7	—
Cancellation of common shares issued on APR Energy acquisition	12.5	—	—
Prepayments transferred to property, plant and equipment upon vessel delivery	46.8	—	—
Changes in operating assets and liabilities			
Accounts receivable	(17.1)	(2.3)	15.5
Inventories	(5.9)	6.3	0.5
Prepaids expenses and other	(10.3)	(0.9)	17.0
Net investment in lease	13.3	9.3	44.3
Accounts payable and accrued liabilities	(16.4)	11.5	(7.0)
Settlement of decommissioning provisions	(5.9)	—	—
Deferred revenue	8.4	(0.6)	(46.8)
Income tax payable	3.9	—	—
Major maintenance	(54.6)	(22.3)	(10.3)
Other liabilities	(8.6)	—	(1.5)
Operating lease liabilities	(114.7)	(111.9)	—
Derivative instruments	22.5	55.0	42.0
Contingent consideration asset	18.7	—	—

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

20. Other information (continued):

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:

	2020	2019	2018
Cash and cash equivalents	\$ 304.3	\$ 195.0	\$ 357.3
Restricted cash included in prepaid and other	—	2.3	—
Restricted cash included in other assets (note 11)	38.2	—	14.1
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 342.5</u>	<u>\$ 197.3</u>	<u>\$ 371.4</u>

21. Commitments and contingencies:**(a) Operating leases:**

At December 31, 2020, the commitment under operating leases for vessels is \$917,130,000 for 2021 to 2029 and for other leases is \$9,893,000 for 2021 to 2024. Total commitments under these leases are as follows:

2021	\$	147.1
2022		143.1
2023		144.6
2024		147.8
2025		125.7
Thereafter		218.7
	<u>\$</u>	<u>927.0</u>

For operating leases indexed to three month LIBOR, commitments under these leases are calculated using the LIBOR in place as at December 31, 2020 for the Company.

(b) Vessels under construction:

In November 2020, the Company entered into agreements to build five 12200 TEU containerships for an aggregate purchase price of \$419,825,000, net of address commissions. The amount is payable in four installments. As of December 31, 2020, \$41,982,500, net of address commissions relating to the first installment was paid. The Company has outstanding commitments for the remaining installment payments as follows:

2021	\$	142.7
2022		235.1
Total	<u>\$</u>	<u>377.8</u>

(c) Letter of credit:

As at December 31, 2020, the Company has \$11,686,000 in letters of credit outstanding in support of its mobile power generation business, all of which are unused.

22. Financial instruments:**(a) Fair value:**

The carrying values of cash and cash equivalents, short-term investments, restricted cash, accounts receivable, income tax payable, accounts payable and accrued liabilities approximate their fair values because of their short term to maturity.

As of December 31, 2020, the fair value of the Company's revolving credit facilities and term loan credit facilities, excluding deferred financing fees is \$2,827,984,000 (2019 - \$2,624,711,000) and the carrying value is \$2,866,850,000 (2019 - \$2,666,274,000). As of December 31, 2020, the fair value of the Company's operating lease liabilities is \$828,111,000 (2019 - \$940,034,000) and the carrying value is \$830,200,000 (2019 - \$942,308,000). As of December 31, 2020, the fair value of the Company's other financing arrangements, excluding deferred financing fees, is \$891,710,000 (2019 - \$553,754,000) and the carrying value is \$879,468,000 (2019 - \$513,771,000). The fair value of the revolving and term loan credit facilities, operating lease liabilities and other financing arrangements, excluding deferred financing fees, is estimated based on expected principal repayments and interest, discounted by relevant forward rates plus a margin appropriate to the credit risk of the Company. Therefore, the Company has categorized the fair value of these financial instruments as Level 2 in the fair value hierarchy.

As of December 31, 2020, the fair value of the Company's senior unsecured notes is \$89,207,000 (2019 - \$82,816,000) and the carrying value is \$80,000,000 (2019 - \$80,000,000). The aggregate fair value of the 2025 Notes and 2026 Notes was \$538,083,000 (2019 - \$525,591,000) and the aggregate carrying value was \$500,000,000 (2019 - \$500,000,000) or \$369,100,000 (2019 - \$349,106,000), net of discount. In February 2020, the Company issued the 2027 Notes. The fair value of the 2027 Fairfax Notes was \$101,975,000 and the carrying value was \$100,000,000. In December 2020, the Company issued the Exchangeable Notes. The fair value of the Company's Exchangeable Notes is \$195,232,000 and the carrying value is \$201,250,000 or \$195,000,000, net of debt discount. The fair value is calculated using the present value of expected principal repayments and interest discounted by relevant forward rates plus a margin appropriate to the credit risk of the Company. As a result, these amounts are categorized as Level 2 in the fair value hierarchy.

The Annual Put Right features included in the 2025 Notes and 2026 Notes are considered embedded derivatives that are separately accounted for and are re-measured at fair value at the end of each reporting period. The fair value of the derivative put instruments at each reporting period is derived from the difference between the fair value of the notes and the fair value of a similar debt without Annual Put Rights, which are calculated using a trinomial tree. The assumptions used include an estimate of the risk-free yield curve, interest volatility and a company-specific credit risk. The fair values derivative put instruments are determined based on interest rate inputs that are unobservable. Therefore, the Company has categorized the fair value of these derivative financial instruments as Level 3 in the fair value hierarchy. The Annual Put Right feature included in the 2027 Fairfax Notes, issued at par value, is not considered an embedded derivative.

The Company's interest rate derivative financial instruments are re-measured to fair value at the end of each reporting period. The fair values of the interest rate derivative financial instruments have been calculated by discounting the future cash flow of both the fixed rate and variable rate interest rate payments. The discount rate was derived from a yield curve created by nationally recognized financial institutions adjusted for the associated credit risk. The fair values of the interest rate derivative financial instruments are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Therefore, the Company has categorized the fair value of these derivative financial instruments as Level 2 in the fair value hierarchy.

22. Financial instruments (continued):**(a) Fair value (continued):**

As part of the acquisition of APR Energy, the Company obtained a contingent consideration asset related to compensation the Company will receive from the Sellers on losses that may be generated from cash repatriation from a foreign jurisdiction. The fair values of the contingent consideration asset at acquisition and at December 31, 2020 are calculated as the present value of expected future compensable losses from conversion of cash from foreign currency to US dollars, derived from the discount expected to be realized on repatriation of cash from the foreign jurisdiction over a specified period of time, which is a significant unobservable input. As such, the Company has categorized the fair value of the contingent consideration asset as Level 3 in the fair value hierarchy. The discount expected to be realized on repatriation of cash as of December 31, 2020 is 45%. An increase of 5% on the discount would result in an increase in fair value of approximately \$3,330,000. A decrease of 5% on the discount would result in a decrease in fair value of approximately \$3,330,000.

As part of the acquisition of APR Energy, the Company also obtained, subject to definitive documentation, a contingent consideration asset related to compensation the Company expects to receive from Fairfax on losses realized on future sale or disposal of certain property, plant and equipment and inventory items. The fair values of the contingent consideration asset at acquisition and at December 31, 2020 are determined based on the present value of expected future compensation, calculated as the difference between the book value of the respective assets at acquisition and the realizable value of the asset obtained from market quotes, which is a significant unobservable input. As such, the Company has categorized the fair value of the contingent consideration asset as Level 3 in the fair value hierarchy.

Unobservable inputs for recurring and non-recurring Level 3 disclosures are obtained from third parties whenever possible and reviewed by the Company for reasonableness.

(b) Interest rate swap derivatives:

The Company uses interest rate derivative financial instruments, consisting of interest rate swaps to manage its interest rate risk associated with its variable rate debt. If interest rates remain at their current levels, the Company expects that \$25,966,000 would be settled in cash in the next 12 months on instruments maturing after December 31, 2020. The amount of the actual settlement may be different depending on the interest rate in effect at the time settlements are made.

On August 30, 2019, one of the Company's interest rate swap counterparties exercised its termination right for early settlement. Upon termination, the Company made a payment of \$97,955,000, equal to the fair value liability at the date of settlement, plus an additional amount in accrued interest.

As of December 31, 2020, the Company had the following outstanding interest rate derivatives:

Fixed per annum rate swapped for LIBOR	Notional amount as of December 31, 2020	Maximum notional amount ⁽¹⁾	Effective date	Ending date
5.4200%	\$ 302.3	\$ 302.3	September 6, 2007	May 31, 2024
1.6490%	160.0	160.0	September 27, 2019	May 14, 2024
0.7270%	125.0	125.0	March 26, 2020	March 26, 2025
0.7800%	125.0	125.0	March 23, 2020	March 23, 2025
1.6850%	110.0	110.0	November 14, 2019	May 15, 2024
5.6000%	93.6	93.6	June 23, 2010	December 23, 2021 ⁽²⁾
1.4900%	29.4	29.4	February 4, 2020	December 30, 2025

⁽¹⁾ Over the term of the interest rate swaps, the notional amounts increase and decrease. These amounts represent the peak notional amount over the remaining term of the swap.

⁽²⁾ Prospectively de-designated as an accounting hedge in 2008.

ATLAS CORP.
Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

22. Financial instruments (continued):

(c) Financial instruments measured at fair value:

The following provides information about the Company's financial instruments measured at fair value:

	2020	2019
Contingent consideration asset	\$ 90.9	\$ —
Fair value of derivative liabilities		
Interest rate swaps	63.0	49.3
Derivative put instrument	—	0.9

There are no amounts subject to the master netting arrangements in 2020 or 2019.

The following table provides information about gains and losses included in net earnings and reclassified from accumulated other comprehensive loss ("AOCL") into earnings:

	2020	2019	2018
Earnings (losses) recognized in net earnings:			
Loss on interest rate swaps ⁽¹⁾	\$ (36.4)	\$ (58.8)	\$ 14.7
Gain on derivative put instrument	0.9	23.7	0.8
Gain on contingent consideration asset	6.8	—	—
Loss reclassified from AOCL to net earnings ⁽²⁾			
Interest expense	(0.3)	(0.3)	(0.3)
Depreciation and amortization	(1.0)	(0.7)	(0.8)

(1) For the years ended December 31, 2020, 2019 and 2018, cash flows related to actual settlement of interest rate swaps were \$21,789,000, \$126,782,000 and \$41,284,000 respectively. These are included in investing activities on the consolidated statements of cash flows. For the years ended December 31, 2018, cash flows related to actual settlement of interest rate swaps of \$41,284,000 was reclassified from operating activities to investing activities to conform with current financial statement presentation.

(2) The effective portion of changes in unrealized loss on interest rate swaps was recorded in accumulated other comprehensive loss until September 30, 2008 when these contracts were voluntarily de-designated as accounting hedges. The amounts in accumulated other comprehensive loss are recognized in earnings when and where the previously hedged interest is recognized in earnings.

The estimated amount of AOCL expected to be reclassified to net earnings within the next 12 months is approximately \$1,094,000.

ATLAS CORP.

Notes to Consolidated Financial Statements (Continued)

(Tabular amounts in millions of United States dollars, except per share amount and number of shares)

Years ended December 31, 2020, 2019 and 2018

23. Subsequent events:

- (a) On January 4, 2021, the Company declared quarterly dividends of \$0.496875, \$0.515625, \$0.512500, \$0.492188 and \$0.500000 per Series D, Series E, Series G, Series H and Series I preferred share, respectively, representing a total distribution of \$16,763,000 to all shareholders of record on January 29, 2021.
- (b) On January 4, 2021, the Company declared a quarterly dividend of \$0.125 per common share to all shareholders of record as of January 20, 2021.
- (c) In January 2021, the Company made repayment of \$69,166,000 upon early termination of a sale-leaseback financing arrangement secured by one 11000 TEU vessel. In March 2021, the Company entered into a new sales-leaseback financing arrangement of \$83,700,000, secured by the same 11000 TEU vessel.
- (d) In February 2021, the Company issued \$200,000,000 of senior unsecured sustainability-linked notes in the Nordic bond market. The notes will mature in February 2024 and bear interest at 6.5% per annum.
- (e) In February 2021, the Company entered into shipbuilding contracts for the construction of two 24000 TEU ultra-modern containership newbuilds for an aggregate purchase price of \$287,400,000, net of commissions receivable.
- (f) In February 2021, the Company entered into shipbuilding contracts for the construction of ten 15000 TEU dual-fuel liquefied natural gas containership newbuilds, including a firm purchase of five vessels and an option to construct an additional five similar vessels. In March 2021, the Company exercised the option to construct the additional five similar vessels. The aggregate purchase price of the ten vessels is \$1,399,010,000, net of commissions receivable.
- (g) In February 2021, the Company entered into shipbuilding contracts for the construction of twelve high-quality newbuild scrubber-fitted containerships, including firm orders for four 12000 TEU, and four 15000 TEU, plus an option for four additional 15000 TEU vessels. The aggregate purchase price of the eight firm order vessels is \$806,400,000, net of address commissions.
- (h) In February 2021, the Company entered into an agreement to acquire two young, high-quality 15000 TEU scrubber-fitted containerships for an aggregate purchase price of \$254,000,000. The vessels and the attached charters are expected to be delivered in the second quarter of 2021.
- (i) In March 2021, the Company entered into shipbuilding contracts for the construction of six 15000 TEU scrubber-fitted newbuild containerships for an aggregate purchase price of \$697,800,000, net of address commissions.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

ATLAS CORP.

Date: March 19, 2021

By: /s/ Graham Talbot
Graham Talbot
Chief Financial Officer
(Principal Financial and Accounting Officer)

SECOND AMENDED AND RESTATED BYLAWS

OF

ATLAS CORP.

ARTICLE I
OFFICES

Section 1.1 *Registered Office.* The registered office of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, P.O. Box 1405, Majuro, Marshall Islands MH 96960.

Section 1.2 *Other Offices.* The Corporation may also have an office or offices at such other place or places as the Corporation's Board of Directors (the "Board of Directors" or the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II
SHAREHOLDER MEETINGS

Section 2.1 *Place of Meetings.* Meetings of the shareholders of the Corporation for any purpose shall be held at such time and place, either within or without the Republic of the Marshall Islands, as shall be designated from time to time by the Board of Directors.

Section 2.2 *Annual Meeting.* The annual meeting of shareholders of the Corporation shall be held on such day and at such time and place within or without the Republic of the Marshall Islands as the Board of Directors may determine for the purpose of electing directors and/or transacting any other proper business. The Chairman of the Board or, if applicable, the longest-serving Co-Chairman of the Board in attendance or, in the absence of the Chairman or any Co-Chairman, another person designated by the Board, shall act as Chairman of all annual meetings of shareholders.

Section 2.3 *Nature of Business at Annual Meeting of Shareholders.* No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof); (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof); or (c) otherwise properly brought before the annual meeting by any shareholder of the Corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in Section 2.6 of this Article II and has remained a shareholder of record through the record date for the determination of shareholders entitled to vote at such annual meeting, and (ii) who complies with the notice procedures set forth in Section 2.5 of this Article II.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form as set forth in Section 2.6 of this Article II to the Secretary of the Corporation (the "Secretary").

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Article II, *provided, however*, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Article II shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman of the

meeting shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 2.4 Special Meetings. Unless otherwise required by law or the Corporation's Articles of Incorporation (the "Articles of Incorporation"), special meetings of the shareholders, for any purpose or purposes may be called only by (a) the Chairman of the Board or, if applicable, the longest-serving Co-Chairman of the Board or (b) a resolution of the Board of Directors. No other person or persons are permitted to call a special meeting, unless otherwise prescribed by law. No business may be conducted at the special meeting other than business brought before the meeting by the Board and specified in the notice. The Chairman or, if applicable, the longest-serving Co-Chairman in attendance, or in the absence of the Chairman or, if applicable, any Co-Chairman, another person designated by the Board, shall act as the Chairman of all special meetings of the shareholders. If the Chairman of the special meeting determines that business was not properly brought before the special meeting in accordance with this Article II, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 2.5 Shareholder Notice. To be timely, a shareholder's notice to the Secretary of the Corporation must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one-hundred twenty (120) days prior to the first anniversary date of the date on which the Corporation first mailed its proxy materials for the previous year's annual meeting of shareholders.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such shareholder, (iii) the class or series and number of shares of the Corporation that are beneficially owned or of record by such shareholder, (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business, and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. In addition, notwithstanding anything in this Article II to the contrary, a shareholder intending to nominate one or more persons for election as a director at an annual meeting must comply with Section 3.4 of these Bylaws for such nomination or nominations to be properly brought before such meeting.

Section 2.6 Notice of Meetings. Unless otherwise required by law or the Articles of Incorporation, notice of every annual and special meeting of shareholders shall state the date, hour, place and purpose of such meeting, and in the case of special meetings, shall also include the name of the person or persons at whose direction the notice is being issued, and shall be given personally or sent by mail, telegraph, cablegram, telex or teleprinter at least fifteen (15) but not more than sixty (60) days before such meeting, to each shareholder of record entitled to vote thereat and to each shareholder of record who, by reason of any action proposed at such meeting would be entitled to have his shares appraised if such action were taken, and the notice shall include a statement of that purpose and to that effect. If mailed, notice shall be deemed to have been given when deposited in the mail, directed to the shareholder at his address as the same appears on the record of shareholders of the Corporation or at such address as to which the shareholder has given notice to the Secretary. Without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice to shareholders may be given by mail, facsimile or electronic transmission to his last known address or facsimile number or by any other form of electronic transmission in the manner now or hereafter provided in Section 65 of the Marshall Islands Business Corporations Act (the "BCA") or any other applicable provision of the BCA.

Section 2.7 Waiver of Notice. A written waiver of any notice, signed by a shareholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver.

Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of protesting prior to the conclusion of the meeting the lack of notice of such meeting.

Section 2.8 *Shareholder List.* The Secretary shall prepare, certify and make a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order with the address of and the number of voting shares registered in the name of each. Such list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 2.9 *Quorum.* Unless otherwise required by law or the Articles of Incorporation, at all meetings of shareholders there must be present either in person or by proxy shareholders of record holding at least a majority of the shares of the Corporation issued and outstanding and entitled to vote at such meetings in order to constitute a quorum, but if less than a quorum is present, a majority of those shares present either in person or by proxy shall have power to adjourn any meeting until a quorum shall be present.

Section 2.10 *Adjournments.* Any meeting of shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that may have been transacted at the original meeting. If the meeting is adjourned for lack of quorum, notice of the new adjournment shall be given to each shareholder of record entitled to vote at the meeting. If the adjournment is for more than thirty (30) days, or if after an adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice in Section 2.6 of this Article II.

Section 2.11 *Vote Required.* At any meeting of shareholders at which a quorum is present, all matters shall be decided by a majority of the votes cast by the shareholders present in person or by proxy and entitled to vote, unless the matter is one for which, by express provision of statute, of the Articles of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the determination of such matter.

Section 2.12 *Voting.* Except as otherwise provided by the Articles of Incorporation, every shareholder shall have one vote for each share registered in his name. Each shareholder may exercise such voting right either in person or by proxy, provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date such proxy was authorized unless otherwise provided in the proxy. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in the law of the Marshall Islands to support an irrevocable power. A shareholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation.

Section 2.13 *Action by Shareholders Without a Meeting.* Any action required or permitted to be taken by the shareholders of the Corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders, and may be stated as such in any articles or documents filed with a Registrar of Corporations.

The consent shall be delivered to the Corporation by delivery to its registered office in the Marshall Islands, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of shareholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

Section 2.14 *Fixing of Record Date.* In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, the Board

of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than fifteen (15) days prior to the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of the shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of the shareholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE III DIRECTORS

Section 3.1 *Powers.* The Board of Directors shall have the powers set forth in the Articles of Incorporation.

Section 3.2 *Number.* The number of persons constituting the Board of Directors shall be as set forth in the Articles of Incorporation.

Section 3.3 *Election.* Directors shall be elected in the manner set forth in the Articles of Incorporation.

Section 3.4 *Nomination of Directors.* Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Articles of Incorporation with respect to the right of holders of preferred shares of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholders of the Corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 3.4 and on the record date for the determination of shareholder entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 3.4.

In addition to any other applicable requirements, for a nomination to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one-hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders.

To be in proper written form, a shareholder's notice to the Secretary must set forth: (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of the Corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder applicable to issuers that are not foreign private issuers and (b) as to the shareholder giving the notice (i) the name and record address of such shareholder, (ii) the class or series and number of shares of the Corporation which are owned beneficially and of record by such shareholder, (iii) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person and

persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (iv) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons named in its notice and (v) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors of companies other than foreign private issuers pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.4. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 3.5 Resignations. Any director of the Corporation may resign at any time, by giving notice in writing or by electronic transmission to the Board, the Chairman of the Board or, if applicable, the Co-Chairmen of the Board, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall take effect after receipt of the applicable notice of resignation by the Board, the Chairman or Co-Chairmen of the Board, the Chief Executive Officer or the Secretary of the Corporation at the time specified in such notice or, if no time is specified, immediately upon receipt of such notice by the Board, the Chairman of the Board or, if applicable, the Co-Chairmen of the Board, the Chief Executive Officer or the Secretary of the Corporation. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.6 Removal. Directors shall be removed in the manner set forth in the Articles of Incorporation.

Section 3.7 Vacancies. Vacancies shall be filled in the manner set forth in the Articles of Incorporation.

Section 3.8 Chairman of the Board. The directors shall elect one of their members to be Chairman of the Board and may elect Co-Chairmen of the Board. The Chairman of the Board or, if applicable, Co-Chairmen of the Board shall perform such duties as may from time to time be assigned by the Board. The Chairman or, if applicable, Co-Chairmen of the Board shall be subject to the control of and may be removed from such office by the Board.

Section 3.9 Annual Meetings. The Board of Directors shall meet for the election of officers and the transaction of other business as soon as practicable after each annual meeting of the shareholders, and/or at such time and place as specified in the notice for the meeting. No notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 3.10 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, within or without the Republic of the Marshall Islands, as shall from time to time be determined by Board of Directors resolution or by consent in writing of all the directors.

Section 3.11 Special Meetings. Special meetings of the Board of Directors may be called only by the Chairman of the Board or, if applicable, either Co-Chairmen of the Board, or by directors representing a majority of the Board of Directors. Special meetings of the board of directors shall be held at the time and place, in or outside the Republic of the Marshall Islands, specified in the notices thereof.

Section 3.12 Notice of Special Meeting. Notice of the date, time and place of each special meeting of the Board of Directors shall be given to each director at least forty-eight (48) hours prior to such meeting, unless the notice is given orally or delivered in person, in which case it shall be given at least

twenty-four (24) hours prior to such meeting. For the purpose of this section, notice shall be deemed to be duly given to a director if given to him personally (including by telephone) or if such notice be delivered to such director by mail, facsimile or electronic transmission to his last known address or facsimile number. Notice of a meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior to the conclusion thereof, the lack of notice to him.

Section 3.13 Quorum. At all meetings of the Board of Directors, a majority of the directors at the time in office, present in person or by conference telephone, shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.14 Organization. Meetings shall be presided over by the Chairman of the Board or, if applicable, the longest-serving Co-Chairmen of the Board in attendance, or in the absence of the Chairman or any Co-Chairman of the Board, by such other person as the directors may select. The Board shall keep written minutes of its meetings. The Secretary of the Corporation shall act as Secretary of the meeting, but in the absence of the Secretary, the Chairman of the meeting may appoint any person to act as Secretary of the meeting.

Section 3.15 Voting. Except as otherwise provided by applicable law, the Articles of Incorporation or these Bylaws, all matters presented to the Board (or a committee thereof) shall be approved by a vote of the majority of the directors, present in person or by conference telephone, at any meeting of the Board (or such committee) at which a quorum is present.

Section 3.16 Action by Directors Without a Meeting. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, whenever the vote of the directors at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the Articles of Incorporation or of these Bylaws, the meeting and vote of the directors may be dispensed with if all the directors who would be entitled to vote upon the action, if such meeting were held, shall consent in writing to such corporate action being taken.

Section 3.17 Directors' Meeting by Conference Telephone. Any one or more members of the Board of Directors or of any committee thereof may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

Section 3.18 Compensation. The Board of Directors shall have the authority to fix the compensation of directors for their services. A director may also serve the Corporation in other capacities and receive compensation therefor.

Section 3.19 Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, or, if the votes of the disinterested directors are insufficient to constitute an act of the Board of Directors as defined in Section 55 of the BCA, by unanimous vote of the disinterested directors; or (ii) the material facts as to his or her relationship or interest and as to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or

ratified, by the Board, a committee thereof or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE IV COMMITTEES

Section 4.1 *Constitution and Powers.* Except as otherwise provided by applicable law, the Articles of Incorporation or these Bylaws, the Board may, by resolution adopted by a majority of the Board, designate one or more committees (in addition to the mandatory Standing Committees set forth in Section 4.2). Each committee shall consist of one or more directors of the Corporation and the composition of each such other committee shall be in compliance with the applicable Requirements. With respect to all Board Committees (including Standing Committees), the Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. With respect to all Board Committees (including Standing Committees), in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any absent or disqualified member. Any committee (including any Standing Committee), to the extent permitted by law (including the Requirements) and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Each committee (including each Standing Committee) shall keep regular minutes and report to the Board of Directors when required.

Section 4.2 *Standing Committees.* The Board of Directors shall have the following standing committees: (a) an Audit Committee and (b) a Compensation and Governance Committee (together, the "Standing Committees"), and such other committees as may be required from time to time by the stock exchange listing requirements (the "Requirements"). The Audit Committee and the Compensation and Governance Committee (and such other Standing Committee as may be mandated by the Requirements) shall be composed entirely of "independent directors" within the meaning of the Requirements applicable to such committee. Except as may be required by the Requirements, each Standing Committee shall consist of three (3) (or such greater number as the Board of Directors may designate) directors, and the composition of each such Standing Committee shall be in compliance with the applicable Requirements, if any. Each Standing Committee shall have a written charter, which shall be approved by the Board of Directors and state the purpose and authority of such committee. Standing Committee charters shall be reviewed annually to reflect the activities of the respective committees, changes in applicable Requirements and other relevant considerations, and proposed revisions to such charters shall be approved by the Board of Directors.

ARTICLE V OFFICERS

Section 5.1 *Officers.* The Board shall elect a Chairman of the Board, a Chief Executive Officer, a Chief Financial Officer and a Secretary. The Chairman and, if applicable, any Co-Chairmen of the Board and the Chief Executive Officer shall be or become Directors. The Board may elect from time to time such other officers as, in the opinion of the Board, are desirable for the conduct of the business of the Corporation. Any two or more offices may be held by the same person unless otherwise prohibited by law, the Articles of Incorporation or these Bylaws; and *provided, however*, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Articles of Incorporation of the Corporation or these Bylaws to be executed, acknowledged or verified by two or more officers.

Section 5.2 *Chairman of the Board.* The Chairman of the Board, if there be one, shall preside at all meetings of the shareholders and of the Board. If Co-Chairmen are elected by the Board, the longest-serving Co-Chairman in attendance at a meetings of the shareholders or the Board shall preside at such meeting. The Chairman and, if applicable, either Co-Chairmen of the Board may enter into and execute in the name of the Corporation powers of attorney, contracts, bonds and other obligations which implement policies established by the Board. In addition, the Chairman and, if applicable, the Co-Chairmen of the Board shall perform such other duties as may from time to time be assigned by the Board. The Chairman and, if applicable, any Co-Chairman of the Board may or may not be a senior officer of the Corporation. Neither the Chairman nor, if applicable, any Co-Chairman of the Board shall be an executive director, unless so specified by his appointment to an additional office within the Corporation.

Section 5.3 *Chief Executive Officer.* The Chief Executive officer shall have supervisory authority over the business, affairs and property of the Corporation, and over the activities of the executive officers of the Corporation. The Chief Executive Officer may enter into and execute in the name of the Corporation, powers of attorney, contracts, bonds and other obligations which implement policies established by the Board. The Chief Executive Officer shall have all authority incident to the office of Chief Executive Officer, shall have such other authority and perform such other duties as may from time to time be assigned by the Board and shall report directly to the Board. If so elected by the Board, the Chairman or any Co-Chairman of the Board may be the Chief Executive Officer.

Section 5.4 *Chief Financial Officer.* The Chief Financial Officer shall be the principal financial officer of the Corporation and shall have such powers and perform such duties as may from time to time be assigned by the Chief Executive Officer or the Board. Without limiting the generality of the foregoing, the Chief Financial Officer may sign and execute contracts and other obligations pertaining to the regular course of his or her duties which implement policies established by the Board.

Section 5.5 *Chief Operating Officer.* The Chief Operating Officer, if elected, shall have general supervision of the daily business, affairs and property of the Corporation. The Chief Operating Officer shall have all authority incident to the office of Chief Operating Officer, and shall have such other authority and perform such other duties as may from time to time be assigned by the Chief Executive Officer or the Board.

Section 5.6 *Vice Presidents.* The Vice Presidents, if elected, shall have such powers and shall perform such duties as may from time to time be assigned to them by the Chief Executive Officer or the Board. Without limiting the generality of the foregoing, Vice Presidents may enter into and execute in the name of the Corporation contracts and other obligations pertaining to the regular course of their duties which implement policies established by the Board.

Section 5.7 *Treasurer.* If elected, the Treasurer shall, if required by the Chief Executive Officer or the Board, give a bond for the faithful discharge of duties, in such sum and with such sureties as may be so required. Unless the Board otherwise declares by resolution, the Treasurer shall have custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever; deposit all such money in the name of the Corporation in such banks, trust companies or other depositories as the Board may designate; against proper vouchers, cause such funds to be disbursed by check or draft on the authorized depositories of the Corporation signed in such manner as shall be determined by the Board, and be responsible for the accuracy of the amounts of all funds so disbursed; regularly enter or cause to be entered in books to be kept by the Treasurer or under the Treasurer's direction, full and adequate accounts of all money received and paid by the Treasurer for the account of the Corporation; render to the Board, any duly authorized committee of the Board of Directors or the Chief Executive Officer, whenever they or any of them, respectively, shall require the Treasurer to do so, an account of the financial condition of the Corporation and of all transactions of the Treasurer; and, in general, have all authority incident to the office of Treasurer and such other authority and perform such other duties as may from time to time be assigned by the Chief Executive Officer or the Board. Any Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall have such other duties and have such other powers as the Board may from time to time prescribe.

Section 5.8 *Controller*. If elected, the Controller shall be the chief accounting officer of the Corporation. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as may from time to time be assigned by the Chief Executive Officer, or the Chief Financial Officer of the Board.

Section 5.9 *Secretary*. The Secretary shall act as Secretary of all meetings of the shareholders and of the Board; shall keep the minutes thereof in the proper book or books to be provided for that purpose; shall see that all notices required to be given by the Corporation in connection with meetings of shareholders and of the Board are duly given; shall be the custodian of the seal of the Corporation and shall affix the seal or cause it or a facsimile thereof to be affixed to all certificates for stock of the Corporation and to all documents or instruments requiring the same, the execution of which on behalf of the Corporation is duly authorized in accordance with the provisions of these Bylaws; shall have charge of the stock records and also of the other books, records and papers of the Corporation relating to its organization and acts as a corporation, and shall see that the reports, statements and other documents related thereto required by law are properly kept and filed, all of which shall, at all reasonable times, be open to the examination of any director for a purpose reasonably related to such director's position as a director; and shall, in general, have all authority incident to the office of Secretary and such other authority and perform such other duties as may from time to time be assigned by the Chief Executive Officer or the Board.

Section 5.10 *Assistant Treasurers, Assistant Controllers and Assistant Secretaries*. Any Assistant Treasurers, Assistant Controllers and Assistant Secretaries, if elected, shall perform such duties as from time to time shall be assigned to them by the Chief Executive Officer or the Board or by the Treasurer, Controller, if any, or Secretary, respectively. An Assistant Treasurer, Assistant Controller or Assistant Secretary need not be an officer of the Corporation and shall not be deemed an officer of the Corporation unless elected by the Board.

Section 5.11 *Removal*. Any officer may be removed, either with or without cause, by the Board at any meeting thereof or by any superior officer upon whom such power may be conferred by the Board.

Section 5.12 *Resignation*. Any officer may resign at any time by giving notice to the Board, the Chairman or, if applicable, the Chairmen of the Board, the Chief Executive Officer or the Secretary of the Corporation in writing or by electronic transmission. Any such resignation shall take effect at the time therein specified or if no time is specified, immediately. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.13 *Vacancies*. A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled at any time by the Board, or if such officer was appointed by the Chief Executive Officer, then by the Chief Executive Officer.

Section 5.14 *Bank Accounts*. In addition to such bank accounts as may be authorized in the usual manner by resolution of the Board, the Chief Financial Officer or the Treasurer, with approval of the Chief Executive Officer may authorize such bank accounts to be opened or maintained in the name and on behalf of the Corporation as the Chief Executive Officer shall deem necessary or appropriate; provided, however, that payments from such bank accounts are to be made upon and according to the check of the Corporation as shall be specified in the written instructions of the Chief Financial Officer or the Treasurer or Assistant Treasurer of the Corporation with the approval of the Chief Executive Officer.

ARTICLE VI FORM OF SHARES; ISSUANCE OF SHARES; SHARE CERTIFICATES

Section 6.1 *Registered Form*. The shares shall be represented by certificates in form meeting the requirements of law and approved by the Board of Directors. Certificates shall be signed by the Chief

Executive Officer or a Vice President and by the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer. These signatures may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employees.

Section 6.2 *Terms and Conditions of Issuance.* Subject to the terms of the Articles of Incorporation, shares of the Corporation may be issued at such times, for such considerations and on such terms as may be established from time to time by the Board of Directors in its sole discretion without the approval of the shareholders.

Section 6.3 *Number of Shares Represented by Certificates.* Share certificates may be issued to represent more than one share. If shares held by a shareholder are represented by one share certificate, and if such shareholder disposes of part of his or her shares, such shareholder shall be entitled to request the issuance of a share certificate representing such shareholder's remaining shares.

ARTICLE VII LOST AND MUTILATED CERTIFICATES

If any shareholder can prove to the satisfaction of the Board of Directors or any transfer agent or registrar of the Corporation, that any share certificate has been mutilated, mislaid or destroyed, then, at such shareholder's written request, a duplicate may be issued by the Board of Directors or any transfer agent or registrar of the Corporation on such terms and conditions as the Board of Directors may deem fit. Upon the issuance of the duplicate share certificate (on which it shall be noted that such certificate is a duplicate), the original share certificate shall be null and void vis-à-vis the Corporation. A mutilated share certificate may be exchanged for a duplicate certificate upon delivery of the mutilated certificate to the Board of Directors or any transfer agent or registrar of the Corporation.

ARTICLE VIII SHAREHOLDERS REGISTER; TRANSFER OF SHARES; NOTICES

Section 8.1 *Shareholders Register.* The Board of Directors, or registrar or transfer agent designated pursuant to Section 8.5, shall keep a shareholders register (the "Register"), which contains the names and addresses of all registered shareholders, the number and class of shares held by each shareholder, and the dates when the shareholders became owners of record. The Board of Directors shall regularly maintain the Register, including the registration in the Register of any issue, transfer and cancellation of shares.

Section 8.2 *Addresses to be Furnished, Etc.* Each shareholder is required to provide his or her address to the Corporation. The Corporation shall be entitled for all purposes to rely on the name and address of the aforementioned persons as entered in the Register. Such person may at any time change his or her address as entered in the Register by means of a written notification to the Corporation at its principal office, or any transfer agent or registrar of the Corporation.

Section 8.3 *Access to Register.* At the request of a shareholder, the Board of Directors shall furnish an extract of the Register, free of charge, insofar as it relates to such person's interest in a share.

Section 8.4 *Location of Register.* The Register shall be kept by the Board of Directors at the Corporation's principal office, or by a registrar or transfer agent designated thereto by the Board of Directors at such other location as it may deem fit. In case the Register is kept at any location other than the Corporation's principal office, then the registrar or transfer agent shall be obligated to send to the principal office of the Corporation a copy thereof from time to time. In case a registrar or transfer agent is appointed by the Board of Directors, then such registrar or transfer agent shall be authorized and, as the case may be, obligated to exercise the rights and fulfill the obligations set out in this Article with respect to the Register.

Section 8.5 *Transfer of Shares*. The transfer of shares shall be effected (i) by serving upon the Corporation in the manner prescribed by law, an instrument of transfer, or (ii) by written acknowledgment by the Corporation of the transfer, which acknowledgment shall be signed on behalf of the Corporation by or on behalf of the Board of Directors or by the registrar or transfer agent of the Corporation. In case a share certificate is outstanding, the written acknowledgment by the Corporation of the transfer of a share, including any limited rights thereon, can only be made by an endorsement of the transfer on such share certificate. In that case, the transferor or transferee of a share shall present such share certificate to the Corporation, or its registrar or transfer agent, for acknowledgment of the transfer on behalf of the Corporation to be made thereon. In case no share certificate has been issued, the registration of the transfer of a share in the Register shall have the effect of a written acknowledgment by the Corporation of such transfer of a share. This Section shall also apply in the case of an allocation of shares resulting from a division and partition of any community property.

ARTICLE IX BOOKS AND RECORDS

Section 9.1 *Books of Account*. The Board of Directors shall cause to be kept proper records of account with respect to all transactions of the Corporation and in particular with respect to:

- (i) all sums of money received and expended by the Corporation and the matters in respect of which the receipt and expenditure relates;
- (ii) all sales and purchases of goods by the Corporation; and
- (iii) all assets and liabilities of the Corporation.

Section 9.2 *Minutes*. The Board of Directors shall cause minutes to be duly entered in the books provided for the purpose:

- (i) of all elections and appointments of Officers;
- (ii) of the names of the Directors present at each meeting of the Board of Directors and of any committee appointed by the Board of Directors; and
- (iii) of all resolutions and proceedings of general meetings of the Board of Directors and meetings and committees appointed by the Board of Directors.

Section 9.3 *Place Where Books of Account and Minutes are Kept*. The Corporation shall maintain its books of account and minutes at its registered office, or subject to the provisions of the BCA, at such other place as the Board of Directors deems fit.

ARTICLE X GENERAL PROVISIONS

Section 10.1 *Term of Financial Year*. The financial year of the Corporation shall run from the first day of January of each year up to and including the last day of December of such year.

Section 10.2 *Seal*. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Marshall Islands." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The seal shall be in, charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 10.3 *Section Headings*. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10.4 *Inconsistent Provisions*. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Articles of Incorporation, the BCA or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

Section 10.5 *Electronic Transmission*. For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE XI AMENDMENTS

Section 11.1 *By the Shareholders*. These Bylaws may be amended by the affirmative vote of the holders of not less than 66-2/3% of the outstanding Common Shares entitled to vote at any annual or special meeting of shareholders at which a quorum is present or represented.

Section 11.2 *By the Directors*. These Bylaws may, subject to provisions of applicable law, be adopted, amended and repealed without a vote of the shareholders by the affirmative vote of a majority of the Board of Directors at any meeting of the Board at which a quorum is present, except that the provisions of Section 11.1 may be amended only by the affirmative vote of holders of not less than 66-2/3% of the outstanding Common Shares entitled to vote at any annual or special meeting of the shareholders at which a quorum is present or represented.

**ATLAS CORP.
SUBSIDIARIES**

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
Atlas Corp.	Republic of Marshall Islands	NYSE Listed (Various Shareholders)
Seaspan Corporation	Republic of Marshall Islands	Atlas Corp. owns 100%
Seaspan Management Services Limited	Bermuda	Seaspan Corporation owns 100%
Seaspan Advisory Services Limited	Bermuda	Seaspan Management Services Ltd. owns 100%
Seaspan Ship Management Ltd.	British Columbia	Seaspan Management Services Ltd. owns 100%
Seaspan Capital Ltd.	British Columbia	Seaspan Ship Management owns 100%
Seaspan Crew Management Ltd.	Bahamas	Seaspan Ship Management Ltd. owns 100%
Seaspan Crew Management India Private Limited	India	Seaspan Ship Management Ltd. owns 0.01% and Seaspan Crew Management Ltd. owns 99.99%
Seaspan Investment I Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan YZJ 983 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan YZJ 985 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1037 Ltd. (ex Seaspan YZJ 993 Ltd)	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Holding 140 Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan 140 Ltd.	Republic of Marshall Islands	Seaspan Holding 140 Ltd. owns 100%
Seaspan (Asia) Corporation	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Containership 2180 Ltd.	Republic of Marshall Islands	Seaspan (Asia) Corporation owns 100%
Seaspan Containership 2181 Ltd.	Republic of Marshall Islands	Seaspan (Asia) Corporation owns 100%
Seaspan Containership S452 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Rio Grande Express Trust	Delaware	Seaspan Corporation
Seaspan Holdco I Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Holdco II Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Holdco III Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Holdco IV Ltd.	Republic of Marshall Islands	Seaspan Corporation owns 100%
Seaspan Holdco VI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco VII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco VIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco IX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco X Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XII Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
Seaspan Holdco XIII Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%
Seaspan Holdco XIV Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%
Seaspan Holdco XV Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%
Seaspan Holdco XVI Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%
Seaspan Holdco XVII Pte. Ltd.	Singapore	Seaspan Holdco III owns 100%
Seaspan Holdco XVIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XIX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXIV Ltd. (ex Seaspan 1544 Ltd.)	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXVI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXVII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXVIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXIX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXIV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXVI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXVII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXVIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XXXIX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XL Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLIV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLV Ltd.	Republic of Marshall Islands	Seaspan Corporation

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
Seaspan Holdco XLVI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLVII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLVIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco XLIX Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco L Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LIV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LV Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LVI Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LVII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Holdco LVIII Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Containership 145 Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Containership 146 Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan Containership 147 Ltd.	Republic of Marshall Islands	Seaspan Corporation
Seaspan 696C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 716C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 717C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 718C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 719C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 720C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 721C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 722C Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 993 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1105 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1539 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1540 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1541 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1542 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1543 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1550 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1551 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
Seaspan 1552 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1566 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1568 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1854 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 1855 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 2177 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 2638 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 2640 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 2180 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 2181 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Seaspan 3278 Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
Greater China Intermodal Investments LLC	Republic of Marshall Islands	Seaspan Investment I Ltd.
GC Intermodal Holding Company I, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company I, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company I, Ltd.
GC Intermodal I, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company II, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company II, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company II, Ltd.
GC Intermodal II, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company II, Lt
GC Intermodal Holding Company III, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company III, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company III, Ltd.
GC Intermodal III, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company III, L
GC Intermodal Holding Company IV, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company IV, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company IV, Ltd.
GC Intermodal IV, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company V, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company V, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company V, Ltd.

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
GC Intermodal V, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company VI, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company VI, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company VI, Ltd.
GC Intermodal VI, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company IX, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company IX, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company IX, Ltd.
GC Intermodal IX, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company X, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company X, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company X, Ltd.
GC Intermodal X, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company XI, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XI, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XI, Ltd.
GC Intermodal XI, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company XII, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XII, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XII, Ltd.
GC Intermodal XII, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company XII, I
GC Intermodal Holding Company XIV, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XIV, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XIV, Ltd.
GC Intermodal XIV, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company XIV,
GC Intermodal Holding Company XV, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XV, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XV, Ltd.
GC Intermodal XV, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
GC Intermodal Holding Company XVI, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XVI, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XVI, Ltd.
GC Intermodal XVI, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company XVII, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XVII, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XVII, Ltd.
GC Intermodal XVII, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company XVII
GC Intermodal Holding Company XIX, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XIX, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XIX, Ltd.
GC Intermodal XIX, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company XX, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XX, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XX, Ltd.
GC Intermodal XX, Ltd.	Republic of Marshall Islands	Seaspan Holdco III owns 100%
GC Intermodal Holding Company XXI, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XXI, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XXI, Ltd.
GC Intermodal XXI, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company XXI,
GC Intermodal Holding Company XXIV, Ltd.	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal Intermediate Holding Company XXIV, Ltd.	Republic of Marshall Islands	GC Intermodal Holding Company XXIV, Ltd.
GC Intermodal XXIV, Ltd.	Republic of Marshall Islands	GC Intermodal Intermediate Holding Company XXIV
GC Intermodal Operating Company	Republic of Marshall Islands	Greater China Intermodal Investments LLC
GC Intermodal (HK) Limited	Hong Kong	GC Intermodal Operating Company
Apple Bidco Limited	England	Atlas Corp. owns 100%
APR Energy Limited	England	Apple Bidco Limited owns 100%

COMPANY NAME	INCORPORATION JURISDICTION	OWNERSHIP
APR Energy Holdings Limited	England	APR Energy Limited owns 100%
APR Energy, USA	Florida	APR International, LLC owns 100%
APR Energy Australia Pty. Ltd.	New South Wales	APR Energy Holdings Limited owns 100%
Power Rental Asset Co LLC	Florida	APR Energy Holdings Limited owns 100%
Power Rental Asset Co Two LLC	Delaware	Power Rental Asset Co LLC owns 100%
Power Rental Op Co Australia LLC	Delaware	Power Rental Asset Co LLC owns 100%
Power Rental Op Co LLC	Florida	APR Energy Holdings Limited owns 100%
APR Energy (Singapore) Private Limited	Singapore	APR Energy Holdings Limited owns 100%
APR International, LLC	Florida	APR Energy Holdings Limited owns 100%
APR Energy FZE	(Dubai) Jafza	APR International, LLC owns 100%
APR Energy Bangladesh Limited	Bangladesh (Dhaka)	APR Energy Holdings Limited owns 99%, and International, LLC owns 1%
APR Energy Spain S.L.U.	Madrid	APR Energy Holdings Limited owns 100%
Falconbridge Services, LLC	Florida	APR International, LLC 100%
APR Energy, LLC	Florida	APR International, LLC owns 100%
APR Energy II LLC	Florida	APR International, LLC owns 100%
APR Energy SRL	Buenos Aires	APR Energy, LLC owns 99.6% and APR Energy II LLC owns .04%
APR Energy Guatemala S.A.	Guatemala City	APR Energy, LLC owns 50% and APR International, LLC owns 50%
PT APR Indonesia	Jakarta	APR Energy, LLC owns .95%; APR International owns 94.05%; and PT Karya Cemerlang Semanan owns 5%
APR Energy MEX S. de R.L. de C.V.	Mexico	APR Energy, LLC owns 99%; and International, LLC owns 1%
Power Rental Op Puerto Rico LLC	Puerto Rico	APR Energy Holdings owns 100%

CERTIFICATION

I, Bing Chen, Chief Executive Officer of Atlas Corp. (the "Company"), certify that:

1. I have reviewed this report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: March 19, 2021

By: /s/ Bing Chen
Bing Chen
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Graham Talbot, Chief Financial Officer of Atlas Corp. (the "Company"), certify that:

1. I have reviewed this report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: March 19, 2021

By: /s/ Graham Talbot
Graham Talbot
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Atlas Corp. (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Form 20-F"), I, Bing Chen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 20-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 19, 2021__

By: /s/ Bing Chen
Bing Chen
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Atlas Corp. (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Form 20-F"), I, Graham Talbot, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 20-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 19, 2021

By: /s/ Graham Talbot
Graham Talbot
Chief Financial Officer
(Principal Financial and Accounting Officer)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Atlas Corp.

We consent to the incorporation by reference in the Registration Statements (Nos. 333-180895, 333-195571, 333-200639, 333-220176, 333-224288, 333-227597, 333-229312, 333-230524, and 333-238178) on Form F-3, (Nos. 333-151329, 333-202698 and 333-224291) on Form F-3D, and (Nos. 333-173207, 333-189493, 333-200640, 333-212230, 333-222216, and 333-239578) on Form S-8 of Atlas Corp. of our reports dated March 19, 2021, with respect to the consolidated balance sheets of Atlas Corp. as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income, puttable preferred shares and shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 20-F of Atlas Corp.

Our report dated March 19, 2021 in connection with the consolidated financial statements refers to the adoption of Accounting Standards Update ("ASU") 2017-04, "Simplifying the Test for Goodwill Impairment", effective from January 1, 2020, and to the adoption of ASU 2016-02, "Leases", effective from January 1, 2019.

/s/ KPMG LLP

Chartered Professional Accountants

March 19, 2021
Vancouver, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.