



# INVESTOR PRESENTATION

May 2021

# LEGAL DISCLAIMER

Statements made by representatives for ATCO Ltd. and Canadian Utilities Limited and information provided in this presentation may be considered forward-looking statements. By their nature, such statements are subject to numerous known and unknown risks and uncertainties and therefore actual results may differ materially from those currently anticipated. ATCO Ltd. and Canadian Utilities Limited disclaim any intention or obligation to update or revise such statements. Due to the nature of the Corporation's operations, quarterly revenues and earnings are not necessarily indicative of annual results.

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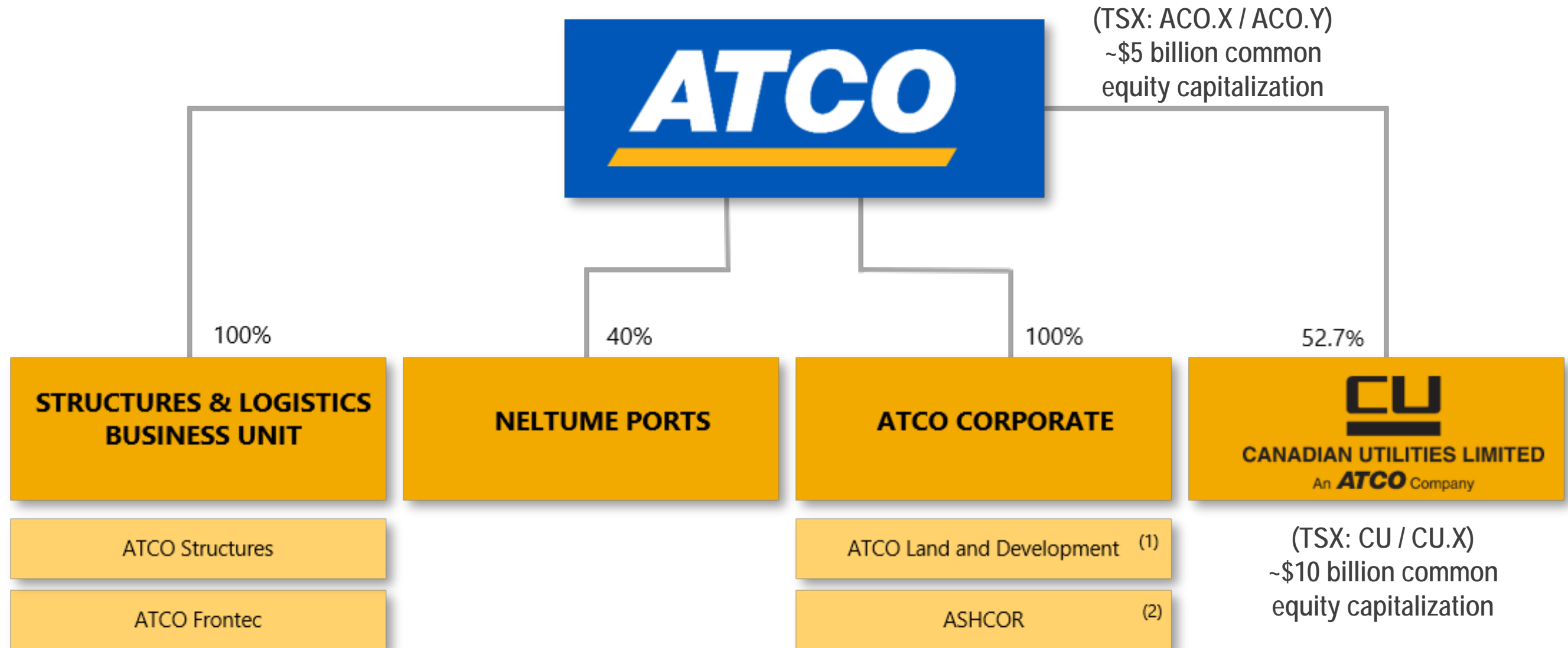
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**ATCO**

# ATCO GROUP OVERVIEW

# ORGANIZATIONAL STRUCTURE





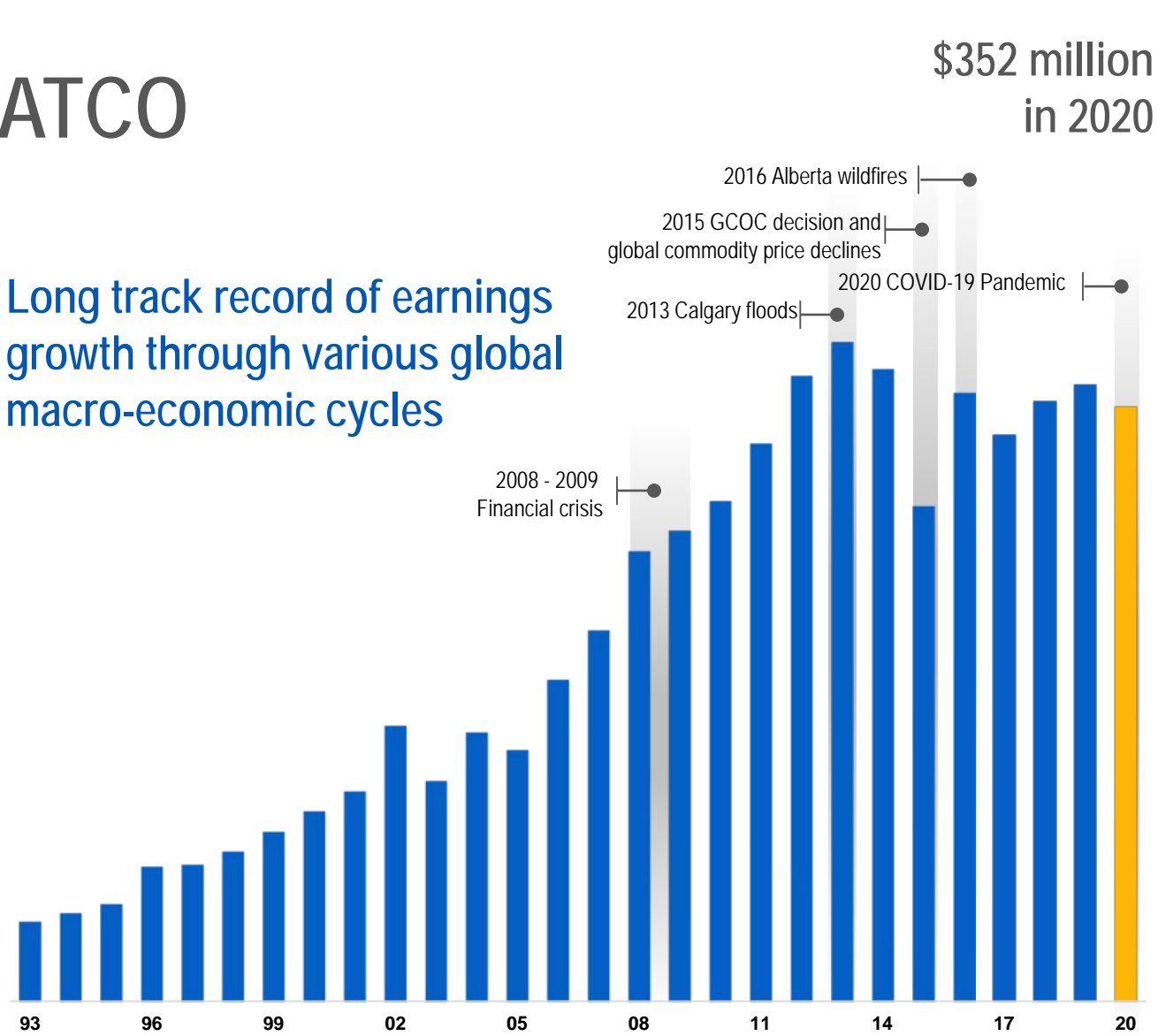
**ATCO**

FINANCIAL STRENGTH

# TRACK RECORD OF ADJUSTED EARNINGS

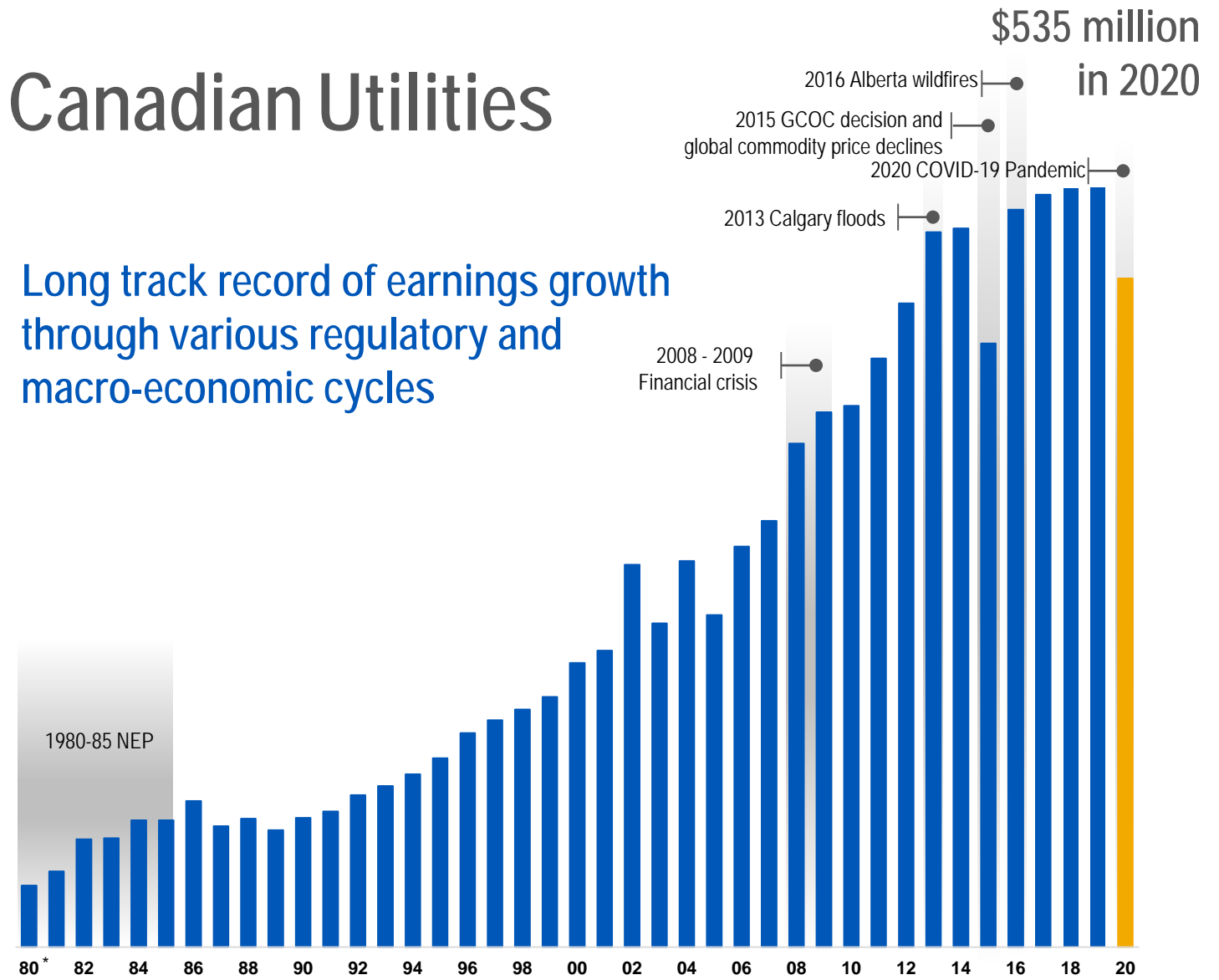
## ATCO

Long track record of earnings growth through various global macro-economic cycles



## Canadian Utilities

Long track record of earnings growth through various regulatory and macro-economic cycles



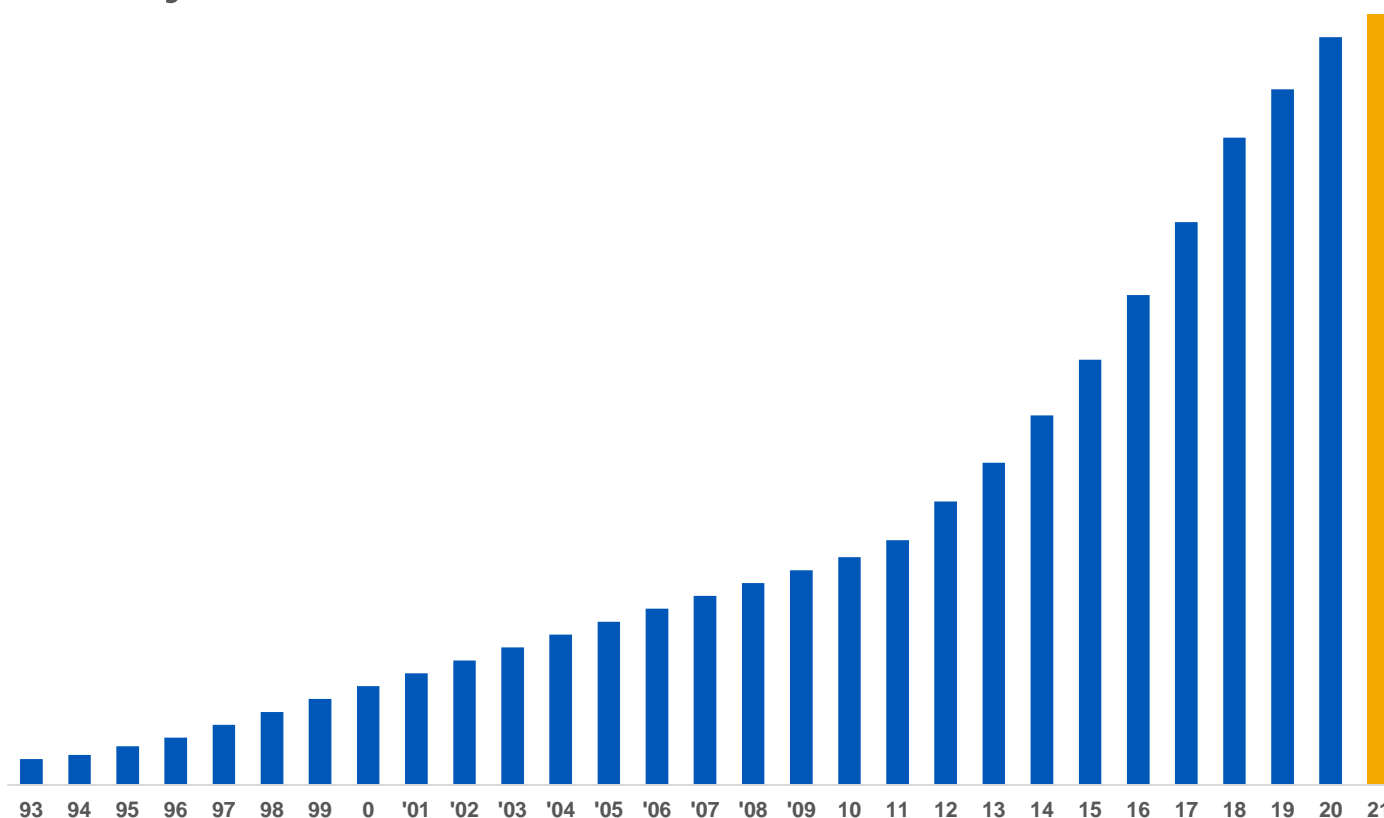
\* In June 1980 ATCO acquired a majority interest in Canadian Utilities

# TRACK RECORD OF DIVIDENDS

## ATCO

\$1.76  
per share

28 years of annual dividend increases\*



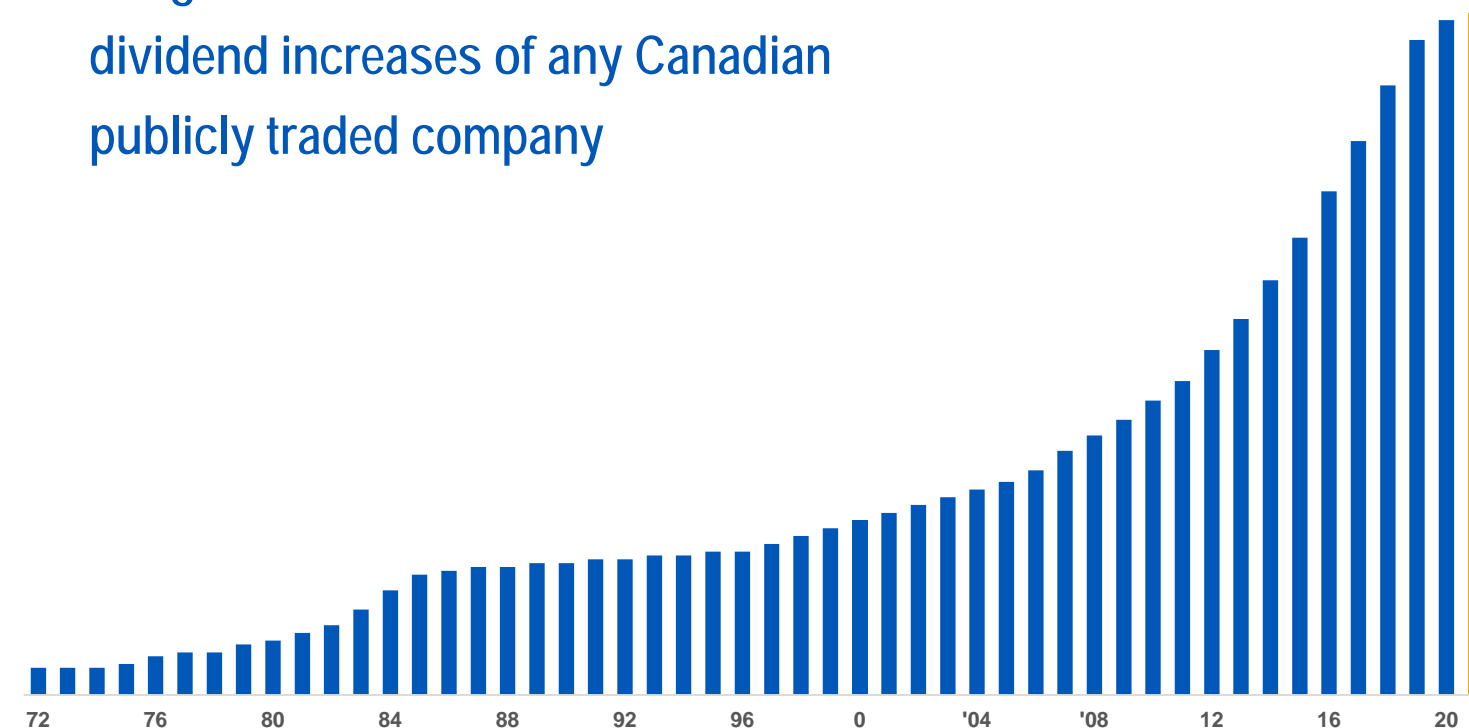
\* On January 14, 2021, ATCO declared a first quarter dividend of \$0.4483 per share, or \$1.79 per share annualized.

## Canadian Utilities

\$1.79  
per share

49 years of annual dividend increases\*

Longest track record of annual dividend increases of any Canadian publicly traded company

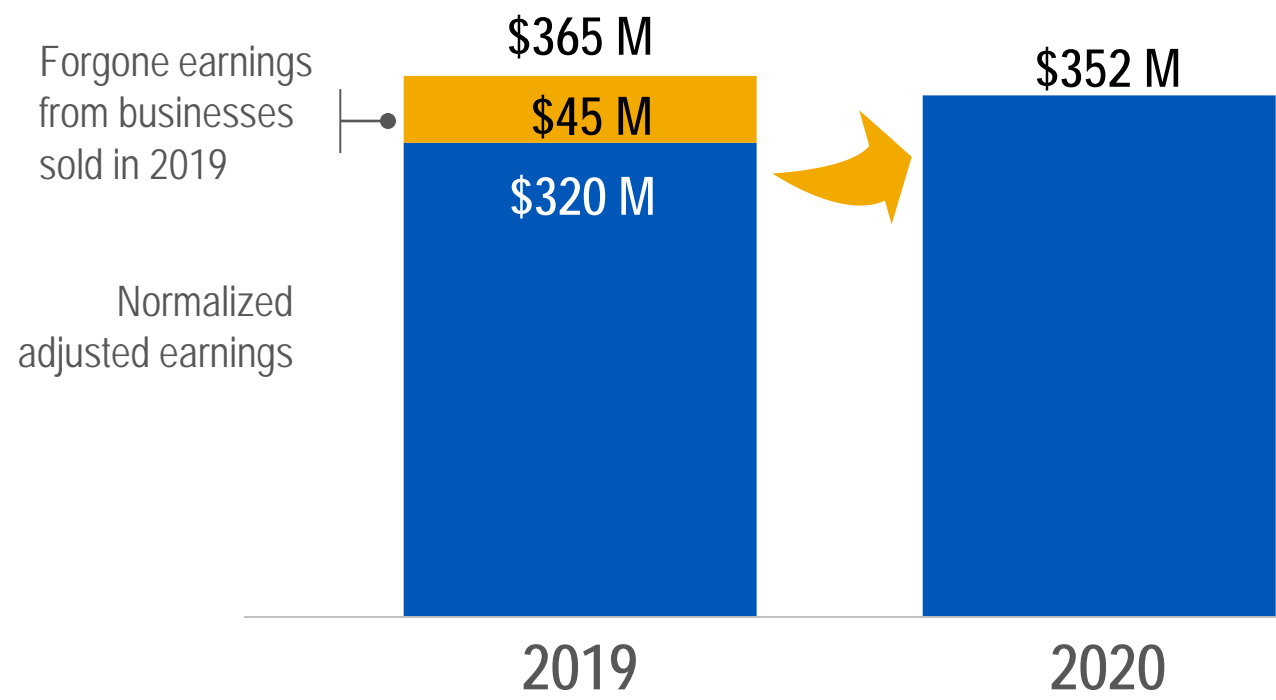


\* On January 14, 2021, Canadian Utilities declared a first quarter dividend of \$0.4398 per share, or \$1.76 per share annualized.

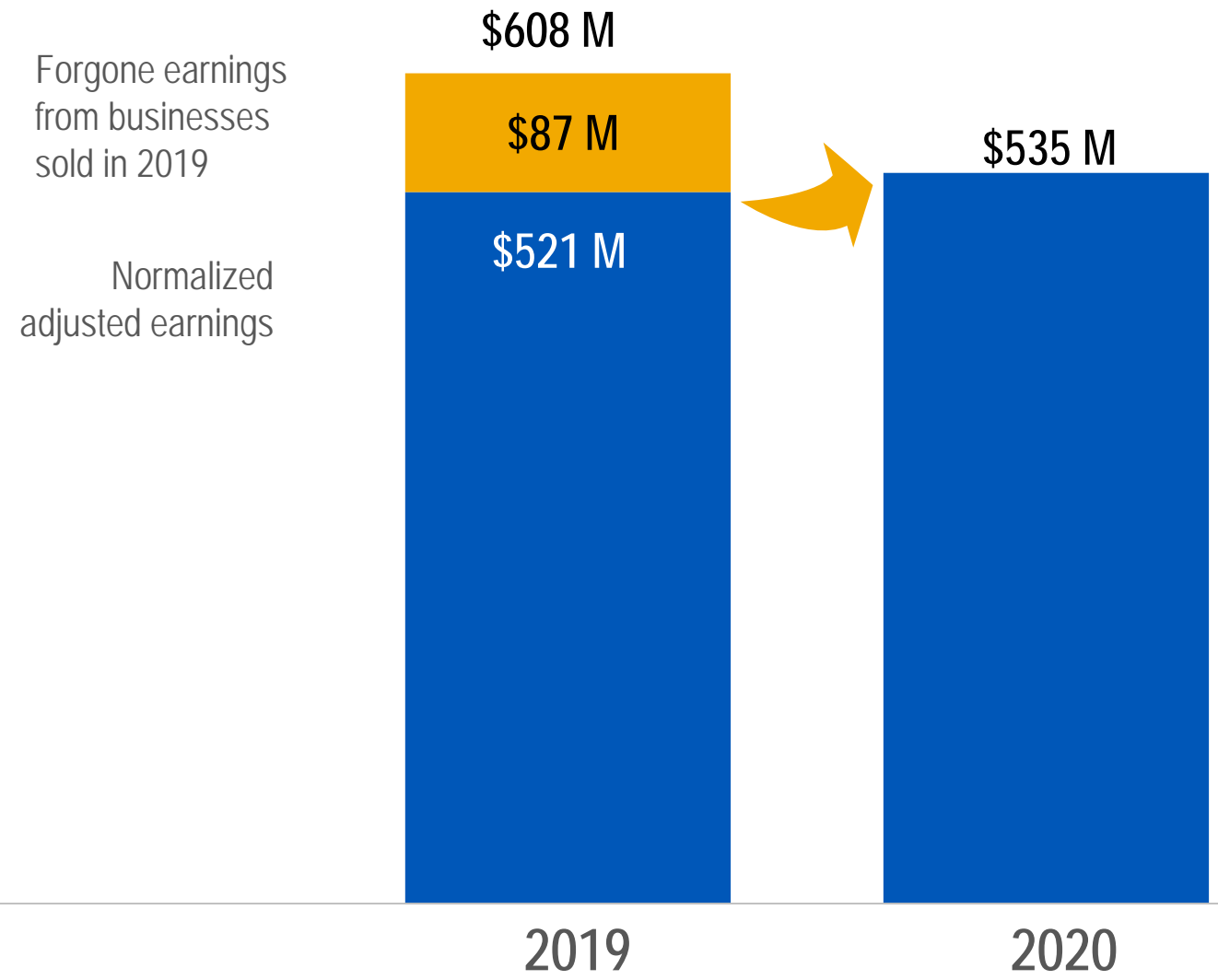


# 2020 ADJUSTED EARNINGS

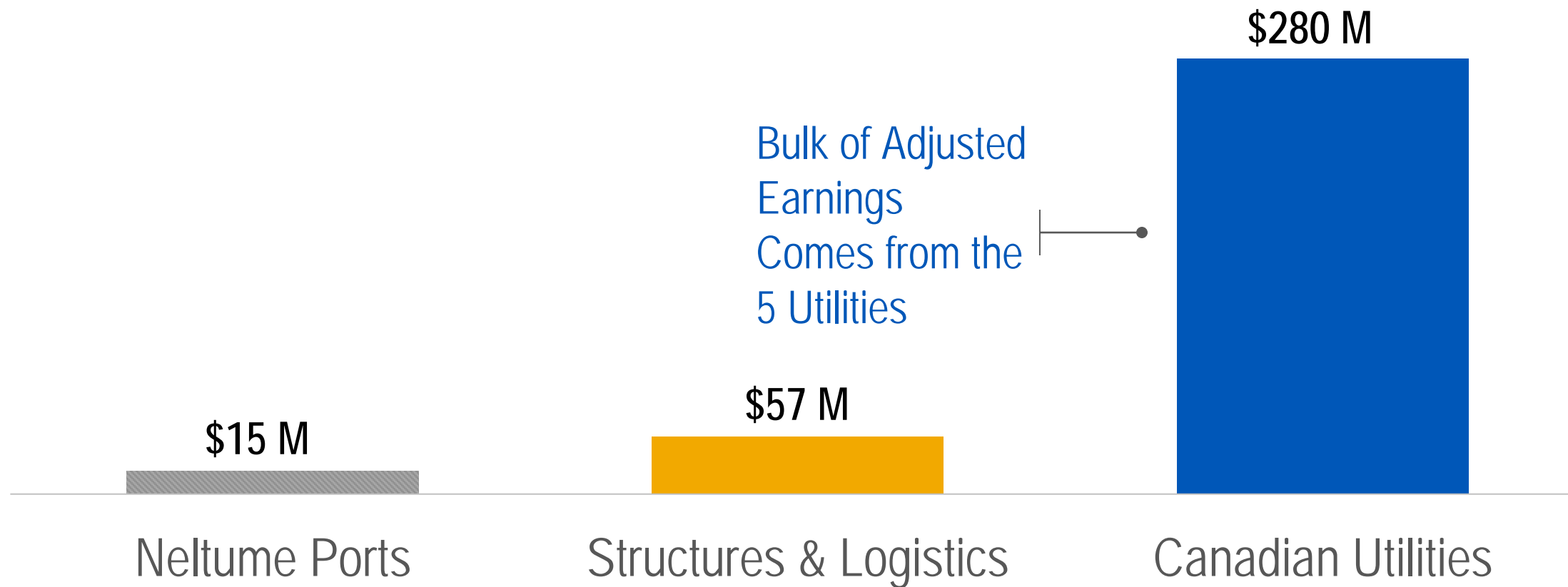
## ATCO



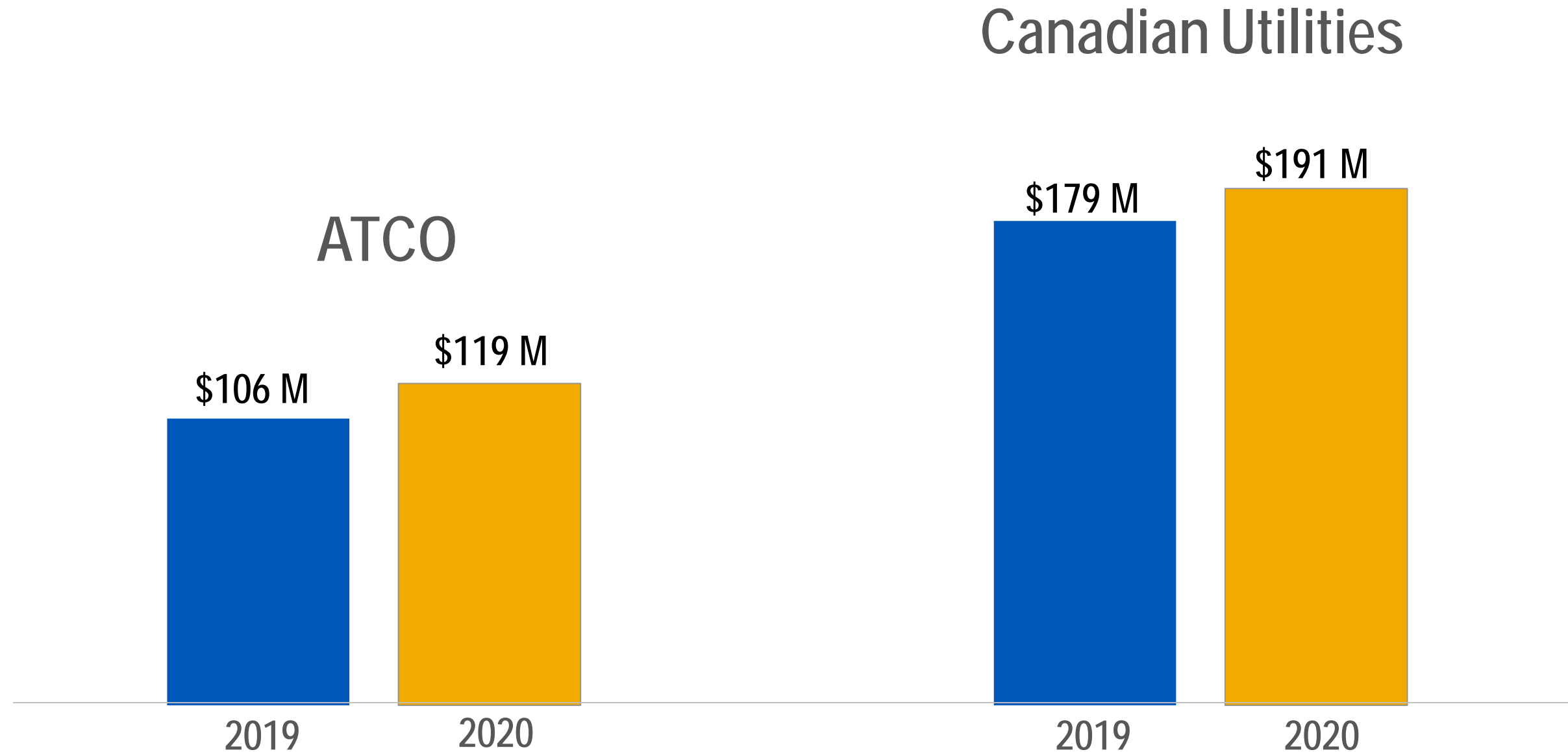
## Canadian Utilities



# ATCO 2020 ADJUSTED EARNINGS



# FIRST QUARTER ADJUSTED EARNINGS



# STRONG CREDIT RATINGS



ATCO Ltd.

**A (low) Stable**

Canadian Utilities Limited (CU)

**A Stable**

CU Inc.

**A (high) Stable**

"ATCO's rating is supported by the credit strength of CU, which is an intermediate holding company with a sizable portion of low-risk, well-diversified regulated businesses that has generated strong and predictable cash flows."



ATCO Ltd.

**A- Negative**

Canadian Utilities Limited

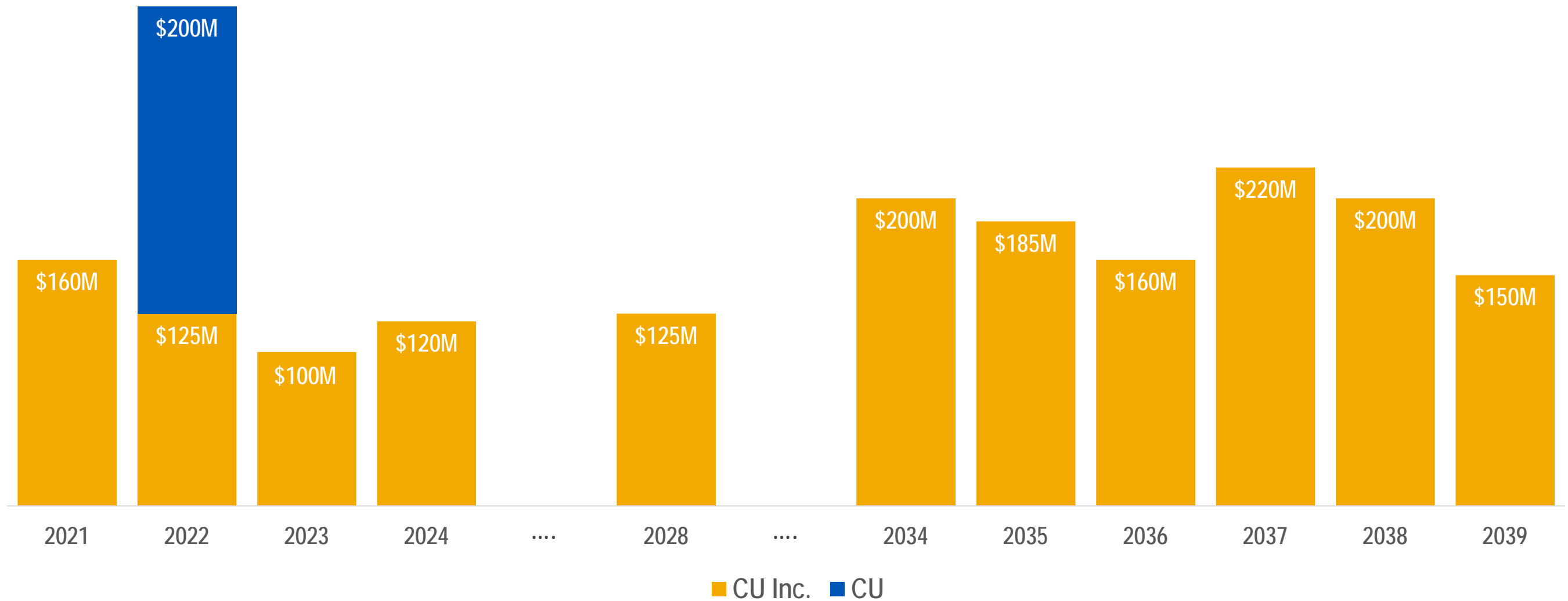
**A- Negative**

CU Inc.

**A- Stable**

"Our view of ATCO's business risk profile as excellent has not changed, largely reflecting the Company's lower-risk regulated electric and natural gas utility operations, large customer base, regulatory and geographic diversity, and effective management of regulatory risk."

# DEBT MATURITY PROFILE



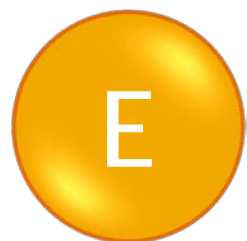


**ATCO**

SUSTAINABILITY

Environment, Social and Governance

# ESG HIGHLIGHTS



## Environmental

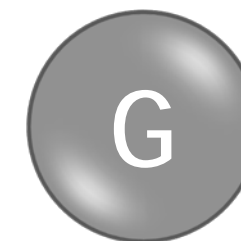
### What we've accomplished:

- **90%** removal of direct GHG emissions from our portfolio since 2019, almost 7.5 million tonnes.
- **17%** reduction in direct GHG emissions from retained assets since 2019.
- **23%** of our global power generation portfolio is now renewables, including hydroelectric and solar.
- **10%** hydrogen blended with natural gas as part of the Clean Energy Innovation Hub in Australia.
- **74%** progress towards goal of completing in-line inspections on natural gas transmission lines.



## Social

- **\$71.4M** in economic benefit for Indigenous groups in 2020.
- **\$5.5M** invested in communities through gifts in-kind, sponsorships, donations and matching contributions from ATCO EPIC program. Since inception this program has raised nearly **\$47M**.
- **28%** decrease in our employees TRIF year over year.
- **\$1.5M** committed as a gift-in-kind donation to support the Homes for Hero's foundation.
- **11,700 meals** were delivered to seniors financially impacted by COVID-19 and living alone.



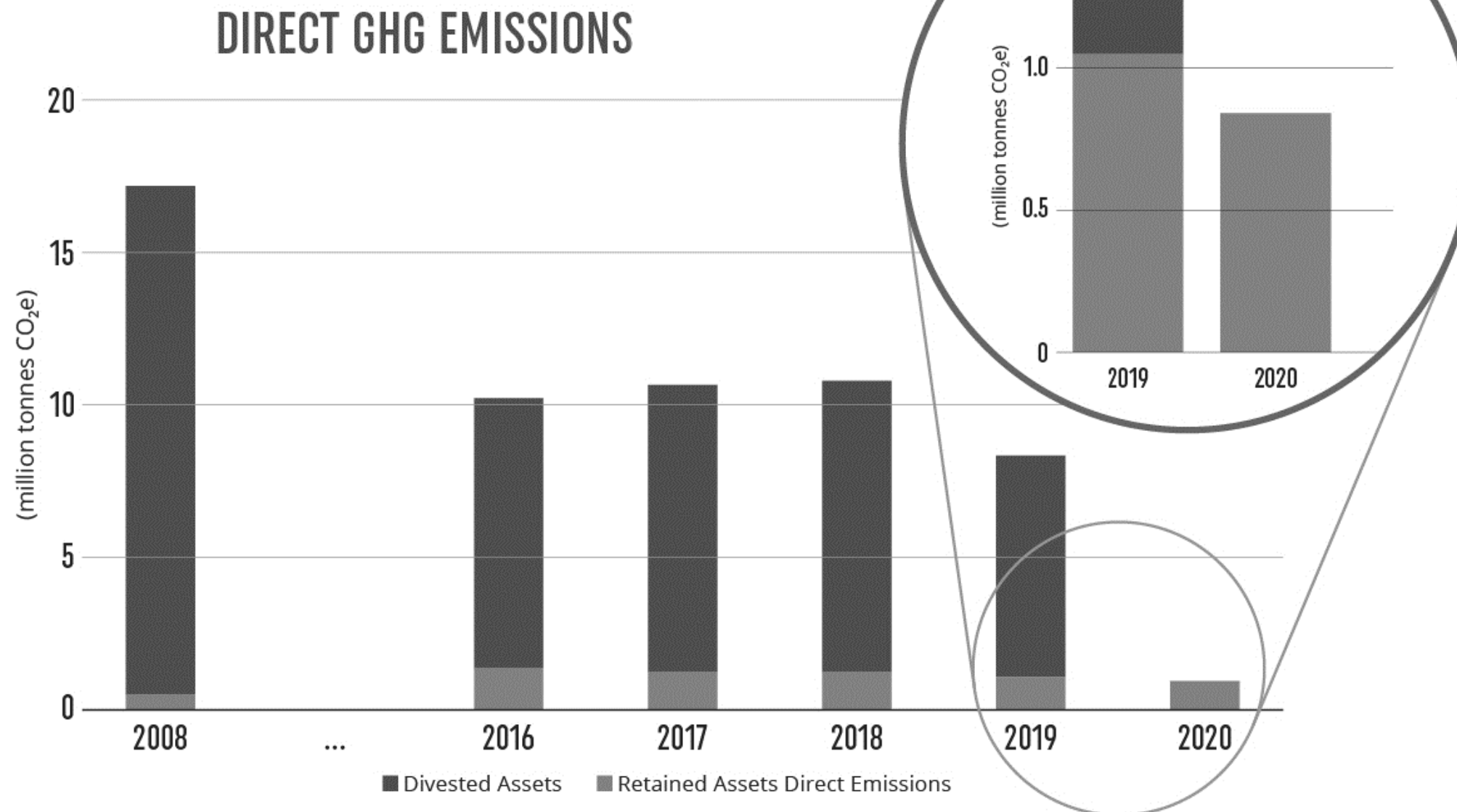
## Governance

- **33%** of ATCO board directors are women.
- **36%** of CU board directors are women.
- Designated Audit Directors (**DAD**), unique to CU and ATCO are directors assigned to a specific business unit to provide oversight based on their strength and expertise in various industry sectors.
- **67%** of ATCO Board and **82%** of CU Board is independent, including the Lead Director.
- Transparent **ESG** reporting.



# 90% REDUCTION IN DIRECT GHG EMISSIONS

Primarily from sale of our Canadian Fossil Fuel Generation Portfolio and 17 per cent direct GHG emission reduction within our retained assets



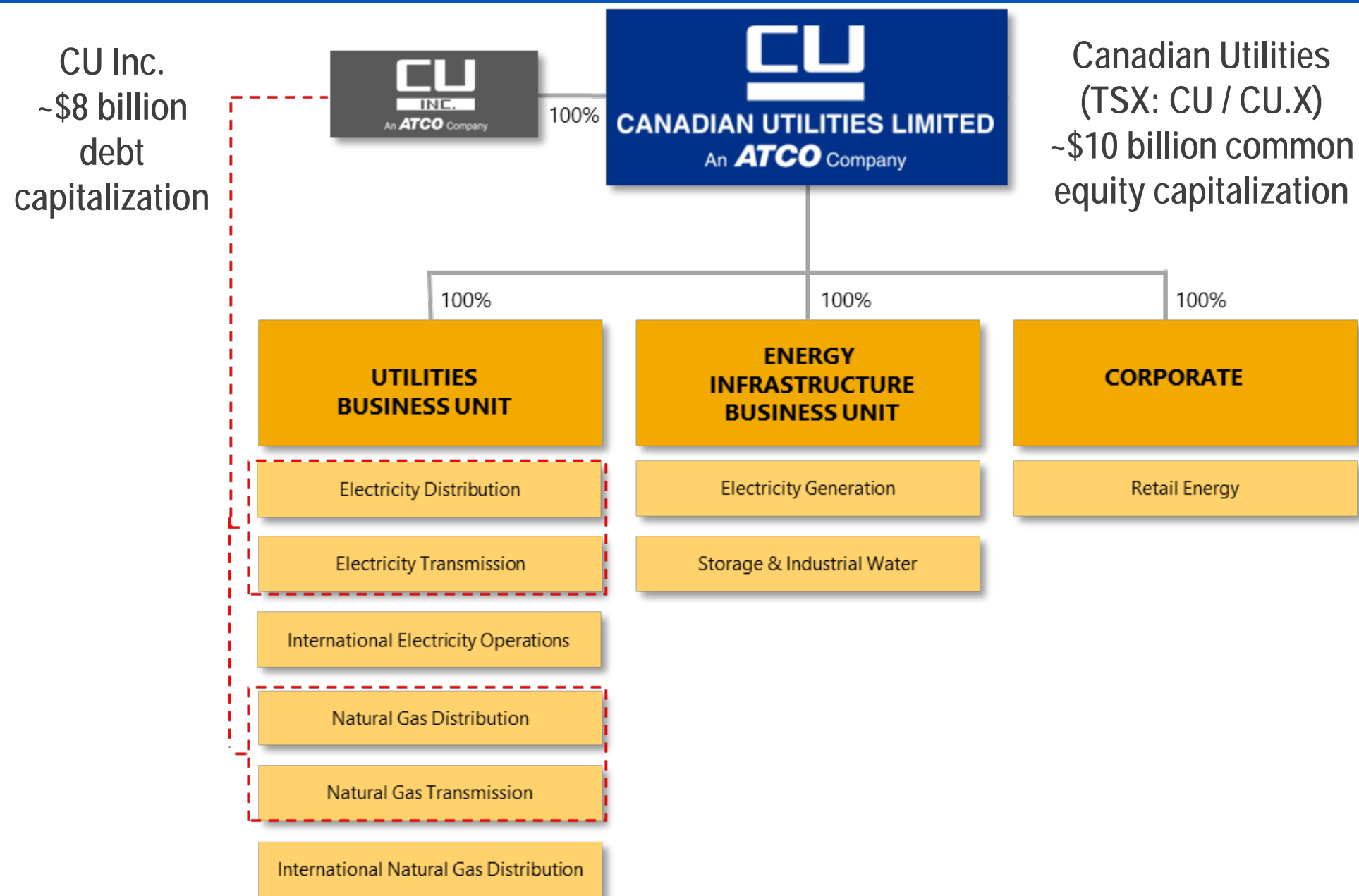




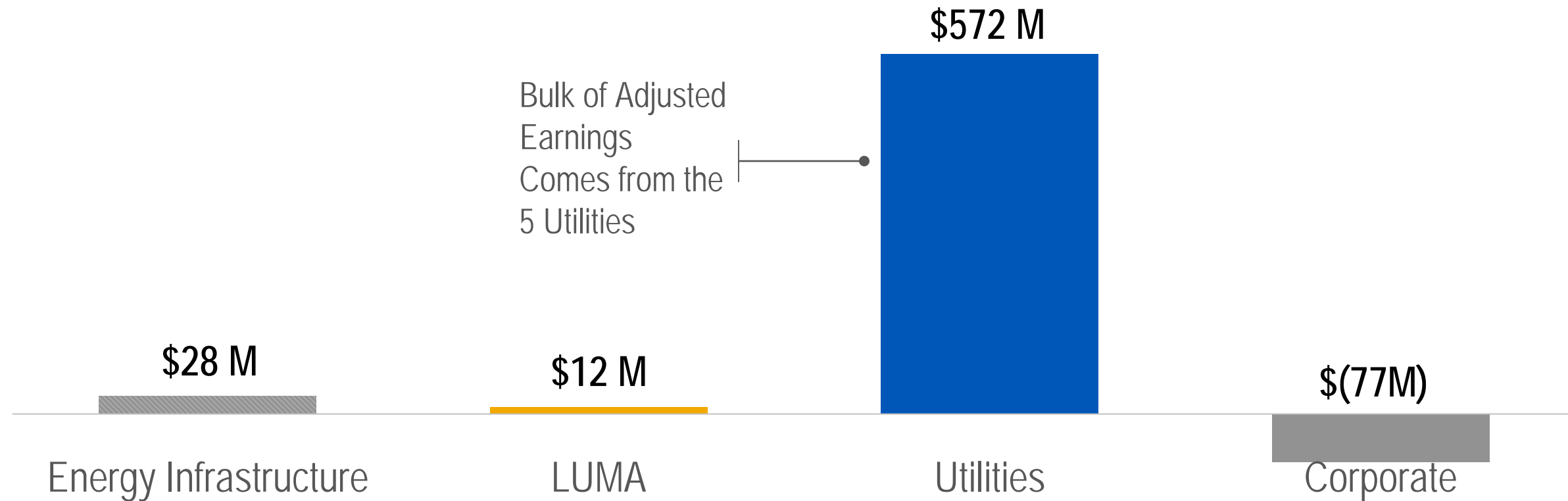
**ATCO**

CANADIAN UTILITIES

# ORGANIZATIONAL STRUCTURE



# CANADIAN UTILITIES 2020 ADJUSTED EARNINGS



# CANADIAN UTILITIES KEY THEMES

- Protect the core utility assets by investing in activities to advance the energy transition and ensure long term resiliency
- Optimize energy infrastructure assets and add new growth platforms
- Geographic diversification: Outside Alberta, North America, Latin America, & Australia
- Drive cash flow and earnings to improve financial strength and growth capacity



# ENERGY TRANSITION

“We are uniquely positioned to help our customers achieve their decarbonization goals. In today’s context of change, our forward focus is on cleaner fuels and renewable energy, modernizing our energy infrastructure to integrate decentralized sources of energy, and digitalization to harness the power of technology to manage and optimize energy systems.”

— Siegfried Kiefer, President and CEO, Canadian Utilities Limited

## CLEANER FUELS

One of our strategies to support the transition to a low-carbon energy system is to enable the switch to cleaner fuels, such as hydrogen.



*Hydrogen can be blended to fuel industrial, commercial, residential and transportation needs, reducing GHG emissions. When burned, hydrogen produces water vapour and no carbon emissions.*

Actively piloting several new and innovative applications for hydrogen:

Clean Energy Innovation Hub in Western Australia

- First Australian operation test bed for energy solutions integrating natural gas, solar, battery storage and **hydrogen** production in micro-grid systems.
- In 2020, we successfully trialed a **10 per cent hydrogen blend** within our Australian Natural Gas Distribution operations centre.

Clean Energy Innovation Park in Western Australia

- Completing pre-FID work on a commercial scale hydrogen production plant
- Includes a 10-MW electrolyser and plant capable of producing **1,200 tonnes** of hydrogen per year, along with storage and delivery to natural gas network injection points

Actively piloting several new and innovative applications for hydrogen:

Hydrogen Refueling Facility in Western Australia

- Partnering with Fortescue Metals Group to build and operate green hydrogen refueling facilities for vehicles.
- H2 Refueller will allow a vehicle to travel up to 500 kilometers emissions-free

Hydrogen Blending Project in Alberta

- Building **Alberta's first hydrogen blending project** in a section of Fort Saskatchewan, Alberta's natural gas distribution network
- Blending an initial **five per cent hydrogen** into the conventional natural gas system will lower carbon intensity as hydrogen emits only water when it combusts.

## Actively piloting several new and innovative applications for hydrogen:

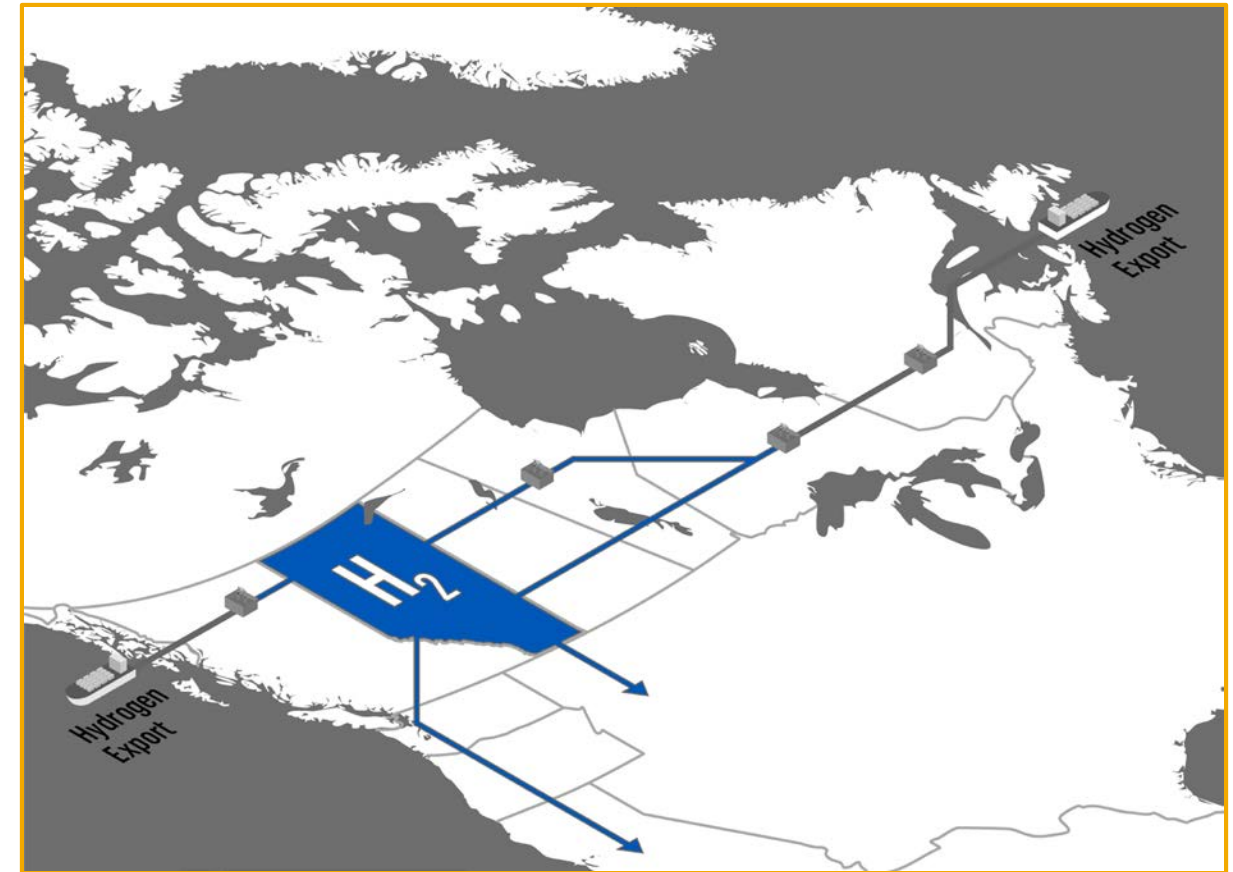
### Proposed World-Scale Clean Hydrogen JV Project with Suncor in Alberta

- ATCO/Suncor partnership has received welcome support from Government of Canada and Government of Alberta.
- Collaboration between governments and business across sectors is critical to progressing projects of this magnitude and **achieving Canada's net zero 2050 goals**.
- Project would produce more the **300,000** tonnes per year of clean hydrogen to capture more than **90% of the emissions** generated in the hydrogen production process
- Approximately **65% of the produced clean energy** would be used in refining processes and cogeneration of steam and electricity at the Suncor Edmonton Refinery, 20% would be used in Alberta's natural gas grid and the remaining 15% would be available for other uses
- reduce CO<sub>2</sub> emissions in Alberta by more than **two million tonnes per year**, equivalent to taking **450,000 cars** per year off the road.
- FID is targeted for **2024** with a planned operation date of **2028**.



# ENERGY TRANSITION – WHY HYDROGEN?

- We are committed to be a leader in promoting a more environmentally sustainable future by providing cleaner, reliable and affordable energy.
- Hydrogen can play a role in affordably decarbonizing the production of heat, particularly in our cold Canadian climate.
- Alberta is already a leader in hydrogen production, has strong carbon capture and storage infrastructure in place, and has large industrial demand.
- Our company has midstream capabilities, energy expertise in renewables, available land, and underground temporary hydrogen storage potential.
- Maintains and creates energy jobs in Alberta



# REGULATED UTILITIES



ELECTRICITY TRANSMISSION  
\$5.1B Rate Base



ELECTRICITY DISTRIBUTION  
\$2.6B Rate Base



NATURAL GAS DISTRIBUTION  
\$2.9B Rate Base



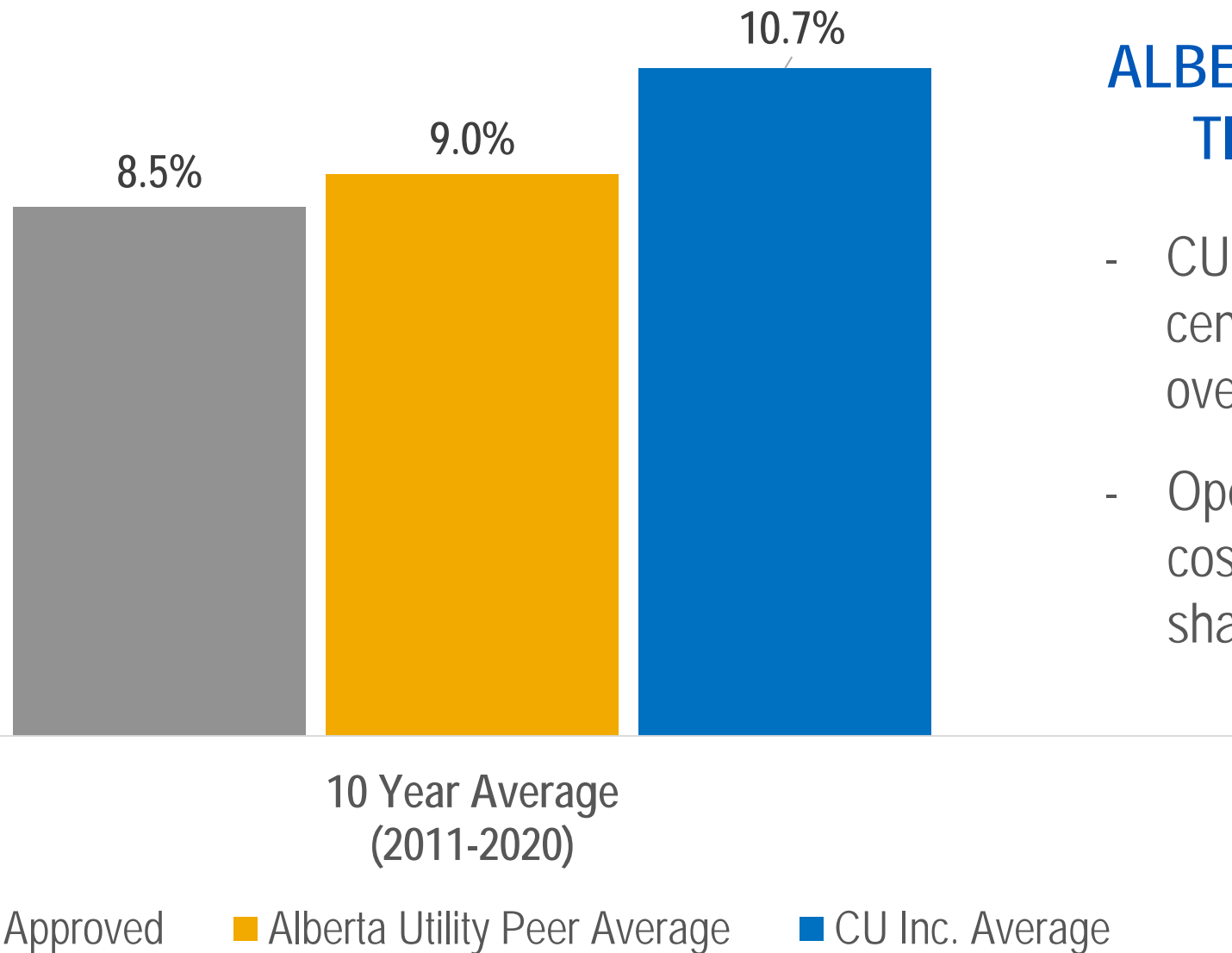
NATURAL GAS TRANSMISSION  
\$2.2B Rate Base



INTERNATIONAL NATURAL GAS  
DISTRIBUTION  
\$1.2B Rate Base

(1) 2020 estimated Mid Year Rate Base included in 2020 Management's Discussion and Analysis

# RETURNS ON EQUITY



## ALBERTA UTILITIES ACHIEVE TOP TIER RETURNS ON EQUITY

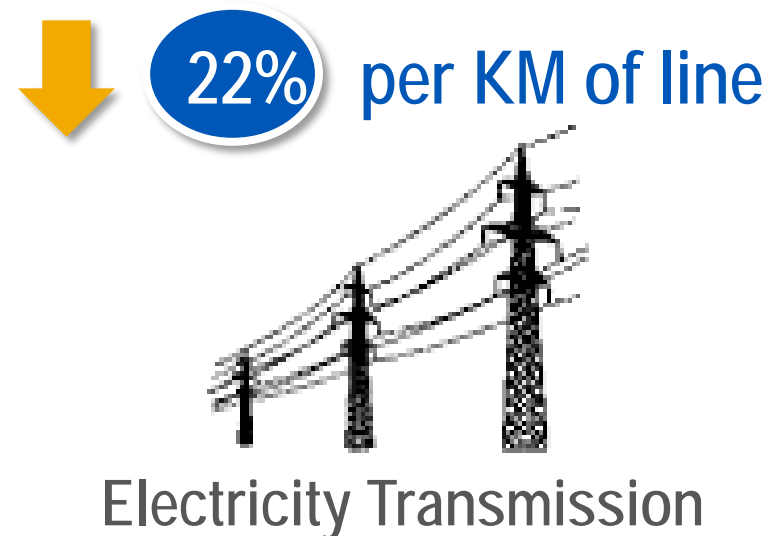
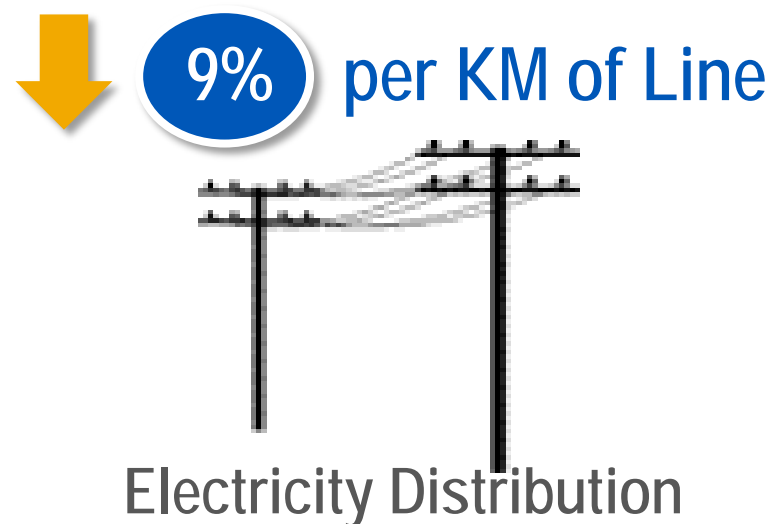
- CU Inc.'s average ROE +2.2 per cent above average AUC approved over last 10 years.
- Operational excellence and lower costs benefit our customers and share owners

(1) Alberta Utility Peer Average is a simple average and includes AltaGas, AltaLink, Enmax Distribution, Enmax Transmission, EPCOR Distribution, EPCOR Transmission, and Fortis Alberta

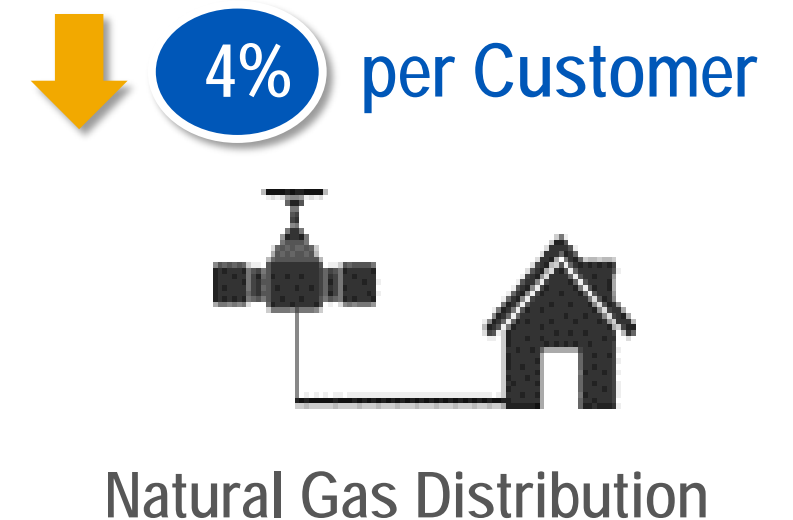
(2) CU Inc. Average is a simple average and includes Electric Distribution, Electric Transmission, Natural Gas Distribution, and Natural Gas Transmission.

# AB UTILITIES - OPERATIONAL EXCELLENCE

Over the past five years, we have reduced our operations and maintenance costs per kilometer of line by:

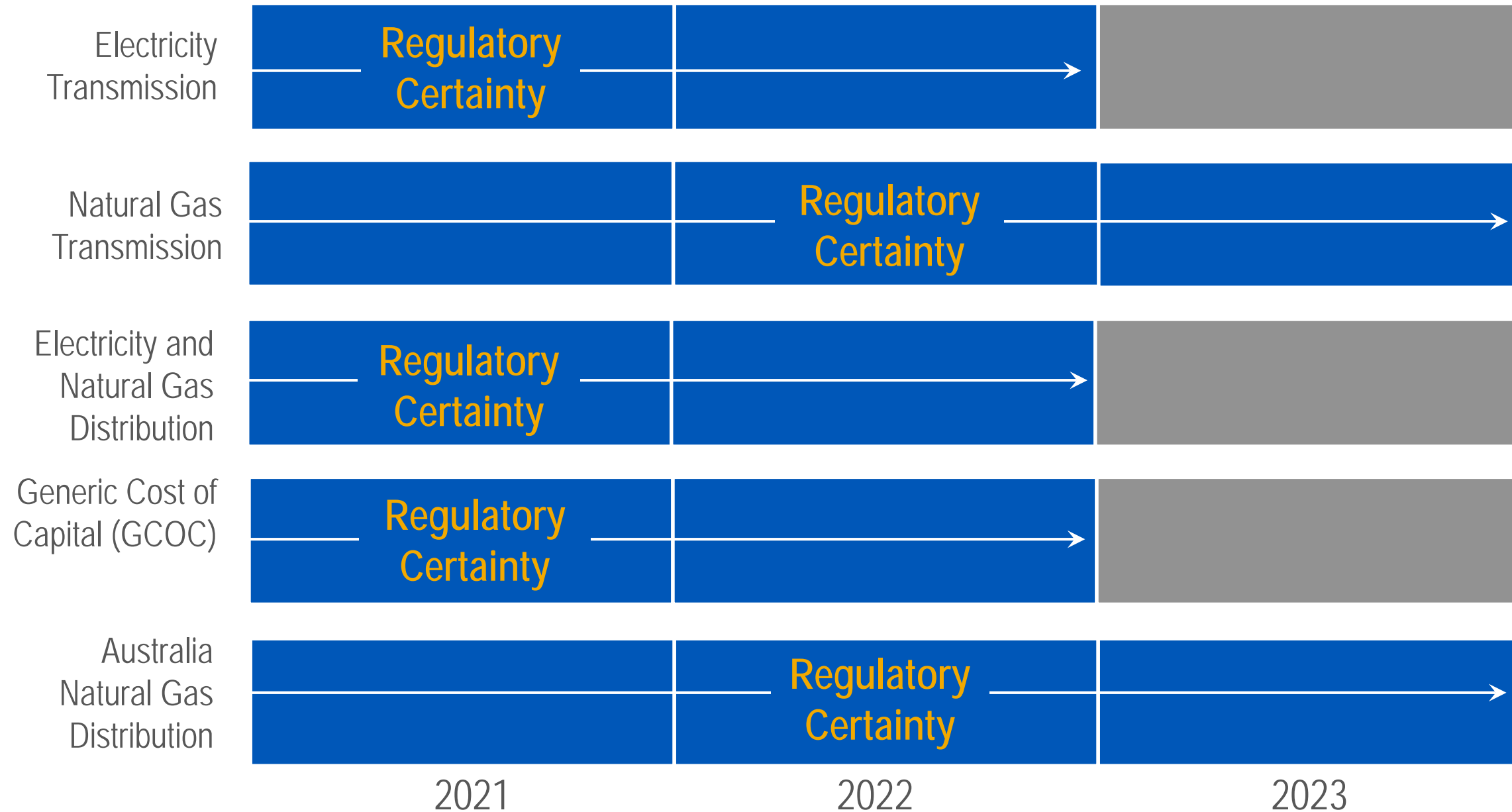


In 2020 we reduced our Natural Gas Distribution cost per customer compared to 2019 by:



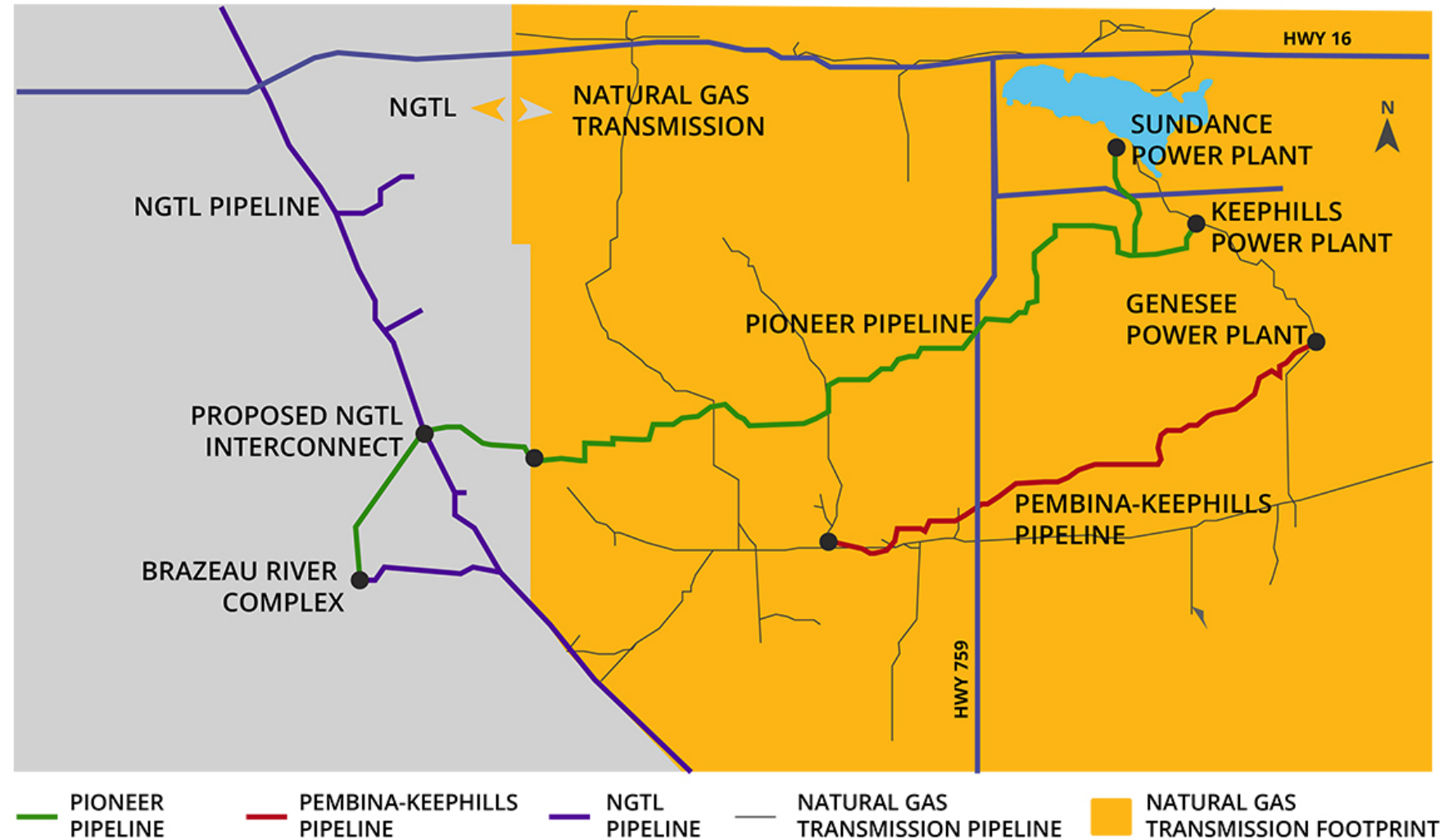
*Operational excellence and lower costs benefit our customers and share owners*

# REGULATORY PROCESS



# PIONEER PIPELINE

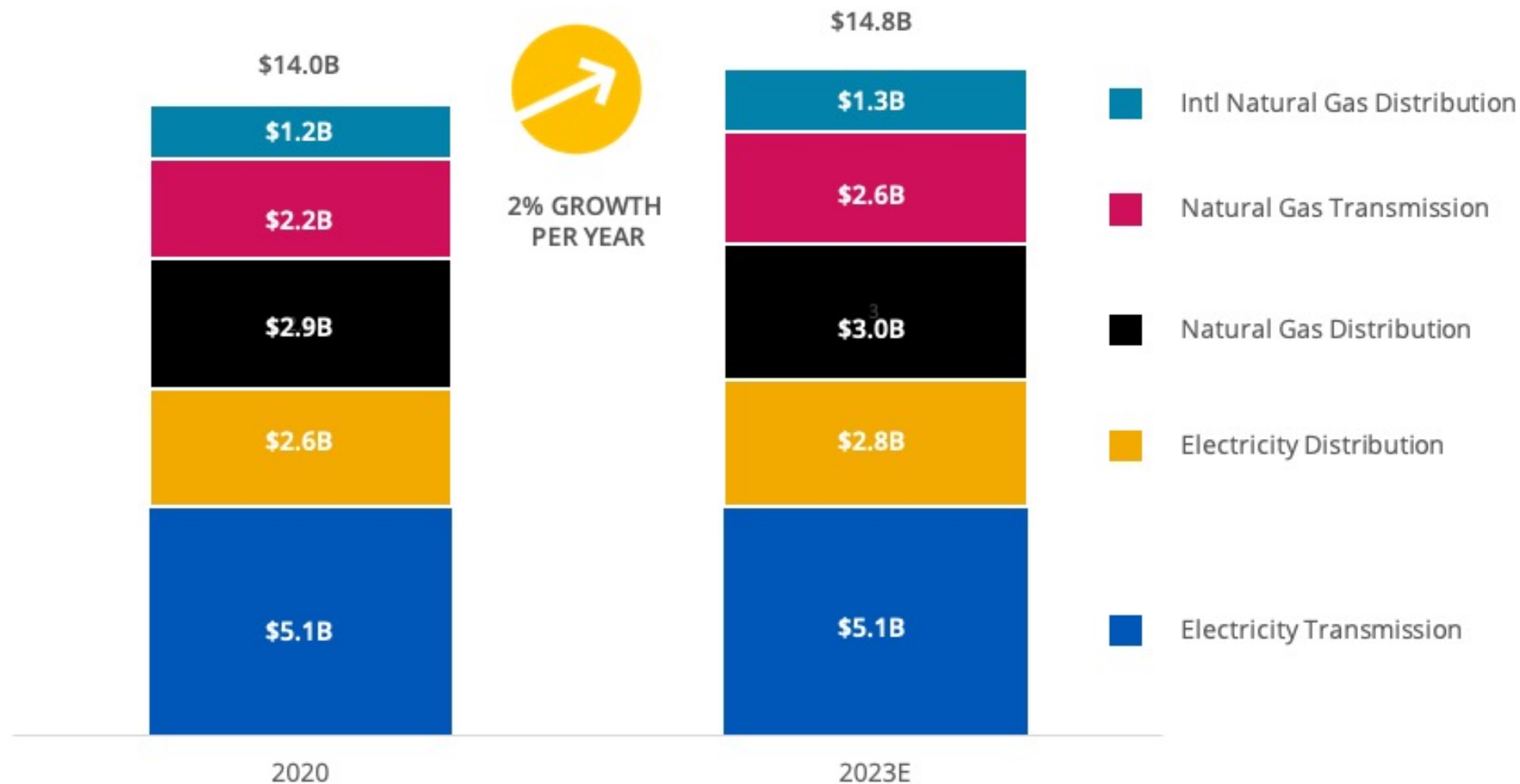
- On September 30, 2020 we announced the purchase of the Pioneer Natural Gas Pipeline from Tidewater Midstream & Infrastructure Ltd. for a purchase price of \$255 million.
- The 131-km pipeline transports natural gas to TransAlta's generating units at Sundance and Keephills – facilitating the conversion of these coal plants to cleaner-burning natural gas.
- The acquisition is subject to customary conditions including regulatory approvals to add a net amount of approximately \$200 million of capital to rate base. Approvals are expected by the end of June 2021.



# 3-YEAR CAPITAL INVESTMENT PLAN

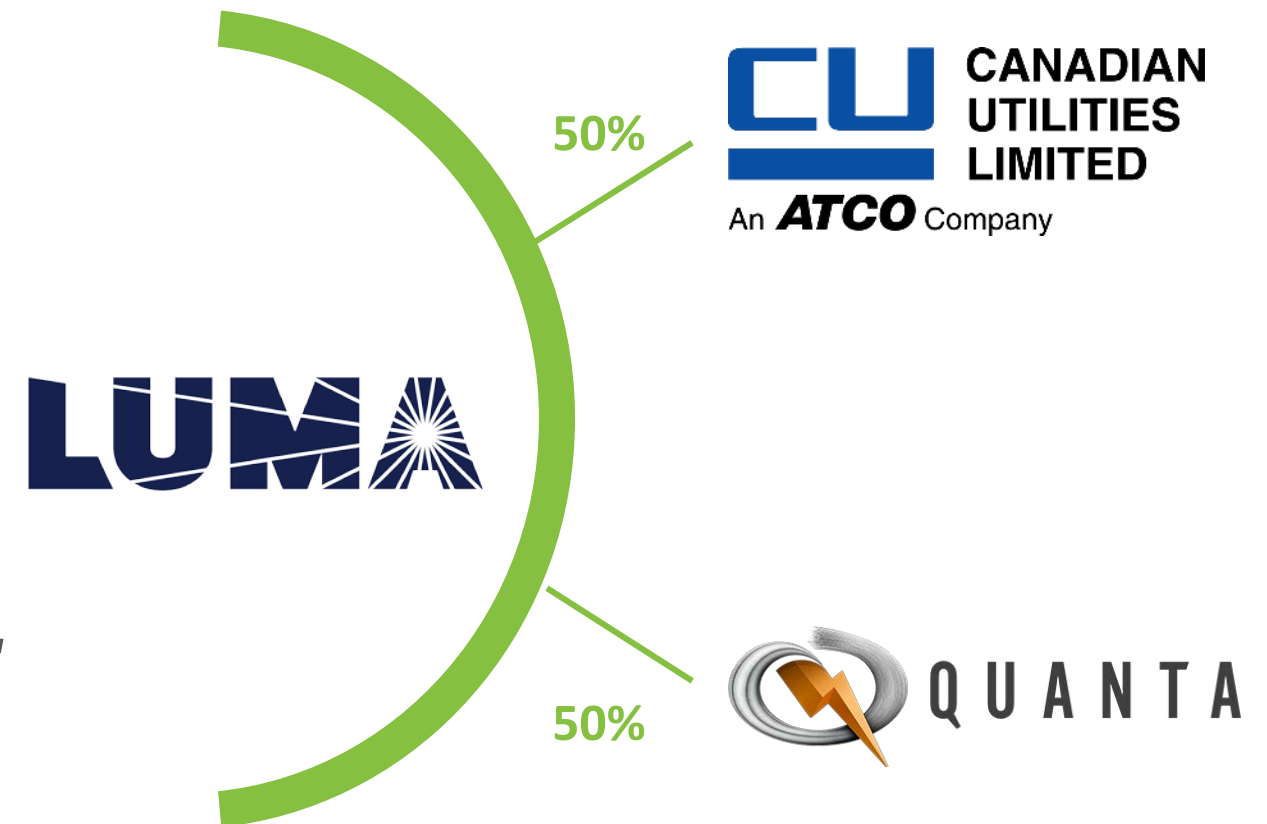
\$3.2 BILLION OF PLANNED CAPITAL INVESTMENT

EXPECTED MID-YEAR RATE BASE GROWTH (C\$ Billions)



In June 2020, the Puerto Rico Public-Private Partnerships Authority (P3A) selected LUMA Energy, LLC (LUMA) to manage and modernize Puerto Rico's electric transmission and distribution (T&D) system

- 16-year contract to operate the T&D system:
  - One-year transition period began June 22, 2020
  - 15-year fee-for-service Operating & Maintenance (O&M) period commencing in mid-2021
- O&M contract provides long-term contracted cash flows and earnings with no required capital investment by LUMA
- Leverages collective expertise to create a reliable, resilient, affordable and sustainable electricity system focused on providing outstanding customer service to the people of Puerto Rico





## Front-End Transition Period (2020 – 2021)

- Preparatory work to enable full transition of operations to LUMA.
- LUMA is paid a fixed transition fee
- Costs incurred by LUMA for purposes of front-end transition are reimbursable

## O&M Services Period (2021 – 2035)

- LUMA assumes responsibility for all in-scope operational matters to transform the T&D system into an efficient and modern utility
- Fixed fee for service paid monthly
- Additional incentive fees determined annually based on performance metrics
- Fixed and incentive fees indexed to inflation
- Flow-through of system operating costs and capital expenditures paid from pre-funded service accounts
- Back-end transition period begins one year before end of contract term

(\$US millions)

	Front-End Service Fee	Fixed Fee (Paid Monthly)	Potential Incentive Fee
Transition Period	60		
Contract Year 1		70	13
Contract Year 2		90	17
Contract Year 3		100	19
Contract Year 4+		105	20

- All compensation figures above are at the LUMA level. Canadian Utilities Limited holds a 50 per cent interest in LUMA.
- Fixed Fee and Incentive Fee are escalated annually at US CPI.

## PREPA BANKRUPTCY

If full transition requirements are met but PREPA remains in bankruptcy, LUMA has the ability to operate under a Supplemental Agreement for 18 months and collect a fixed fee equivalent to \$115 million annualized. If PREPA remains in bankruptcy at the end of the 18 months, the agreement will automatically terminate unless an extension is requested by P3A and mutually agreed by the parties. In the event of a termination, LUMA will receive termination fees.

# ENERGY INFRASTRUCTURE BUSINESSES



ELECTRICITY GENERATION  
CANADA  
24 MW



ELECTRICITY GENERATION  
AUSTRALIA  
177 MW



ELECTRICITY GENERATION  
LATIN AMERICA  
47 MW



INDUSTRIAL WATER SERVICES  
CANADA  
85,200 m<sup>3</sup>/day



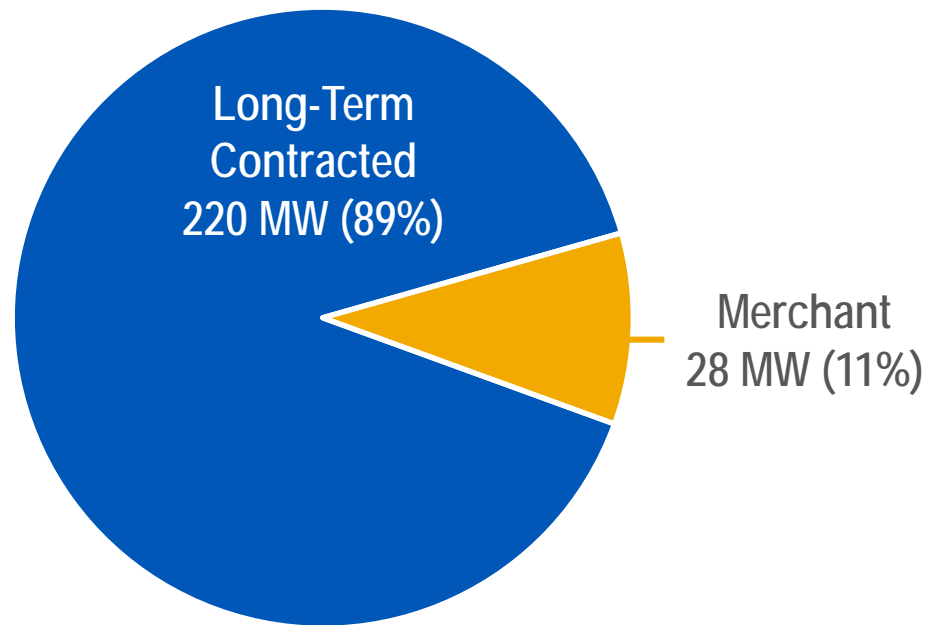
HYDROCARBON STORAGE  
CANADA  
400,000 m<sup>3</sup>



NATURAL GAS STORAGE  
CANADA  
52 PJ

# UNREGULATED ELECTRICITY GENERATION

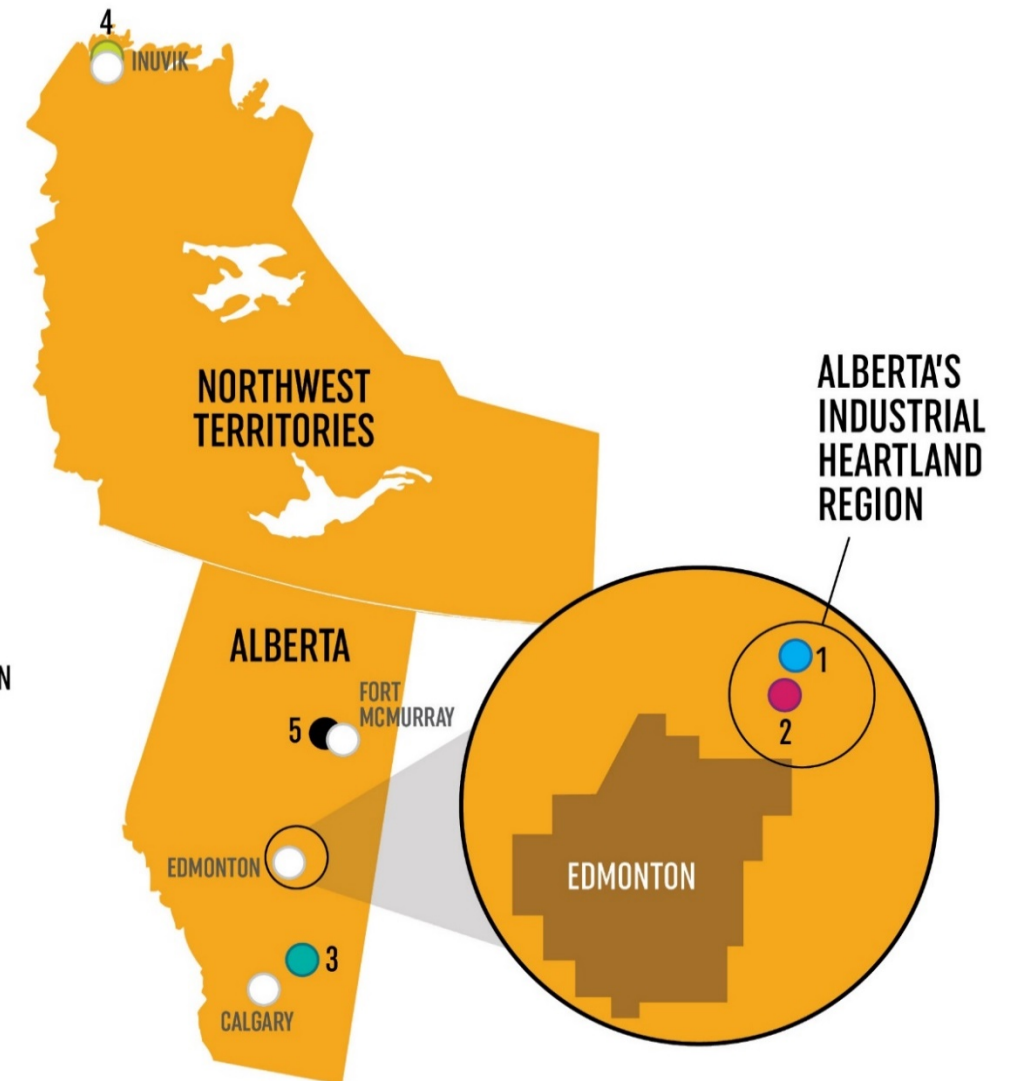
## Highly Contracted Portfolio



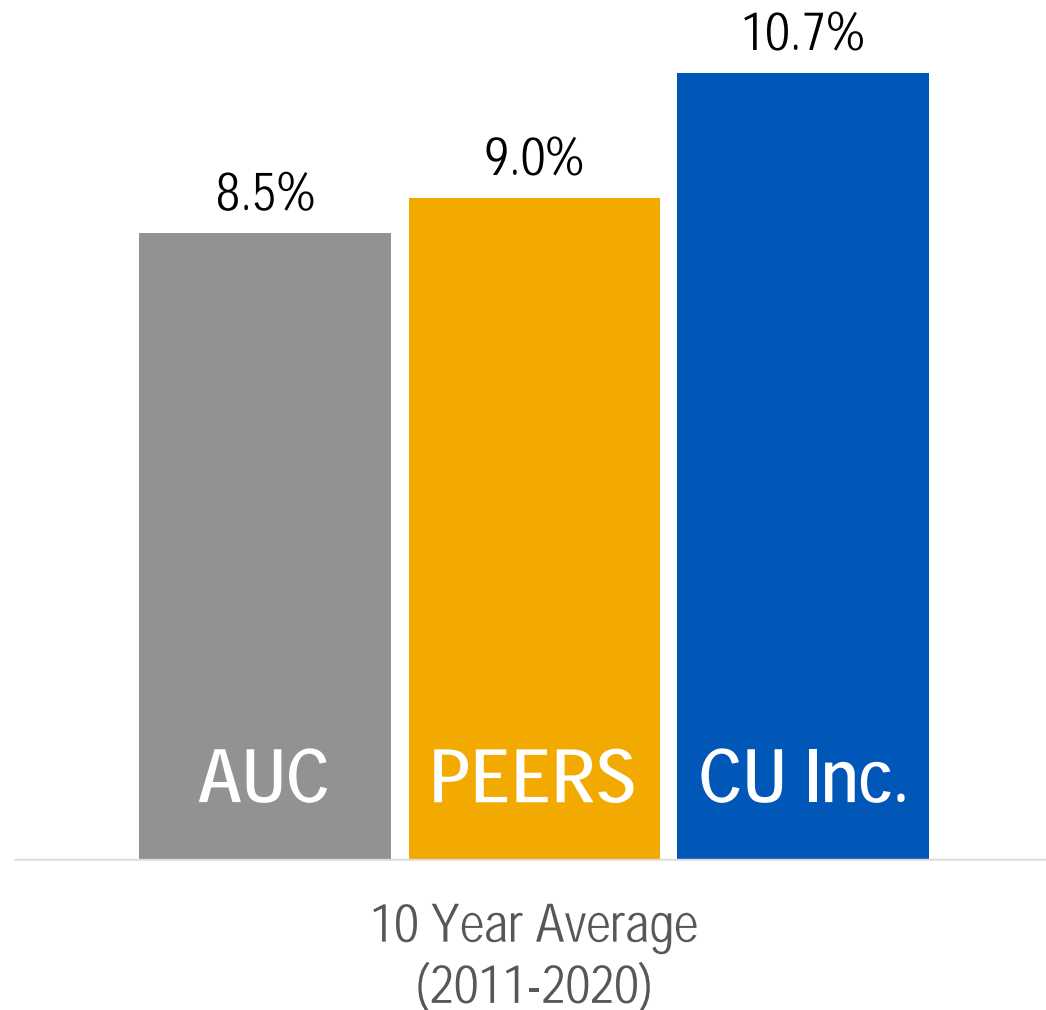
## We build, own and operate energy infrastructure assets across Alberta and the Northwest Territories

- We provide integrated water services including pipeline transportation, storage, water treatment, recycling and disposal to a number of our industrial customers.
- The natural gas storage facility is a natural gas reservoir with a seasonal storage cycle capacity of 52 petajoules. The facility is connected to multiple transmission pipeline systems.
- The hydrocarbon storage facility consists of four storage caverns under long-term contract with a storage capacity of 400,000 cubic metres. A fifth storage cavern is under construction with full operation targeted for late 2021.
- The 116-km Muskeg River non-regulated natural gas pipeline provides natural gas transportation service under a long-term commercial agreement to meet the needs of the Muskeg River Mine facilities and other facilities in the Fort McMurray area.

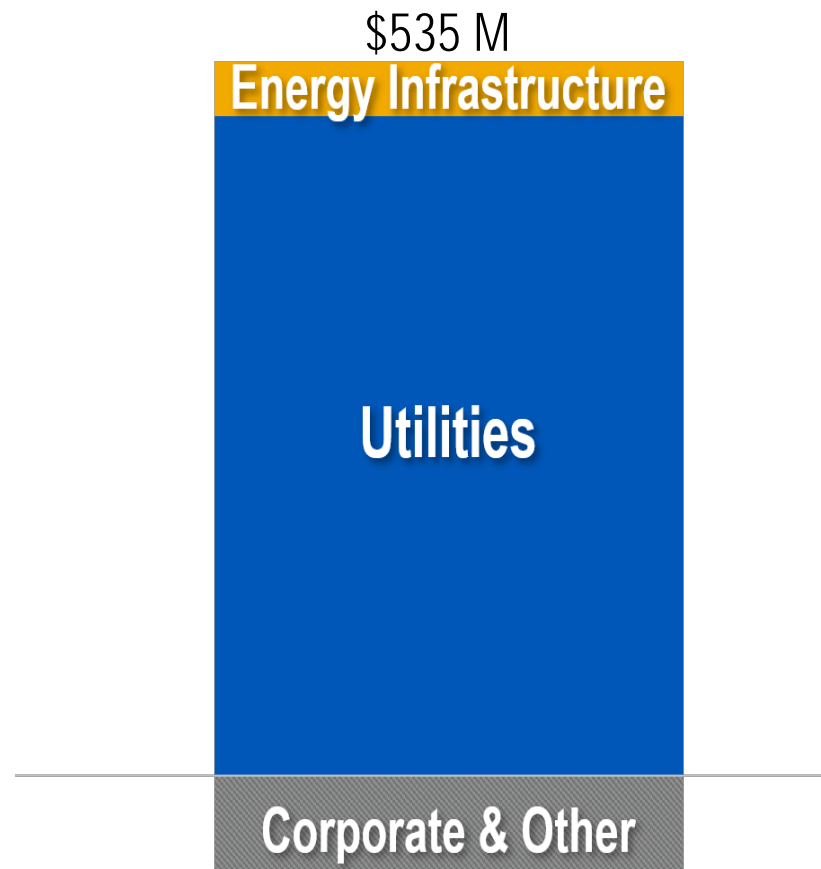
- **INDUSTRIAL WATER SERVICES**  
1 ALBERTA HEARTLAND INDUSTRIAL WATER SYSTEM
- **HYDROCARBON STORAGE**  
2 SALT CAVERN STORAGE FACILITY
- **NATURAL GAS STORAGE FACILITY**  
3 CARBON NATURAL GAS STORAGE FACILITY
- **GAS GATHERING & PROCESSING FACILITIES**  
4 IKHIL GAS PLANT
- **NON-REGULATED NATURAL GAS TRANSMISSION**  
5 MUSKEG RIVER PIPELINE



# CANADIAN UTILITIES SUMMARY



**UTILITIES ACHIEVE  
 TOP TIER RETURNS ON EQUITY**



**HIGH QUALITY EARNINGS  
 2020 ADJUSTED EARNINGS**



**LONG TRACK RECORD OF  
 EARNINGS & DIVIDEND GROWTH**



**ATCO**

ATCO INVESTMENTS

# ATCO FOCUS: GLOBAL ESSENTIAL SERVICES







**ATCO**

STRUCTURES & LOGISTICS

# STRUCTURES & LOGISTICS

**ATCO** | STRUCTURES & LOGISTICS

**ATCO** | MODULAR STRUCTURES

**ATCO** | FRONTEC



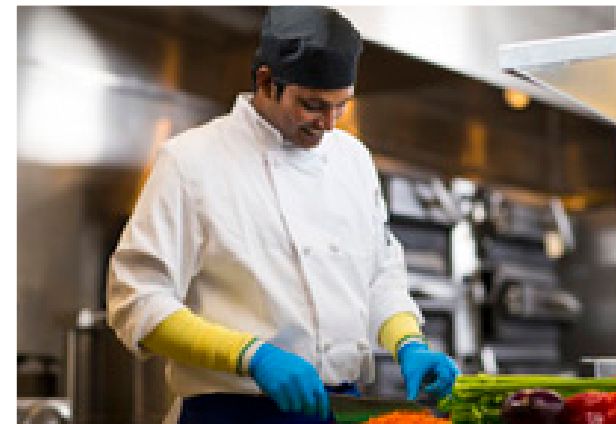
## Modular Structures

- Permanent modular construction



## Workforce Housing & Space Rentals

- Mobile office trailers
- Relocatable modular buildings



## Lodging & Support Services

- Lodging, catering
- Maintenance
- Waste management

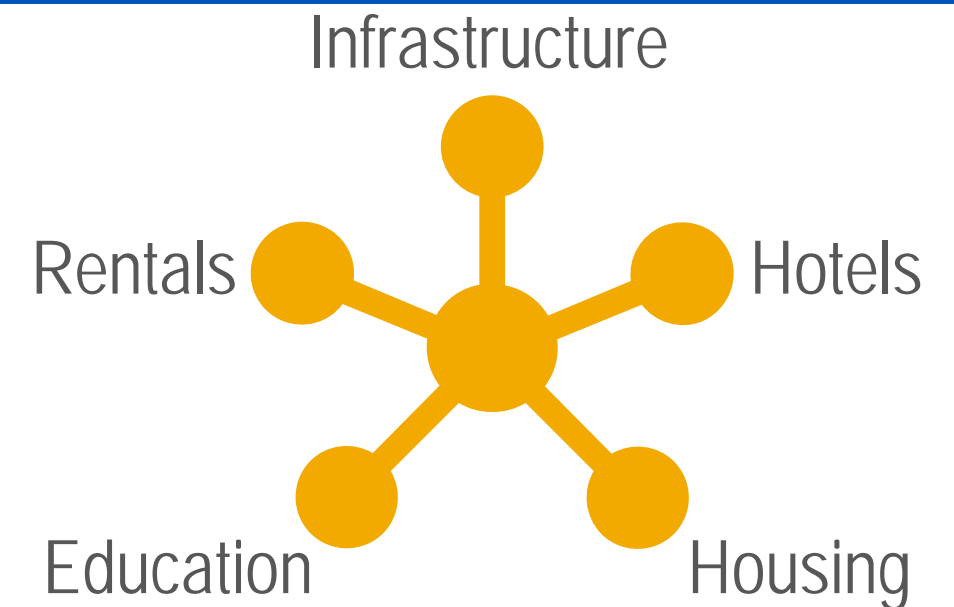


## Logistics and Facility O&M Services

- Facility operations
- Maintenance services
- Defense operations services
- Emergency management & disaster response services

# STRUCTURES & LOGISTICS

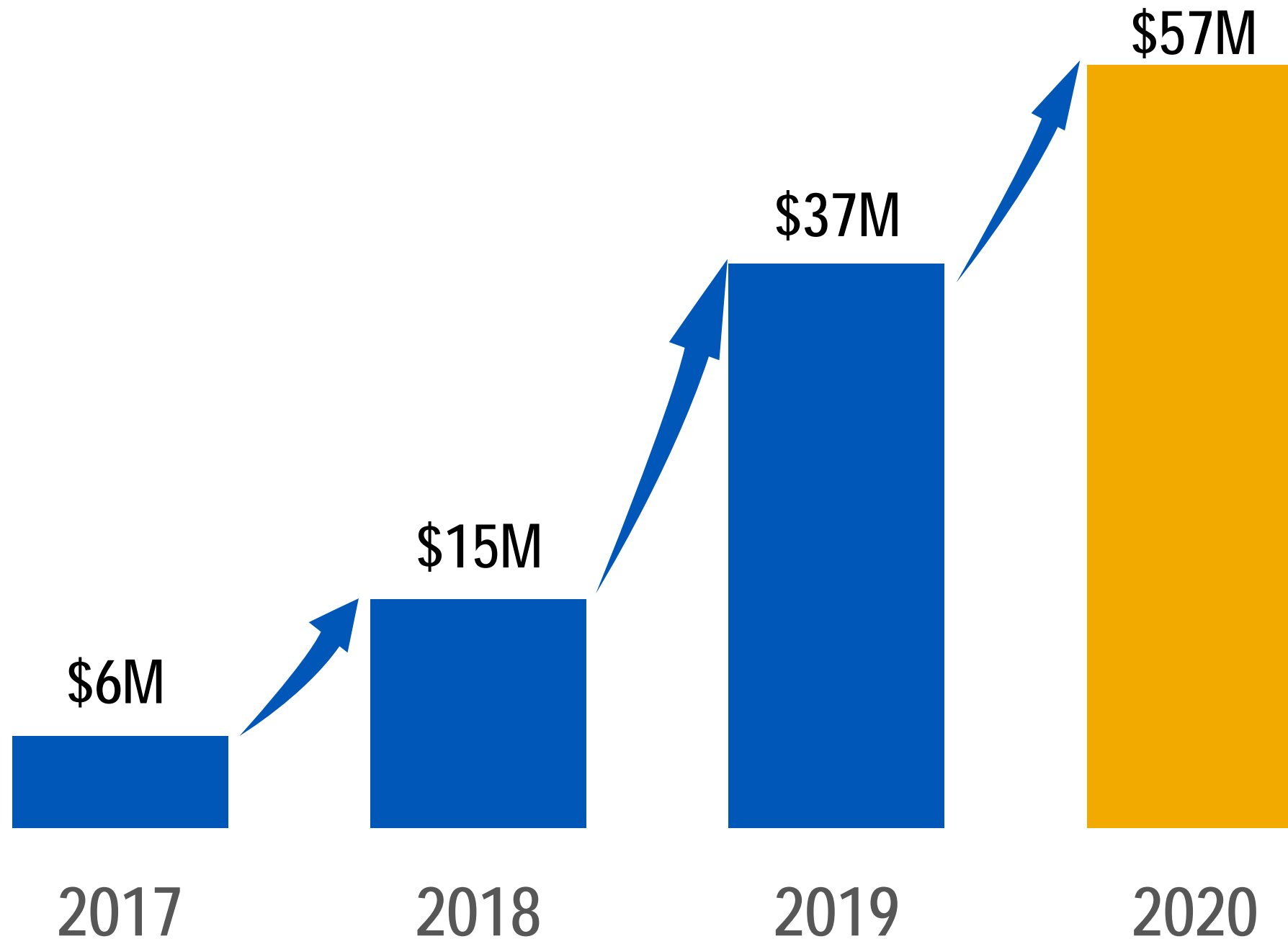
- Since 2015, on-going diversification of customer base into new market segments such as infrastructure projects, public education facilities, high density residential housing, hotels, hospitals and correctional facilities
- Not reliant on O&G sector



- Expanded and diversified geographically in new markets in Latin America
- Not reliant on one region

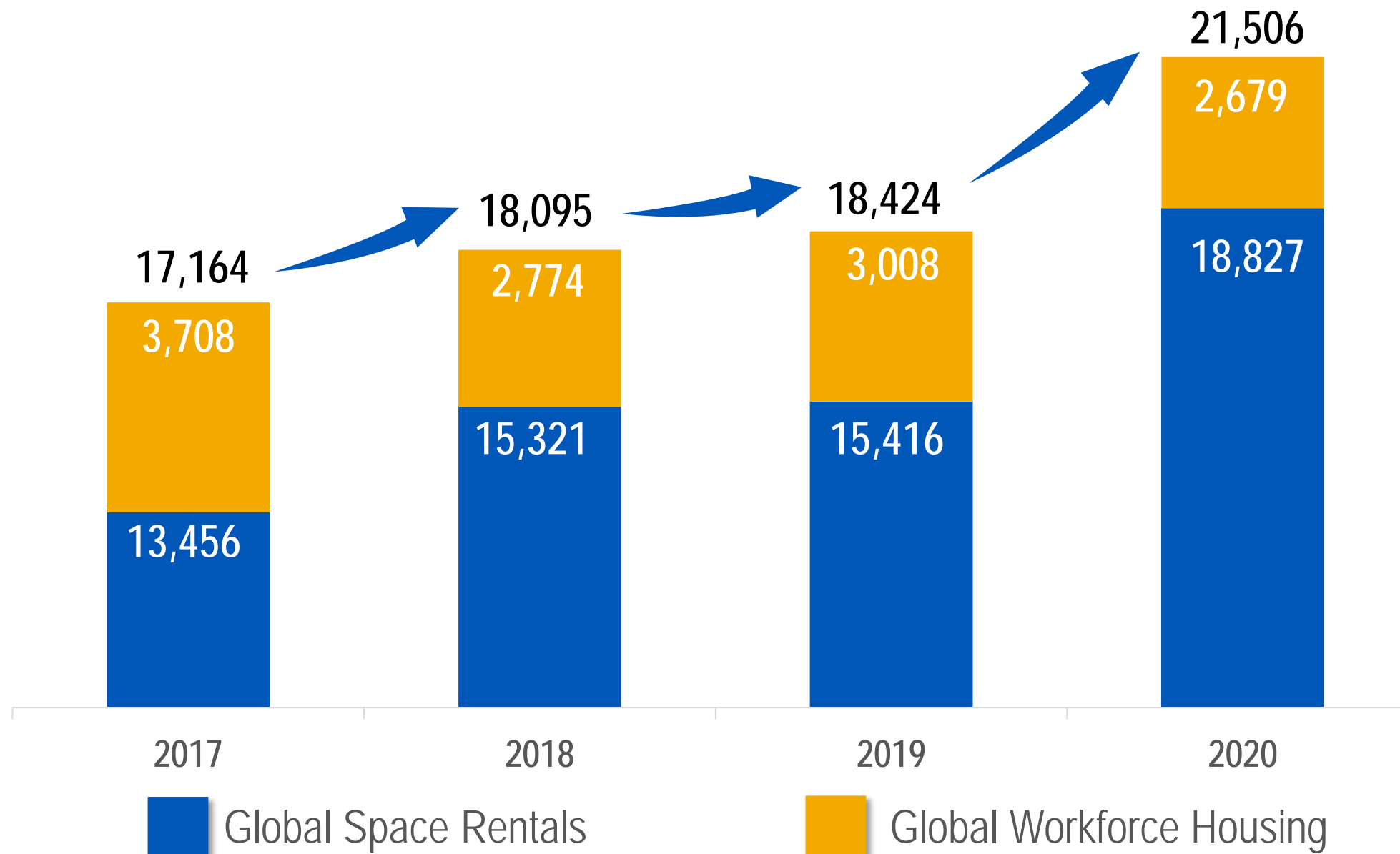


# STRUCTURES & LOGISTICS ADJUSTED EARNINGS



# STRUCTURES & LOGISTICS

Modular Structures rental fleet grew by 4,342 units or 25% since 2017



# SPACE RENTALS

*Continuing to expand our space rental fleet in existing space rental geographies and through continued strategic expansion in targeted regions of Canada and the US.*

## ATCO Sabinco S.A. Acquisition

- Acquired remaining **50 per cent** interest in its ATCO Sabinco S.A. joint venture partnership in 2020.
- In addition to the large-scale modular manufacturing facility and capabilities to deliver workforce housing projects throughout South America, this acquisition included **1,776 additional space rental units** at 81 per cent utilization.



ATCO Sabinco S.A., Chile

# WORKFORCE HOUSING

*Streamlining our manufacturing platform to scale quickly and profitably when needed to capture workforce housing contracts*

## China Lake Military Rebuild

- Completed installation on a \$12 million, 450-person camp in first quarter of 2021. The rental contract extends for 31 months.
- The project supports the rebuild and expansion of the China Lake Military Base in Southern California.



*China Lake Military Rebuild, Southern California, US*

## Trans Mountain Expansion Project

- Completed handover of two workforce housing rental contracts in 2020 to accommodate 1,150 persons in total
- Rental contracts for both camps will continue through 2023.



*Trans Mountain Expansion Project Camp, Valemount, BC*

# PERMANENT MODULAR CONSTRUCTION

*Diversifying the global customer base into non-traditional modular markets such as public education facilities, high density urban residential housing, hotels, hospitals, and correctional facilities*

## COVID-19 support in Mexico

- Mobilized two modular hospital facilities in Mexico City and Tijuana.
- Awarded a project services contract with the United Nations Office to supply two healthcare complexes in Guatemala.



*Modular Hospital Facility, Tijuana, MX*

## BC Supportive Housing Program

- Secured several projects with the Government of BC's supportive housing program in 2019 and 2020.
- Provided affordable housing to low income individuals and families across the province.



*Supportive housing complexes, Powell River & New Westminster, BC*



# ATCO FRONTEC

*Enabling our customers to focus on their core business*

## Lodging & Support Services

- Safely operating accommodation facilities during COVID-19, increasing client confidence and camp occupancies.

## Specialized Site Services for Military Operations

- Facility management and support services contracts for Government, Department of National Defence and NATO in both Canada and through our international operations in Europe.

## Operational Support for organizations in Canada's North

- Operating and maintaining facilities, bulk fuel and pipeline systems, water treatment, and construction services across the Arctic.

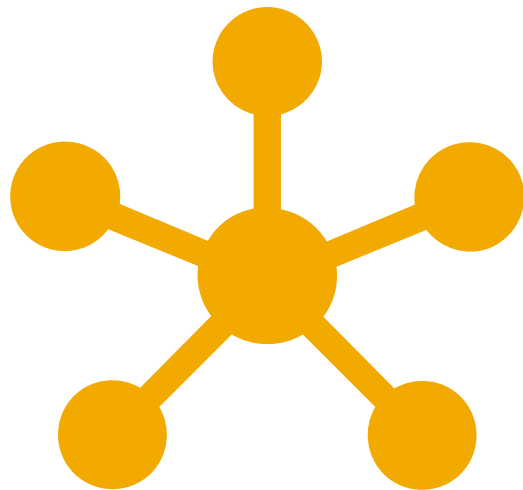
## Disaster & Emergency Management

- Working directly with communities and organizations to build resiliency, and provide critical infrastructure, logistics and support services in response to catastrophic events.

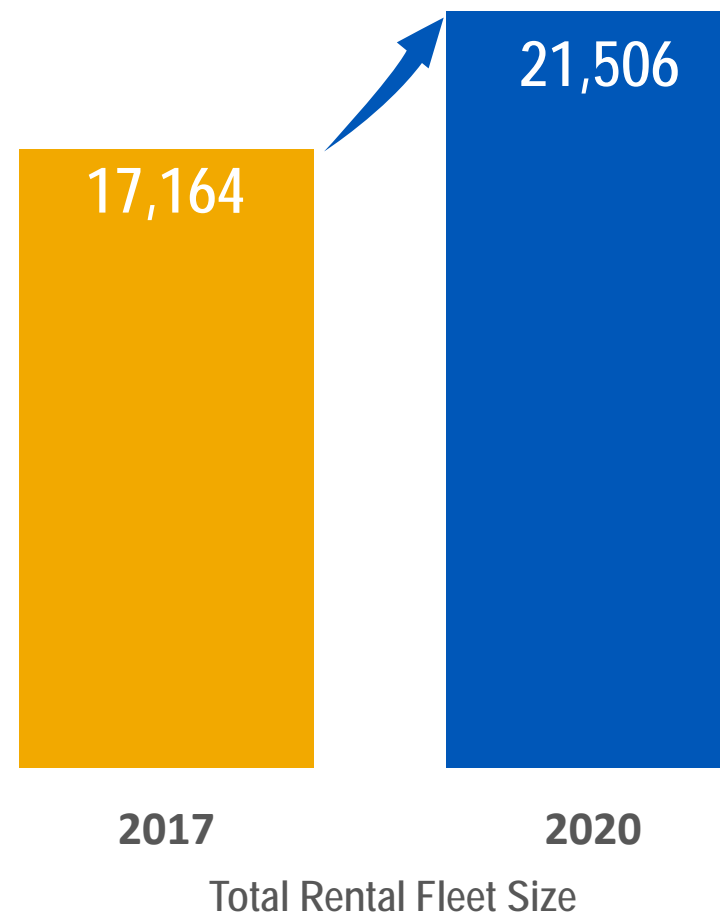


# STRUCTURES & LOGISTICS KEY HIGHLIGHTS

Diversifying our customer base into new market segments



Growing rental fleet



Constantly replenishing our global customer lead list





**ATCO**

NETUME PORTS

# NETTUME PORTS

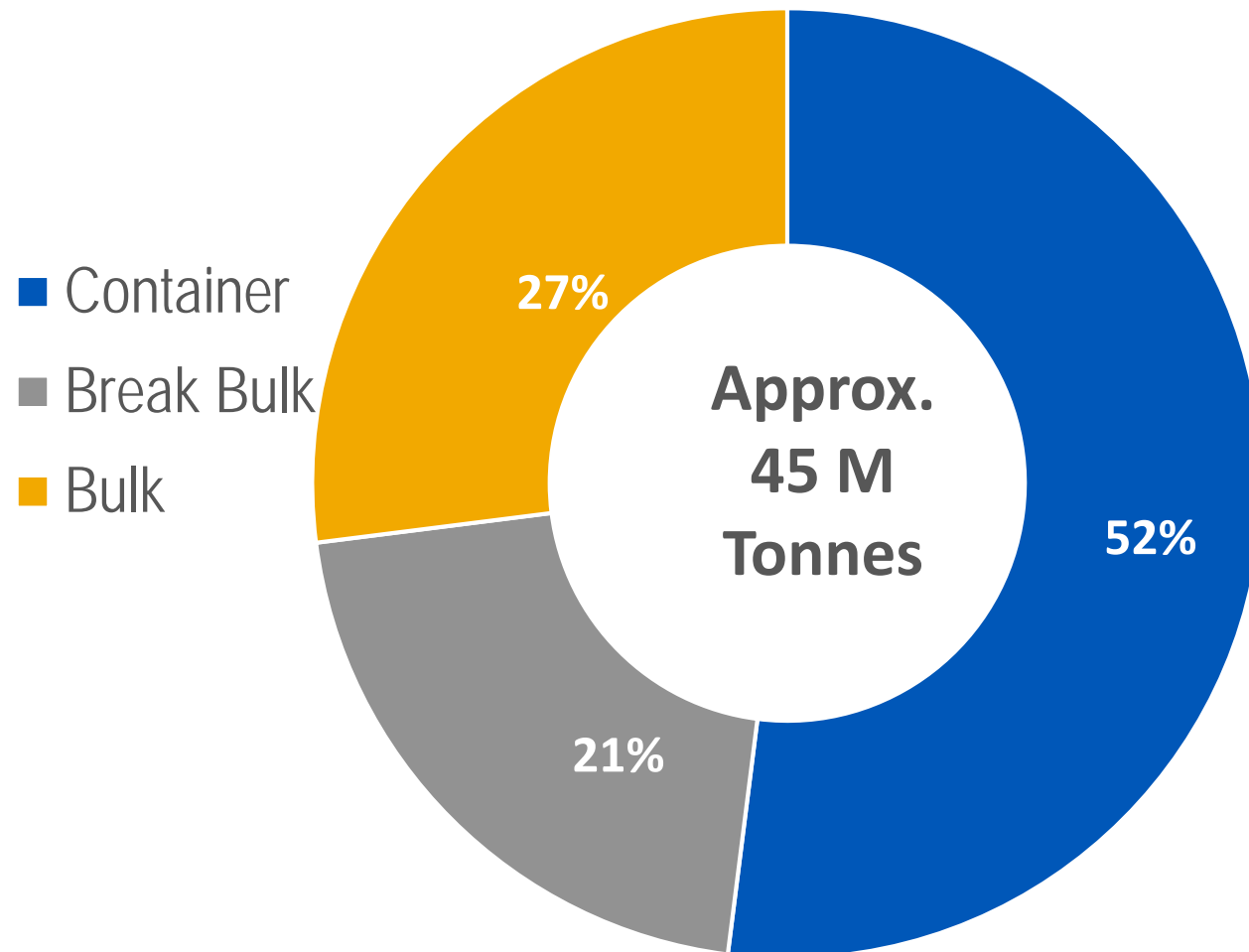
- ATCO acquired a 40 per cent ownership interest in Neltume Ports in September 2018.
- Neltume Ports is a leading port operator with 16 ports in four South American countries, and one port in the US.



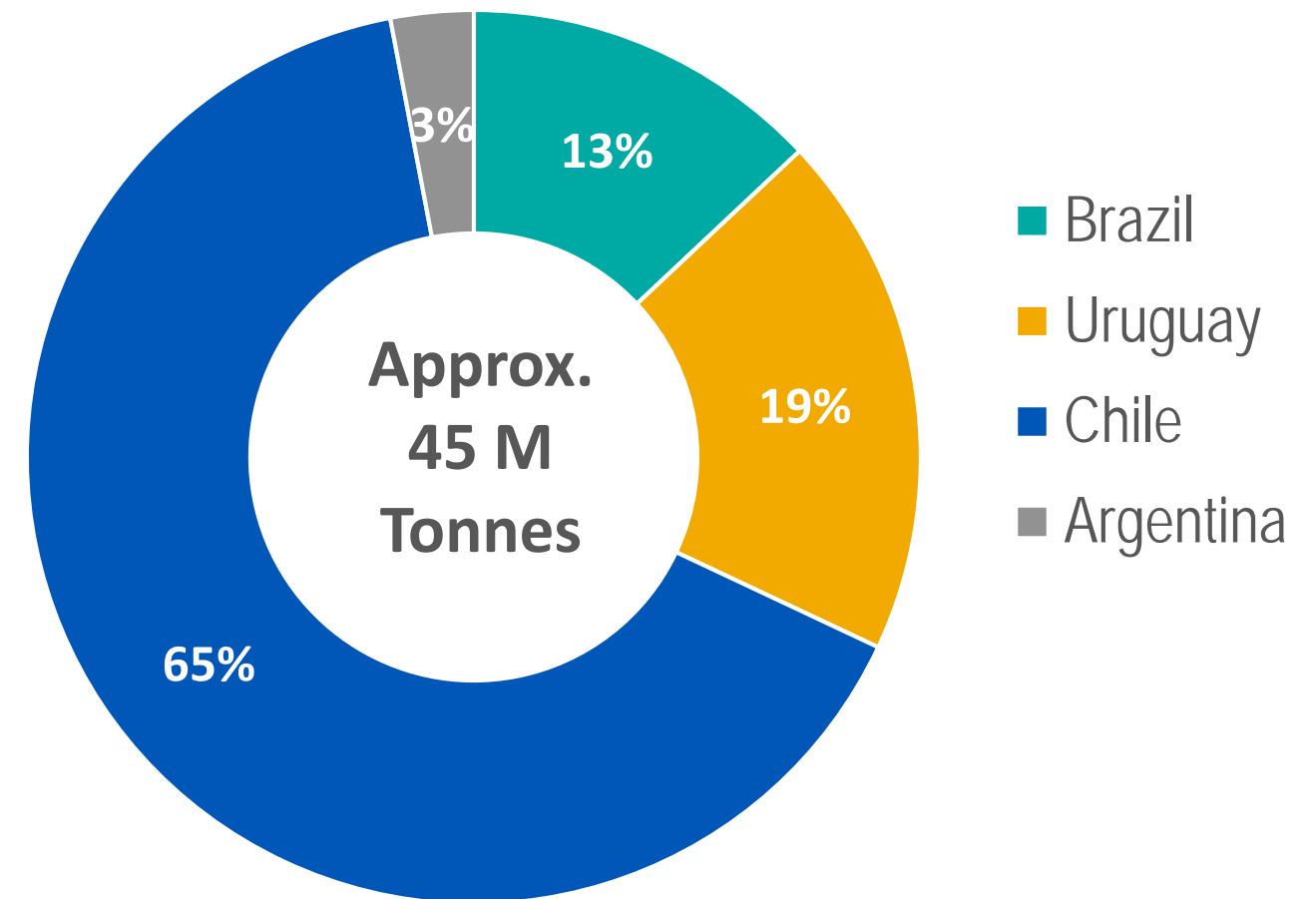
# NETLUME PORTS OPERATIONS

## DIVERSIFIED BY CARGO TYPE AND GEOGRAPHY

BY CARGO TYPE IN 2020



BY GEOGRAPHY IN 2020



\*Based on 100% of volumes of ports where Neltume Ports has an ownership stake

# PORT OVERVIEW

PORT	PER CENT OWNERSHIP	COUNTRY	TERMINAL TYPE	KEY CARGO
Terminal Puerto Arica	50%	CHL	Container	Mixed
Terminal Puerto Angamos	40%	CHL	Multi	Copper
Terminal Graneles del Norte	40%	CHL	Dry Bulk	Coal/Copper
Puerto Mejillones	50%	CHL	Dry Bulk	Zinc/Copper
Terminal Mejillones	50%	CHL	Liquid Bulk	Sulfuric Acid
Terminal Puerto Coquimbo	70%	CHL	Multi	Copper
Terminal Pacifico Sur	60%	CHL	Container	Fruit/Wine
Puerto Coronel	17%	CHL	Multi	Pulp/Wood
Terminal Puerto Rosario	50%	ARG	Multi	Mixed
Montecon	100%	URY	Container	Mixed
Terminales Graneleras Uruguayas	54%	URY	Dry Bulk	Soy Beans
Terminal Ontur	20%	URY	Multi	Agri./Pulp
Sagres - Four Ports (TLRG, TLP, TPP, TLG)	86%	BRA	Multi	Pulp/Wood
Automobile International Terminal (opening June 2021)	50%	US	Roll-on Roll-off	Vehicles

Puerto Angamos (PANG)



Montecon (MON)



Terminal Pacifico Sur (TPS)





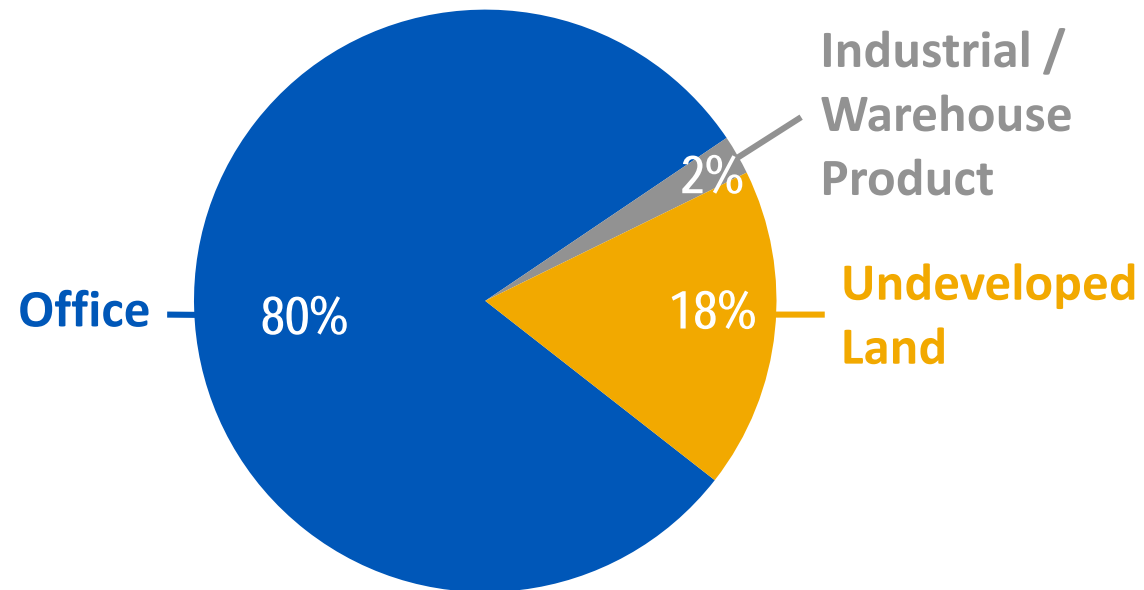
**ATCO**

COMMERCIAL REAL ESTATE

# COMMERCIAL REAL ESTATE

- Held properties can be monetized opportunistically
- Increase portfolio occupancy with 3<sup>rd</sup> party tenants
- Increase portfolio value and earnings by investing in commercial real estate projects on high potential sites, already in our portfolio

## ASSET TYPE & NBV (\$186 MILLION)





# KEY ATCO HIGHLIGHTS



GEOGRAPHIC  
DIVERSIFICATION



GLOBAL ESSENTIAL  
SERVICES



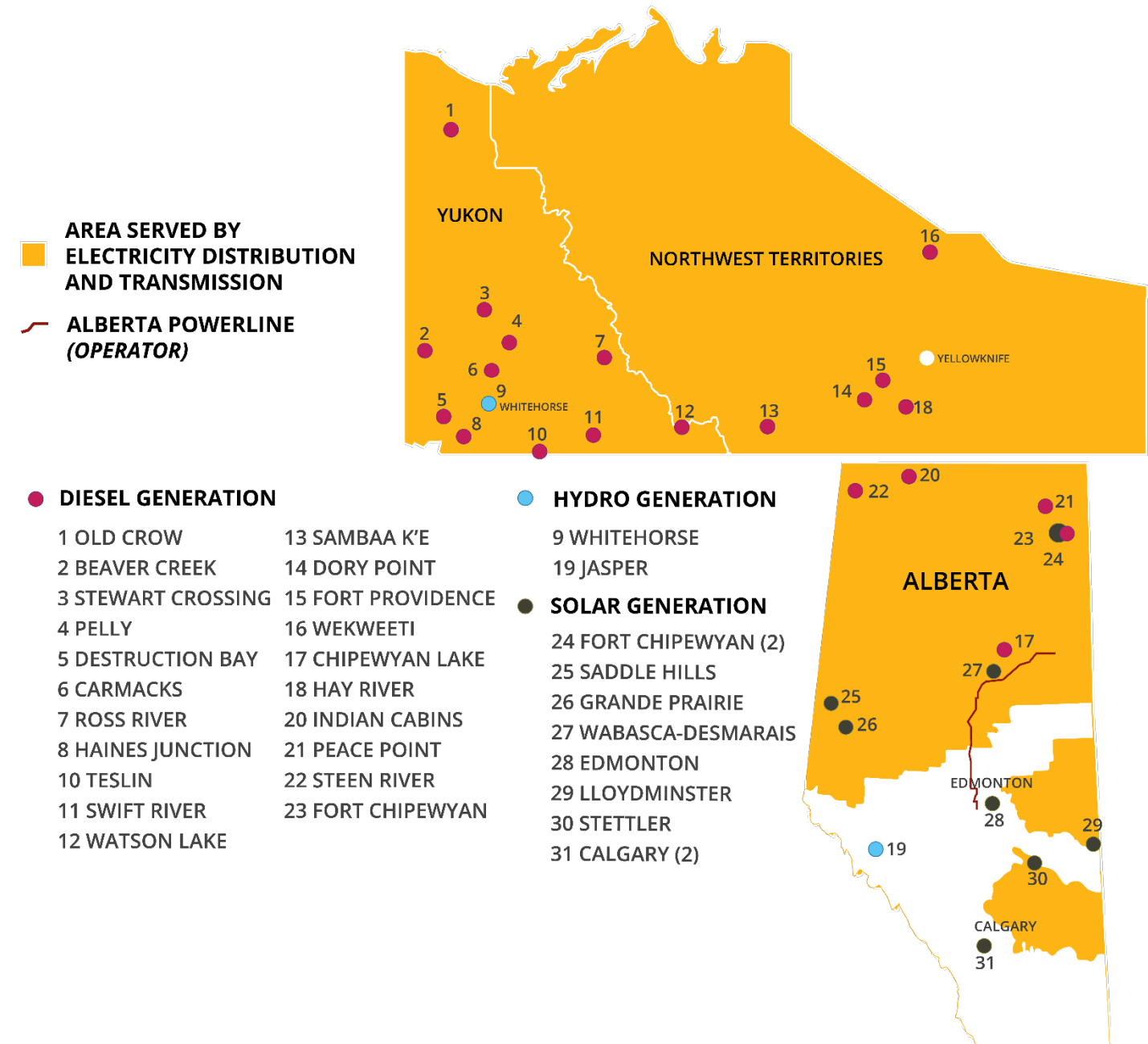
LONG TRACK RECORD  
OF DIVIDEND GROWTH

The ATCO logo is displayed in a bold, white, italicized sans-serif font. A thick yellow horizontal line is positioned directly beneath the letters, extending slightly beyond the left and right edges of the text. The background of the entire image is a photograph of a vast cornfield under a blue sky with scattered white clouds, with a dark blue gradient overlay on the top half.

APPENDIX

## We build, own and operate electrical distribution and transmission facilities

- 260,000 farm, business and residential customers in 240 Alberta communities
- Approximately 11,000 km of transmission lines, and delivers power to and operates 3,500 km of lines owned by Rural Electrification Associations, and 60,000 km of distribution lines
- Owns or operates 23 hydro, diesel and solar electric generating sites with 48-MW of capacity
- Subsidiaries:
  - ATCO Electric Yukon
  - Northland Utilities

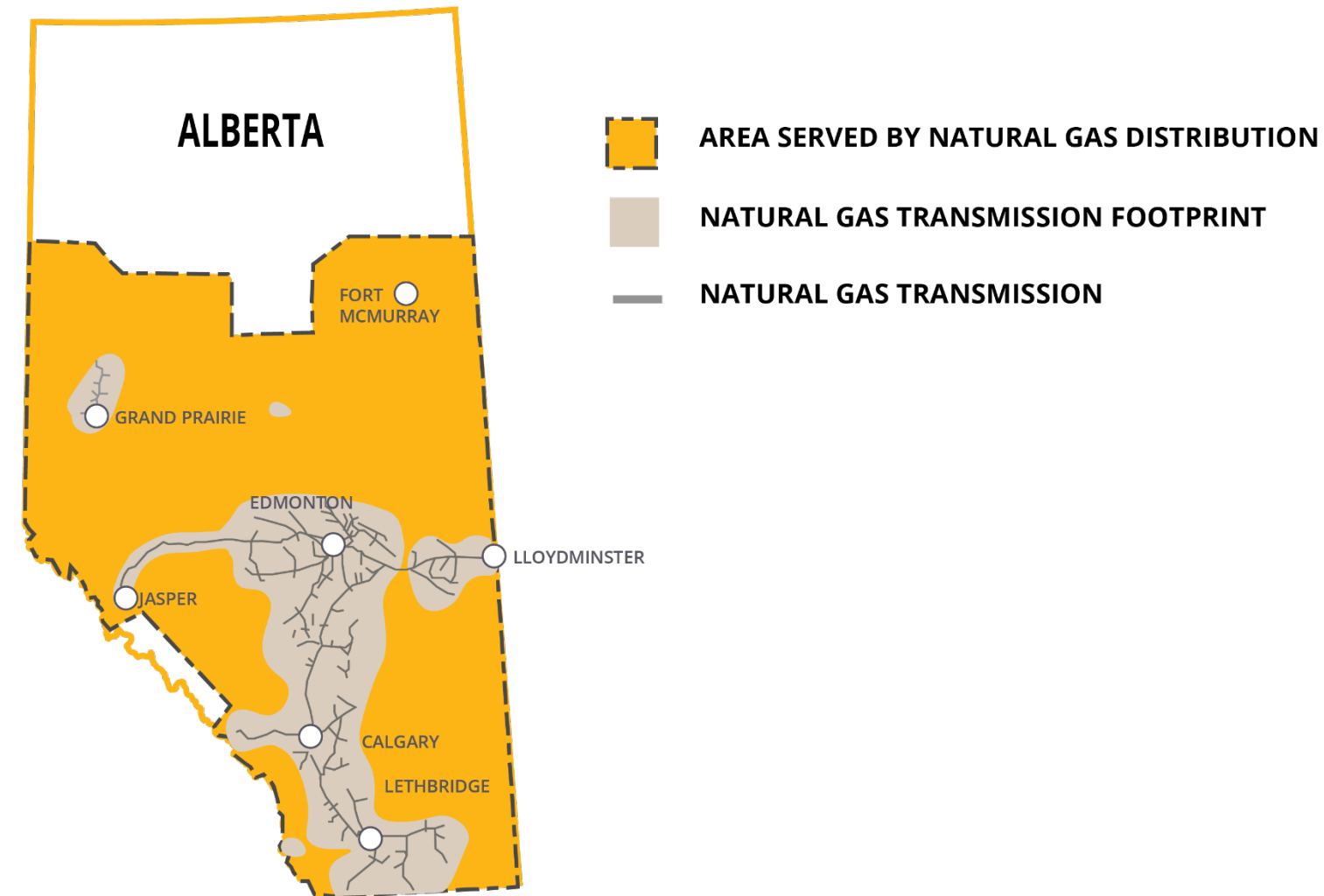


## We build, own and operate natural gas distribution facilities in Alberta

- Alberta's largest natural gas distribution company
- Serves over 1.2 million customers in nearly 300 Alberta communities
- We build, maintain, and operate 41,000 km of natural gas distribution pipelines

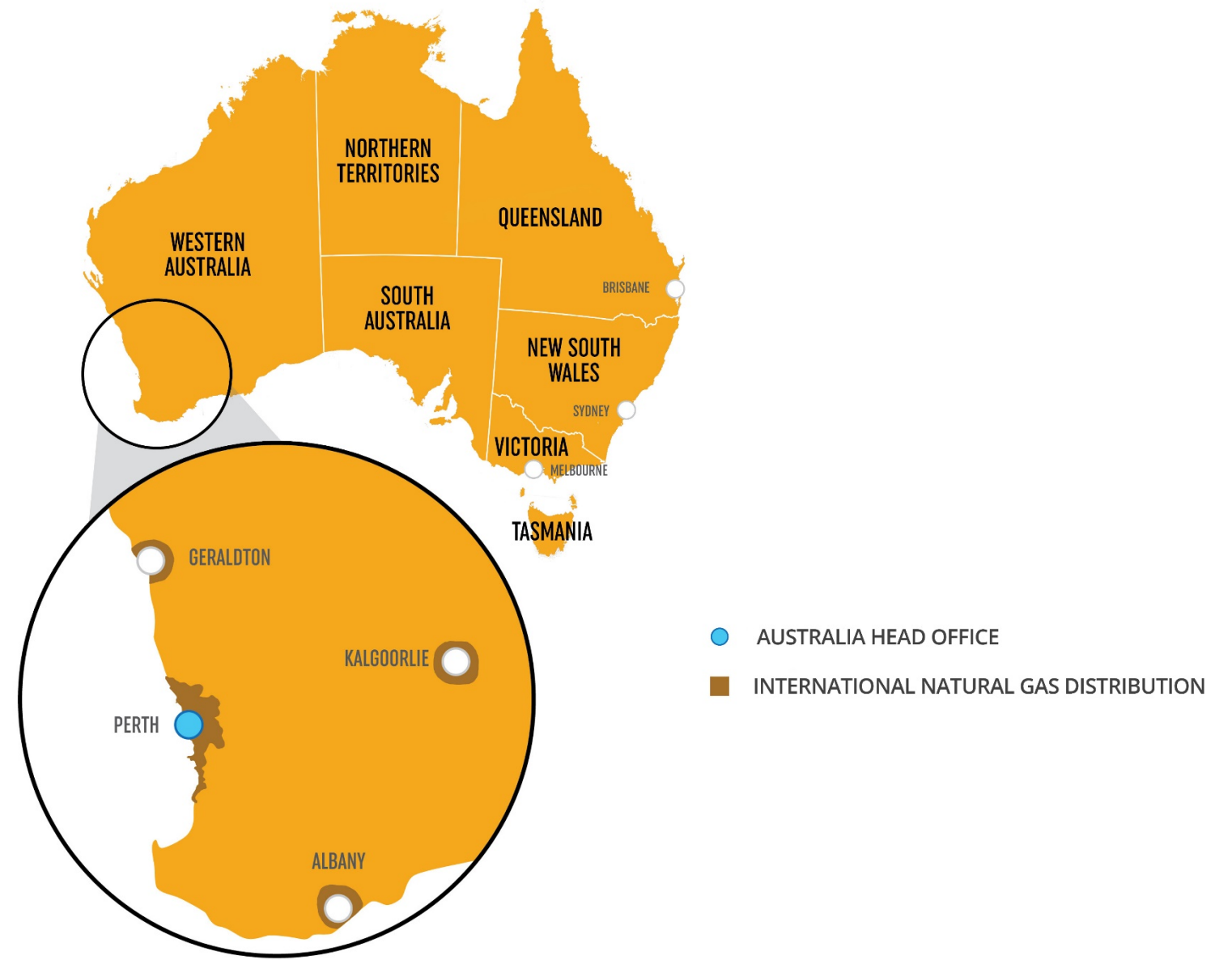
## We build, own and operate key high-pressure natural gas transmission facilities in Alberta

- Transports clean, efficient energy from producers and other pipelines to utilities, power generators and major industries
- Owns and operates 9,000 km of pipeline
- Delivers a peak of 4B cubic ft/day of natural gas to customers
- Approximately 3,700 receipt and delivery points
- Interconnections facilitate access to multiple intra-Alberta and export markets



We provide safe and reliable natural gas service to the Perth metropolitan area and the wider Western Australian community

- Approximately 766,000 customers
- 14,000 km of natural gas distribution pipelines





[www.ATCO.com](http://www.ATCO.com)

[www.canadianutilities.com](http://www.canadianutilities.com)

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