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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**Form 6-K**

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REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2021

Commission File Number 001-39237

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**ATLAS CORP.**

(Exact name of Registrant as specified in its Charter)

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23 Berkeley Square  
London, United Kingdom  
W1J 6HE  
(Address of principal executive office)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1). Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7). Yes  No

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**Item 1 — Information Contained in this Form 6-K Report**

This report on Form 6-K of Atlas Corp., or this Report, is hereby incorporated by reference into: the Registration Statement of Atlas Corp. filed with the Securities and Exchange Commission, (the "SEC"), on May 30, 2008 on Form F-3D (Registration No. 333-151329), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on March 31, 2011 on Form S-8 (Registration No. 333-173207), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on June 20, 2013 on Form S-8 (Registration No. 333-189493), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on April 24, 2012 on Form F-3 (Registration No. 333-180895), as amended on March 22, 2013 and February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on April 29, 2014 on Form F-3 (Registration No. 333-195571), as amended on March 6, 2017, April 19, 2017 and February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on November 28, 2014 on Form F-3 (Registration No. 333-200639), as amended on March 6, 2017, April 19, 2017 and February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on November 28, 2014 on Form S-8 (Registration No. 333-200640), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on March 12, 2015 on Form F-3D (Registration No. 333-202698), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on June 24, 2016 on Form S-8 (Registration No. 333-212230), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on August 25, 2017 on Form F-3 (Registration No. 333-220176), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on December 21, 2017 on Form S-8 (Registration No. 333-222216), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on April 13, 2018 on Form F-3D (Registration No. 333-224291), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on April 13, 2018 on Form F-3 (Registration No. 333-224288), as amended on May 3, 2018, May 7, 2018 and February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on September 28, 2018 on Form F-3 (Registration No. 333-227597), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on January 18, 2019 on Form F-3 (Registration No. 333-229312), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on March 27, 2019 on Form F-3 (Registration No. 333-230524), as amended on February 28, 2020, the Registration Statement of Atlas Corp. filed with the SEC on May 11, 2020 on Form F-3 (Registration No. 333-238178), as supplemented on December 7, 2020, the Registration Statement of Atlas Corp. filed with the SEC on June 30, 2020 on Form S-8 (Registration No. 333-239578), the Registration Statement of Atlas Corp filed with SEC on March 19, 2021 on Form F-3 (Registration No. 333-254536), and the Registration Statement of Atlas Corp filed with SEC on July 16, 2021 on Form F-3 (Registration No. 333-257967).

**Seaspan Corporation Financial Information**

Part I to this Report contains certain financial information of Seaspan Corporation, a wholly owned subsidiary of Atlas Corp., for the quarter ended June 30, 2021.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ATLAS CORP.

By: /s/ Graham Talbot  
Graham Talbot  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

Date: August 19, 2021

SEASpan CORPORATION  
REPORT ON FORM 6-K FOR THE QUARTER ENDED JUNE 30, 2021

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Unless we otherwise specify, when used in this Report, the term “Seaspan”, the “Company”, “we”, “our” and “us” refer to Seaspan Corporation and its subsidiaries. The term “Atlas” refers to Atlas Corp., our parent company.

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**SEASpan CORPORATION**  
**PART I – FINANCIAL INFORMATION**  
**ITEM 1 – INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**SEASpan CORPORATION**  
Interim Consolidated Balance Sheets  
(Unaudited)  
(Expressed in millions of United States dollars)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 121.1	\$ 243.5
Accounts receivable	30.9	20.9
Due from related party (note 2)	28.4	19.5
Prepaid expenses and other	30.5	31.5
Net investment in lease (note 3)	12.7	10.7
	<u>223.6</u>	<u>326.1</u>
Vessels (note 4)	7,118.9	6,619.6
Right-of-use asset (note 5)	777.3	838.6
Net investment in lease (note 3)	498.4	418.6
Goodwill	75.3	75.3
Derivative instruments (note 14(c))	47.3	19.2
Other assets (note 6)	314.2	186.9
	<u>\$ 9,055.0</u>	<u>\$ 8,484.3</u>
<b>Liabilities and shareholder's equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 90.8	\$ 88.9
Deferred revenue	19.3	26.3
Long-term debt - current (note 7)	318.0	321.7
Operating lease liabilities - current (note 8)	156.0	159.1
Other financing arrangements - current (note 9)	86.9	64.1
Other liabilities - current	17.2	2.8
	<u>688.2</u>	<u>662.9</u>
Long-term debt (note 7)	3,325.7	3,025.0
Operating lease liabilities (note 8)	611.0	668.1
Other financing arrangements (note 9)	1,054.6	801.7
Derivative instruments (note 14(c))	94.7	68.9
Other liabilities	14.4	10.4
Total liabilities	<u>5,788.6</u>	<u>5,237.0</u>
Shareholder's equity:		
Share capital	2.5	2.5
Additional paid in capital	3,561.7	3,557.8
Deficit	(278.1)	(292.7)
Accumulated other comprehensive loss	(19.7)	(20.3)
	<u>3,266.4</u>	<u>3,247.3</u>
	<u>\$ 9,055.0</u>	<u>\$ 8,484.3</u>

Commitments and contingencies (note 12)  
Subsequent events (note 15)

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**  
Interim Consolidated Statements of Operations  
(Unaudited)  
(Expressed in millions of United States dollars)

	Three months ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue (note 11)	\$ 350.6	\$ 303.8	\$ 684.4	\$ 596.3
Operating expenses:				
Ship operating expenses	74.4	56.7	142.6	113.5
Depreciation and amortization	75.9	72.7	151.1	139.3
General and administrative	9.6	6.8	19.1	15.6
Operating leases (note 8)	36.0	37.3	71.4	75.4
	<u>195.9</u>	<u>173.5</u>	<u>384.2</u>	<u>343.8</u>
Operating earnings	154.7	130.3	300.2	252.5
Other expenses (income):				
Interest expense	50.3	45.9	93.0	93.8
Interest income	(0.1)	(0.3)	(0.2)	(1.1)
Loss on debt extinguishment (note 7)	56.1	—	56.1	—
Loss on derivative instruments (note 14 (c))	5.2	7.0	11.1	31.8
Other expenses	1.7	0.6	2.6	1.2
	<u>113.2</u>	<u>53.2</u>	<u>162.6</u>	<u>125.7</u>
Net earnings	<u>\$ 41.5</u>	<u>\$ 77.1</u>	<u>\$ 137.6</u>	<u>\$ 126.8</u>

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**

## Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in millions of United States dollars)

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	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net earnings	\$ 41.5	\$ 77.1	\$ 137.6	\$ 126.8
Other comprehensive income:				
Amounts reclassified to net earnings during the period relating to cash flow hedging instruments (note 14(c))	0.3	0.4	0.6	0.7
Comprehensive income	<u>\$ 41.8</u>	<u>\$ 77.5</u>	<u>\$ 138.2</u>	<u>\$ 127.5</u>

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**  
Interim Consolidated Statement of Shareholder's Equity  
(Unaudited)  
(Expressed in millions of United States dollars, except number of shares)

Three months ended June 30, 2021

	Number of common shares	Common shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholder's equity
Balance, March 31, 2021, carried forward	249,219,800	\$ 2.5	\$ 3,560.2	\$ (244.6)	\$ (20.0)	\$ 3,298.1
Net earnings	—	—	—	41.5	—	41.5
Other comprehensive income	—	—	—	—	0.3	0.3
Dividends on common shares	—	—	—	(75.0)	—	(75.0)
Share-based compensation expense (note 2)	—	—	1.5	—	—	1.5
Balance, June 30, 2021	249,219,800	\$ 2.5	\$ 3,561.7	\$ (278.1)	\$ (19.7)	\$ 3,266.4

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**

## Interim Consolidated Statement of Shareholder's Equity

(Unaudited)

(Expressed in millions of United States dollars, except number of shares)

Three months ended June 30, 2020

	Number of common shares	Common shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholder's equity
Balance, March 31, 2020, carried forward	249,219,800	\$ 2.5	\$ 3,535.2	\$ (441.5)	\$ (21.3)	\$ 3,074.9
Net earnings	—	—	—	77.1	—	77.1
Other comprehensive income	—	—	—	—	0.4	0.4
Capital contribution from Atlas	—	—	20.0	—	—	20.0
Dividends on common shares	—	—	—	(68.0)	—	(68.0)
Share-based compensation expense	—	—	0.8	—	—	0.8
Balance, June 30, 2020	<u>249,219,800</u>	<u>\$ 2.5</u>	<u>\$ 3,556.0</u>	<u>\$ (432.4)</u>	<u>\$ (20.9)</u>	<u>\$ 3,105.2</u>

See accompanying notes to interim consolidated financial statements.



**SEASPAN CORPORATION**

## Interim Consolidated Statement of Shareholder's Equity

(Unaudited)

(Expressed in millions of United States dollars, except number of shares)

Six months ended June 30, 2021

	Number of common shares	Common shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholder's equity
Balance, December 31, 2020, carried forward	249,219,800	\$ 2.5	\$ 3,557.8	\$ (292.7)	\$ (20.3)	\$ 3,247.3
Net earnings	—	—	—	137.6	—	137.6
Other comprehensive income	—	—	—	—	0.6	0.6
Dividends on common shares	—	—	—	(123.0)	—	(123.0)
Share-based compensation expense (note 2)	—	—	3.9	—	—	3.9
Balance, June 30, 2021	<u>249,219,800</u>	<u>\$ 2.5</u>	<u>\$ 3,561.7</u>	<u>\$ (278.1)</u>	<u>\$ (19.7)</u>	<u>\$ 3,266.4</u>

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**

## Interim Consolidated Statement of Shareholder's Equity

(Unaudited)

(Expressed in millions of United States dollars, except number of shares)

Six months ended June 30, 2020

	Number of common shares	Number of preferred shares	Common shares	Preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholder's 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	—	—	—	—	—	(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	—	—	—	—	—	126.8	—	126.8
Other comprehensive income	—	—	—	—	—	—	0.7	0.7
Cancellation of preferred shares	33,335,570	(33,335,570)	0.3	(0.3)	—	—	—	—
Capital contribution from Atlas	—	—	—	—	100.0	—	—	100.0
Dividends on common shares	—	—	—	—	—	(342.9)	—	(342.9)
Dividends on preferred shares	—	—	—	—	—	(16.8)	—	(16.8)
Shares issued through dividend reinvestment program	7,943	—	—	—	0.1	(0.1)	—	—
Share-based compensation expense	162,910	—	—	—	3.0	—	—	3.0
Treasury shares	37,778	—	0.4	—	—	—	—	0.4
Deconsolidation of Atlas	—	—	—	—	—	3.6	—	3.6
Balance, June 30, 2020	<u>249,219,800</u>	<u>—</u>	<u>\$ 2.5</u>	<u>\$ —</u>	<u>\$ 3,556.0</u>	<u>\$ (432.4)</u>	<u>\$ (20.9)</u>	<u>\$ 3,105.2</u>

See accompanying notes to interim consolidated financial statements.

**SEASPAN CORPORATION**  
Interim Consolidated Statements of Cash Flows  
(Unaudited)  
(Expressed in millions of United States dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cash from (used in):				
Operating activities:				
Net earnings	\$ 41.5	\$ 77.1	\$ 137.6	\$ 126.8
Items not involving cash:				
Depreciation and amortization	75.9	72.7	151.1	139.3
Change in right-of-use asset	31.0	29.6	61.3	58.9
Non-cash interest expense and accretion	10.8	8.9	21.9	17.8
Unrealized change in derivative instruments	(1.4)	2.1	(2.3)	22.9
Amortization of acquired revenue contracts	3.9	4.2	8.1	8.1
Loss on debt extinguishment	56.1	—	56.1	—
Other	(0.1)	1.4	3.1	3.6
Changes in assets and liabilities:				
Accounts receivable	(10.6)	(5.9)	(21.1)	(35.2)
Net investment in lease	3.0	2.6	6.2	7.7
Prepaid expenses and other	1.6	(0.7)	1.0	(4.1)
Deferred dry-dock	(9.3)	(24.4)	(14.8)	(36.2)
Other assets	(1.9)	0.8	(5.6)	(3.3)
Accounts payable and accrued liabilities	6.2	3.5	(2.2)	18.8
Deferred revenue	(7.8)	0.5	(7.1)	(3.1)
Operating lease liabilities	(30.2)	(29.0)	(60.2)	(57.7)
Derivative instruments	6.7	4.9	13.4	8.9
Cash from operating activities	<u>175.4</u>	<u>148.3</u>	<u>346.5</u>	<u>273.2</u>
Investing activities:				
Acquisition of and additions to vessels	(507.8)	(186.4)	(706.1)	(432.9)
Payment on settlement of interest swap agreements	(8.1)	(5.4)	(13.4)	(8.1)
Other assets and liabilities	(124.0)	(9.2)	(123.3)	(47.5)
Cash used in investing activities	<u>(639.9)</u>	<u>(201.0)</u>	<u>(842.8)</u>	<u>(488.5)</u>
Financing activities:				
Repayments of long-term debt and other financing arrangements	(541.8)	(131.2)	(957.3)	(486.5)
Issuance of long-term debt and other financing arrangements	1,304.5	228.2	1,834.7	761.9
Issuance of Fairfax Notes	—	—	—	100.0
Repayment of promissory note payable to Atlas (note 2)	(52.2)	—	(52.2)	—
Payment to Atlas to settle Fairfax Exchange (note 2)	(300.0)	—	(300.0)	—
Financing fees	(25.8)	(5.8)	(28.3)	(8.8)
Dividends on common shares	(75.0)	(48.0)	(123.0)	(274.9)
Dividends on preferred shares	—	—	—	(16.8)
Capital contribution from Atlas	—	20.0	—	100.0
Cash from financing activities	<u>309.7</u>	<u>63.2</u>	<u>373.9</u>	<u>174.9</u>
Increase (decrease) in cash and cash equivalents	(154.8)	10.5	(122.4)	(40.4)
Cash and cash equivalents and restricted cash, beginning of period	275.9	146.4	243.5	197.3
Cash and cash equivalents and restricted cash, end of period	<u>\$ 121.1</u>	<u>\$ 156.9</u>	<u>\$ 121.1</u>	<u>\$ 156.9</u>

Supplemental cash flow information (note 10)

See accompanying notes to interim consolidated financial statements.

1. **Significant accounting policies:**

(a) Basis of presentation:

The accompanying interim financial information of Seaspan Corporation (the “Company” or “Seaspan”) has been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), on a basis consistent with those followed in the December 31, 2020 audited annual consolidated financial statements of Seaspan. The accompanying interim financial information is unaudited and reflects all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for a fair presentation of results for the interim periods presented. The unaudited interim consolidated financial statements do not include all the disclosures required under U.S. GAAP for annual financial statements and should be read in conjunction with the December 31, 2020 annual consolidated financial statements of Seaspan filed with the U.S. Securities and Exchange Commission on an Atlas Corp. Form 6-K.

The outbreak of COVID-19 has had a negative effect on the global economy and has adversely impacted the containership leasing industry. During the initial onset of COVID-19 in the first half of 2020, the containership industry experienced decreased container trade and reduced charter rates. Since then, trade and charter rates have rebounded markedly due to increased demand and lack of capacity. 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. 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.

(b) 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 its 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.

*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. The guidance is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance.

(c) Comparative information:

Certain prior period information has been reclassified to conform with current financial statement presentation.

2. **Related party transactions:**

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.

Fairfax Financial Holdings Ltd. and its affiliates (“Fairfax”) hold approximately 40.5% of Atlas, which holds all of the issued and outstanding common shares of Seaspan. For the three and six months ended June 30, 2021, interest expense related to Seaspan’s notes held by Fairfax, including the 5.5% senior notes due 2025 (the “2025 Fairfax Notes”), the 5.5% senior notes due 2026 (the “2026 Fairfax Notes”) and the 5.5% senior notes due 2027 (the “2027 Fairfax Notes” and together with the 2025 Fairfax Notes and 2026 Fairfax Notes, the “Fairfax Notes”), excluding amortization of the debt discount, was \$8,441,000 and \$16,691,000, respectively (2020 - \$8,250,000 and \$15,643,000, respectively). For the three and six months ended June 30, 2021, amortization of debt discount was \$5,038,000 and \$10,532,000, respectively (2020 - \$5,042,000 and \$9,878,000, respectively).

In June 2021, Atlas and Seaspan exchanged and amended the Fairfax Notes. Pursuant to this transaction, Atlas exchanged \$200,000,000 aggregate principal amount of the 2026 Fairfax Notes and all \$100,000,000 aggregate principal amount of the 2027 Fairfax Notes for (i) 12,000,000 Series J 7.00% Cumulative Redeemable Perpetual Preferred Shares of Atlas (the “Series J Preferred Shares”), representing total liquidation value of \$300,000,000, and (ii) 1,000,000 five year warrants to purchase

2. **Related party transactions (continued):**

an equal number of Atlas common shares at an exercise price of \$13.71 per share (the “Fairfax Exchange”) (note 7(e)). Subsequent to the Fairfax Exchange, Seaspan paid \$300 million to Atlas to settle the exchanged 2026 Fairfax Notes and 2027 Fairfax Notes and the notes were cancelled.

In connection with the Fairfax Exchange, the Fairfax Holders also agreed to amend the terms of the \$300,000,000 aggregate principal amount of the Fairfax Notes that remained outstanding following the Fairfax Exchange (the “Amendment”), which included all \$250,000,000 aggregate principal amount of the 2025 Fairfax Notes and \$50,000,000 aggregate principal amount of the 2026 Fairfax Notes. The Amendment, among other things, revised the optional redemption provisions to allow the Company to redeem the amended notes at its option, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest. On August 13, 2021, the Company issued notice of its intention to redeem all of the 2025 Fairfax Notes and 2026 Fairfax Notes for cash on August 23, 2021 (note 15).

*Transactions with Atlas Corp.*

The Company makes dividend payments to Atlas on a quarterly basis to service Atlas’ payment of dividends to holders of its common and preferred shares. During the three and six months ended June 30, 2021, the Company declared dividends of \$75,000,000 and \$123,000,000, respectively (2020 - \$68,000,000 and \$359,700,000, respectively) to Atlas.

The Company routinely makes payments to cover expenses on behalf of Atlas. As of June 30, 2021, amounts due from Atlas are non-interest bearing, unsecured and have no fixed repayment terms. The Company provides certain management services to Atlas in exchange for a management fee. For the three and six months ended June 30, 2021, the management service revenue recognized from this arrangement was \$2,435,000 and \$4,674,000, respectively (2020 – nil). During the quarter ended June 30, 2021, the Company repaid an intercompany promissory note of \$52,198,825 to Atlas in relation to the exchange of the 2027 Notes (as defined in note 7(d)).

During the three and six months ended June 30, 2021, Atlas granted nil and 252,494 restricted stock units to certain members of senior management of Seaspan, under the Atlas Stock Incentive Plan.

As at June 30, 2021, the Company’s 3.75% exchangeable senior unsecured notes due in 2025 (“Exchangeable Notes”), of which there was \$195,604,000 aggregate principal amount outstanding net of debt discount (December 31, 2020 – \$195,000,000). The Exchangeable Notes are exchangeable into common shares of Atlas.

3. **Net investment in lease:**

	June 30, 2021	December 31, 2020
Undiscounted lease receivable	\$ 928.4	\$ 773.2
Unearned interest income	(417.3)	(343.9)
Net investment in lease	<u>\$ 511.1</u>	<u>\$ 429.3</u>

	June 30, 2021	December 31, 2020
Lease receivables	\$ 504.5	\$ 429.3
Unguaranteed residual value	6.6	—
Net investment in lease	511.1	429.3
Current portion of net investment in lease	(12.7)	(10.7)
Long-term portion of net investment in lease	<u>\$ 498.4</u>	<u>\$ 418.6</u>

In February 2021, the Company commenced a fixed rate bareboat charter with a term of 18 years on a recently acquired 12000 TEU vessel, which has been classified as a sales-type lease. No gain or loss was recognized on commencement date.

At June 30, 2021, the undiscounted minimum cash flows related to lease receivable on financing leases are as follows:

Remainder of 2021	\$	26.6
2022		52.9
2023		52.9
2024		53.0
2025		52.9
Thereafter		690.1
	<u>\$</u>	<u>928.4</u>

4. **Vessels:**

<u>June 30, 2021</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Vessels	\$ 9,315.9	\$ (2,707.8)	\$ 6,608.1
Vessels under construction	510.8	—	510.8
<b>Total</b>	<b>\$ 9,826.7</b>	<b>\$ (2,707.8)</b>	<b>\$ 7,118.9</b>

  

<u>December 31, 2020</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Vessels	\$ 9,148.9	\$ (2,571.3)	\$ 6,577.6
Vessels under construction	42.0	—	42.0
<b>Total</b>	<b>\$ 9,190.9</b>	<b>\$ (2,571.3)</b>	<b>\$ 6,619.6</b>

Upon commencement of a fixed rate bareboat charter in February 2021, \$88,060,575 was reclassified to net investment in lease from vessels (note 3).

In April and May 2021, the Company took delivery of two 8500 TEU vessels, for an aggregate purchase price of \$104,500,000.

In May 2021, the Company took delivery of one 15000 TEU vessel for an aggregate purchase price of \$127,000,000.

During the three and six months ended June 30, 2021, depreciation and amortization expense relating to vessels was \$69,097,000 and \$137,360,000, respectively (2020 – \$65,212,000 and \$125,836,000, respectively).

*Vessels under construction:*

During the three and six months ended June 30, 2021, the Company entered into shipbuilding contracts for two 24000 TEU, six 12000 TEU, twenty-six 15000 TEU, and six 15500 TEU vessels for an aggregate purchase price of \$4,826,286,000 payable to the respective shipyards in installments. As at June 30, 2021, the Company has 45 vessels under construction (December 31, 2020 – 5 vessels).

5. **Right-of-use assets:**

<u>June 30, 2021</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
Vessel operating leases	\$ 1,060.9	\$ (288.3)	\$ 772.6
Other operating leases	9.4	(4.7)	4.7
<b>Right-of-use assets</b>	<b>\$ 1,070.3</b>	<b>\$ (293.0)</b>	<b>\$ 777.3</b>

  

<u>December 31, 2020</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
Vessel operating leases	\$ 1,060.9	\$ (228.0)	\$ 832.9
Other operating leases	9.4	(3.7)	5.7
<b>Right-of-use assets</b>	<b>\$ 1,070.3</b>	<b>\$ (231.7)</b>	<b>\$ 838.6</b>

During the three and six months ended June 30, 2021, the change in right-of-use assets was \$31,000,000 and \$61,300,000, respectively (2020 - \$29,591,000 and \$58,848,000, respectively).

6. Other assets:

	June 30, 2021	December 31, 2020
Intangible assets (a)	\$ 70.9	\$ 78.5
Deferred dry-dock (b)	68.2	63.8
Other	175.1	44.6
Other assets	<u>\$ 314.2</u>	<u>\$ 186.9</u>

(a) Intangible assets

June 30, 2021	Cost	Accumulated amortization	Net book value
Customer contracts	\$ 129.9	\$ (67.5)	\$ 62.4
Other	13.1	(4.6)	8.5
	<u>\$ 143.0</u>	<u>\$ (72.1)</u>	<u>\$ 70.9</u>

December 31, 2020	Cost	Accumulated amortization	Net book value
Customer contracts	\$ 129.9	\$ (58.6)	\$ 71.3
Other	11.5	(4.3)	7.2
	<u>\$ 141.4</u>	<u>\$ (62.9)</u>	<u>\$ 78.5</u>

During the three and six months ended June 30, 2021, the Company recorded \$4,465,000 and \$9,122,000, respectively (2020 - \$4,921,000 and \$9,843,000 respectively) of amortization expense related to intangible assets.

Future amortization expense of intangible assets is as follows:

Remainder of 2021	\$	8.8
2022		16.8
2023		13.1
2024		10.4
2025		7.0
Thereafter		14.8
	<u>\$</u>	<u>70.9</u>

(b) Deferred dry-dock

During the six months ended June 30, 2021, changes in deferred dry-dock were as follows:

December 31, 2020	\$	63.8
Costs incurred		15.9
Amortization expensed <sup>(1)</sup>		(11.5)
June 30, 2021	<u>\$</u>	<u>68.2</u>

<sup>(1)</sup> Amortization of dry-docking costs is included in depreciation and amortization.

7. Long-term debt:

	June 30, 2021	December 31, 2020
Revolving credit facilities (a) (c)	\$ 614.1	\$ 772.1
Term loan credit facilities (b) (c)	1,673.8	1,866.5
2027 Notes (d)	27.8	80.0
Fairfax Notes (e)	300.0	600.0
Exchangeable Notes	201.3	201.3
Bonds (f)	500.0	—
Sustainability-linked Senior Secured Notes (g)	450.0	—
	<u>3,767.0</u>	<u>3,519.8</u>
Fair value adjustment on term loan credit facilities (b)	—	(0.1)
Debt discount on Fairfax Notes	(69.5)	(130.9)
Debt discount on Exchangeable Notes	(5.6)	(6.1)
Deferred financing fees	(48.2)	(36.1)
Long-term debt	<u>3,643.7</u>	<u>3,346.7</u>
Current portion of long-term debt	(318.0)	(321.7)
Long-term debt	<u>\$ 3,325.7</u>	<u>\$ 3,025.0</u>

(a) Revolving credit facilities:

In May 2021, the Company refinanced one revolving credit facility which increased the aggregate commitment by \$100,000,000 and extended the maturity by two years.

As at June 30, 2021, the Company had four revolving credit facilities available (December 31, 2020 – four revolving credit facilities) which provided for aggregate borrowings of up to \$1,014,126,000 (December 31, 2020 – \$939,119,000), of which \$400,000,000 (December 31, 2020 - \$167,000,000) was undrawn.

The following is a schedule of future minimum repayments under our revolving credit facilities as of June 30, 2021:

Remainder of 2021	\$ 25.7
2022	530.2
2023	58.2
2024	—
2025	—
Thereafter	—
	<u>\$ 614.1</u>

As at June 30, 2021, the one month, three month, and six month average LIBOR on the Company's revolving credit facilities was 0.1%, 0.1%, and 0.2%, respectively (December 31, 2020 – one month, three month, and six month average LIBOR of 0.2%, 0.2%, and 0.3% respectively) and the margins ranged between 0.5% and 2.3% (December 31, 2020 – 0.5% and 2.3%). The weighted average rate of interest, including the margin, for the Company's revolving credit facilities was 1.1% as at June 30, 2021 (December 31, 2020 – 1.4%). Interest payments are made monthly, quarterly or semi-annually.



7. **Long-term debt (continued):**

(b) Term loan credit facilities:

In May 2021, the Company amended and restated three term loan credit facilities which increased the aggregate commitments by \$79,540,000 and extended maturities by two years.

As at June 30, 2021, the Company had \$1,853,385,000 (December 31, 2020 - \$2,116,480,000) of term loan credit facilities available, of which \$179,540,000 (December 31, 2020 - \$250,000,000) was undrawn. Two of the term loan credit facilities have revolving loan components which have been included in the revolving facilities.

The following is a schedule of future minimum repayments under our term loans credit facilities as of June 30, 2021:

Remainder of 2021	\$	165.2
2022		148.1
2023		194.2
2024		123.6
2025		122.4
Thereafter		920.3
	<u>\$</u>	<u>1,673.8</u>

For all of the Company's term loan credit facilities, except for one, interest is calculated 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 0.1% and 0.2%, respectively (December 31, 2020 – 0.2% and 0.3%, respectively) and the margins ranged between 0.4% and 2.3% as at June 30, 2021 (December 31, 2020 – 0.4% and 4.3%).

For one of our term loan credit facilities with a total principal outstanding of \$33,584,000 (December 31, 2020 - \$39,970,000), 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 2.0% at June 30, 2021 (December 31, 2020 – 2.3%) for term loan credit facilities. Interest payments are made in monthly, quarterly or semi-annual payments.

(c) Credit facilities – other:

As at June 30, 2021, the Company's credit facilities were secured by first-priority mortgages granted on 67 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 the vessels funded by the relevant credit facility;
- An assignment of the Company's time charters and earnings related to such vessels;
- An assignment of the insurance on each of the vessels that are subject to a related mortgage;
- A pledge over shares of various subsidiaries; and
- A pledge over the related collection and/or retention accounts.

As at June 30, 2021, \$1,392,050,000 principal amount of indebtedness under the Company's term loan and revolving credit facilities was secured by a portfolio of 50 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. In these circumstances, valuations of the Company's vessels are conducted on a "without charter" 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.

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 at June 30, 2021.

**7. Long-term debt (continued):**

(d) Senior unsecured notes:

In May 2021, Atlas exchanged an aggregate principal amount of \$52,198,825 7.125% senior notes due 2027 of Seaspan Corporation, (the “2027 Notes”) for an equivalent amount of its 7.125% senior notes due 2027 (the “Atlas Notes”), registered under the Securities Act of 1933, as amended, and listed on the Nasdaq Global Market. In July 2021, Atlas exchanged an additional \$151,000 of 2027 Notes for Atlas Notes, Seaspan subsequently and redeemed all remaining 2027 Notes (note 15).

(e) Fairfax Notes:

Pursuant to the Fairfax Exchange, as described in note 2, Atlas exchanged \$200,000,000 aggregate principal amount of the 2026 Fairfax Notes and all \$100,000,000 aggregate principal amount of the 2027 Fairfax Notes for (i) 12,000,000 Series J 7.00% Cumulative Redeemable Perpetual Preferred Shares (the “Series J Preferred Shares”), representing total liquidation value of \$300,000,000, and (ii) 1,000,000 five year warrants to purchase an equal number of shares of Atlas common stock at an exercise price of \$13.71 per share (the “Fairfax Exchange”). The exchanged 2026 Fairfax Notes and 2027 Fairfax Notes were subsequently cancelled.

In connection with the Fairfax Exchange, the Fairfax Holders also agreed to amend the terms of the \$300,000,000 aggregate principal amount of the Fairfax Notes that remain outstanding following the Fairfax Exchange (the “Amendment”), which includes all \$250,000,000 aggregate principal amount of the 2025 Fairfax Notes and \$50,000,000 aggregate principal amount of the 2026 Fairfax Notes. The Amendment, among other things, revised the optional redemption provisions to allow the Company to redeem the amended notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest. On August 13, 2021, the Company issued notice of its intention to redeem all of the 2025 Fairfax Notes and 2026 Fairfax Notes for cash on August 23, 2021.

As a result of the Fairfax Exchange, the Company recorded a loss on debt extinguishment of \$51,500,000 for the three and six months ended June 30, 2021 (June 30, 2020 - \$nil and \$nil, respectively), representing the write-off of the existing associated debt discount of \$51,000,000 and deferred financing fees of \$500,000.

(f) Bonds:

In February 2021, the Company issued \$200,000,000 of 6.5% senior unsecured sustainability-linked bonds in the Nordic bond market (“2024 Bonds”). In April 2021, the Company issued a further \$300,000,000 of senior unsecured sustainability-linked bonds in the Nordic bond market (the “2026 Bonds” and together with the 2024 Bonds, the “Bonds”). The Bonds mature in February 2024 and April 2026, respectively, and bear interest at 6.5% per annum. If the sustainability performance targets are not met during the term of the Bonds, the Bonds will be settled at maturity at 100.5% of the initial principal. The Bonds are listed on the Oslo Stock Exchange.

(g) Sustainability-linked Senior Secured Notes:

In May 2021, the Company entered into a note purchase agreement to issue \$500,000,000 of sustainability-linked, senior secured notes (the “Senior Secured Notes”) in a US private placement. The Senior Secured Notes comprise four series, each ranking pari passu with the Company’s existing and future debt financing program. The Series A, Series C and Series D Senior Secured Notes were issued in May 2021, with interest rates ranging from 3.91% to 4.26% and maturities from May 2031 to May 2036. The Series B Senior Secured Notes, which bear interest at 3.91% per annum and mature in 2031, were issued in August 2021 (note 15). The Senior Secured Notes contain certain sustainability features, and are subject to adjustment based on Seaspan’s achievements relative to certain key performance indicators.

**8. Operating lease liabilities:**

	June 30, 2021	December 31, 2020
Operating lease commitments	\$ 850.3	\$ 923.8
Impact of discounting	(122.0)	(141.3)
Impact of changes in variable rates	38.7	44.7
Operating lease liabilities	767.0	827.2
Current portion of operating lease liabilities	(156.0)	(159.1)
Operating lease liabilities	<u>\$ 611.0</u>	<u>\$ 668.1</u>

8. **Operating lease liabilities (continued):**

Operating lease costs related to vessel sale-leaseback transactions and other leases are summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Lease costs:</b>				
Operating lease costs	\$ 40.6	\$ 40.6	\$ 80.7	\$ 81.1
Variable lease adjustments	(3.7)	(2.4)	(7.6)	(4.0)
<b>Other information:</b>				
Operating cash outflow used for operating leases	35.5	37.1	71.0	75.0
Weighted average discount rate	4.8%	4.8%	4.8%	4.8%
Weighted average remaining lease term	6 years	7 years	6 years	7 years

9. **Other financing arrangements:**

	June 30, 2021	December 31, 2020
Other financing arrangements	\$ 1,160.8	\$ 879.5
Deferred financing fees	(19.3)	(13.7)
Other financing arrangements	1,141.5	865.8
Current portion of other financing arrangements	(86.9)	(64.1)
Other financing arrangements	\$ 1,054.6	\$ 801.7

In January 2021, the Company made a payment of \$69,166,000 to early terminate a sale-leaseback financing arrangement secured by one 11000 TEU vessel. In March 2021, the Company entered into a new sale-leaseback financing arrangement of \$83,700,000, secured by the same 11000 TEU vessel.

In April 2021, the Company entered into \$235,000,000 in sale-lease back finance arrangements to refinance three operating vessels, the funding of which was completed in May 2021.

In May 2021, the Company repaid \$59,300,000 upon early termination of a financing arrangement secured by a 13100 TEU vessel.

In April through June 2021, the Company entered into \$1,300,320,000 in sale-leaseback financing arrangements (the "Newbuild Sale-Leasebacks") related to 13 newbuild containerships, subject to satisfaction of customary closing conditions. The Newbuild Sale-Leasebacks partially fund pre-delivery payments related to the 13 newbuild containerships. During the three and six months ended June 30, 2021, \$63,000,000 was funded under the Newbuild Sale-Leasebacks.

Based on amounts funded, payments due to the counterparties are as follows:

Remainder of 2021	\$ 43.2
2022	89.0
2023	89.7
2024	89.7
2025	82.5
Thereafter	766.7
	\$ 1,160.8

10. Supplemental cash flow information:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Interest paid	\$ 33.8	\$ 39.9	\$ 63.0	\$ 75.6
Interest received	0.2	0.9	0.3	1.2
Undrawn credit facility fee paid	0.4	0.3	0.5	0.5
Non-cash investing and financing transactions:				
Dividend reinvestment	—	0.1	—	0.1
Settlement of intercompany balance through non-cash dividend	—	20.0	—	20.0
Commencement of sales-type lease	—	57.0	88.1	57.0
Reclassification on lease modification	—	377.4	—	377.4
Prepayments transferred to vessels upon vessel delivery	6.4	—	6.4	—
Interest capitalized on vessels under construction	4.1	—	4.9	—

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:

	June 30,	
	2021	2020
Cash and cash equivalents	\$ 121.1	\$ 155.4
Restricted cash included in prepaid and other	—	1.5
Total cash, cash equivalents and restricted cash	\$ 121.1	\$ 156.9

11. Revenue:

For the three and six months ended June 30, 2021 and 2020, revenue consists of:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Time charter revenue	\$ 336.2	\$ 293.6	\$ 656.7	\$ 575.0
Interest income from leasing	11.0	9.3	21.0	21.6
Other	3.4	0.9	6.7	(0.3)
	\$ 350.6	\$ 303.8	\$ 684.4	\$ 596.3

As at June 30, 2021, the minimum future revenues to be received on committed operating leases and interest income from leasing are as follows:

	Operating lease (1)	Finance lease (2)	Total committed revenue
Remainder of 2021	\$ 711.9	\$ 21.5	\$ 733.4
2022	1,433.7	41.5	1,475.2
2023	1,216.6	39.4	1,256.0
2024	886.2	37.0	923.2
2025	481.0	34.5	515.5
Thereafter	389.3	240.6	629.9
	\$ 5,118.7	\$ 414.5	\$ 5,533.2

(1) Minimum future operating lease revenue includes payments from signed charter agreements that have not yet commenced.

(2) Minimum future interest income includes financing leases currently in effect.

Minimum future revenues assume 100% utilization, extensions only at the Company's unilateral option and no renewals. It does not include signed charter agreements from undelivered vessels.

**12. Commitments and contingencies:**

(a) Operating leases:

At June 30, 2021, the commitments under operating leases for vessels was \$844,737,000 for the remainder of 2021 to 2029 and for other operating leases was \$5,559,000 for the remainder of 2021 to 2024. Total commitments under these leases are as follows:

Remainder of 2021	\$	72.7
2022		141.9
2023		144.0
2024		147.7
2025		125.5
Thereafter		218.5
	<u>\$</u>	<u>850.3</u>

For operating leases indexed to three month LIBOR, commitment under these leases are calculated using the LIBOR in place as at June 30, 2021 for the Company.

(b) Vessel commitment:

As of June 30, 2021, the Company had entered into agreements to acquire 45 vessels (December 31, 2020 – 5 vessels).

The Company has outstanding commitments for the remaining installment payments as follows:

Remainder of 2021	\$	527.0
2022		1,033.5
2023		2,385.7
2024		796.7
Total	<u>\$</u>	<u>4,742.9</u>

**13. Concentrations:**

The Company's revenue is derived from the following customers:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
COSCO	\$ 114.5	\$ 100.1	\$ 221.3	\$ 204.8
Yang Ming Marine	62.8	63.4	126.2	126.1
ONE	64.5	60.5	128.9	108.0
Other	108.8	79.8	208.0	157.4
	<u>\$ 350.6</u>	<u>\$ 303.8</u>	<u>\$ 684.4</u>	<u>\$ 596.3</u>

14. Financial instruments:

(a) Fair value:

The carrying values of cash and cash equivalents, short-term investments, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of their short term to maturity.

As of June 30, 2021, the fair value of the Company's revolving credit facilities and term loans excluding deferred financing fees was \$2,248,155,000 (December 31, 2020 - \$2,599,197,000) and the carrying value was \$2,287,972,000 (December 31, 2020 - \$2,638,522,000). As of June 30, 2021, the fair value of the Company's operating lease liabilities was \$764,890,000 (December 31, 2020 - \$825,072,000) and the carrying value was \$767,008,000 (December 31, 2020 - \$827,214,000). As of June 30, 2021, the fair value of the Company's other financing arrangements, excluding deferred financing fees, was \$1,186,588,000 (December 31, 2020 - \$891,710,000) and the carrying value was \$1,160,750,000 (December 31, 2020 - \$879,468,000). The fair value of the revolving and term loans, operating lease liabilities and other financing arrangements, excluding deferred financing fees, are 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 June 30, 2021, the fair value of the 2027 Notes was \$27,821,000 (December 31, 2020 - \$89,207,000) and the carrying value was \$27,801,000 (December 31, 2020 - \$80,000,000). The aggregate fair value of the Fairfax Notes was \$308,007,000 (December 31, 2020 - \$640,058,000) and the aggregate carrying value was \$300,000,000 (December 31, 2020 - \$600,000,000) or \$230,530,000 (December 31, 2020 - \$469,100,000), net of discount. The fair value of the Company's Exchangeable Notes was \$196,967,000 (December 31, 2020 - \$195,232,000) and the carrying value was \$201,250,000 (December 31, 2020 - \$201,250,000) or \$195,604,000 (December 31, 2020 - \$195,000,000), net of debt discount. The fair value of the Company's Bonds was \$534,339,000 and the carrying value was \$500,000,000. The fair value of the Company's Sustainability-linked Senior Secured Notes was \$415,125,000 and the carrying value was \$450,000,000. 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 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.

The exchange feature embedded in the Exchangeable Notes and capped calls entered into in connection with the Exchangeable Notes are derivatives measured at fair value at the end of each reporting period. The embedded exchange feature derivative is measured at fair value using a partial differential equation, with a Monte Carlo model for certain features. The capped call derivative is measured at fair value using a binomial tree. These models utilize observable and unobservable market data, including stock price, expected volatility, risk-free interest rate and expected dividend yield, as applicable. The embedded exchange feature and capped call derivatives are classified as Level 3 as the Company uses expected volatility that is unobservable and significant to the valuation. In general, an increase in Atlas's stock price or stock price volatility will increase the fair value of the embedded exchange feature and capped call derivatives which will result in an increase in loss and gain, respectively. As time to the expiration of the derivatives decreases, the fair value of the derivatives will decrease. The volatilities used as of June 30, 2021, for the embedded exchange feature were 50.26% and 35.31% for the capped call. The fair value of the embedded exchange feature and capped calls resulting from a change in volatility are included below.

	10% increase in volatility		10% decrease in volatility	
Embedded exchange feature	\$	57.7	\$	42.8
Capped calls		48.9		39.3

Unobservable inputs for recurring and non-recurring Level 3 disclosures are obtained from third parties whenever possible and reviewed by the Company for reasonableness.

14. Financial instruments (continued):

(b) Interest rate swap derivatives:

As of June 30, 2021, the Company had the following outstanding interest rate derivatives:

Fixed per annum rate swapped for LIBOR	Notional amount as of June 30, 2021	Maximum notional amount(1)	Effective date	Ending date
5.4200%	\$ 286.2	\$ 286.2	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
1.6850%	110.0	110.0	November 14, 2019	May 15, 2024
0.6300%	96.0	96.0	January 21, 2021	October 14, 2026
0.6600%	96.0	96.0	February 4, 2021	October 14, 2026
5.6000%	86.4	86.4	June 23, 2010	December 23, 2021(2)
1.4900%	28.2	28.2	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.

If interest rates remain at their current levels, the Company expects that \$23,129,000 would be settled in cash in the next 12 months on interest rate swaps maturing after June 30, 2021. The amount of the actual settlement may be different depending on the interest rate in effect at the time settlements are made.

(c) Financial instruments measured at fair value:

The following provides information about the Company's derivatives:

	June 30, 2021	December 31, 2020
<b>Derivative assets</b>		
Interest rate swaps	\$ 1.8	—
Capped call derivative asset	45.5	19.2
<b>Derivative liabilities</b>		
Interest rate swaps	44.4	63.0
Derivative put instrument	—	—
Derivative embedded exchange feature	50.3	5.9

The following table provides information about gains and losses included in net earnings and reclassified from accumulated other comprehensive loss ("AOCL") into earnings:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Earnings (loss) recognized in net earnings:</b>				
Gain (loss) on interest rate swaps	\$ (2.5)	\$ (7.1)	\$ 6.9	\$ (32.7)
Gain on derivative put instrument	0.8	0.1	0.1	0.9
Gain on capped call derivative asset	5.5	—	26.3	—
Loss on derivative embedded exchange feature	(9.0)	—	(44.4)	—
<b>Loss reclassified from AOCL to net earnings(1)</b>				
Interest expense	—	(0.1)	—	(0.2)
Depreciation and amortization	(0.3)	(0.3)	(0.6)	(0.5)

- (1) 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 \$1,093,000.

**15. Subsequent events:**

- (a) On July 2, 2021, the Company accepted delivery of one 15000 TEU secondhand vessel and its attached charter agreement.
- (b) On July 9 and 12, 2021, Atlas exchanged an additional \$151,000 of Seaspan Notes for Atlas Notes. On July 12, 2021, Atlas redeemed the remaining \$27,650,000 Seaspan Notes plus accrued and unpaid interest.
- (c) On July 14, 2021, the Company issued \$750,000,000 of senior unsecured notes. These notes mature in 2029 and accrue interest at 5.5% per annum.
- (d) In July 2021, the Company entered into agreements to acquire ten 7000 TEU vessels.
- (e) In August 2021, the Company entered into \$661,826,000 in sale-leaseback financing arrangements related to six newbuild containership vessels, subject to satisfaction of customary closing conditions.
- (f) On August 12, 2021, the Company issued \$50,000,000 of Senior Secured Notes, Series B. The Series B Senior Secured Notes mature in 2031 and bear interest at 3.91% per annum.
- (g) On August 13, 2021, the Company issued notice of its intention to redeem all remaining Fairfax Notes, including \$250,000,000 aggregate principal amount of 2025 Fairfax Notes and \$50,000,000 aggregate principal amount of 2026 Fairfax Notes, for cash on August 23, 2021. The redemption price per Fairfax Note will be \$1,000 plus all accrued and unpaid interest from and including July 30, 2021 to the redemption date.



**ITEM 2 — MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following should be read in conjunction with the unaudited consolidated financial statements and related notes included in this Report and the audited consolidated financial statements and related notes for the year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission on an Atlas Corp. Form 6-K. Unless otherwise indicated, all amounts are presented in U.S. dollars, or USD. We prepare our consolidated financial statements in accordance with U.S. GAAP.

**Overview**

*General*

Seaspan was incorporated on May 3, 2005, in the Republic of the Marshall Islands. Seaspan is a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. 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 June 30, 2021, we operated a fleet of 130 vessels that have an average age of approximately eight years, on a TEU weighted basis.

Customers for our operating fleet as at June 30, 2021 are as follows:

<b>Customer for Current Fleet</b>	<b>Number of vessels under charter</b>	<b>TEUs under charter</b>
CMA CGM	18	158,700
COSCO	37	267,500
Hapag-Lloyd	13	109,250
Maersk	13	69,500
MSC	6	67,000
ONE	25	204,750
Yang Ming Marine	16	220,000
ZIM	2	8,500

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 to various overseas export markets in the United States and in Europe.

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”.

The following table summarizes key facts regarding Seaspan’s fleet as of June 30, 2021:

<b>Vessel Class (TEU)</b>	<b># Vessels (Total Fleet)</b>	<b># Vessels (of which are unencumbered)</b>	<b>Average Age (Years) (7)</b>	<b>Average Remaining Charter Period (Years)(1)(7)</b>	<b>Average Daily Charter Rate (in thousands of USD)</b>	<b>Days Off-Hire(5)</b>	<b>Total Ownership Days(6)</b>
2500-3500	14	6	13.1	2.7	16.2	51	1,274
4250-5100	33	18	14.1	3.3	17.9	90	3,003
8500-9600(2)	18	3	11.4	4.6	38.8	7	1,564
10000-11000(3)	33	3	5.7	4.9	32.1	19	3,003
12000-13100(4)	16	-	7.4	4.1	45.8	-	1,456
14000+	16	3	5.3	4.6	48.1	4	1,401
<b>Total/Average</b>	<b>130</b>	<b>33</b>	<b>8.1</b>	<b>4.4</b>	<b>31.4</b>	<b>171</b>	<b>11,701</b>

- (1) Excludes options to extend charter.
- (2) Includes 3 vessels on bareboat charter.
- (3) Includes 8 vessels on bareboat charter.
- (4) Includes 1 vessel on bareboat charter.
- (5) Days Off-Hire includes scheduled and unscheduled days related to vessels being off-charter during the quarter ended June 30, 2021.
- (6) Total Ownership Days for the quarter ended June 30, 2021 includes time charters and bareboat charters and excludes days prior to the initial charter hire date.
- (7) Averages shown are weighted by TEU

## Significant Developments During the Six months ended June 30, 2021

### *Fairfax Exchange and Amendment Transaction*

In June 2021, Atlas and Seaspan completed an exchange and amendment of \$600.0 million aggregate principal amount of our senior notes including \$250.0 million of our 5.5% Senior Notes due 2025 (the “2025 Fairfax Notes”), \$250.0 million of our 5.5% Senior Notes due 2026 (the “2026 Fairfax Notes”) and \$100.0 million of our 5.5% Senior Notes due 2027 (the “2027 Fairfax Notes”) and together with the 2025 Fairfax Notes and the 2026 Fairfax Notes, the “Fairfax Notes”). The outstanding Fairfax Notes are held by certain affiliates of Fairfax Financial Holding Limited (the “Fairfax Holders”).

Pursuant to this transaction, the Company exchanged \$200.00 million aggregate principal amount of the 2026 Fairfax Notes and all \$100.0 million aggregate principal amount of the 2027 Fairfax Notes for (i) 12,000,000 Series J 7.00% Cumulative Redeemable Perpetual Preferred Shares of Atlas (the “Series J Preferred Shares”), representing total liquidation value of \$300.0 million and (ii) 1,000,000 five year warrants to purchase an equal number of shares of Atlas common stock at an exercise price of \$13.71 per share (the “Fairfax Exchange”). The exchanged 2026 Fairfax Notes and 2027 Fairfax Notes were subsequently cancelled.

In connection with the Fairfax Exchange, the Fairfax Holders agreed to amend the terms of the \$300.0 million aggregate principal amount of the Fairfax Notes that remain outstanding following the Fairfax Exchange (the “Amendment”), which includes all \$250.0 million aggregate principal amount of the 2025 Fairfax Notes and \$50.0 million aggregate principal amount of the 2026 Fairfax Notes. The Amendment, among other things, revised the optional redemption provisions to allow the Company to redeem the amended notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest.

### *New Asset Financings*

In April through June 2021, the Company entered into \$1.3 billion in sale-leaseback financing arrangements (the “Newbuild Sale-Leasebacks”) related to 13 newbuild containerhips, subject to satisfaction of customary closing conditions. The Newbuild Sale-Leasebacks partially fund pre-delivery payments related to the 13 newbuild containerhips. As of June 30, 2021, the Company received aggregate funding of \$63.0 million from these financings.

### *Enhancement of the Company’s Vessel Portfolio Financing Program*

In May 2021, the Company entered into amendments and restatements (the “Amendment and Restatement”) of the senior secured loan facilities and intercreditor and proceeds agreement that comprise its vessel portfolio financing program (the “Program”) to, among other things, (i) increase the capacity under the Program to \$2.5 billion, including the Sustainability-Linked Notes, (ii) increase the size of the revolving credit facility from \$300.0 million to \$400.0 million, (iii) increase the commitments under the bank loan facilities by \$180.0 million and (iv) extend the maturities of tranches due to 2024 and 2025 by approximately two years.

### *\$500 million Sustainability Linked Senior Secured Notes*

In May 2021, the Company entered into a note purchase agreement to issue, in a private placement (the “Private Placement”), \$500.0 million aggregate principal amount of fixed rate, sustainability-linked senior secured notes (the “Senior Secured Notes”). On May 21, 2021, the Company issued \$450.0 million of such notes, comprised of \$150.0 million aggregate principal amount of 3.91% Series A Senior Secured Notes due 2031, \$170.0 million aggregate principal amount of 4.06% Series C Senior Secured Notes due 2033 and \$130.0 million aggregate principal amount of 4.26% Series D Senior Secured Notes due 2036. The Company issued the remaining \$50.0 million aggregate principal amount of 3.91% Series B Senior Secured Notes due to 2031 in August 2021. The Private Placement was completed as part of an amendment and upsize of the Program.

### *Refinancings*

In April 2021, the Company entered into \$235.0 million in sale-leaseback financing arrangements (the “Sale-Leasebacks”) to refinance three operating vessels, the funding of which was completed in May 2021.

#### Issuance of 500 million Sustainability Linked Senior Unsecured Bonds

In February 2021, Seaspan issued \$200.0 million of senior unsecured sustainability-linked bonds in the Nordic bond market (the “2024 Bonds”). The 2024 Bonds mature in February 2024 and bear interest at 6.5% per annum. In April 2021, the Company issued a further \$300.0 million aggregate principal amount of our 6.5% senior unsecured sustainability-linked bonds in the Nordic bond market (the “2026 Bonds” and together with the 2024 Bonds, the “Bonds”). The 2026 Bonds mature in April 2026 and bear interest at 6.5% per annum. If the sustainability linked targets are met, the Bonds are to be redeemed at maturity at 100.0% of the initial principal amount. If the sustainability linked targets are not met, the Bonds are to be settled at maturity at 100.5% of the initial principal amount. The Bonds are listed on the Oslo Stock Exchange.

#### Notes Exchange Offer

In May 2021, Atlas completed an offer to exchange (the “Exchange Transaction”) up to \$80.0 million aggregate principal amount of 7.125% senior unsecured notes due 2027 (the “Atlas Notes”) for any and all outstanding \$80.0 million aggregate principal amount of Seaspan’s substantially similar 7.125% senior unsecured notes due 2027 (the “2027 Notes”). The 2027 Notes were originally issued in October 2017. Pursuant to the Exchange Transaction, Atlas issued approximately \$52.2 million aggregate principal amount of the Atlas Notes in exchange for an equal principal amount of the 2027 Notes. In July 2021, Atlas exchanged an additional \$0.2 million of Atlas Notes to 2027 Notes. Seaspan subsequently redeemed all remaining 2027 Notes at par, plus accrued and unpaid interest in July 2021.

#### Early Termination of Secured Credit Facilities

In January 2021, the Company made a payment of \$69.2 million to early terminate a sale-leaseback financing arrangement secured by a 11000 TEU vessel. In March 2021, the Company entered into a new sale-leaseback financing arrangement for \$83.7 million, secured by the same 11000 TEU vessel.

In May 2021, the Company made repayment of \$59.3 million upon early termination of a financing arrangement secured by a 13100 TEU vessel. This vessel was subsequently refinanced under a sale-leaseback as described under “Refinancings”.

In June 2021, the Company voluntarily prepaid four secured credit facilities (“June Prepayments”) representing approximately \$199.8 million aggregate principal amount of borrowings. As a result, four vessels became unencumbered.

#### Secondhand Vessel Acquisitions

In February 2021, the Company entered into agreements to acquire two 15000 TEU scrubber-fitted containerships for an aggregate purchase price of \$254.0 million. One of the vessels was delivered in the second quarter.

In March 2021, the Company entered into agreements to acquire two 8500 TEU scrubber-fitted containerships for an aggregate purchase price of \$104.5 million. The vessels and the attached charters were delivered in the second quarter of 2021.

#### Shipbuilding Contracts for Newbuild Containerships

During the six months ended June 30, 2021, Seaspan entered into agreements with shipyards to build 40 newbuild containerships that are summarized below.

	<b>Newbuilds</b>	<b>Total TEU</b>	<b>Month Acquired</b>
24000 TEU	2	48,000	February 2021
15000 TEU LNG	10	150,000	February 2021
12000 TEU	4	48,000	February 2021
15000 TEU	4	60,000	February 2021
15000 TEU	6	90,000	March 2021
15500 TEU	6	93,000	March 2021
12000 TEU	2	24,000	June 2021
15000 TEU	6	90,000	June 2021
<b>Total</b>	<b>40</b>	<b>603,000</b>	

Upon delivery, these vessels will commence long-term charters with leading global liner companies.

#### Changes to Senior Management

In January 2021, Graham Talbot was appointed Chief Financial Officer of Atlas and Seaspan.

## **Impact of COVID-19 on our Business**

The spread of the COVID-19 virus 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, some of the negative impacts of COVID-19 on the container shipping industry have reversed. Following a period of reduced container trade and associated charter rates in the first half of 2020, container trade and charter rates have since rebounded markedly due to increased demand and lack of capacity. 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, including the 58 forward fixtures executed since the beginning of 2021.

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.

Many 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 in line with local health authority directives.

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.

## **Subsequent Events**

### *Vessel Delivery and Acquisition*

In July 2021, Seaspan accepted delivery of one 15000 TEU scrubber-fitted vessel. Also, in July 2021, the Company entered into agreements to acquire ten 7000 TEU LNG dual-fuel containerships for an aggregate price of \$1.05 billion. The vessels are expected to be delivered between the fourth quarter of 2023 through 2024.

### *Private Placement of Notes*

In July 2021, Seaspan issued \$750 million aggregate principal amount of 5.50% senior unsecured notes due 2029. The notes are a blue transition bond and Seaspan's senior unsecured obligations and accrue interest payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2022. The notes are not guaranteed by Atlas or any of its or Seaspan's respective subsidiaries. The notes mature on August 1, 2029, unless earlier repurchased or redeemed.

### *Senior Secured Notes Issuance*

In August 2021, the Company issued \$50.0 million of Senior Secured Notes, Series B. The Series B Senior Secured Notes mature in 2031 and bear interest at 3.91% per annum.

### *Sale-Leaseback Financing*

In August 2021, the Company entered into \$661.8 million in sale-leaseback financing arrangements related to six newbuild containership vessels, subject to satisfaction of customary closing conditions.

### *Redemption of Fairfax Notes*

On August 13, 2021, the Company issued notice of its intention to redeem all remaining Fairfax Notes, including \$250 million aggregate principal amount of 2025 Fairfax Notes and \$50 million aggregate principal amount of 2026 Fairfax Notes, for cash on August 23, 2021. The redemption price per Fairfax Note will be \$1,000 plus all accrued and unpaid interest from and including July 30, 2021 to the redemption date.

### Three and Six Months Ended June 30, 2021 Compared with Three and Six Months Ended June 30, 2020

The following is a discussion of our financial condition and results of operations for the three and six months ended June 30, 2021.

Our consolidated financial results for the three and six months ended June 30, 2021, are summarized below:

Consolidated Financial Summary (in millions of US dollars, except earnings per share amount)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ 350.6	\$ 303.8	\$ 684.4	\$ 596.3
Ship operating expense	74.4	56.7	142.6	113.5
Depreciation and amortization expense	75.9	72.7	151.1	139.3
General and administrative expense	9.6	6.8	19.1	15.6
Operating lease expense	36.0	37.3	71.4	75.4
Operating earnings	154.7	130.3	300.2	252.5
Interest expense	50.3	45.9	93.0	93.8
Net earnings	41.5	77.1	137.6	126.8
Cash from operating activities	175.4	148.3	346.5	273.2

#### Operating Results

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 562 days for the six months ended June 30, 2021, compared with the same period in 2020. The increase for the six months ended June 30, 2021, was primarily due to the delivery of the seven vessels after June 2020, which contributed 543 days.

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 the last eight consecutive quarters:

	2019		2020				2021	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Vessel Utilization:								
Time Charter Ownership Days(1)	9,844	9,791	9,646	10,047	10,284	10,520	10,318	10,609
Bareboat Ownership Days(1)	460	523	1,069	1,092	1,104	1,104	1,112	1,092
Total Ownership Days	10,304	10,314	10,715	11,139	11,388	11,624	11,430	11,701
Less Off-Hire Days:								
Scheduled Dry-Docking	(36)	(59)	(131)	(195)	(89)	(20)	(63)	(111)
Unscheduled Off-Hire(2)	(3)	(36)	(90)	(90)	(68)	(28)	(25)	(60)
Ownership Days On-Hire	10,265	10,219	10,494	10,854	11,231	11,576	11,342	11,530
<b>Vessel Utilization</b>	<b>99.6%</b>	<b>99.1%</b>	<b>97.9%</b>	<b>97.4%</b>	<b>98.6%</b>	<b>99.6%</b>	<b>99.2%</b>	<b>98.5%</b>

(1) Ownership Days for time charters and 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 increased for the three and six months ended June 30, 2021, compared with the same periods in 2020. The increase was primarily due to a decrease in the number of Scheduled Dry-Docking days.

## New Vessel Contracts

As of June 30, 2021, our operating fleet had an average age of 8.1 years with remaining charter duration of 4.4 years.

## Secondhand Acquisitions

The following table summarizes key facts regarding our secondhand vessels acquired in 2021:

<u>Vessel Name</u>	<u>Vessel Class (TEU)</u>	<u>Year Built</u>	<u>Delivery Date</u>	<u>Charterer</u>	<u>Length of Charter(1)</u>	<u>Charter Type</u>
Mediterranean Bridge (2)	8500	2011	Apr-21	ZIM	6 years	Time Charter
Gulf Bridge (3)	8500	2011	May-21	ZIM	6 years	Time Charter
CMA CGM Chile (4)	15000	2019	May-21	CMA CGM	6 years	Time Charter
CMA CGM Mexico (4)	15000	2019	Jul-21	CMA CGM	6 years	Time Charter

- (1) All options to extend the term are exercisable at the charterer's option unless otherwise noted.
- (2) Existing time charter on acquired vessel ends September 2021 and long-term charter commences thereafter.
- (3) Existing time charter on acquired vessel ends June 2023 and long-term charter commences thereafter.
- (4) Remaining length of charter from acquisition date.

Newbuild Vessels

The following table summarizes key facts regarding our 45 newbuild vessels totaling 664,000 TEU as of June 30, 2021:

Hull Number	Vessel Class (TEU)	Expected Delivery Date	Charterer	Length of Charter(1)	Charter Type
2338	24000	Jun-23	MSC	18 years	Bareboat Charter
2339	24000	Jul-23	MSC	18 years	Bareboat Charter
H1845A	15500	Aug-23	Maersk	Minimum 84 months and up to 96 months	Time Charter
H2760	15500	Oct-23	Maersk	Minimum 84 months and up to 96 months	Time Charter
H1847A	15500	May-24	Maersk	Minimum 84 months and up to 96 months	Time Charter
H1846A	15500	Dec-23	MSC	18 years	Bareboat Charter
H2761	15500	Dec-23	MSC	18 years	Bareboat Charter
H2762	15500	Mar-24	MSC	18 years	Bareboat Charter
1384	15000	Apr-24	ONE	5 years	Time Charter
1385	15000	May-24	ONE	5 years	Time Charter
1386	15000	Jul-24	ONE	5 years	Time Charter
1388	15000	Aug-24	ONE	5 years	Time Charter
1389	15000	Sep-24	ONE	5 years	Time Charter
1390	15000	Oct-24	ONE	5 years	Time Charter
1340	15000	Jan-23	ONE	Minimum 60 months and up to 64 months	Time Charter
1341	15000	Apr-23	ONE	Minimum 60 months and up to 64 months	Time Charter
1342	15000	May-23	ONE	Minimum 60 months and up to 64 months	Time Charter
1343	15000	Jul-23	ONE	Minimum 60 months and up to 64 months	Time Charter
2434	15000	Feb-23	ZIM	12 years	Time Charter
2435	15000	Mar-23	ZIM	12 years	Time Charter
2436	15000	Apr-23	ZIM	12 years	Time Charter
2437	15000	May-23	ZIM	12 years	Time Charter
2438	15000	Jul-23	ZIM	12 years	Time Charter
2444	15000	Sep-23	ZIM	12 years	Time Charter
2445	15000	Nov-23	ZIM	12 years	Time Charter
2446	15000	Nov-23	ZIM	12 years	Time Charter
2447	15000	Dec-23	ZIM	12 years	Time Charter
2448	15000	Jan-24	ZIM	12 years	Time Charter
1360	15000	Sep-23	MSC	18 years	Bareboat Charter
1361	15000	Oct-23	MSC	18 years	Bareboat Charter
1362	15000	Nov-23	MSC	18 years	Bareboat Charter
1363	15000	Dec-23	MSC	18 years	Bareboat Charter
1364	15000	Dec-23	MSC	18 years	Bareboat Charter
1365	15000	Feb-24	MSC	18 years	Bareboat Charter
J0262	12200	Nov-21	MSC	18 years	Bareboat Charter
J0263	12200	Feb-22	MSC	18 years	Bareboat Charter
J0264	12200	Jun-22	MSC	18 years	Bareboat Charter
J0265	12200	Oct-22	MSC	18 years	Bareboat Charter
J0266	12200	Jan-22	MSC	18 years	Bareboat Charter
2270	12000	Sep-22	ONE	Minimum 60 months and up to 64 months	Time Charter
2271	12000	Oct-22	ONE	Minimum 60 months and up to 64 months	Time Charter
2822	12000	Jul-22	ONE	Minimum 60 months and up to 64 months	Time Charter
2823	12000	Aug-22	ONE	Minimum 60 months and up to 64 months	Time Charter
2049	12000	Oct-22	ZIM	5 years	Time Charter
2050	12000	Nov-22	ZIM	5 years	Time Charter

(1) Excludes all option periods in the charterer's option.

## Gross Contracted Cash Flows – Undelivered Vessels

As of June 30, 2021, the gross contracted cashflows for 46 undelivered vessels (45 newbuilds and 1 secondhand vessel) is summarized below:

	<i>(in millions of USD)</i>	
Remainder of 2021	\$	9.4
2022		66.1
2023		310.6
2024		658.6
2025		701.3
2026		700.6
Thereafter		4,953.6
	<b>\$</b>	<b>7,400.2</b>

In July 2021, we entered into contracts to acquire ten 7000 TEU vessels and the gross contracted cashflow for these vessels is \$1.8 billion.

### Financial Results Summary

#### Revenue

Revenue increased by 15.4% to \$350.6 million and by 14.8% to \$684.4 million for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The increase in revenue was primarily due to revenue contribution from the delivery of seven vessels between June 2020 and June 2021.

#### Ship Operating Expense

Operating expense increased by 31.2% to \$74.4 million and by 25.6% to \$142.6 million for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The increase was primarily due to expenses related to a growth in our operating fleet.

#### Depreciation and Amortization Expense

Depreciation and amortization expense increased by 4.4% to \$75.9 million and by 8.5% to \$151.1 million for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The increase was primarily due to the delivery of seven vessels between June 2020 and June 2021.

#### General and Administrative Expense

General and administrative expense increased by 41.2% to \$9.6 million and increased by 22.4% to \$19.1 million for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The increase was primarily due to the delivery of seven vessels between June 2020 and June 2021.

#### Loss on debt extinguishment

During the three months ended June 30, 2021, there was a \$56.1 million non-cash charge for loss on debt extinguishment related to early debt settlement.

#### Operating Lease Expense

Operating lease expense decreased by 3.5% to \$36.0 million and by 5.3% to \$71.4 million for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The decrease was primarily due to a decrease in LIBOR.



*Interest Expense and Amortization of Deferred Financing Fees*

The following table summarizes our borrowings:

(in millions of US dollars)	June 30,		Change	
	2021	2020	\$	%
Long-term debt, excluding deferred financing fees:				
Revolving credit facilities	\$ 614.1	\$ 813.4	\$ (199.3)	(24.5)%
Term loan credit facilities	1,673.8	1,960.6	(286.8)	(14.6)%
7.125% senior unsecured notes due 2027	27.8	80.0	(52.2)	(65.3)%
Fairfax Notes	300.0	600.0	(300.0)	(50.0)%
Exchangeable Notes	201.3	-	201.3	100.0%
Bonds	500.0	-	500.0	100.0%
Senior Secured Notes	450.0	-	450.0	100.0%
Debt discount and fair value adjustment	(75.1)	(141.1)	66.0	46.8%
Other financing arrangements, excluding deferred financing fees	1,160.8	681.7	479.0	70.3%
<b>Total borrowings(1)</b>	<b>\$ 4,852.7</b>	<b>\$ 3,994.6</b>	<b>\$ 858.0</b>	<b>21.5%</b>
Vessels under construction	(510.8)	-	(510.8)	100.0%
<b>Operating borrowings(1)</b>	<b>\$ 4,341.9</b>	<b>\$ 3,994.6</b>	<b>\$ 347.3</b>	<b>8.7%</b>

(1) Total borrowings is a non-GAAP financial measure which comprises of long-term debt and other financing arrangements, excluding deferred financing fees. The Company's total borrowings include amounts related to vessels under construction, consisting primarily of amounts borrowed to pay installments to shipyards. The interest incurred on borrowings related to the vessels under construction are capitalized during the construction period. Total borrowings and operating borrowings are non-GAAP financial measures that are not defined under or prepared in accordance with U.S. GAAP. Disclosure of total borrowings and operating borrowings is intended to provide additional information and should not be considered a substitute for financial measures prepared in accordance with U.S. GAAP.

Interest expense increased from \$4.4 million to \$50.3 million and decreased by \$0.8 million to \$93.0 million to for the three and six months ended June 30, 2021, respectively, compared with the same period in 2020. The increase is primarily due to the issuance of the Exchangeable Notes, and Bonds partially offset by the decrease in LIBOR rates.

*Loss on Derivative Instruments*

The change in fair value of derivative instruments resulted in a loss of \$5.2 million and a loss of \$11.1 million for the three and six months ended June 30, 2021, respectively. 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 and our Fairfax derivative put instruments 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 \$24.5 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 \$0.6 million.

The fair value of the Fairfax derivative put instruments at each reporting period is subject to changes in our company specific credit risk and the risk-free yield curve. With the Amendment of the Fairfax Notes in June 2021, the put option was eliminated.

Our fair value instruments, including interest rate swaps and put instruments were marked to market with all changes in the fair value of these instruments recorded in "Change in fair value of financial instruments" in our Interim Consolidated Statement of Operations.

Please read “Item 11. Quantitative and Qualitative Disclosures About Market Risk” in Atlas’ 2020 Annual Report on Form 20-F for additional information.

## Liquidity and Capital Resources

### Liquidity

As of June 30, 2021, we have total liquidity of \$750.6 million, consisting of \$121.1 million of cash and cash equivalents and \$629.5 million of undrawn commitments under available revolving credit facilities, term loan and Senior Secured Notes. 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, the redemption of our Fairfax Notes and payments on our other financing arrangements. Our long-term liquidity needs primarily relate to potential future acquisitions, lease payments, debt repayments including repayment of our notes, the potential future redemption of our preferred shares and payments on our other financing arrangements. Please read note 7 “Long-term debt”, note 8 “Operating lease liabilities”, note 9 “Other financing arrangements” in our Interim Consolidated Financial Statements for additional information.

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 and other financing arrangements. 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 June 30, 2021 and 2020:

(in millions of US dollars)	June 30,	
	2021	2020
Cash and cash equivalents	\$ 121.1	\$ 156.9
Undrawn revolving credit facilities	400.0	150.0
Undrawn term loan facilities	179.5	-
Undrawn Seaspans Senior Secured Notes	50.0	-
<b>Total liquidity</b>	<b>\$ 750.6</b>	<b>\$ 306.9</b>

### Our Credit Facilities

We primarily use our credit facilities to finance the construction and acquisition of assets. As at June 30, 2021, our credit facilities are secured by first-priority mortgages granted on 67 of our vessels, 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 June 30, 2021, we had \$2.29 billion outstanding under our revolving credit facilities and term loan credit facilities excluding deferred financing fees. In addition, there is \$400 million available to be drawn under our revolving credit facilities.

Interest payments on our revolving credit facilities are based on LIBOR plus margins, which ranged between 0.5% and 2.3% as of June 30, 2021.

Interest payments on our term loan credit facilities are based on LIBOR plus margins, which ranged between 0.4% and 2.3% as of June 30, 2021. For a portion of one of our term loans, interest is calculated based on the reference rate of KEXIM plus a margin, which was 0.7% as of June 30, 2021.

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. In these circumstances, valuations of the Company’s vessels are conducted on a “without charter” 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 June 30, 2021.

The following is a schedule of key facts relating to the Company's credit facilities as of June 30, 2021:

<i>(in millions of USD)</i>	Scheduled Amortization	Bullet Due on Maturity	Total Future Minimum Repayments	Additional Vessels Unencumbered Upon Maturity	Net Book Value of Vessels Unencumbered(1)
Remainder of 2021	\$ 106.9	\$ 84.0	\$ 190.9	4	\$ 210.1
2022	351.8	326.5	678.3	8	695.1
2023	187.3	65.1	252.4	2	247.7
2024	77.3	46.3	123.6	1	122.0
2025	122.5	-	122.5	-	-
2026	56.0	709.0	765.0	-	-
2027	13.4	119.8	133.2	-	-
2028	8.8	-	8.8	-	-
2029	8.8	-	8.8	-	-
2030	4.4	-	4.4	2	174.6
Thereafter	-	-	-	50	3,130.0
<b>Total</b>	<b>\$ 937.2</b>	<b>\$ 1,350.7</b>	<b>\$ 2,287.9</b>	<b>67</b>	<b>\$ 4,579.5</b>

(1) Does not include four vessels that became unencumbered through June Prepayments (as defined herein).

#### Notes

As of June 30, 2021, we had \$1.5 billion outstanding under our 7.125% senior unsecured notes due 2027, the Fairfax Notes, our 3.75% exchangeable senior notes due 2025 (the "Exchangeable Notes"), our Bonds and Senior Secured Notes, excluding deferred financing fees and debt discount.

In June 2021, Atlas and Seaspan exchanged \$200.0 million of our 2026 Fairfax Notes and \$100.0 million of our 2027 Fairfax Notes for 12.0 million Series J 7.00% Cumulative Preferred Shares and 1.0 million warrants and amended the terms of our \$250.0 million of 2025 Fairfax Notes and the remaining \$50.0 million of 2026 Fairfax Notes. On August 13, 2021, the Company issued notice of its intention to redeem all outstanding 2025 Fairfax Notes and 2026 Fairfax Notes for cash on August 23, 2021. The redemption price per Fairfax Note will be \$1,000 plus all accrued and unpaid interest from and including July 30, 2021 to the redemption date. Please read "Significant Developments During the Six Months ended June 30, 2021" and "Subsequent Events" for additional information.

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 us, 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 and April 2021, we issued \$200.0 million and \$300.0 million of Bonds, respectively. The Bonds bear interest at 6.5% per annum and mature in February 2024 and April 2026, respectively. Upon maturity, 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 occurrence of a Change in Control or a De-Listing event (as defined in the relevant Bond Terms), each holder of Bonds will have the right to require us to purchase all or a portion of such holder's Bonds at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any.

On May 21 and August 12, 2021, we issued an aggregate \$500.0 million of Senior Secured Notes, which bear interest between 3.91% and 4.26% and mature between 2031 and 2036. The Senior Secured Notes are secured by the same portfolio of vessels as our Program.

#### Operating Leases

As of June 30, 2021, we had 14 vessel operating lease arrangements. Under 13 of the operating lease arrangements, we may purchase the vessels for a predetermined 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 predetermined amount. As of June 30, 2021, we had total commitments, excluding purchase options, under vessel operating leases from 2021 to 2029 of approximately \$844.7 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

We enter into financing arrangements consisting of financing sale-leaseback and failed sales arrangements with special purpose entities, which are consolidated by us as primary beneficiaries. 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. We use these arrangements to finance the construction and acquisition of vessels, as well as certain of our operating vessels.

As of June 30, 2021, we have 20 vessels under these financing arrangements, which provided for borrowings of approximately \$1.16 billion excluding deferred financing fees. Under these agreements, we may voluntarily terminate a lease agreement, subject to payment of a termination fee in certain circumstances. We are 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 we default 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.

For additional information about our credit and lease facilities and other financing arrangements, including, among other things, a description of certain related covenants, please read "Item 5. Operating and Financial Review and Prospects—C. Liquidity and Capital Resources" in Atlas' 2020 Annual Report.

The following is a schedule of key facts under our other financing arrangements as of June 30, 2021:

<i>(in millions of USD)</i>	Scheduled Amortization	Bullet Due on Maturity	Total Future Minimum Repayments	Additional Vessels Unencumbered Upon Maturity	Net Book Value of Vessels Unencumbered(1)
Remainder of 2021	\$ 43.2	–	\$ 43.2	–	–
2022	89.0	–	89.0	–	–
2023	89.7	–	89.7	–	–
2024	89.7	–	89.7	–	–
2025	82.5	–	82.5	–	–
2026	79.3	–	79.3	–	–
2027	79.3	–	79.3	–	–
2028	79.3	–	79.3	–	–
2029	71.6	\$ 27.0	98.6	2	\$ 194.9
2030	46.5	181.0	227.5	7	586.5
Thereafter	108.2	94.5	202.7	6	513.3(2)
Total	\$ 858.3	\$ 302.5	\$ 1,160.8	15	\$ 1,294.7

(1) Includes unencumbered vessels that are included on our balance sheet as "Vessels" and as "Net Investment in Lease".

(2) Newbuilds that have not been delivered as at June 30, 2021, have not been included.

#### Cash Flows

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

<i>(in millions of US dollars)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net cash flows from operating activities	\$ 175.4	\$ 148.3	\$ 346.5	\$ 273.2
Net cash flows used in investing activities	(639.9)	(201.0)	(842.8)	(488.5)
Net cash flows from financing activities	309.7	63.2	373.9	174.9

### *Operating Cash Flows*

Net cash flows from operating activities were \$175.4 million and \$346.5 million for the three and six months ended June 30, 2021, respectively, an increase of \$27.1 million and \$73.3 million, respectively, compared to the same periods in 2020. The increase in net cash flows from operating activities was primarily due to the contribution of seven vessels delivered to Seaspan after June 2020. For further discussion of changes in revenue and expenses, please read “Three and Six Months Ended June 30, 2021 Compared with Three and Six Months Ended June 30, 2020”.

### *Investing Cash Flows*

Net cash flows used in investing activities were \$639.9 million and \$842.8 million for the three and six months ended June 30, 2021, respectively, an increase of cash flows used of \$438.9 million and \$354.3 million, respectively, compared to the same periods in 2020. The increase in cash used in investing activities for the quarter ended June 30, 2021 was primarily due to the increase in expenditures on vessel acquisitions compared to the same periods in 2020.

### *Financing Cash Flows*

Net cash flows from financing activities were \$309.7 million and \$373.9 million for the three and six months ended June 30, 2021, respectively, an increase of \$246.5 million and \$199.0 million, respectively, in cash from financing activities, compared to the same periods in 2020. The increase was primarily due to higher amounts drawn on existing and new credit facilities, net of repayments.

## **Ongoing Capital Expenditures**

### *Ongoing Capital Expenditures*

The average age of the vessels in our containership 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 quarter ended June 30, 2021, we completed 5 dry-dockings. For the remainder of 2021, we expect 14 additional vessels to complete dry-docking.

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 vessels;
- (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) unanticipated future events and other contingencies.

Please read “Item 3. Key Information – D. Risk Factors” in Atlas’ 2020 Annual Report for factors that may affect our future capital expenditures and results.

## **Critical Accounting Policies and 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. For more information about our critical accounting estimates, please read “Item 5. Operating and Financial Review and Prospects—D. Critical Accounting Estimates” in Atlas’ 2020 Annual Report.

### *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 of this guidance.

#### *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. The Company is currently evaluating the impact of this guidance.

## **Off-Balance Sheet Arrangements**

At June 30, 2021, we do not have any off-balance sheet arrangements.

## FORWARD-LOOKING STATEMENTS

This Report on Form 6-K for the quarter ended June 30, 2021, contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act) 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 Report in the section titled “Risk Factors.”

These forward-looking statements represent our estimates and assumptions only as of the date of this 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 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, including the timing and amount of potential impairments;
- the future valuation of our vessels and goodwill;
- potential acquisitions, vessel 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 our capital base, and comply with regulatory standards, our expectations regarding future dry-docking and operating expenses, including ship operating expense, and general and administrative expenses;
- our expectations about the availability of vessels to purchase and the useful lives of our vessels;
- availability of crew, number of off-hire days and dry-docking requirements;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our financial condition and liquidity, including our ability to realize the benefits of recent financing activities, borrow and repay 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 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;
- conditions in the public equity market and the price of our shares;
- our ability to leverage to our advantage our relationships and reputation in the containership industry;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations 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 continued ability to meet specified restrictive covenants in our financing and lease arrangements, our notes and our preferred shares;
- any economic downturn in the global financial markets and potential negative effects of any recurrence of such disruptions on the demand for the services of our containerships or on our customers' ability to charter our vessels and pay for our services;
- the length and severity of the recent novel coronavirus (COVID-19) outbreak and its impact in the container shipping industry;
- a major customer experiencing financial distress, particularly related to the COVID-19 pandemic;
- disruptions in global credit and financial markets as the result of the COVID-19 pandemic
- the values of our vessels and other factors or events that trigger impairment assessments or results;
- taxation of our company and of distributions to our shareholders;
- our ability to achieve or realize expected benefits from ESG initiatives;
- our exemption from tax on our U.S. source international transportation income;
- potential liability from future litigation;
- other factors detailed in this Report and from time to time in our periodic reports; and
- other risks that are not currently material or known to us.

Forward-looking statements in this 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" in Atlas' Annual Report for the year ended December 31, 2020.

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. 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 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.



### ITEM 3 — 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 do not use interest rate swaps for trading or speculative purposes.

#### Interest Rate Risk

As of June 30, 2021, 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 1.0 billion. These interest rate swaps have a fair value of \$42.6 million, net, in the counterparties' favor.

The tables below provide information about our financial instruments at June 30, 2021 that are sensitive to changes in interest rates. In addition to the disclosures in this interim report, please read notes 12 to 14 to our consolidated financial statements included in Atlas' 2020 Annual Report, which provide additional information with respect to our existing credit and lease facilities.

(in millions of US dollars)	Principal Payment Dates					
	Remainder of 2021	2022	2023	2024	2025	Thereafter
Credit Facilities(1)	\$ 184.5	\$ 665.5	\$ 238.0	\$ 123.6	\$ 122.4	\$ 1,370.3
Vessel Operating Leases(2)	71.6	139.7	142.7	146.8	125.5	218.4
Sale-Leaseback Facilities(3)	43.2	89.0	89.7	89.7	82.5	766.7

- (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, calculated using the applicable LIBOR in place as at June 30, 2021.
- (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 June 30, 2021, we had the following interest rate swaps outstanding:

Fixed per annum rate swapped for LIBOR	Notional amount as of June 30, 2021	Maximum notional amount(1)	Effective date	Ending date
5.4200%	\$ 286.2	\$ 286.2	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
1.6850%	110.0	110.0	November 14, 2019	May 15, 2024
0.6300%	96.0	96.0	January 21, 2021	October 14, 2026
0.6600%	96.0	96.0	February 4, 2021	October 14, 2026
5.6000%	86.4	86.4	June 23, 2010	December 23, 2021(2)
1.4900%	28.2	28.2	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 June 30, 2021, 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 June 30, 2021. 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.

PART II — OTHER INFORMATION

Item 1 — Legal Proceedings

None.

Item 1A — Risk Factors

None.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 — Defaults Upon Senior Securities

None.

Item 4 — Mine Safety Disclosures

None.

Item 5 — Other Information

None.

Item 6 — Exhibits

None.