

atlas**Arteria**

INVESTOR REFERENCE PACK

30 JUNE 2024

Table of contents

Overview of operations	2
Business portfolio	2
Corporate structure	3
Corporate financials	4
Business overview and performance	5
1.1 APRR Group	5
1.2 ADELAC	10
1.3 Warnow Tunnel	12
1.4 Chicago Skyway	15
1.5 Dulles Greenway	18

Important information

Disclaimer

The information in this publication is given in good faith and derived from sources believed to be accurate at this date, but no representation or warranty (express or implied) is given as to its accuracy, completeness or reliability. Neither Atlas Arteria, nor its subsidiaries, their officers, employees or any other person accept any responsibility or liability arising in any way whatsoever from or in connection with this publication or the information it contains, including without limitation any liability arising from any fault or negligence, errors or omissions. The material contained in this publication may include information derived from publicly available sources that have not been independently verified and Atlas Arteria makes no representation as to the accuracy of such information.

This publication is not an offer or invitation for subscription or purchase of, or a recommendation of, securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Information in this publication should not be considered as advice or a recommendation to investors or potential investors. Before making an investment in Atlas Arteria, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if appropriate.

Investments in Atlas Arteria are subject to investment risk, including possible delays in repayment and loss of income and capital invested.

Forward Looking Statements

This publication may contain forward-looking statements including statements with respect to Atlas Arteria's future performance. Such forward-looking statements are not guarantees of future performance. Due care and attention has been exercised in the preparation of forward-looking statements, however actual results may vary as a result of various factors beyond the control of Atlas Arteria, its subsidiaries and their officers, employees, agents and advisors. The words, 'plan', 'will', 'expect', 'may', 'should', and similar expressions are intended to identify forward looking statements.

Non-IFRS Information

This publication includes certain financial measures that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS), which are included for the purpose of providing a more comprehensive understanding of Atlas Arteria. Such non-IFRS financial measures do not have a standardised meaning prescribed by AAS or IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Recipients are cautioned not to place undue reliance on any non-IFRS financial measures included in this publication. The non-IFRS information has not been subject to audit or review by Atlas Arteria's external auditor.

Basis of Preparation

All financial results are presented in Australian dollars unless stated otherwise. Data used for calculating percentage movements has been based on actual numbers. Percentage changes are based on prior comparative period unless otherwise stated. Atlas Arteria has a 31 December financial year end.

No Offer

This publication may not be distributed in the United States.

This publication does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Rule 902(k) under the U.S. Securities Act) ('U.S. Person'), or in any other jurisdiction in which such an offer would be illegal.

Atlas Arteria's securities have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States or elsewhere. Accordingly, Atlas Arteria's securities may not be offered or sold, directly or indirectly, in the United States unless they are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws.

US Ownership Restrictions

Investors should note that neither of the Atlas Arteria entities has been, or will be, registered under the U.S. Investment Company Act 1940, as amended (the 'U.S. Investment Company Act'), in reliance on the exception in Section 3(c)(7) from the definition of 'investment company'.

Accordingly, Atlas Arteria securities cannot be held at any time by, or for the account or benefit of, any 'U.S. person' (as defined in Rule 902(k) under the U.S. Securities Act of 1933) ('U.S. Person') that is not a 'qualified purchaser' (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) ('Qualified Purchaser' or 'QP') at the time of their acquisition. Any U.S. Person that is not a Qualified Purchaser, or any investor acting for the account or benefit of any U.S. Person that is not a Qualified Purchaser, is an 'Excluded U.S. Person' and may not hold Atlas Arteria securities.

Atlas Arteria may require an investor to complete a statutory declaration as to whether they (or any person on whose account or for whose benefit it holds Atlas Arteria securities) are an Excluded U.S. Person. Atlas Arteria may treat any investor who does not comply with such a request as an Excluded U.S. Person. Atlas Arteria has the right to: (i) refuse to register a transfer of Atlas Arteria securities to any Excluded U.S. Person; or (ii) require any Excluded U.S. Person to dispose of their securities in Atlas Arteria, and, if the Excluded U.S. Person does not do so within 30 business days, require the securities to be sold by a nominee appointed by Atlas Arteria.

To monitor compliance with these foreign ownership restrictions, the ASX's settlement facility operator ('ASTC') has classified the Atlas Arteria securities as Foreign Ownership Restricted financial products and designated the Stapled Securities as 'FOR - Excluded U.S. Person', and has put in place certain additional monitoring procedures.

For further details of ownership restrictions that apply to residents of the United States and other U.S. Persons that are not Qualified Purchasers, please see our website https://www.atlasarteria.com/stores/_sharedfiles/US_Ownership/AtlasArteria-USownershiprestrictions.pdf

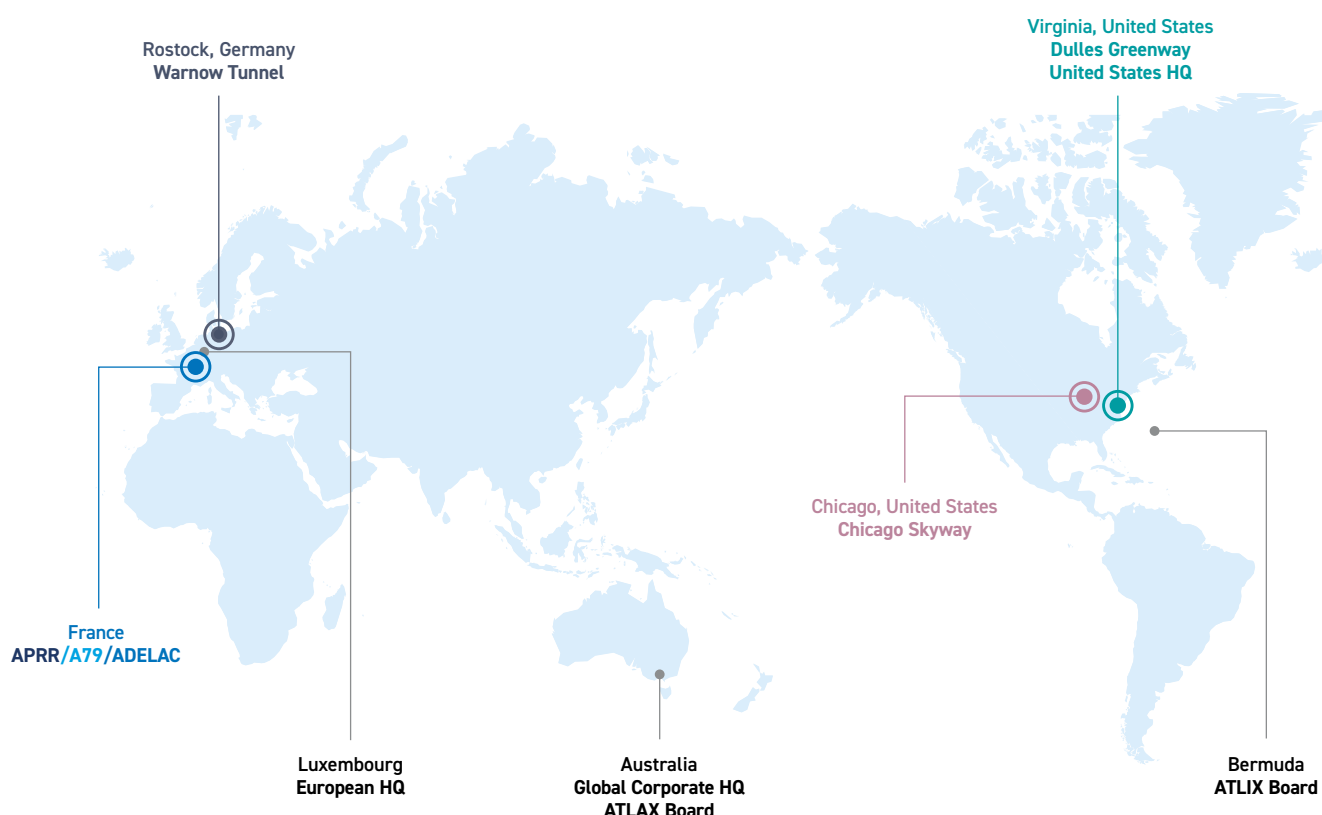
PURPOSE AND STRUCTURE

THE PURPOSE OF THE INVESTOR REFERENCE PACK (THE 'IRP' OR THE 'PACK') IS TO PROVIDE INFORMATION SUPPLEMENTARY TO THE INTERIM FINANCIAL REPORT OF ATLAS ARTERIA FOR THE HALF YEAR ENDED 30 JUNE 2024. THIS PACK PROVIDES A MORE DETAILED ANALYSIS OF THE PERFORMANCE OF EACH BUSINESS WITHIN THE ATLAS ARTERIA PORTFOLIO.

This Pack is prepared on a different basis from the Atlas Arteria Interim Financial Report, which is prepared in accordance with Australian Accounting Standards. The information contained in this Pack does not and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of Atlas Arteria for the year as in the Interim Financial Report. This Pack should be read in conjunction with the Interim Financial Report which is available on the Atlas Arteria website.

OVERVIEW OF OPERATIONS

The map below shows the locations of Atlas Arteria's operations as at 30 June 2024.



BUSINESS PORTFOLIO

Table 1 – Atlas Arteria's portfolio of businesses and percentage interests as at 30 June 2024

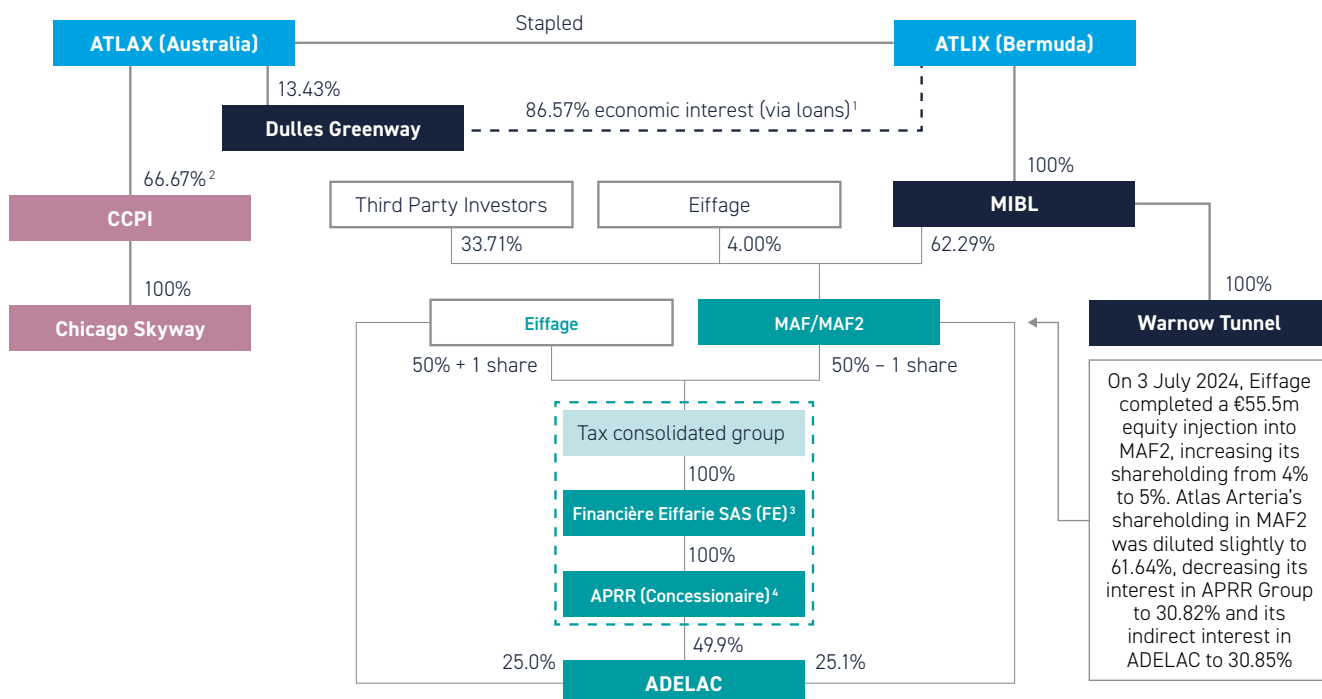
Asset	Reporting currency	Date of concession end	Economic interest
APRR Group	€	November 2035 (APRR) September 2036 (AREA) February 2068 (A79)	31.14% ¹
ADELAC	€	December 2060	31.17% ¹
Dulles Greenway	US\$	February 2056	100.00%
Warnow Tunnel	€	September 2053	100.00%
Chicago Skyway	US\$	January 2104	66.67%

1. Represents economic interest at 30 June 2024. On 3 July 2024 Atlas Arteria's economic ownership of APRR and ADELAC changed to 30.82% and 30.85% respectively following a capital increase at MAF2.

CORPORATE STRUCTURE

Atlas Arteria trades on the Australian Securities Exchange (ASX) as a stapled security under the code 'ALX'. An ALX security comprises one share in Atlas Arteria Limited and one share in Atlas Arteria International Limited. The shares that comprise an ALX security are stapled together and cannot be traded, transferred or otherwise dealt with separately.

Figure 1 – Atlas Arteria structure overview as at 30 June 2024



1. Atlas Arteria International Limited ('ATLIX')'s 86.57% economic interest in Dulles Greenway represents two subordinated loans secured against the non-Atlas Arteria limited partner interests in Toll Road Investors Partnership II ('TRIP II').
2. ATLIX and its controlled entities ('ATLIX Group') holds US\$166.7m of shareholder loans in CCPI.
3. On 31 December 2023, the Eiffarie SAS entity was dissolved, and its assets and liabilities were transferred into Financière Eiffarie SAS entity (FE), effectively merging the two entities into one. Consequently, FE will now hold directly 100% of the shares in APRR.
4. APRR owns 99.84% of AREA and 99.9% of A79. A79 was included in the tax consolidated group on 1 January 2023.

CORPORATE FINANCIALS

Table 2 – Aggregated cash flow statement of Atlas Arteria

A\$m	H1 2024	H1 2023	H1 2022
Operating cashflows:			
APRR distributions	255.1	220.5	208.3
Warnow Tunnel distributions	6.0	5.4	5.3
Chicago Skyway distributions and interest on shareholder loan	14.7	16.3	–
Dulles Greenway distributions	–	–	–
Payments to suppliers and employees	(19.9)	(17.4)	(17.7)
Interest income on corporate cash balances	4.3	2.3	(0.0)
Exchange rate movements	(2.4)	1.9	(1.1)
Interest and Fees Paid	(0.2)	(0.2)	–
Operating cashflows	257.7	228.8	194.8
Investing cashflows:			
Payments for capital projects	–	(0.2)	(0.2)
Purchase of fixed assets	–	(0.0)	(0.1)
Free cashflow	257.7	228.6	194.5
Payments for & capital contributions to investments (including transaction costs)	–	(5.5)	–
Other financing and investment cashflow	–	(5.5)	–
Cash balance at beginning of the period	196.4	172.4	133.8
Free cashflow	257.7	228.6	194.5
Other financing and investment cashflow	–	(5.5)	–
Distributions paid to Atlas Arteria's securityholders	(290.2)	(290.2)	(196.6)
Cash balance at end of the period	163.9	105.3	131.7
Distributions paid to Atlas Arteria securityholders (cents per share)	20.0	20.0	20.5

The aggregated cash flow statement shows Atlas Arteria's corporate cash flows, including distributions from its businesses, corporate operating costs, and financing cashflows including debt and equity raised and invested (including financing and transaction costs). Cash flows within subsidiary businesses are not included. As a result, the aggregated Atlas Arteria cash flows shown in the Investor Reference Pack and the Atlas Arteria Consolidated Statements of Cash Flows shown in the Interim Financial Report will differ.

Table 3 – Corporate revolving credit facility

A\$m	30-Jun-24	31-Dec-23	Details
Drawn balance	–	–	Established on 5 May 2023. 3 year revolving credit facility with commitment fee of 0.72% p.a. for undrawn balances and interest on drawn balances is 3M BBSY + 1.8%. Limited financial covenants (default only) with no lock up covenants.
Undrawn balance	50.0	50.0	

BUSINESS OVERVIEW AND PERFORMANCE

1.1 APRR Group

1.1.1 Business background

APRR Group is a 2,404km motorway network located in the east of France. The APRR Group consists of the APRR concession, the AREA concession and the A79 concession. It also owns a minority stake in the ADELAC concession. APRR Group provides intercity road connections between major cities within its network including Paris and Lyon, which are critical connections for light vehicles, as well as a primary route for French and European road freight. In June 2022, the ownership of the A79 was finalised and tolling commenced on 4th November 2022.

APRR and AREA tolls escalate annually in February by a percentage of French CPI, plus supplemental increases as agreed with the French State as a result of APRR funded capex projects. On 31 January 2023, APRR and AREA signed a new €410 million capital investment plan (Investment Plan) with the French Government. The agreement includes supplemental toll increases for APRR and AREA between 2023 and 2026, a supplemental toll increase in 2023 of 2% on the Fleury A6 toll plaza, increases to the class 4 heavy vehicle multiplier of APRR (but not AREA) and rescheduling of some capex related to the 2015 Motorway Recovery Plan.

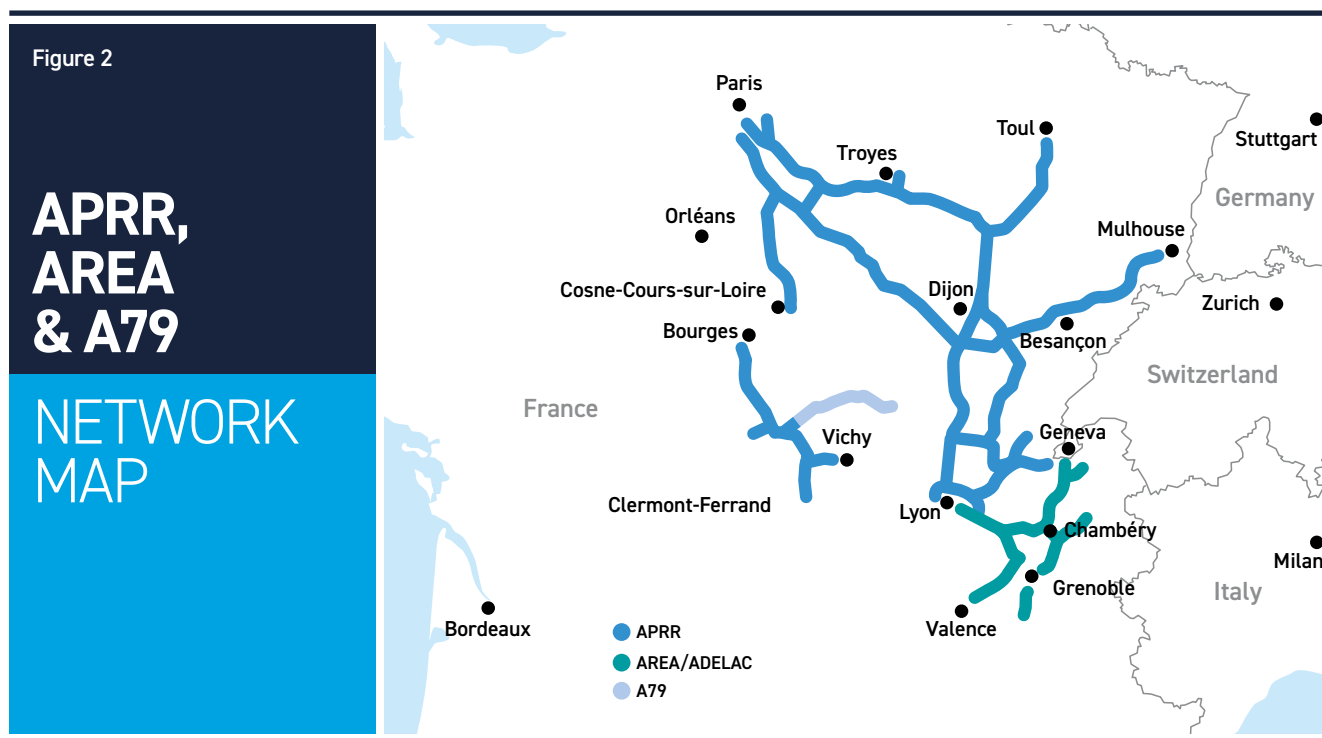
The current toll escalation formulae are shown below and the applicable tolls are presented on the APRR website¹ and A79 website².

Table 4 – APRR toll escalation

	APRR	AREA	A79
2024	$70\% \times \text{CPI}^3 + 0.315\% + 0.06\%^4$	$70\% \times \text{CPI}^3 + 0.33\% + 0.08\%^4$	$75\% \times \text{CPI}^3$
2025 – 2026	$70\% \times \text{CPI}^3 + 0.315\%$	$70\% \times \text{CPI}^3 + 0.33\%$	$+ 15\% \times \text{TP01}^* + 10\% \times \text{TP09}^*$
2027+	$70\% \times \text{CPI}^3$	$70\% \times \text{CPI}^3$	

*TP01 and TP09 are production cost indices typically used in contract escalation and are capped at 4% and floored at zero.

The APRR concession expires in 2035, the AREA concession in 2036, and the A79 concession in 2068. A map of the APRR, AREA and A79 networks is shown below.



1. <https://voyage.aprr.fr/tarifs-de-peage>
 2. https://paiement.aliae.com/upload/TARIFS_24_v1.pdf
 3. CPI = Consumer Price index (excl. Tobacco) from October in the prior year (i.e. October 2023 CPI used for the toll increase for APRR in 2024).
 4. APRR and AREA voluntarily decided that the supplemental toll increases in 2023 of 0.06% for APRR, 0.08% for AREA would not be applied in 2023 and have instead been applied in 2024.

BUSINESS OVERVIEW AND PERFORMANCE

1.1.2 Business performance

Consolidated accounts are prepared by APRR using International Financial Reporting Standards ('IFRS').

Table 5 – APRR Traffic and Consolidated Profit and Loss

€m unless otherwise stated	H1 2024	H1 2023	% ch on prior	H1 2022
APRR/AREA				
- Light Vehicle traffic, VKT millions	10,074	10,130	(0.5%)	9,790
- Heavy Vehicle traffic, VKT millions	2,008	2,059	(2.5%)	2,039
Total APRR/AREA Traffic, VKT millions	12,082	12,188	(0.9%)	11,828
A79 Traffic, VKT millions	203	186	9.2%	n.a.
Total APRR Group Traffic, VKT millions	12,285	12,375	(0.7%)	11,828
- Toll revenue APRR/AREA	1,413.3	1,370.0	3.2%	1,289.6
- Toll revenue A79	18.0	16.5	9.1%	n.a.
- Other revenue	69.5	67.6	2.8%	58.7
- Construction services (IFRIC 12)	105.5	84.2	25.3%	144.2
Total Revenue	1,606.3	1,538.3	4.4%	1,492.6
Other operating income (expenses)	2.9	7.6	(62.3%)	1.7
Purchases and external charges	(93.6)	(92.6)	(1.1%)	(74.1)
Construction services (IFRIC 12)	(105.5)	(84.2)	(25.3%)	(144.2)
Employee benefit expenses	(125.4)	(112.7)	(11.2%)	(110.8)
- Taxes (other than income tax, comprising of):	(200.1)	(139.0)	(44.0%)	(133.7)
- TEILD	(60.0)	-	n.a.	-
- TAT	(92.0)	(90.8)	(1.3%)	(82.8)
- CET	(19.7)	(20.5)	3.6%	(24.3)
- Other	(28.4)	(27.8)	(2.4%)	(26.6)
EBITDA	1,084.5	1,117.4	(2.9%)	1,031.5
EBITDA margin (excl. construction services)	72.3%	76.8%	(4.6%)	76.5%
EBITDA margin (excl. construction services and taxes)	85.6%	86.4%	(0.8%)	86.4%
Depreciation and amortisation	(291.8)	(274.2)	(6.4%)	(243.2)
Provision for maintenance	(4.0)	(12.1)	67.0%	(5.2)
Operating profit	788.7	831.0	(5.1%)	783.2
Income from cash and cash equivalents	19.6	15.3	27.7%	2.0
Gross finance costs	(66.0)	(69.4)	5.0%	(51.9)
Other financial income (expenses)	(4.3)	(7.8)	44.5%	(14.3)
Share of profit (loss) of associates (incl. ADELAC)	3.4	0.2	2133.8%	4.5
Income tax expense	(211.6)	(201.2)	(5.2%)	(188.5)
Profit/(loss) for the period from continuing operations	529.8	568.0	(6.7%)	534.9

Table 6 – APRR profit to Atlas Arteria cash flow waterfall

€m unless otherwise stated	H1 24	H2 23	H1 23	H2 22	H1 22
APRR Consolidated Net Profit After Tax (NPAT)	529.8	547.8	568.0	521.4	534.9
APRR Consolidation Adjustments	(24.4)	8.3	(70.6)	(34.2)	(103.1)
Area Participation special distribution from accumulated retained earnings ¹	200.0	-	-	-	-
APRR Company NPAT/dividend payable	705.4	556.1	497.4	487.2	431.8
Financière Eiffarie (FE) level tax balancing	20.2	2.1	-	-	-
FE interest due for next period	(21.8)	(23.5)	(23.3)	(18.1)	(4.6)
FE debt amortisation due for next period	(40.0)	(40.0)	(20.0)	(20.0)	-
Other FE related costs (incl. refinance fees) and changes in working capital	0.0	6.1	(4.3)	(1.3)	11.7
Withholding of APRR special distribution funds	(160.0)	-	-	-	-
Distribution by FE	503.8	500.8	449.8	447.8	439.0
Atlas Arteria indirect ownership ²	30.8%	31.1%	31.1%	31.1%	31.1%
Cash available for distribution (Atlas Arteria share)	155.3	156.0	140.1	139.5	136.7
ADELAC distribution to MAF (Atlas Arteria share)	2.6	-	-	0.8	-
Cash withheld at MAF (Atlas Arteria share)		(2.7)	(5.7)	(2.4)	(2.7)
Atlas Arteria distribution from MAF2		153.3	134.4	137.9	134.0
EUR/AUD exchange rate		0.601	0.599	0.625	0.675
Atlas Arteria distribution from MAF2 (AUD)		255.1	224.4	220.5	198.6
Paid to Atlas Arteria in:		Mar-24	Sep-23	Mar-23	Sep-22
Remaining APRR special distribution funds held at FE available for future FE debt repayments	160.0				

Cash flows in the H1 2024 period have been approved by the relevant boards however have yet to be finalised/paid at the date of this report.

1. As announced by Atlas Arteria on 1 July 2024, €200m of cash within the APRR Group was released. AREA participation has paid the distribution to APRR during H1 2024 and it will then be paid as a special distribution to FE.

2. Ownership percentages reflect Atlas Arteria's indirect ownership of APRR at the date of the distribution payment. On 3 July 2024, a capital increase at MAF resulted the reduction of Atlas Arteria's indirect ownership of APRR from 31.14% to 30.82%.

BUSINESS OVERVIEW AND PERFORMANCE

1.1.3 Financing and debt

Table 7 – Debt metrics

€m	30-Jun-24	31-Dec-23	30-Jun-23
APRR			
Gross debt	7,853.4	8,070.7	7,960.7
Cash and cash equivalents	1,179.5	1,382.8	1,080.9
Net debt	6,673.9	6,687.9	6,879.8
Actual Net debt/EBITDA (default if > 7.0x)	3.0x	3.0x	3.2x
Actual EBITDA/Interest (default if <2.2x)	20.4x	18.8x	15.8x
Fixed %	98.3%	98.3%	98.4%
APRR and Financière Eiffarie			
Gross debt	8,843.4	9,100.7	9,010.7
Cash and cash equivalents	1,207.7	1,399.9	1,082.2
Net debt	7,635.7	7,700.8	7,928.5
Actual Net debt/EBITDA	3.5x	3.4x	3.7x
Fixed %	87.3%	87.1%	86.9%
Corporate credit rating			
– S&P	A- (stable)	A- (stable)	A- (stable)
– Fitch	A (stable)	A (stable)	A (stable)

Table 8 – APRR debt facilities

€m	30-Jun-24	31-Dec-23	Details
Euro Medium Term Note ('EMTN') public bonds – fixed	7,300	7,800	Fixed coupon bonds ranging from 0.125% to 3.125%, with maturities from 2024 to 2033.
EMTN index linked bonds	119	117	Bond matures in 2032 with a coupon of 0.34% with the principal indexed at French CPI.
Caisse Nationale des Autoroutes ('CNA') debt	23	23	Outstanding CNA debt is fixed rate with a fixed amortisation profile to 2027.
Maurice-Lemaire Loans	23	22	€7m zero interest with the remainder being index linked.
Commercial Paper	377	50	Short term fixed interest rate borrowings. Weighted average interest rate of 3.88%.
Total drawn debt facilities	7,841	8,012	Face value of drawn debt.
Other	80	138	Includes €50m in accrued interest and €30m in other items.
IFRS/consolidation adjustments	(68)	(79)	Drawn debt balances are presented above under French GAAP and reflect face value of debt. Gross debt as per APRR consolidated accounts reflects IFRS adjustments.
Gross APRR debt	7,853	8,071	Total carrying value of debt reflected in the APRR consolidated accounts.
Revolving Credit Facility ('RCF')	2,000	2,000	Amount represents facility limit. Facility undrawn as at 30 June 2024.

Figure 3 – APRR and Financière Eiffarie debt maturity profile at 30 June 2024 (€m)¹

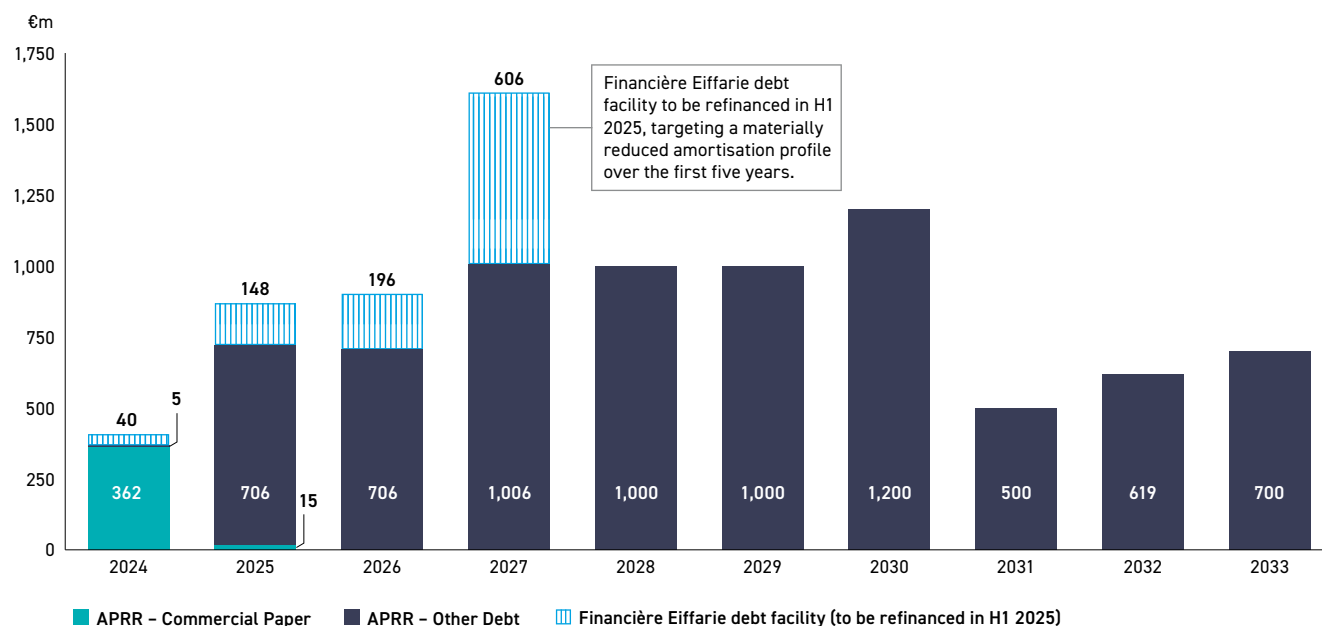


Table 9 – Other APRR related debt facilities

€m	30-Jun-24	31-Dec-23	Details
Financière Eiffarie term loan	990	1,030	<ul style="list-style-type: none"> – Face value of debt at FE. – Margin of 59.5bps above the greater of Euribor and 0%, with the margin incorporating a credit rating and ESG adjustment. – Due to certain financial institutions opting out of the term loan extension option available as part of the agreement, the term loan has maturities spread across 2025-27 (€31.7m due to mature in Feb 2025, €51.4m in Feb 2026 and €606.2m in Feb 2027). In addition, the loan also incorporates a fixed amortisation schedule with €80.0m due in 2024, €116.0m in 2025 and €144.8m in 2026. – On 3 July 2024 an agreement was entered into between APRR Group joint venture partners to refinance this facility to reduce near-to-medium term amortisation. The refinancing is expected to be finalised in the first half of 2025.

Financière Eiffarie term loan repayment schedule

€m	Amortisation	Bullet payment at Maturity	Total Repayment
2023	40.0	–	40.0
2024	80.0	–	80.0
2025	116.0	31.7	147.7
2026	144.8	51.4	196.1
2027	–	606.2	606.2

1. Chart excludes €23m Maurice-Lemaire loans.

BUSINESS OVERVIEW AND PERFORMANCE

1.2 ADELAC

1.2.1 Business background

ADELAC, otherwise known as the A41 north, is a 20km two lane motorway which connects Annecy in France and Geneva in Switzerland, offering fast transit for commuters and facilitating leisure traffic between Geneva and the French Alps.

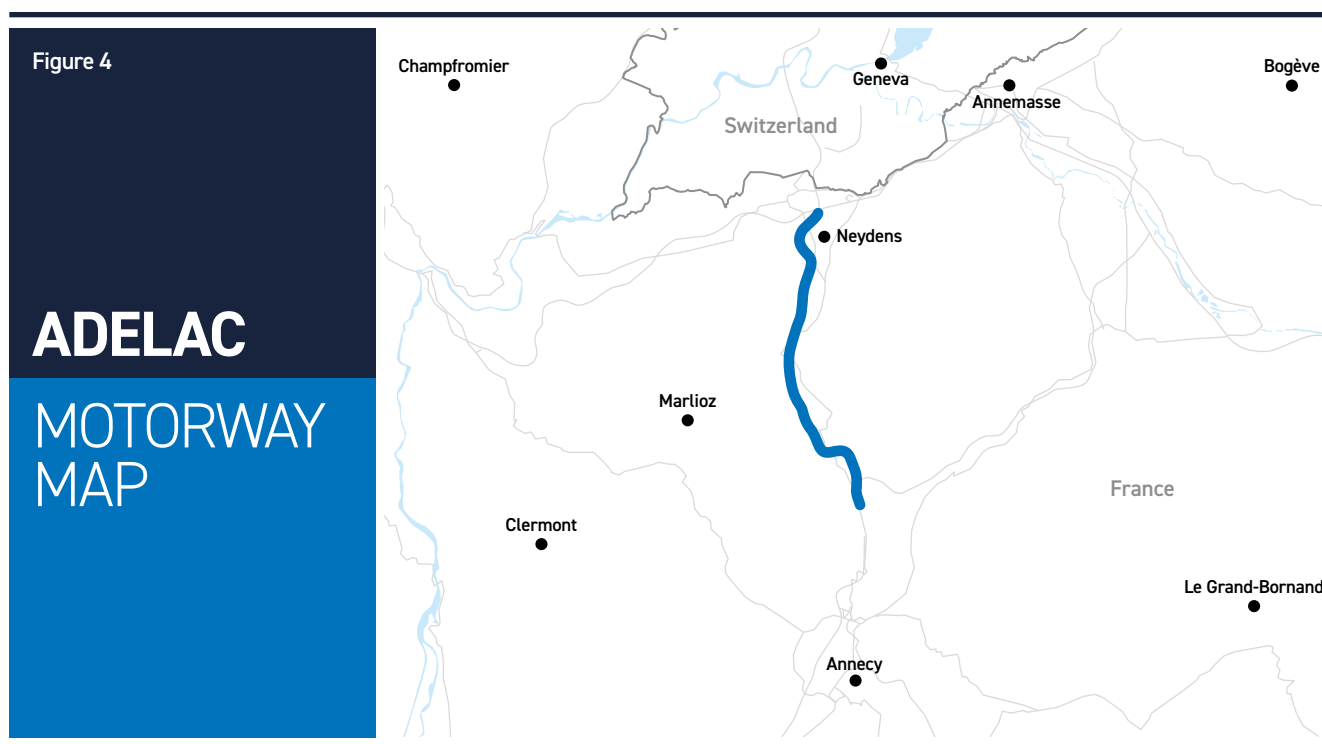
The road provides a continuous motorway connection to the A41 (south) and the A40 (west). APRR is the operator of the ADELAC Concession.

Under the concession contract, tolls typically increase each year in February by French CPI plus a fixed percentage. The current toll escalation formulae are shown below. ADELAC's concession agreement enables ADELAC, within certain limits, to allocate its annual toll increase to specific toll stations.

Table 10 – ADELAC toll escalation

2024	CPI ¹ + 1.0% + 1.0% ²
2025-27	CPI ¹ + 1.0%
2028	CPI ¹ + 0.41%
2029+	CPI ¹

The ADELAC concession expires in 2060.



1. CPI = Consumer Price index (excl. Tobacco) from October in the prior year (i.e. October 2023 CPI used for the toll increase for ADELAC in 2024).

2. ADELAC voluntarily decided that the supplemental toll increase in 2023 of 1.00% would not be applied in 2023 and has instead been applied in 2024.

1.2.2 Business performance

Prepared by ADELAC using International Financial Reporting Standards ('IFRS')

Table 11 – ADELAC profit and loss

€m unless otherwise stated	H1 2024	H1 2023	% ch on prior	H1 2022
Total traffic (trips millions)	5.72	5.59	2.3%	5.20
Average Daily Traffic (ADT)	31,447	30,901	1.8%	28,707
- Toll revenue	36.1	33.4	8.1%	29.6
- Other revenue	0.2	0.2	5.8%	0.1
- Construction services (IFRIC 12)	0.4	0.2	97.5%	0.4
Revenue	36.7	33.8	8.6%	30.1
Purchases and external charges	(4.5)	(4.2)	(6.2%)	(3.6)
Construction services (IFRIC 12)	(0.4)	(0.2)	(97.5%)	(0.4)
Taxes (other than income tax)	(1.2)	(1.2)	(2.2%)	(1.0)
EBITDA	30.6	28.2	8.6%	25.1
EBITDA margin (excl. construction services)	84.3%	83.9%	0.4%	84.6%
Depreciation and amortisation	(7.3)	(7.1)	(3.5%)	(5.9)
Shareholder loan interest & Other	-	(0.0)	100.0%	(0.7)
Net finance costs	(10.7)	(10.1)	(5.9%)	(9.1)
Income tax	(3.4)	(3.0)	(14.7%)	(2.8)
Profit/(loss)	9.1	8.0	14.9%	6.5

1.2.3 Financing and debt

Table 12 – Debt metrics

€m unless otherwise stated	30-Jun-24	31-Dec-23	30-Jun-23
Gross debt	667.3	677.3	685.0
Cash	26.7	35.1	28.1
Net debt	640.6	642.2	656.9
Net debt/EBITDA	10.6x	11.1x	12.4x
EBITDA/Interest	2.71x	2.66x	2.63x
Fixed/Hedging %	85.5%	89.4%	84.5%

Table 13 – ADELAC debt facilities

€m	30-Jun-24	31-Dec-23	Details
Term facility	667.3	677.3	Face value of drawn debt at ADELAC (Equivalent to debt reported under IFRS). Margin over Euribor of 1.90% to June 2026, 2.10% thereafter. Maturity in July 2030 with cash sweep mechanism with minimum repayment profile. Swap paying fixed rate at 0.85% maturing in 2035 for c.85% of existing debt.

BUSINESS OVERVIEW AND PERFORMANCE

1.3 Warnow Tunnel

1.3.1 Business background

The Warnow Tunnel is a 2km toll road with two lanes in each direction, including a 0.8km tunnel under the Warnow River. It opened to traffic in September 2003 and allows users to cross under the Warnow River which divides Rostock. Most of the residential areas are located on the western side and most of the industrial areas are on the eastern side of the river which includes the Rostock Port, a roll on roll off freight and passenger ferry port for Baltic shipping and a bulk port. A Cruise Ship Terminal is located on the western side of the river.

Tolls may be escalated annually and are subject to the approval of the Ministry of Energy, Infrastructure and State Development for the State of Mecklenburg-Vorpommern. Potential toll increases are linked to pre-tax equity IRR of the concession (see table below). Since 2013, Warnow Tunnel tolls have been increasing on the basis of a calculation using inflation and 50% of GDP growth. Toll increases have historically been implemented in November and based on inflation and 50% of GDP growth figures, from the prior year and Q1 of the relevant year.

Applicable toll prices as of December 2023 are presented on the Warnow Tunnel website¹.

Table 14 – Warnow Tunnel toll escalation

Pre tax IRR < 17%	Tolls may rise at a rate higher than inflation
Pre tax IRR 17-25%	Tolls linked to inflation
Pre tax IRR > 25%	Tolls remain fixed

Atlas Arteria has a 100% interest in the concessionaire Warnowquerung GmbH & Co. KG, the concessionaire partnership, and its general partner. The concession expires in 2053.



1. <https://warnowquerung.de/en/prices/>

1.3.2 Business Performance

Prepared under International Financial Reporting Standards ('IFRS')

Table 15 – Traffic, Revenue and EBITDA

€m unless otherwise stated	H1 2024	H1 2023	% ch on prior	H1 2022
Total traffic (trips millions)	2.32	2.30	0.9%	2.15
Average Daily Traffic (ADT)	12,765	12,718	0.4%	11,869
Toll revenues	7.6	7.0	9.6%	6.1
Other Revenues	0.0	0.0	(1.8%)	0.0
Revenue	7.7	7.0	9.6%	6.1
Operating expenses	(2.2)	(2.0)	(5.6%)	(1.9)
EBITDA	5.5	5.0	11.2%	4.3
EBITDA margin	71.9%	70.8%	1.1%	69.5%

Table 16 – Warnow Tunnel cashflows

€m unless otherwise stated	H1 2024	H1 2023	H1 2022
Cash flows from operating activities:			
EBITDA	5.5	5.0	4.3
HMTC (maintenance of toll station) expenses	(0.0)	(0.0)	(0.0)
Other capital expenditure expensed	(0.1)	(0.3)	(0.0)
Movements in working capital and other items	(0.2)	0.1	(0.3)
Net external interest income/(expenses paid)	(1.7)	(1.5)	(1.1)
Net cash provided by/(used in) operating activities	3.5	3.1	2.8
Cash flows from investing activities:			
Purchases of fixed assets	(0.3)	(0.2)	(0.1)
Net cash provided by/(used in) investing activities	(0.3)	(0.2)	(0.1)
Cash flows from financing activities:			
Net repayments of external borrowings	–	–	–
Distributions and loan payments to Atlas Arteria	(3.5)	(3.4)	(3.3)
Net cash from/(used) in financing activities	(3.5)	(3.4)	(3.3)
Net increase/(decrease) in cash and cash equivalents	(0.3)	(0.5)	(0.5)
Cash at the beginning of period	9.1	8.4	11.1
Cash at the end of period	8.8	8.0	10.6
Debt balance at the end of the period	115.0	115.0	115.0
Distributions and loan payments to Atlas Arteria	3.5	3.4	3.3

BUSINESS OVERVIEW AND PERFORMANCE

1.3.3 Financing and Debt

Table 17 – Debt metrics

€m	30-Jun-24	31-Dec-23	30-Jun-23
Gross debt	115.0	115.0	115.0
Cash	8.8	9.1	8.0
Net debt	106.2	105.9	107.0
Net debt/EBITDA	10.0x	10.6x	10.8x
Historical DSCR	2.72x	2.72x	3.25x
Fixed %	75.0%	75.0%	75.0%

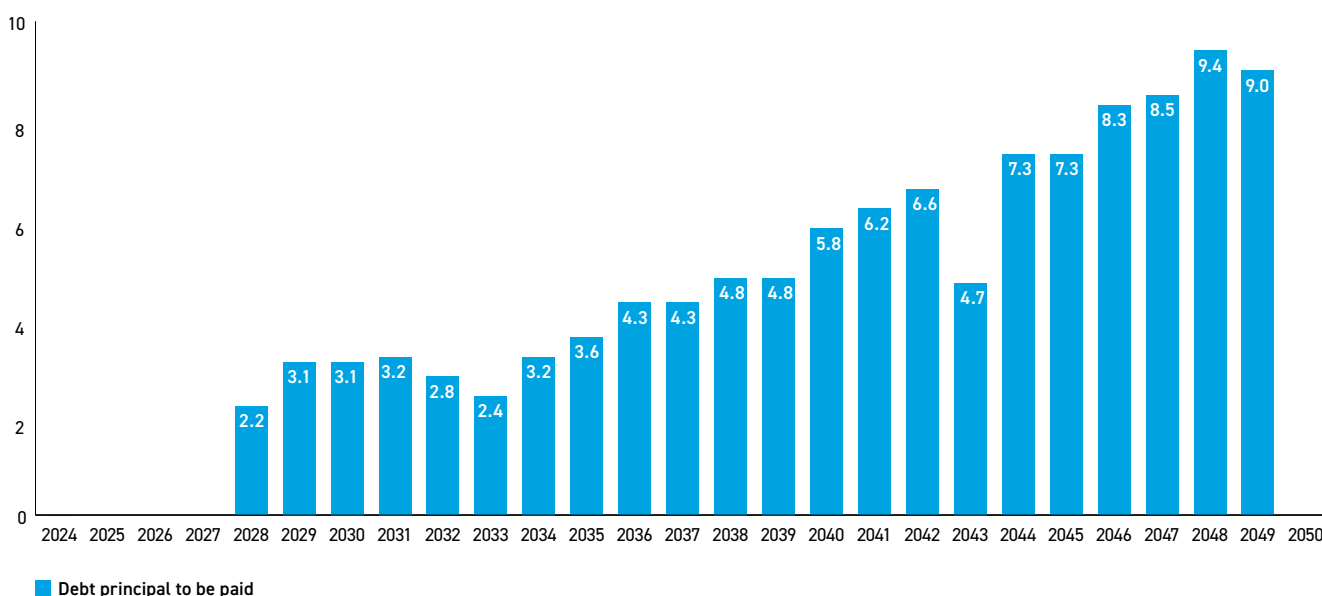
Table 18 – Warnow Tunnel debt facilities financial covenants

Debt Service Coverage Ratio (default if)	<1.05x
Debt Service Coverage Ratio (distribution lock-up if)	2023 <1.60x 2024-27 <1.80x 2028 onwards <1.15x
Loan Life Coverage Ratio (default if)	<1.10x
Loan Life Coverage Ratio (distribution lock up if)	<1.20x

Table 19 – Warnow Tunnel debt facilities

€m	30-Jun-24	31-Dec-23	Details
Tranche A	86.3	86.3	Fixed rate facility with all in interest rate of 2.07%. Sculpted amortisation from 30 June 2028 to 31 December 2049.
Tranche B	28.7	28.7	Floating rate facility with 1.70% margin (all in interest rate floored at zero). Sculpted amortisation from 30 June 2028 to 31 December 2049.
Total drawn debt	115.0	115.0	Face value of drawn debt
Adjustments	(2.7)	(2.7)	Fair value adjustments
Total debt	112.3	112.3	Carrying value of debt under IFRS

Figure 6 – Debt repayment profile (€m)



1.4 Chicago Skyway

1.4.1 Business background

Chicago Skyway is a 12.5km (7.8 mile) elevated toll road providing congestion relief in an essential transportation corridor between Chicago, Illinois and Northwest Indiana. Initially opened to traffic in 1958, Chicago Skyway is now operated under a 99 year concession lease which expires in 2104 (80 years remaining) following privatisation by the City of Chicago in 2005. Chicago Skyway serves the third-largest metropolitan area in the US and is situated in one of the densest urban areas in the country. The region is also a key logistics infrastructure hub in the Midwest, resulting in a diverse traffic base. Chicago Skyway delivers substantial time savings and reliability for customers, providing up to 30 minutes (c.20 minutes on average) time saving in peak hours and c.9km shorter travel distance.

Atlas Arteria holds a 66.67% interest in Chicago Skyway. Tolls are permitted to be escalated annually on 1 January based on the greater of:

- US Consumer Price Index (2 year look back)
- US nominal GDP per capita growth (2 year look back)
- 2.0% minimum floor

Tolls are rounded up to the nearest 10 cents. Permitted toll price escalations under the toll formula are presented in the table below and are available on the Chicago Skyway website¹.

Table 20 – Chicago Skyway toll escalation

Unrounded toll price increases	Unrounded toll escalation %	US nominal GDP per capita growth (2 years prior)	US CPI (2 years prior)	Floor %
2024 (from 1 January 2024)	10.0%	10.0%	6.5%	2.0%



1. <https://www.chicagoskyway.org/toll-information/>

BUSINESS OVERVIEW AND PERFORMANCE

1.4.2 Business performance

Stand-alone accounts are prepared by Chicago Skyway using US GAAP for statutory reporting purposes. A reconciliation between EBITDA calculated under these arrangements and IFRS is provided.

Table 21 – Traffic, Revenue and EBITDA

US\$m unless otherwise stated	H1 2024	H1 2023	% ch on prior	H1 2022
- Light Vehicle traffic, trips millions	5.34	5.47	(2.4%)	5.61
- Heavy Vehicle traffic, trips millions	0.66	0.70	(4.9%)	0.71
Total traffic, trips millions	6.00	6.17	(2.7%)	6.32
Average Daily Traffic (ADT)	32,965	34,070	(3.2%)	34,918
- Toll revenue	62.6	59.1	5.8%	54.5
- Other revenue	0.0	0.0	(99.9%)	0.0
Total Revenue	62.6	59.2	5.8%	54.5
Overhead expenses	(3.2)	(2.8)	(15.1%)	(2.3)
O&M expenses	(4.3)	(4.2)	(3.7%)	(3.4)
Toll collection expenses	(2.2)	(2.1)	(5.6%)	(1.9)
EBITDA (excluding IFRS adjustments)	52.8	50.1	5.5%	46.9
EBITDA margin	84.4%	84.7%	(0.3%)	86.1%
IFRS Adjustments				
AASB 16 Adjustment (lease accounting)	0.1	0.1	38.4%	0.1
EBITDA	52.9	50.2	5.5%	47.0
EBITDA margin	84.6%	84.8%	(0.2%)	86.2%

Table 22 – Chicago Skyway Cashflow

US\$m unless otherwise stated	H1 2024	H1 2023	H1 2022
Cash flows from operating activities:			
EBITDA (excluding IFRS adjustments)	52.8	50.1	46.9
Movements in working capital and other items	(5.0)	(6.5)	(5.8)
Capital expenditure expensed	(0.8)	(3.0)	(1.3)
Interest income	0.6	1.2	0.0
Interest expenses	(38.3)	(31.8)	(27.7)
Net cash provided by/(used in) operating activities	9.4	10.2	12.1
Cash flows from investing activities:			
Sales/(Purchases) of fixed assets	(0.9)	(0.6)	(0.1)
Net cash provided by/(used in) investing activities	(0.9)	(0.6)	(0.1)
Cash flows from financing activities:			
Debt issuance costs	-	-	-
Capital facility drawdown/(repayment)	2.7	1.1	3.0
Proceeds from debt	-	-	-
Payment of debt	-	-	-
Distributions	(14.8)	(17.7)	(14.9)
Net cash from/(used) in financing activities	(12.1)	(16.6)	(11.8)
Net increase/(decrease) in cash and cash equivalents	(3.5)	(7.0)	0.2
Cash at the beginning of period	17.8	52.8	46.6
Cash at the end of period	14.3	45.9	46.8
Cash reserved for debt service	0.3	32.5	29.8
Non restricted cash	14.0	13.3	17.0
Distributions paid to CCPI	14.8	17.7	
US Federal and state taxes paid by CCPI	-	-	
Net cash distributed to CCPI Shareholders	14.8	17.7	
ALX Ownership %	66.7%	66.7%	
Distribution to ALX (without impact of withholding tax)	9.8	11.8	
Amount withheld for withholding tax exemption ¹	(0.9)	(0.9)	
Amount released for withholding tax exemption ²	0.6	-	
Withholding tax paid by ALX	-	-	
Net distribution to ALX	9.6	10.9	
Cash currently withheld at CCPI (ALX share)	20.5	0.9	

1. A portion of dividends paid is temporarily retained by CCPI pending withholding tax exemption confirmation from the Internal Revenue Service.

2. Represents the release during the period of amounts previously retained by CCPI.

1.4.3 Financing and debt

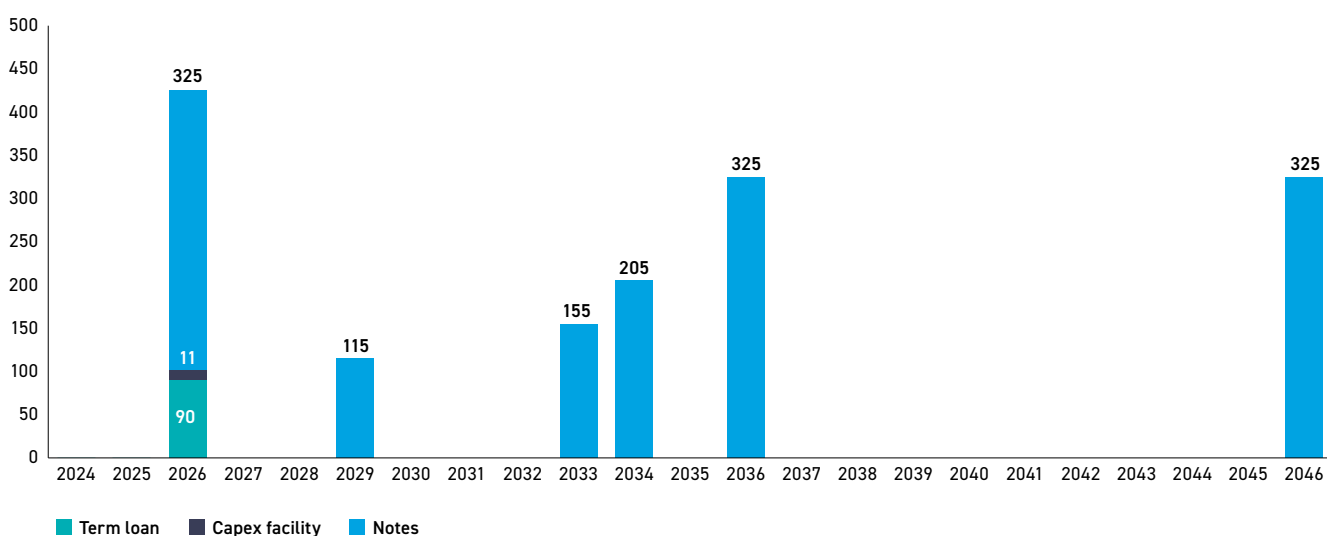
Table 23 – Debt metrics

US\$m unless otherwise stated	30-Jun-24	31-Dec-23	30-Jun-23
Gross debt	1,550.8	1,548.1	1,386.8
Cash	14.3	17.8	45.9
Net debt	1,536.5	1,530.3	1,340.9
Net debt/EBITDA	14.3x	14.6x	12.5x
Historical DSCR (lock up if <1.25x, default <1.05x)	1.48x	1.54x	1.74x
Corporate credit rating			
– S&P	BBB (Stable)	BBB (Stable)	BBB+ (Stable)
Fixed %	87.7%	87.8%	86.9%

Table 24 – Chicago Skyway debt facilities

US\$m	30-Jun-24	31-Dec-23	Details
Term Loan	180.0	180.0	Refinanced in October 2023 and matures in October 2026. Interest rate of SOFR + 1.4% margin. On 10 July 2024 US\$90m of the term loan was repaid.
Capex Loan Facility	10.8	8.1	Refinanced in October 2023 and matures in October 2026. Interest rate on drawn balances of SOFR + 1.4% margin. Commitment fee on undrawn balances of 0.42% per annum. Total capex loan facility is US\$66m; drawn amount shown.
Revolver Facility	–	–	Established in October 2023 and matures in October 2026. Interest rate on drawn balances of SOFR + 1.4% margin. Commitment fee on undrawn balances of 0.42% per annum. Total Revolver facility is US\$50m; drawn amount shown.
Note Tranche A	325.0	325.0	Issued in February 2016 with fixed rate of 3.886% per annum. Principal is payable in full at maturity in February 2026.
Note Tranche B	325.0	325.0	Issued in February 2016 with fixed interest rate of 4.732% per annum. Principal is payable in full at maturity in February 2036.
Note Tranche C	325.0	325.0	Issued in February 2016 with fixed rate of 4.882% per annum. Principal is payable in full at maturity in February 2046.
Note Tranche D	115.0	115.0	Issued in July 2017 with fixed rate of 3.66% per annum. Principal is payable in full at maturity on July 2024. Subsequently repaid on 10 July 2024.
Note Tranche E	115.0	115.0	Issued in July 2017 with fixed rate of 4.01% per annum. Principal is payable in full at maturity in July 2029.
Note Tranche F	155.0	155.0	Issued in October 2023 with fixed rate of 6.47% per annum. Principal is payable in full at maturity in October 2033.
Note Tranche G	–	–	On 10 July 2024 Skyway reached completion of the issue of US\$205m of notes with fixed rate of 6.01% per annum. Principal is payable in full at maturity in July 2034. Proceeds of issuance were used to repay the US\$115m Note Tranche D and to repay US\$90m of the existing term loan.
Total debt	1,550.8	1,548.1	Total drawn debt

Figure 8 – Pro Forma Debt maturity profile as at 30 June 2024 (US\$m)¹



1. Chart is prepared on a pro-forma basis and reflects the impact of the issuance of US\$205m of notes due in July 2034 which were used to repay US\$115m of maturing notes and US\$90m from the existing term loan facility.

BUSINESS OVERVIEW AND PERFORMANCE

1.5 Dulles Greenway

1.5.1 Business background

Dulles Greenway is a 22km tolled motorway in Northern Virginia, USA, which runs from Dulles International Airport to the town of Leesburg. Dulles Greenway is part of a key route in one of the fastest growing and most affluent counties in the United States. As Loudoun County continues to grow, it is anticipated that Dulles Greenway will be well positioned to provide capacity, a quality service and attract a greater share of future corridor growth, with the ability to expand to meet future demand.

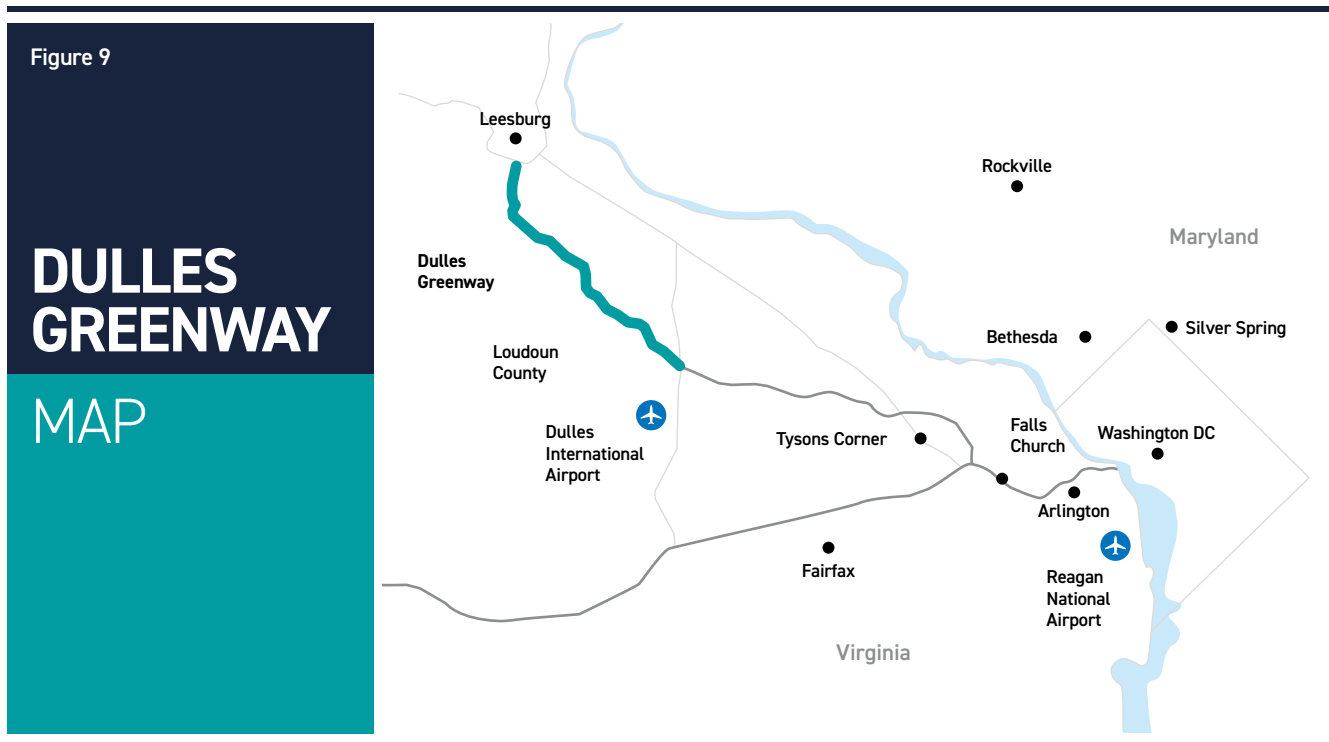
Atlas Arteria holds a 100% economic interest in Dulles Greenway. Tolls can be charged on Dulles Greenway until 2056. Tolls are set on application to the Virginia State Corporation Commission ('SCC'). On 26 April 2021, the SCC provided for toll increases for the 2021 and 2022 years.

Future toll rates beyond 2022 will continue to be determined by the SCC under the Virginia Highway Corporation Act of 1988 (HCA) in accordance with Section §56-542, where the SCC shall 'have the duty and authority to approve or revise the toll rates charged by the operator'. Toll rates should be set at a level that:

1. 'is reasonable to the user in relation to the benefit obtained'; and
2. 'will not materially discourage use of the roadway by the public'; and
3. 'will provide the operator with no more than a reasonable rate of return as determined by the SCC'.

Due to the passage of new legislation, the HCA was amended, effective July 1, 2021. The key changes to the HCA from these amendments:

- prevent the SCC approving more than one year of toll rate increases at a time (where previously approvals have granted multiple increases for up to five years as part of any one rate case submission); and
- defined the threshold at which toll increases would be considered to 'materially discourage use' as a 3% fall in traffic, adjusted for population growth.



1.5.2 Business performance

Stand-alone accounts are prepared by Dulles Greenway (or TRIP II) using US GAAP and since 2019 have been prepared in accordance with ASC606 for statutory reporting purposes. ASC606 requires revenues associated with the toll road contract to be recognised over the concession contract in a manner that is different from how toll revenues are received from customers in a given period. For comparative purposes however, revenue in the table below is shown in accordance with ASC605 (which recognised toll revenue as received from customers in a given period) rather than ASC606 and are therefore in line with IFRS accounting standards. Operating expenses exclude project improvement expenses and easement accruals (which are otherwise considered as operating expenses under US GAAP). A reconciliation between EBITDA calculated under these arrangements and IFRS is provided.

Table 25 – Traffic, Revenue and EBITDA

US\$m unless otherwise stated	H1 2024	H1 2023	% ch on prior	H1 2022
Total traffic (trips millions)	6.66	6.37	4.6%	5.87
Average Daily Traffic (ADT)	36,595	35,182	4.0%	32,457
Toll revenue net of VIP cash back	37.3	35.1	6.3%	32.1
Other revenue	0.2	0.2	(20.7%)	0.2
Revenue	37.5	35.3	6.2%	32.3
Operating expenses	(9.3)	(7.6)	(21.9%)	(7.1)
EBITDA (excluding IFRS adjustments)	28.2	27.7	1.8%	25.2
EBITDA margin	75.2%	78.4%	(3.2%)	78.1%
IFRS Adjustments				
West End Project adjustment	-	-	-	(0.2)
AASB 16 Adjustment (lease accounting)	0.3	0.3	(0.0%)	0.3
EBITDA	28.6	28.0	1.8%	25.4
EBITDA margin	76.1%	79.4%	(3.3%)	78.7%

Table 26 – Dulles Greenway cash flows

US\$m unless otherwise stated	H1 2024	H1 2023	H1 2022
Cash flows from operating activities:			
EBITDA (excluding IFRS adjustments)	28.2	27.7	25.2
Movements in working capital and other items	0.0	0.1	(0.3)
Capex: Project Improvement Expenses	(0.4)	(0.1)	(0.2)
Capex: West end project	-	-	0.1
Interest income	4.5	3.8	0.1
Interest expenses	(1.2)	(1.2)	(1.2)
Scheduled accreted interest payments on zero-coupon bond redemptions	(53.7)	(51.7)	(49.6)
Net cash provided by/(used in) operating activities	(22.6)	(21.5)	(26.0)
Cash flows from investing activities:			
Sales/(Purchases) of fixed assets	(0.1)	(0.1)	-
Net cash provided by/(used in) investing activities	(0.1)	(0.1)	-
Cash flows from financing activities:			
Scheduled principal payments on zero-coupon bond redemptions	(14.4)	(15.4)	(16.4)
Distributions paid to Atlas Arteria	-	-	-
Net cash from/(used) in financing activities	(14.4)	(15.4)	(16.4)
Net increase/(decrease) in cash and cash equivalents	(37.1)	(37.0)	(42.4)
Cash at the beginning of period	203.5	207.6	221.0
Cash at the end of period	166.4	170.7	178.7
- Cash reserved for debt service and locked cash	155.3	159.6	166.5
- Cash reserved for capital expenditure	0.7	0.6	1.4
- Other cash reserve requirements	10.4	10.4	10.8
Distributions paid to Atlas Arteria	-	-	-

BUSINESS OVERVIEW AND PERFORMANCE

1.5.3 Financing and debt

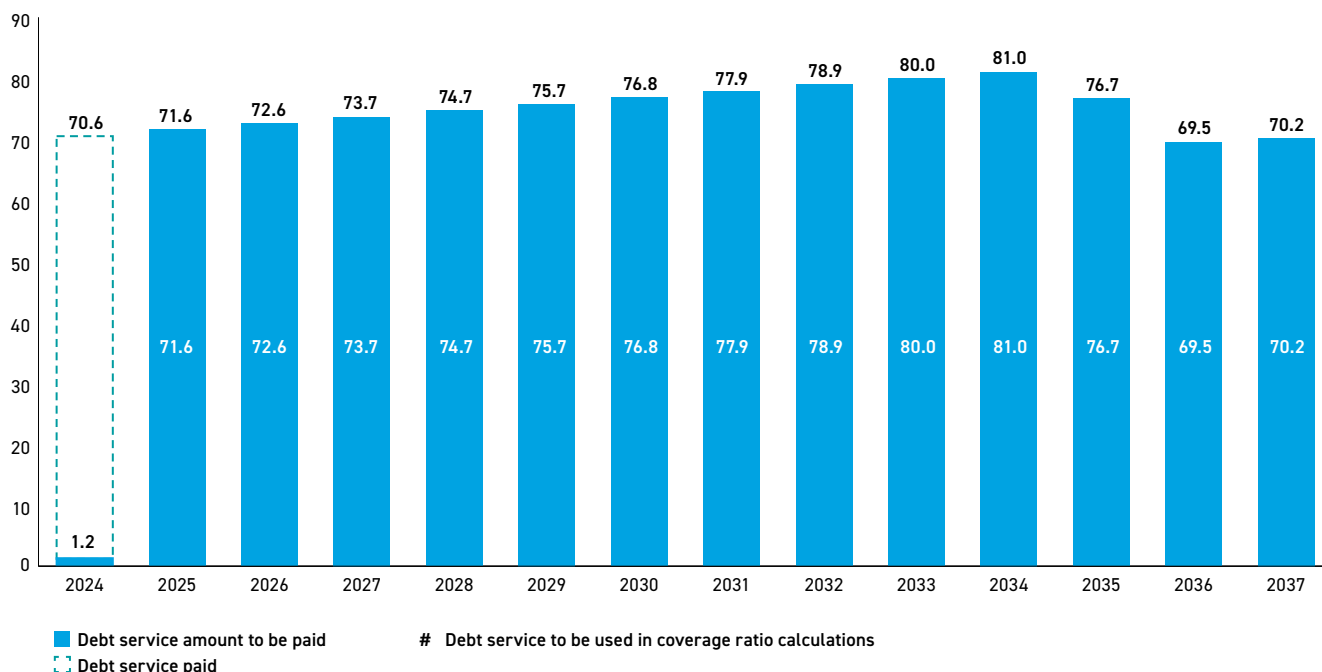
Table 27 – Debt metrics

US\$m unless otherwise stated	30-Jun-24	31-Dec-23	30-Jun-23
Gross debt	1,085.2	1,120.3	1,087.2
Cash	166.4	203.5	170.7
Net debt	918.8	916.8	916.5
Net debt/EBITDA	16.0x	16.1x	16.3x
Actual MCR (lock up if <1.25x)	n.a.	0.8x	n.a.
Actual ACR (lock up if <1.15x)	n.a.	0.8x	n.a.
Corporate credit rating			
– S&P	BB (Negative)	BB (Negative)	BB (Negative)
– Moody's	Withdrawn	Ba1 (Negative)	Ba1 (Negative)
– Fitch	BB- (Negative)	BB- (Negative)	BB- (Negative)

Table 28 – Dulles Greenway debt facilities

US\$m	30-Jun-24	31-Dec-23	Details
Senior Current Interest Bonds Series 1999A	35.0	35.0	Current interest bond, semi-annual coupon at 7.13% pa interest rate maturing on 15 February 2035.
Senior Zero Coupon Bonds Series 1999B	441.4	477.0	Zero coupon bonds, 7.30% pa embedded interest rate on remaining bonds, mature over a range of dates from 2003 to 2035.
Senior Accreting Interest Bonds 2005B	102.2	115.8	Accreting interest bonds, compounded semi-annually, 5.70%, legal maturity in 2043 – with early redemption scheduled between 2022 and 2035.
Senior Zero Coupon Bonds Series 2005C	506.6	492.6	Zero coupon bonds, yield to maturity ranging from 5.50% to 5.65%, with maturities between 2036 and 2056.
Total drawn debt	1,085.2	1,120.3	Total drawn debt at Face Value
Adjustments	(95.0)	(90.8)	Fair value adjustments
Total debt	990.2	1,029.5	Carrying value of debt under IFRS

Figure 10 – Debt service profile (2023-2037) as at 30 June 2024 (US\$m)



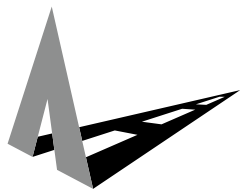
The chart above presents the maturity profile for debt outstanding as at 30 June 2024 and also provides the total debt service (principal and accrued interest) payable each year to 2037. The debt service profile extends to 2056.

There are two distribution tests, being the Minimum Coverage Ratio (MCR) and the Additional Coverage Ratio (ACR) which are both tested annually at 31 December and calculated in accordance with the table below. If the MCR is not met, distributions from Dulles Greenway are in lock up for 12 months. Where the ACR is not met, distributions from Dulles Greenway are in lock up for 36 months.

The debt service which is included in the MCR and ACR calculations includes the bonds that were repurchased and cancelled, net of the percentage of the discount at which they were acquired.

Table 29 – Distribution tests as at year end 31 December

US\$m	2023	2022	2021
Toll Revenues	72.8	67.1	59.9
Operating Expenses	(16.3)	(14.2)	(13.4)
Net Toll Revenues used for Minimum Coverage Ratio (A)	56.5	52.9	46.5
Net Transfers to Improvement Fund and Operating Reserve Fund	(0.1)	(2.1)	(1.4)
Net Toll Revenues used for Additional Coverage Ratio (B)	56.4	50.7	45.1
1999A	(2.5)	(2.5)	(2.5)
1999B	(49.5)	(47.4)	(45.3)
2005A	-	-	(6.8)
2005B/2005C	(17.5)	(18.6)	-
Reduction in debt service used in coverage ratio for bond buy back discount	-	-	0.0
Total Debt Service (C)	(69.5)	(68.5)	(54.5)
Minimum Coverage Ratio (A ÷ C) – 1.25x requirement	0.81x	0.77x	0.85x
Additional Coverage Ratio (B ÷ C) – 1.15x requirement	0.81x	0.74x	0.83x



atlas**Arteria**