



atlas**Arteria**

INVESTOR  
REFERENCE  
PACK

31 DECEMBER 2020

## Contents

Overview of operations	2
Business portfolio	2
Corporate structure	3
1 Corporate cash flow	4
2 Business overview and performance	5
2.1 APRR and AREA	5
2.2 ADELAC	10
2.3 Dulles Greenway	12
2.4 Warnow Tunnel	16

## Important information

### Disclaimer

The information in this presentation is given in good faith and derived from sources believed to be accurate at this date but no representation or warranty of accuracy, completeness or reliability is given and no responsibility or liability arising in any other way, including for errors or omission, is accepted by Atlas Arteria or its officers. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified.

This presentation 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 presentation 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 presentation may contain forward-looking statements including statements with respect to Atlas Arteria's future performance. Due care and attention have been exercised in the preparation of forward-looking statements, however actual results may vary as a result of various factors.

### Non-IFRS information

This presentation includes certain financial measures that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). 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 presentation. The non-IFRS information has not been subject to audit or review by the Company's external auditor.

### No Offer

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction. 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

Atlas Arteria's securities are subject to ownership restrictions that apply to residents of the United States and other US persons who are not 'qualified purchasers' (as defined in Section 2(a)(51) of the US Investment Company Act of 1940). For further details, please see our website [https://atlasarteria.com/stores/\\_sharedfiles/US\\_Ownership/AtlasArteria-USownershiprestrictions.pdf](https://atlasarteria.com/stores/_sharedfiles/US_Ownership/AtlasArteria-USownershiprestrictions.pdf).



# PURPOSE AND STRUCTURE OF THIS PACK

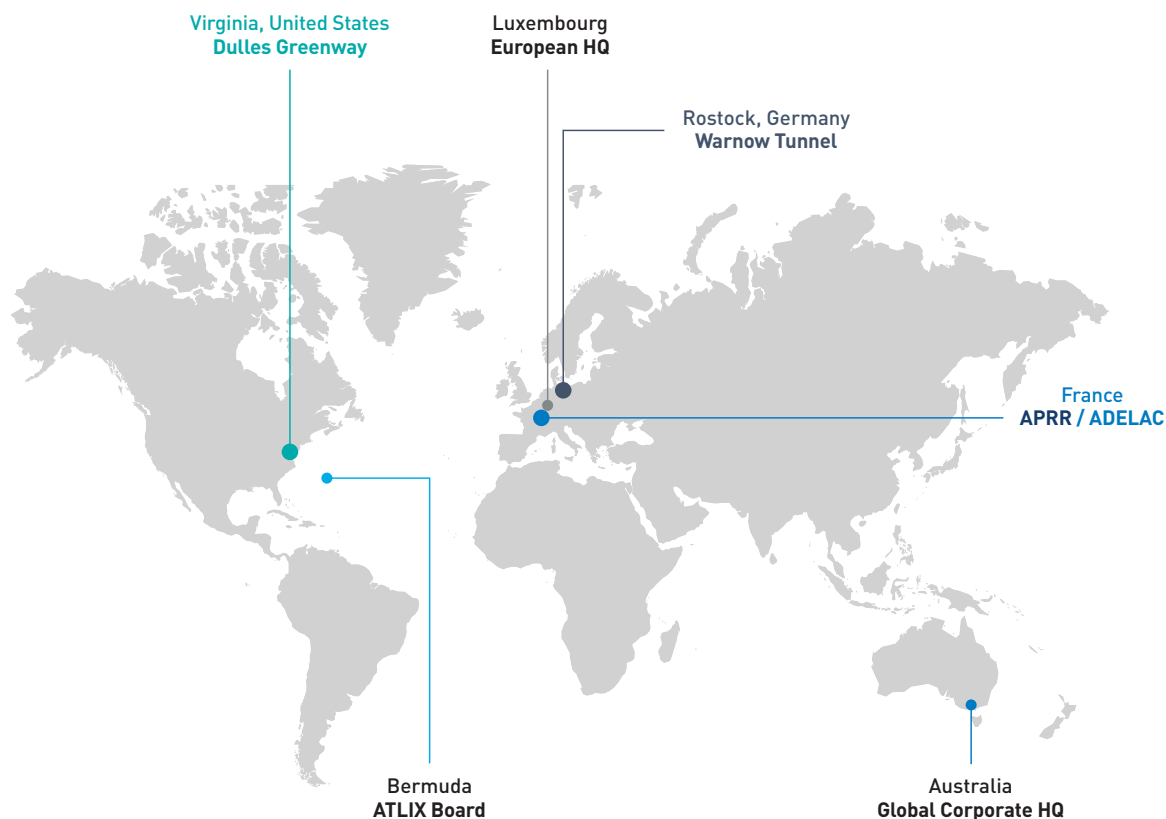
THE PURPOSE OF THE INVESTOR REFERENCE PACK (THE 'IRP' OR THE 'PACK') IS TO PROVIDE INFORMATION SUPPLEMENTARY TO THE FINANCIAL REPORT OF ATLAS ARTERIA FOR THE YEAR ENDED 31 DECEMBER 2020. THIS PACK PROVIDES A MORE DETAILED ANALYSIS OF THE PERFORMANCE OF EACH BUSINESS WITHIN THE ATLAS ARTERIA PORTFOLIO.

This Pack is prepared on a different basis from the Atlas Arteria 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 Financial Report. This Pack should be read in conjunction with the 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 31 December 2020.



## BUSINESS PORTFOLIO

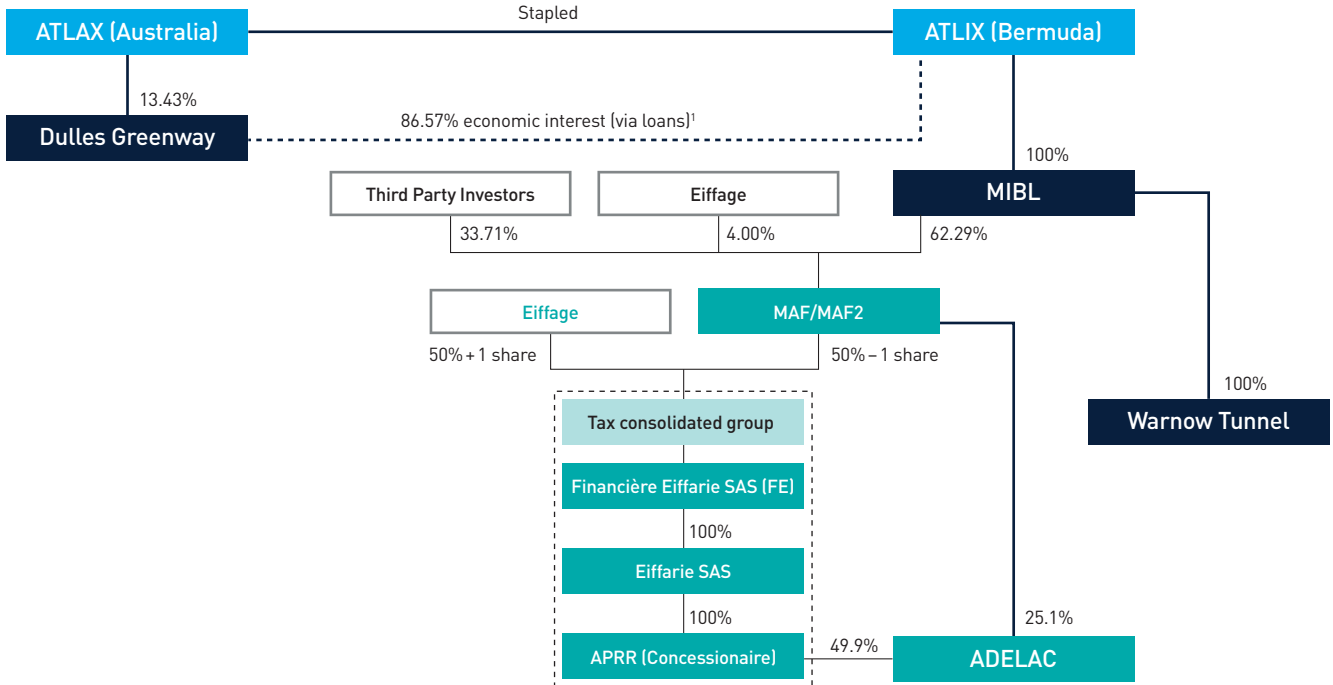
**Table 1 – Atlas Arteria's portfolio of businesses and percentage interests as at 31 December 2020**

Asset	Reporting currency	Date of concession end	Economic interest
<b>APRR/AREA</b>	€	November 2035 (APRR) September 2036 (AREA)	31.14%
<b>ADELAC</b>	€	December 2060	31.17%
<b>Dulles Greenway</b>	US\$	February 2056	100.00%
<b>Warnow Tunnel</b>	€	September 2053	100.00%

# CORPORATE STRUCTURE

Atlas Arteria is a stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. An Atlas Arteria stapled security consists of a share in Atlas Arteria Limited ('ATLAX') and a share in Atlas Arteria International Limited ('ATLIX').

Figure 1 – Atlas Arteria structure overview as at 31 December 2020



1. 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').

# 1 CORPORATE CASH FLOW

**Table 2 – Aggregated cash flow statement of Atlas Arteria**

A\$m	FY20	FY19	FY18	FY17	FY16	FY15
<b>Cash flow received from operating businesses</b>						
APRR Group	310.9	238.2	249.4	147.8	124.8	130.3
Warnow Tunnel	0.2	0.3	0.2	–	0.3	0.3
Dulles Greenway	–	–	–	–	–	–
Net cashflows from previously held investments	–	–	–	5.2	1.4	1.5
<b>Other operating cash flows:</b>						
Manager, adviser base fees and performance fees	(6.8)	(31.0)	(61.9)	(30.6)	(30.4)	(24.7)
Atlas Arteria internalisation costs	–	(2.6)	(8.8)	(0.2)	–	–
Payments to suppliers and employees	(24.5)	(17.8)	(7.4)	(6.6)	(4.3)	(3.5)
Interest income on corporate cash balances	1.8	1.2	0.9	1.6	1.4	0.7
Other net amounts received	1.1	0.6	0.4	0.3	0.3	0.2
<b>Net Atlas Arteria operating cash flows</b>	<b>282.7</b>	<b>188.9</b>	<b>172.8</b>	<b>117.5</b>	<b>93.5</b>	<b>104.8</b>
<b>Investing and financing cash flows</b>						
Payments for & capital contributions to investments (including transaction costs)	(1,275.4)	(2.2)	(4.0)	(1,275.2)	(1.1)	(3.8)
Proceeds from the issue of securities (net of transaction costs)	483.9	1,324.2	–	646.8	–	–
Proceeds from borrowings (net of transaction costs)	–	–	534.7	450.5	–	–
Repayment of borrowings (including transaction costs)	(571.3)	–	(465.2)	–	–	–
Interest paid	(5.2)	(10.8)	(16.1)	(7.5)	–	–
Other investments	(1.6)	–	–	–	–	–
Payment for purchase of derivative financial instruments	–	–	(4.8)	–	–	–
Purchase of fixed assets	(0.9)	(0.1)	(0.5)	–	–	–
Net proceeds from sale of previously held investments	–	–	–	(7.3)	153.3	16.0
Distributions	(105.5)	(205.0)	(162.4)	(115.5)	(94.3)	(82.4)
<b>Total investing and financing cash flows</b>	<b>(1,476.0)</b>	<b>1,106.1</b>	<b>(118.3)</b>	<b>(308.1)</b>	<b>58.0</b>	<b>(70.2)</b>
<b>Net increase/(decrease) in cash assets</b>	<b>(1,193.3)</b>	<b>1,295.0</b>	<b>54.5</b>	<b>(190.6)</b>	<b>151.5</b>	<b>34.6</b>
<b>Cash assets at beginning of the period</b>	<b>1,387.6</b>	<b>92.8</b>	<b>41.6</b>	<b>225.1</b>	<b>67.2</b>	<b>31.9</b>
Exchange rate movements	(0.6)	(0.2)	(3.3)	7.1	6.5	0.7
<b>Cash assets at the end of the period, comprising:</b>	<b>193.7</b>	<b>1,387.6</b>	<b>92.8</b>	<b>41.6</b>	<b>225.1</b>	<b>67.2</b>
– Available cash	190.5	1,384.4	89.6	39.8	223.4	65.4
– Restricted cash	3.2	3.2	3.2	1.8	1.7	1.8
<b>Distributions paid to Atlas Arteria securityholders (cents per share)</b>	<b>11.0</b>	<b>30.0</b>	<b>24.0</b>	<b>20.0</b>	<b>18.0</b>	<b>16.0</b>

The aggregated cash flow statement shows Atlas Arteria's corporate cash flows, including distributions from its investments, 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 Statement of Cash Flows shown in the Financial Report will differ.

# 2 BUSINESS OVERVIEW AND PERFORMANCE

## 2.1 APRR and AREA

### 2.1.1 Business background

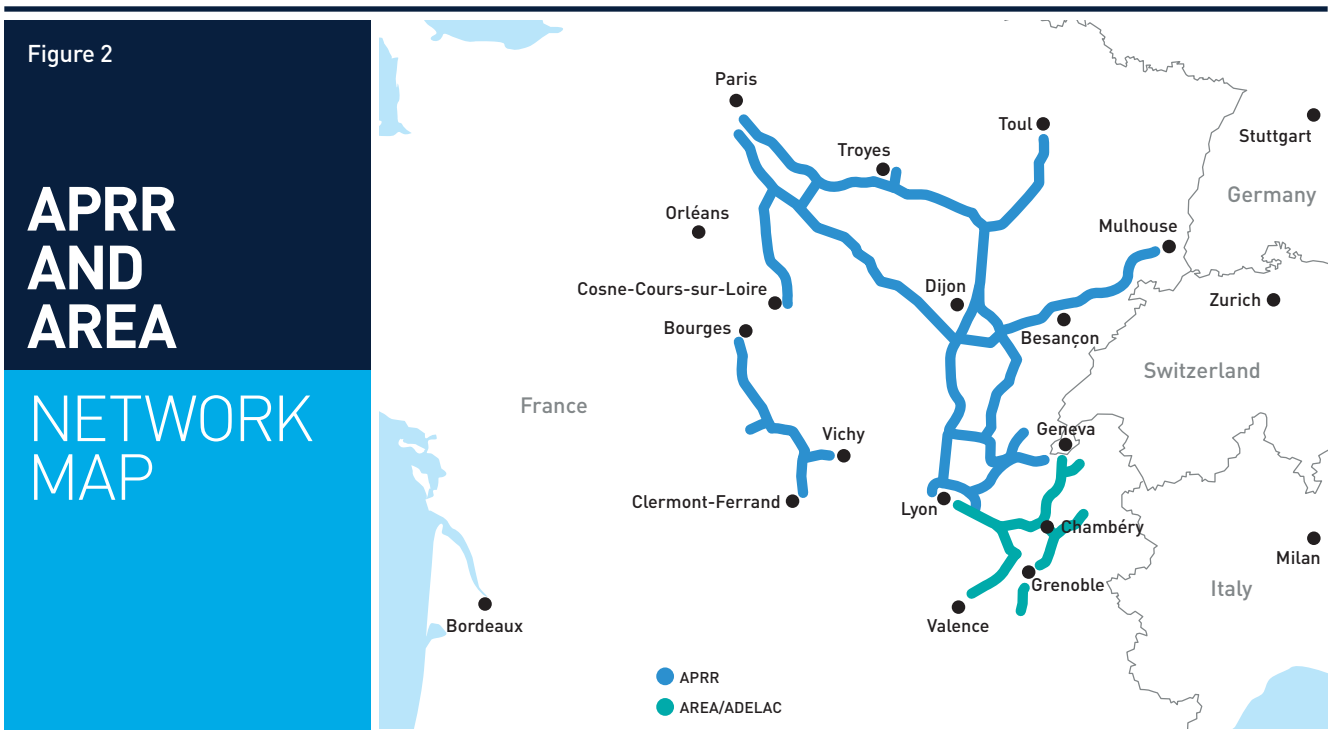
APRR is a 2,318km motorway network located in the east of France. The APRR Group consists of the APRR concession, the AREA concession, and a minority stake in the ADELAC concession. APRR provides intercity road connections between major cities within its network including Paris and Lyon, which are critical connections for light vehicles, as well as a primary route for French and European road freight.

Tolls escalate annually in February by a percentage of French CPI, plus supplemental increases as agreed with the French State primarily as a result of APRR funded capex projects. The current toll escalation formulae are shown below and the applicable tolls are presented on the APRR website<sup>1</sup>.

**Table 3 – APRR toll escalation**

	APRR	AREA
2021	70% x CPI + 0.448%	70% x CPI + 0.649%
2022-2023	70% x CPI + 0.25%	70% x CPI + 0.26%
2024+	70% x CPI	70% x CPI

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



<sup>1</sup> <https://voyage.aprr.fr/tarifs-de-peage>.



## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.1.2 Business performance

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

**Table 4 – APRR Traffic and Consolidated Profit and Loss**

€m unless otherwise stated	FY20	FY19	% ch on prior	FY18	FY17	FY16	FY15
– Light Vehicle traffic, VKT millions	15,856	20,695	(23.4%)	20,464	20,124	19,580	18,906
– Heavy Vehicle traffic, VKT millions	3,557	3,886	(8.5%)	3,859	3,686	3,481	3,330
<b>Total Traffic, VKT millions</b>	<b>19,413</b>	<b>24,581</b>	<b>(21.0%)</b>	<b>24,322</b>	<b>23,810</b>	<b>23,061</b>	<b>22,236</b>
– Toll road operations revenue	2,100.4	2,534.5	(17.1%)	2,463.0	2,353.1	2,257.7	2,145.6
– Other revenue	68.8	76.5	(10.0%)	74.6	71.5	70.1	68.2
– Construction services (IFRIC 12)	345.6	405.0	(14.7%)	362.2	304.1	255.1	165.3
<b>Total Revenue</b>	<b>2,514.8</b>	<b>3,015.9</b>	<b>(16.6%)</b>	<b>2,899.9</b>	<b>2,728.8</b>	<b>2,582.8</b>	<b>2,379.0</b>
Other operating income (expenses)	3.3	6.5	(48.8%)	4.5	3.9	4.2	5.2
Purchases and external charges	(114.4)	(115.1)	0.6%	(116.2)	(114.2)	(111.2)	(115.1)
Construction services (IFRIC 12)	(345.6)	(405.0)	14.7%	(362.2)	(304.1)	(255.1)	(165.3)
Employee benefit expenses	(199.6)	(206.9)	3.5%	(205.5)	(203.1)	(207.6)	(214.2)
Taxes (other than income tax)	(309.0)	(353.4)	12.6%	(346.4)	(336.6)	(328.5)	(301.1)
<b>EBITDA</b>	<b>1,549.5</b>	<b>1,942.0</b>	<b>(20.2%)</b>	<b>1,874.0</b>	<b>1,774.7</b>	<b>1,684.6</b>	<b>1,588.6</b>
<b>EBITDA margin (excl. IFRIC 12)</b>	<b>71.4%</b>	<b>74.4%</b>	<b>(2.9%)</b>	<b>73.8%</b>	<b>73.2%</b>	<b>72.4%</b>	<b>71.8%</b>
<b>EBITDA margin (excl. IFRIC 12 and taxes)</b>	<b>85.7%</b>	<b>87.9%</b>	<b>(2.2%)</b>	<b>87.5%</b>	<b>87.1%</b>	<b>86.5%</b>	<b>85.4%</b>
Depreciation and amortisation	(454.0)	(432.7)	(4.9%)	(418.1)	(398.4)	(396.6)	(405.1)
Provision for maintenance	(56.9)	(63.9)	11.0%	(48.3)	(45.3)	(28.4)	(24.2)
<b>Operating profit</b>	<b>1,038.6</b>	<b>1,445.5</b>	<b>(28.1%)</b>	<b>1,407.6</b>	<b>1,331.0</b>	<b>1,259.6</b>	<b>1,159.3</b>
Income from cash and cash equivalents	4.6	6.7	(30.7%)	4.9	9.6	9.3	13.1
Gross finance costs	(103.1)	(124.9)	17.4%	(148.1)	(190.2)	(244.2)	(291.7)
Other financial income (expenses)	(1.8)	5.2	(135.4%)	(3.7)	(0.9)	(2.2)	0.8
Share of profit (loss) of associates (incl. ADELAC)	0.1	0.4	(82.8%)	(0.0)	0.1	(0.5)	(2.0)
Income tax expense (comprising of):	(310.1)	(458.2)	32.3%	(431.5)	(443.3)	(351.2)	(340.9)
– Current tax	(310.5)	(472.9)	34.3%	(437.3)	(475.5)	(365.3)	(350.0)
– Deferred tax and other	0.5	14.8	(96.9%)	5.8	32.2	14.1	9.1
<b>Profit (loss) for the period from continuing operations</b>	<b>628.3</b>	<b>874.7</b>	<b>(28.2%)</b>	<b>829.2</b>	<b>706.3</b>	<b>670.9</b>	<b>538.7</b>



**Table 5 – APRR profit to Atlas Arteria cash flow waterfall**

€m unless otherwise stated	H2 20	H1 20	H2 19	H1 19	H2 18	H1 18	H2 17	H1 17	H2 16	H1 16	H2 15	H1 15	
<b>APRR Consolidated Net Profit After Tax (NPAT)</b>	<b>356.4</b>	<b>271.9</b>	<b>426.9</b>	<b>447.8</b>	<b>408.8</b>	<b>420.4</b>	<b>332.3</b>	<b>374.0</b>	<b>335.7</b>	<b>335.2</b>	<b>267.9</b>	<b>270.8</b>	
APRR Consolidation Adjustments	(35.4)	(37.9)	(10.9)	(77.0)	(27.9)	(20.2)	32.8	(48.5)	10.2	(41.3)	19.2	(25.5)	
<b>APRR NPAT/dividend</b>	<b>321.0</b>	<b>234.0</b>	<b>416.0</b>	<b>370.8</b>	<b>380.9</b>	<b>400.2</b>	<b>365.1</b>	<b>325.5</b>	<b>345.9</b>	<b>293.9</b>	<b>287.1</b>	<b>245.3</b>	
Eiffarie/FE level tax refund/(payment) reserving		-	13.6	(7.4)	-	42.0	25.7	38.8	49.5	(20.8)	36.8	82.4	
Eiffarie interest		(3.4)	(3.8)	(5.1)	(5.2)	(5.8)	(83.9)	(86.1)	(86.3)	(88.1)	(86.2)	(87.4)	
Eiffarie debt amortisation reserving for next period		-	-	(70.0)	(60.0)	(60.0)	(50.0)	(50.0)	(40.0)	(40.0)	(30.0)	(30.0)	
Other Eiffarie/FE costs (incl. refinance fees) and changes in working capital		(5.4)	(6.8)	0.1	0.2	(0.4)	0.5	0.2	(1.3)	(0.0)	(0.3)	(0.3)	
<b>Cash available for distribution from FE</b>		<b>225.2</b>	<b>419.0</b>	<b>288.3</b>	<b>315.9</b>	<b>375.9</b>	<b>257.4</b>	<b>228.4</b>	<b>267.7</b>	<b>145.0</b>	<b>207.5</b>	<b>209.9</b>	
Atlas Arteria indirect ownership <sup>1</sup>	31.1%	31.1%	25.0%	25.0%	25.0%	25.0%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	
Cash available for distribution (Atlas Arteria share)		70.1	130.5	72.1	79.0	94.0	64.4	46.0	53.9	29.2	41.8	42.3	
ADELAC distribution to MAF		-	-	-	-	-	-	-	-	-	-	-	
MAF investment in ADELAC		-	-	-	-	-	-	-	-	(29.2)	-	-	
Cash withheld at MAF (Atlas Arteria share)		(5.9)	(4.1)	(0.8)	(1.8)	(4.3)	(0.1)	1.1	0.9	-	(0.1)	(0.1)	
<b>Atlas Arteria distribution from MAF 2</b>		<b>64.2</b>	<b>126.4</b>	<b>71.3</b>	<b>77.2</b>	<b>89.7</b>	<b>64.3</b>	<b>47.1</b>	<b>54.8</b>	<b>-</b>	<b>41.7</b>	<b>42.2</b>	
EUR/AUD exchange rate at date of transfers		0.617	0.611	0.621	0.626	0.615	0.620	0.666	0.711	n.a.	0.672	0.673	
<b>Atlas Arteria distribution from MAF2 (AUD)</b>		<b>104.0</b>	<b>206.8</b>	<b>114.8</b>	<b>123.4</b>	<b>145.7</b>	<b>103.7</b>	<b>70.7</b>	<b>77.1</b>	<b>-</b>	<b>62.1</b>	<b>62.7</b>	
Paid to Atlas in:		<b>H1 2021</b>	<b>Sep 20</b>	<b>Mar 20</b>	<b>Sep 19</b>	<b>Mar 19</b>	<b>Sep 18</b>	<b>Mar 18</b>	<b>Sep 17</b>	<b>Mar 17</b>	<b>Not paid</b>	<b>Sep 16</b>	<b>Mar 16</b>

Cash flows in the H2 2020 period are not included as they are yet to be finalised and approved by the relevant boards.

1. Ownership percentages reflect Atlas Arteria's indirect ownership of APRR at the date of the distribution payment.

**Table 6 – Capital expenditure**

€m unless otherwise stated	FY20	FY19	FY18	FY17	FY16	FY15
Maintenance	132.8	126.3	113.0	103.3	95.3	95.5
Growth	341.3	395.7	358.1	301.8	254.8	165.9
<b>Total capital expenditure</b>	<b>474.1</b>	<b>522.0</b>	<b>471.0</b>	<b>405.2</b>	<b>350.1</b>	<b>261.4</b>

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.1.3 Financing and debt

**Table 7 – Debt metrics**

€m	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
<b>APRR</b>						
Gross debt	8,141.2	8,650.7	8,054.2	8,957.1	9,369.0	8,726.8
Cash	1,120.4	1,639.2	934.9	1,800.9	2,092.6	1,281.2
Net debt	7,020.8	7,011.5	7,119.3	7,156.2	7,276.3	7,445.5
Actual Net debt/EBITDA (default if >7.0x)	4.5x	3.6x	3.8x	4.0x	4.3x	4.7x
Actual EBITDA/Interest (default if <2.2x)	14.6x	16.4x	13.2x	10.0x	7.2x	5.8x
Hedging %	94.5%	90.1%	83.1%	86.3%	n.a.	n.a.
Corporate credit rating						
– S&P	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	BBB+ (stable)
– Fitch	A- (stable)	A- (stable)	A- (stable)	A- (stable)	BBB+ (positive)	BBB+ (stable)
<b>APRR and Eiffarie</b>						
Gross debt	9,211.2	9,720.7	9,254.2	10,267.1	10,769.0	10,196.8
Cash	1,125.6	1,653.3	935.9	1,821.0	2,142.7	1,492.0
Net debt	8,085.6	8,067.4	8,318.2	8,446.0	8,626.3	8,704.8
Actual Net debt/EBITDA	5.2x	4.2x	4.4x	4.8x	5.1x	5.5x
Hedging %	83.5%	80.1%	72.2%	106.3%	99.9%	98.8%

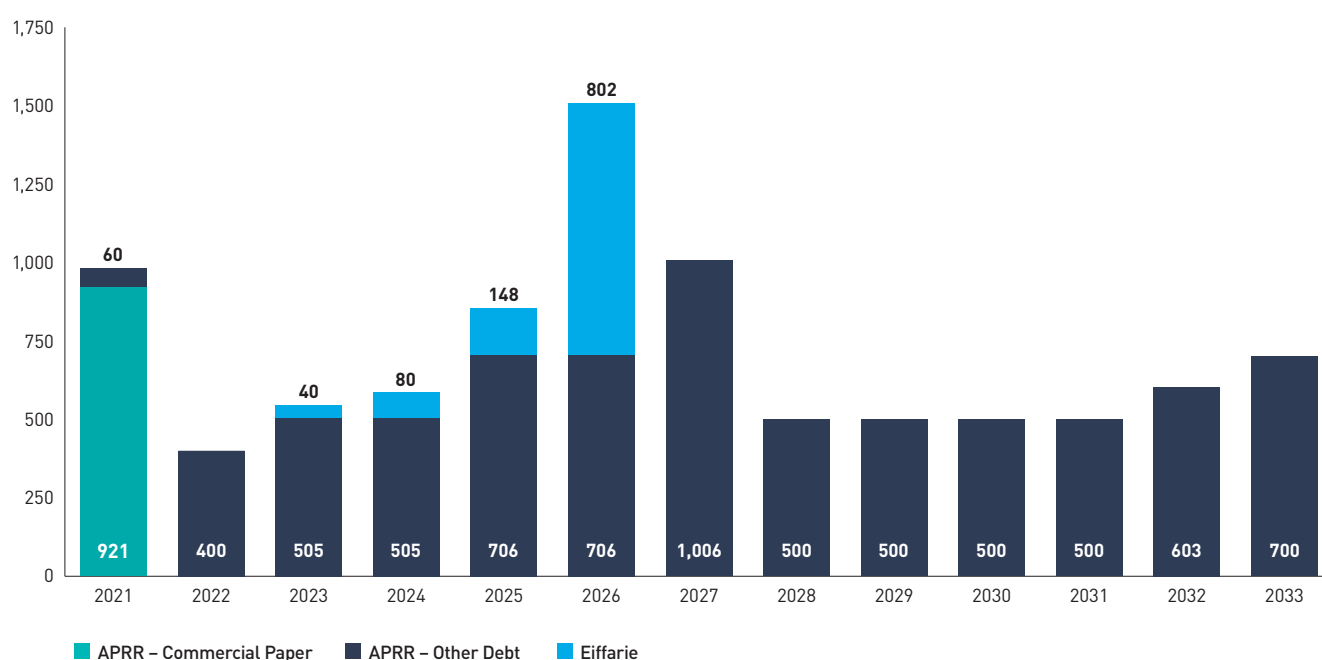
**Table 8 – APRR debt facilities**

€m	31-Dec-20	31-Dec-19	Details
Euro Medium Term Note ('EMTN') public bonds – fixed	6,600	6,300	Fixed coupon bonds ranging from 0% to 1.875%, with maturities from 2022 to 2033. €500m was repaid in January 2020 and €700m was repaid in October 2020 (being the early repayment of the January 2021 bonds). €1,500m issued in three tranches during the year (1) €500m in January 2020 with a 0% coupon maturing in 2023 (2) €500m in April 2020 with a 1.25% coupon maturing in 2027 (3) €500m in September 2020 with a 0.125% coupon maturing in 2029.
EMTN bonds – floating	–	500	The final €500m floating rate bond was repaid in January 2020.
European Investment Bank Loan	375	375	Comprises a €100m fixed rate loan maturing in 2022 and €275m floating rate loans maturing in 2022.
EMTN index linked bonds	158	158	Comprises of bonds maturing in 2021 and 2032 with coupons of 3.3% and 0.34% respectively. Principal indexed at French CPI.
Caisse Nationale des Autoroutes ('CNA') debt	37	42	Outstanding CNA debt is fixed rate with a fixed amortisation profile to 2027.
Maurice-Lemaire Loans	20	20	€7m zero interest with the remainder being index linked.
Commercial Paper	921	1,200	Short term fixed interest rate borrowings.
<b>Total drawn debt facilities</b>	<b>8,111</b>	<b>8,595</b>	
Other	97	112	Includes €86m in accrued interest and €11m in other items.
IFRS adjustment	(67)	(56)	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.
<b>Gross APRR debt</b>	<b>8,141</b>	<b>8,651</b>	Total carrying value of debt reflected in the APRR consolidated accounts.
Revolving Credit Facility ('RCF')	2,000	1,800	Refinanced in February 2020, increasing from €1,800m to €2,000m. The new facility is currently undrawn. 96.66% of the facility maturity was extended by 1 year to February 2026 in January 2021 (remaining 3.34% matures in February 2025), with a further 1 year extension option available to February 2027. Margin of 22.5bps above the greater of Euribor and 0%, and a commitment fee of 35% of the margin for undrawn balances.

**Table 9 – Other APRR related debt facilities**

€m	31-Dec-20	31-Dec-19	Details
Eiffarie term loan	1,070	1,070	Refinanced on 20 February 2020 with a margin of 62.5bps above the greater of Euribor and 0%. 96.66% of the loan maturity was extended by 1 year to February 2026 in January 2021 (remaining 3.34% matures in February 2025 with a remaining balance at that date of €32m), with a further 1 year extension option available to February 2027. No amortisation required until 2023 with amortisation proposed to be €40m in 2023, €80m in 2024 and €116m (for the 96.66% extended facility portion) in 2025.
MIBL term loan	–	350	Repaid the €350m MIBL term loan in full on 22 June 2020.

**Figure 3 – APRR and Eiffarie debt maturity profile at 31 December 2020 (€m)**



## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.2 ADELAC

#### 2.2.1 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.

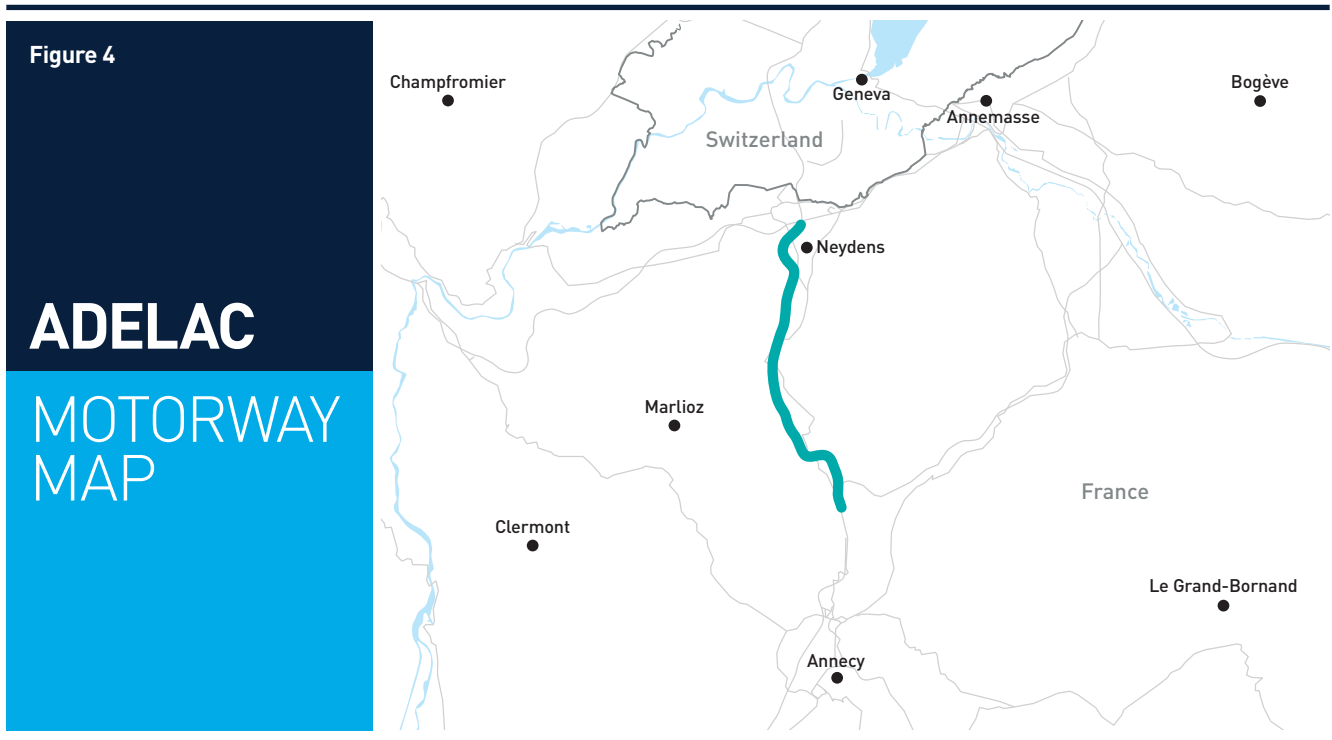
The road provides a continuous motorway connection to the A41 (south) and the A40 (west). APRR is the operator of the ADELAC Concession.

Tolls increase each year in February by French CPI plus a fixed percentage under the concession contract. The current toll escalation formulae are shown below and the applicable tolls are presented on the ADELAC website<sup>2</sup>.

**Table 10 – ADELAC toll escalation**

2021-2030	CPI + 1.0%
2030+	CPI

The ADELAC concession expires in 2060.



<sup>2</sup> [https://www.liane-autoroute.com/le\\_reseau\\_liane/les\\_tarifs](https://www.liane-autoroute.com/le_reseau_liane/les_tarifs).



## 2.2.2 Business performance

Stand-alone accounts are prepared by ADELAC using French GAAP.

**Table 11 – ADELAC profit and loss**

€m unless otherwise stated	FY20	FY19	% ch on prior	FY18	FY17	FY16	FY15
<b>Total traffic (trips millions)</b>	<b>7.70</b>	<b>10.79</b>	<b>(28.6%)</b>	<b>10.85</b>	<b>10.72</b>	<b>10.52</b>	<b>10.05</b>
<b>Average Daily Traffic (ADT)</b>	<b>21,044</b>	<b>29,567</b>	<b>(28.8%)</b>	<b>29,713</b>	<b>29,374</b>	<b>28,751</b>	<b>27,524</b>
– Toll road operations revenue	41.4	56.7	(27.0%)	56.0	54.2	51.2	47.5
– Other revenue	0.1	0.1	(19.4%)	0.1	0.2	0.2	0.2
<b>Revenue</b>	<b>41.5</b>	<b>56.8</b>	<b>(27.0%)</b>	<b>56.1</b>	<b>54.4</b>	<b>51.4</b>	<b>47.8</b>
Purchases and external charges	(5.8)	(7.4)	21.3%	(7.5)	(7.5)	(7.4)	(7.0)
Taxes (other than income tax)	(1.7)	(2.3)	27.0%	(2.3)	(2.2)	(2.2)	(2.1)
<b>EBITDA</b>	<b>34.0</b>	<b>47.1</b>	<b>(27.9%)</b>	<b>46.3</b>	<b>44.7</b>	<b>41.8</b>	<b>38.7</b>
EBITDA margin	81.9%	83.0%	(1.0%)	82.5%	82.2%	81.3%	81.0%

## 2.2.3 Financing and debt

**Table 12 – Debt metrics**

€m unless otherwise stated	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Gross debt	714.5	721.8	730.0	738.3	747.1
Cash	20.9	12.5	13.9	13.8	31.0
Net debt	693.6	709.3	716.0	724.5	716.1
Net debt/EBITDA	20.4x	15.1x	15.5x	16.2x	17.1x
EBITDA/Interest	1.95x	2.66x	2.61x	2.48x	1.00x
Hedging %	85.2%	85.3%	85.2%	85.2%	85.1%

Gross debt is exclusive of shareholder loans from related entities (AREA) which totalled €22.8m as at 31 December 2020 (€21.5m as at 31 December 2019). Dividends from ADELAC to APRR and MAF2 can only commence following repayment of these shareholder loans.

**Table 13 – ADELAC debt facilities**

€m	31-Dec-20	31-Dec-19	Details
Term facility	714.5	721.8	Margin over Euribor of 1.70% to June 2021, 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.

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.3 Dulles Greenway

#### 2.3.1 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 an estimated 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. From 1 Jan 2020 onwards the SCC will determine the toll rates under the legislative framework that was used prior to 1 Jan 2013 in accordance with Section §56-542D, 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".



## 2.3.2 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. For comparative purposes however, revenue in 2019 and 2020 in the table below is shown in accordance with ASC605 rather than ASC606 and are therefore in line with IFRS accounting standards (excluding IFRIC 12). 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 for 2019 and 2020.

**Table 14 – Traffic, Revenue and EBITDA**

US\$m unless otherwise stated	FY20	FY19	% ch on prior	FY18	FY17	FY16	FY15
<b>Total traffic (trips millions)</b>	<b>10.20</b>	<b>17.80</b>	<b>(42.7%)</b>	<b>18.32</b>	<b>19.18</b>	<b>19.49</b>	<b>18.63</b>
<b>Average Daily Traffic (ADT)</b>	<b>27,876</b>	<b>48,757</b>	<b>(42.8%)</b>	<b>50,193</b>	<b>52,555</b>	<b>53,264</b>	<b>51,054</b>
Toll revenue net of VIP cash back	51.6	89.3	(42.3%)	90.4	91.7	90.5	84.0
Other revenue	0.4	0.4	(2.7%)	0.4	0.4	0.4	0.4
<b>Revenue</b>	<b>52.0</b>	<b>89.7</b>	<b>(42.1%)</b>	<b>90.8</b>	<b>92.2</b>	<b>91.0</b>	<b>84.4</b>
Operating expenses	(14.3)	(16.5)	13.5%	(17.0)	(17.2)	(16.8)	(16.2)
<b>EBITDA (excluding IFRS adjustments)</b>	<b>37.7</b>	<b>73.2</b>	<b>(48.5%)</b>	<b>73.8</b>	<b>75.0</b>	<b>74.2</b>	<b>68.2</b>
EBITDA margin	72.5%	81.6%	(9.1%)	81.3%	81.4%	81.6%	80.8%
<b>IFRS Adjustments</b>							
AASB 16 Adjustment	0.7	0.5	34.5%				
<b>EBITDA</b>	<b>38.4</b>	<b>73.7</b>	<b>(47.9%)</b>				
EBITDA margin	73.8%	82.2%	(8.3%)	81.3%	81.4%	81.6%	80.8%

**Table 15 – Dulles Greenway cash flows**

US\$m unless otherwise stated	FY20	FY19	FY18	FY17	FY16	FY15
<b>Cash flows from operating activities:</b>						
<b>EBITDA (excluding IFRS adjustments)</b>	<b>37.7</b>	<b>73.2</b>	<b>73.8</b>	<b>75.0</b>	<b>74.2</b>	<b>68.2</b>
Capex: Project Improvement Expenses	(0.3)	(0.9)	(1.8)	(1.0)	(4.0)	(2.0)
Movements in working capital and other items	(0.3)	(0.5)	(0.1)	0.3	(0.1)	(0.2)
Capex: DTR Connector	(4.6)	(10.7)	(1.8)	-	-	-
Capex: West end project	(1.7)	(0.1)	-	-	-	-
Interest income	1.0	3.9	2.7	1.0	0.4	0.1
Interest expenses	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Scheduled accreted interest payments on zero-coupon bond redemptions	(18.4)	(34.7)	(31.9)	(38.1)	(36.0)	(33.6)
<b>Net cash provided by (used in) operating activities</b>	<b>10.9</b>	<b>27.8</b>	<b>38.5</b>	<b>34.7</b>	<b>32.0</b>	<b>30.0</b>
<b>Cash flows from investing activities:</b>						
Sales/Purchases of fixed assets	(0.3)	(0.0)	(0.2)	(0.1)	0.1	(0.2)
<b>Net cash provided by (used in) investing activities</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>0.1</b>	<b>(0.2)</b>
<b>Cash flows from financing activities:</b>						
Scheduled principal payments on zero-coupon bond redemptions	(9.6)	(16.2)	(17.6)	(22.4)	(24.0)	(25.4)
Distributions paid to Atlas Arteria	-	-	-	-	-	-
<b>Net cash from (used) in financing activities</b>	<b>(9.6)</b>	<b>(16.2)</b>	<b>(17.6)</b>	<b>(22.4)</b>	<b>(24.0)</b>	<b>(25.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.0</b>	<b>11.6</b>	<b>20.7</b>	<b>12.2</b>	<b>8.1</b>	<b>4.4</b>
Cash at the beginning of period	215.4	203.8	183.1	171.0	162.9	158.5
<b>Cash at the end of period</b>	<b>216.3</b>	<b>215.4</b>	<b>203.8</b>	<b>183.1</b>	<b>171.0</b>	<b>162.9</b>
- Cash reserved for debt service/debt reserves	119.5	111.3	134.2	132.8	143.8	143.3
- Cash reserved for capital expenditure	7.3	13.0	18.3	3.6	3.5	7.2
- Other cash reserve requirements	12.5	11.7	10.9	10.2	9.3	8.4
- Cash available for distribution if lock-up tests are met	77.0	79.3	40.4	36.5	14.3	4.0
<b>Distributions paid to Atlas Arteria</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.3.3 Financing and debt

**Table 16 – Debt metrics**

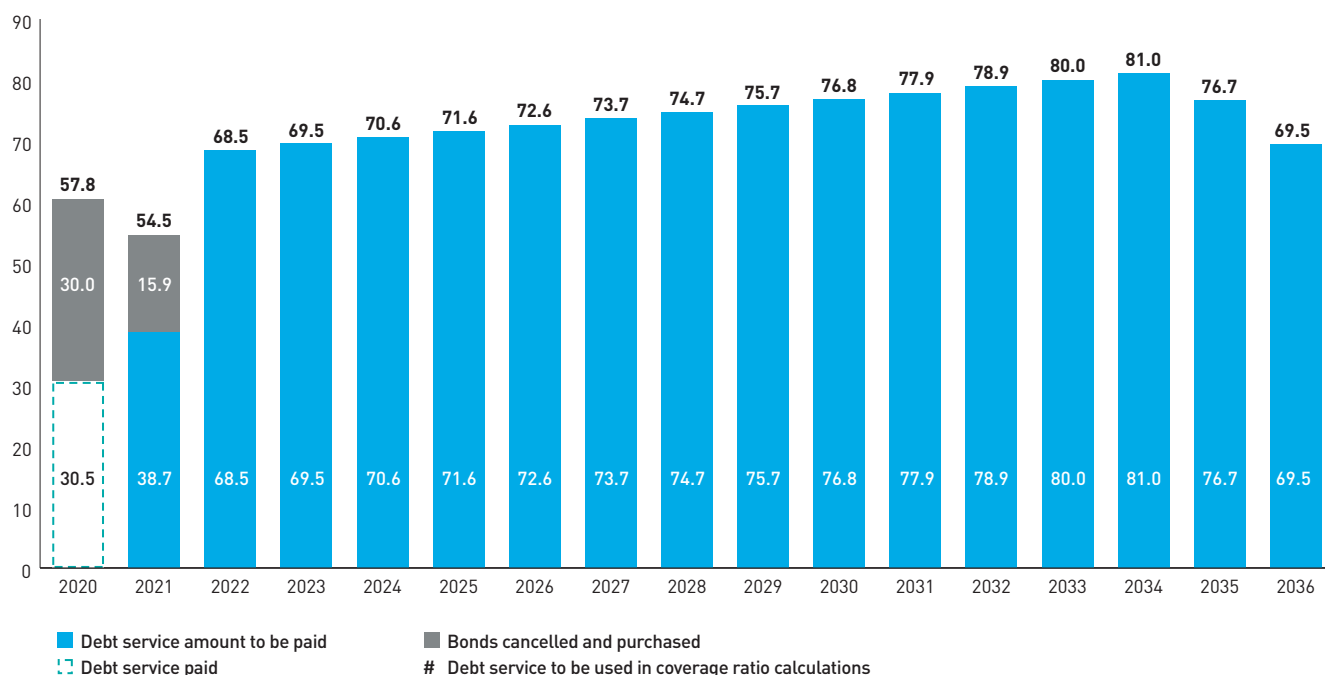
US\$m unless otherwise stated	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Gross debt	1,090.1	1,053.4	1,041.7	1,029.3	1,028.5	1,027.3
Cash	216.3	215.4	203.8	183.1	171.0	162.9
Net debt	873.8	838.0	837.9	846.1	857.6	864.4
Net debt/EBITDA	23.2x	11.4x	11.3x	11.3x	11.6x	13.1x
Actual MCR (lock-up if <1.25x)	0.64x	1.20x	1.18x	1.18x	1.18x	1.10x
Actual ACR (lock-up if <1.15x)	0.64x	1.20x	1.18x	1.16x	1.25x	1.25x
Corporate credit rating						
– S&P	BB+ (negative)	BBB- (stable)	BBB- (stable)	BBB- (stable)	BBB- (stable)	BBB- (stable)
– Moody's	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)	Ba2 (stable)
– Fitch	BB- (negative)	BB (negative)	BB+ (stable)	BB+ (stable)	BB+ (stable)	BB+ (stable)

**Table 17 – Dulles Greenway debt facilities**

US\$m	31-Dec-20	31-Dec-19	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	500.0	478.7	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 2005A	6.7	20.9	Accreting interest bonds, 5.43% pa interest rate, compounded semi-annually, legal maturity in 2045 – with early redemption scheduled between 2006 and 2021.
Senior Accreting Interest Bonds 2005B	130.9	123.7	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	417.5	395.1	Zero coupon bonds, yield to maturity ranging from 5.50% to 5.65%, with maturities between 2036 and 2056.
<b>Total debt</b>	<b>1,090.1</b>	<b>1,053.4</b>	



**Figure 6 – Debt service profile (2020-2036) as at 31 December 2020 (US\$m)**



The chart above presents the maturity profile for debt outstanding as at 31 December 2020 and also provides the total debt service (principal and accrued interest) payable each year to 2036. 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 (US\$2.7m in 2020 and US\$0.2m in 2019).

**Table 18 – Distribution tests as at year end 31 December**

US\$m	2020	2019	2018	2017	2016	2015
Toll Revenues	51.6	89.3	90.4	91.7	90.5	84.0
Operating Expenses	(14.3)	(16.5)	(17.0)	(17.2)	(16.8)	(16.2)
<b>Net Toll Revenues used for Minimum Coverage Ratio (A)</b>	<b>37.3</b>	<b>72.8</b>	<b>73.4</b>	<b>74.6</b>	<b>73.8</b>	<b>67.8</b>
Net Transfers to Improvement Fund and Operating Reserve Fund	–	–	(0.4)	(1.5)	(0.8)	(4.7)
<b>Net Toll Revenues used for Additional Coverage Ratio (B)</b>	<b>37.3</b>	<b>72.8</b>	<b>73.0</b>	<b>73.1</b>	<b>73.0</b>	<b>63.1</b>
1999A	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
1999B	(43.4)	(41.6)	(39.8)	(38.1)	(36.4)	(34.8)
2005A	(14.6)	(16.9)	(19.7)	(22.4)	(23.6)	(24.2)
2005B/2005C	–	–	–	–	–	–
Reduction in debt service used in coverage ratio for bond buy back discount	2.7	0.2	–	–	–	–
<b>Total Debt Service (C)</b>	<b>(57.8)</b>	<b>(60.8)</b>	<b>(62.0)</b>	<b>(63.0)</b>	<b>(62.5)</b>	<b>(61.5)</b>
<b>Minimum Coverage Ratio (A ÷ C) – 1.25x requirement</b>	<b>0.64x</b>	<b>1.20x</b>	<b>1.18x</b>	<b>1.18x</b>	<b>1.18x</b>	<b>1.10x</b>
<b>Additional Coverage Ratio (B ÷ C) – 1.15x requirement</b>	<b>0.64x</b>	<b>1.20x</b>	<b>1.18x</b>	<b>1.16x</b>	<b>1.17x</b>	<b>1.03x</b>

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.4 Warnow Tunnel

#### 2.4.1 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. Applicable toll prices for 2020 are presented on the Warnow Tunnel website<sup>3</sup>.

**Table 19 – 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.



<sup>3</sup> <https://warnowquerung.de/en/prices/>.

## 2.4.2 Business Performance

Stand-alone accounts are prepared by Warnow Tunnel using German GAAP. Operating expenses, however, do not include items of capital expenditure or accruals which would otherwise classify as operating expenses under German GAAP.

**Table 20 – Traffic, Revenue and EBITDA**

€m unless otherwise stated	FY20	FY19	% ch on prior	FY18	FY17	FY16	FY15
<b>Total traffic (trips millions)</b>	<b>4.56</b>	<b>4.94</b>	<b>(7.7%)</b>	<b>4.73</b>	<b>4.28</b>	<b>4.22</b>	<b>4.15</b>
<b>Average Daily Traffic (ADT)</b>	<b>12,465</b>	<b>13,541</b>	<b>(7.9%)</b>	<b>12,948</b>	<b>11,715</b>	<b>11,537</b>	<b>11,358</b>
Revenue	12.8	13.7	(6.3%)	12.6	11.1	10.7	10.1
Operating expenses	(3.7)	(3.4)	(9.8%)	(2.9)	(2.8)	(2.9)	(2.7)
<b>EBITDA</b>	<b>9.1</b>	<b>10.3</b>	<b>(11.6%)</b>	<b>9.7</b>	<b>8.3</b>	<b>7.8</b>	<b>7.4</b>
EBITDA margin	71.1%	75.3%	(4.2%)	76.8%	74.9%	73.3%	73.1%

**Table 21 – Warnow Tunnel cashflows**

€m unless otherwise stated	FY20	FY19	FY18	FY17	FY16	FY15
<b>Cash flows from operating activities:</b>						
EBITDA	9.1	10.3	9.7	8.3	7.8	7.4
HMTC expenses	(0.4)	(0.4)	(0.1)	(0.1)	n.a.	n.a.
Other capital expenditure expensed	(0.6)	(0.4)	(0.0)	(0.1)	(0.2)	(0.2)
Capital gains tax (2018 acquisition)	(1.3)	-	-	-	-	-
Movements in working capital and other items	0.2	0.0	0.5	0.7	(0.5)	(1.0)
Net interest income/(expenses)	(3.1)	(3.4)	(3.6)	(3.8)	(3.1)	(3.2)
<b>Net cash provided by (used in) operating activities</b>	<b>4.0</b>	<b>6.2</b>	<b>6.5</b>	<b>5.0</b>	<b>4.0</b>	<b>3.0</b>
<b>Cash flows from investing activities:</b>						
Purchases of fixed assets	(0.1)	(0.0)	(0.6)	(0.3)	(0.0)	(0.0)
<b>Net cash provided by (used in) investing activities</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Cash flows from financing activities:</b>						
Net repayments of borrowings	(4.4)	(6.8)	(5.1)	(4.0)	(3.1)	(2.3)
Payment into capital reserves	-	1.3	-	-	-	-
Distributions paid to Atlas Arteria	-	-	-	-	-	-
<b>Net cash from (used) in financing activities</b>	<b>(4.4)</b>	<b>(5.5)</b>	<b>(5.1)</b>	<b>(4.0)</b>	<b>(3.1)</b>	<b>(2.3)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(0.5)</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>0.9</b>	<b>0.6</b>
Cash at the beginning of period	5.7	5.1	4.3	3.6	2.7	2.1
<b>Cash at the end of period</b>	<b>5.3</b>	<b>5.7</b>	<b>5.1</b>	<b>4.3</b>	<b>3.6</b>	<b>2.7</b>
Debt balance at the end of the period	142.3	146.7	153.4	158.6	162.6	164.7
<b>Distributions paid to Atlas Arteria</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.4.3 Financing and Debt

**Table 22 – Debt metrics**

€m	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Gross debt	142.3	146.7	153.4	158.6	162.6	164.7
Cash	5.3	5.7	5.1	4.3	3.6	2.7
Net debt	137.0	140.9	148.4	154.3	159.0	162.0
Net debt/EBITDA	15.0x	13.7x	15.3x	18.5x	20.7x	23.4x
EBITDA/Interest	2.95x	3.07x	2.70x	2.19x	2.48x	4.30x
Hedging %	27.7%	28.7%	28.9%	29.2%	29.6%	30.1%

Debt balances need to be zero before Warnow Tunnel can pay distributions.

## 2 BUSINESS OVERVIEW AND PERFORMANCE

**Table 23 – Warnow Tunnel debt facilities**

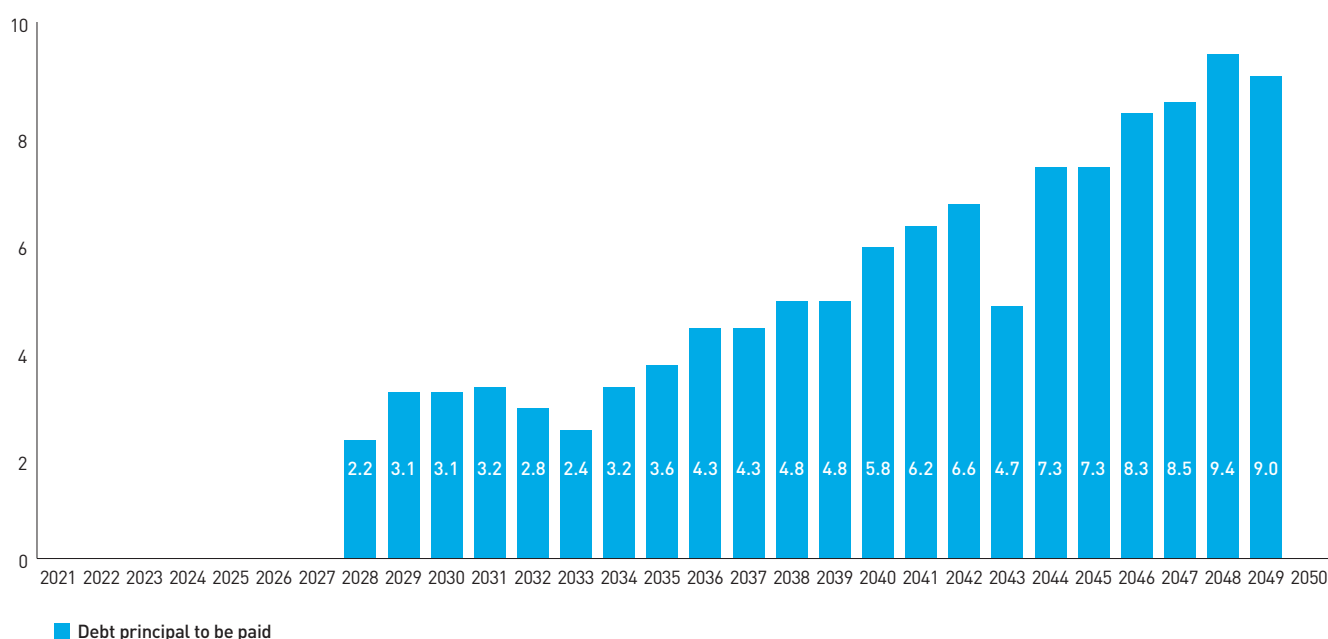
€m	31-Dec-20	31-Dec-19	Details
Tranche I	39.4	42.0	Margin of 0.75% over Euribor with maturity of 31 December 2029 with a fixed amortisation schedule. Fixed interest rate swap at 4.07% with maturity in line with Tranche I.
Tranche II	6.7	9.3	Margin of 3.00% over Euribor. Facility term to 15 September 2053 (concession end) under full cash sweep.
Tranche III	96.1	95.3	Margin of 1.50% over Euribor. Facility term to 15 September 2053 (concession end) under full cash sweep. Capitalisation of interest until Tranche II is fully repaid. No interest is incurred on accrued but unpaid interest.
<b>Total debt</b>	<b>142.3</b>	<b>146.7</b>	

On 24 February 2021 Warnow signed agreements to refinance the existing debt with a €115m facility split into 2 tranches outlined below. Completion is expected to occur during H1 2021 and will include full repayment of the existing debt and swap arrangements.

**Table 24 – New Warnow Tunnel debt facilities term sheet**

Type	Fixed Rate Component	Variable Rate Component
<b>Amount</b>	€86.25 million	€28.75 million
<b>Interest rate</b>	2.07%	6 month Euribor + 1.70%*
<b>Maturity</b>	31 December 2049	
<b>Amortisation</b>	No amortisation in first 7 years. Sculpted amortisation from 30 June 2028.	
<b>Debt Service Coverage Ratio (default if)</b>	<1.05x	
<b>Debt Service Coverage Ratio (distribution lock-up if)</b>	Year 1 <1.25x Year 2 <1.40x Year 3 <1.60x Years 4-7 <1.80x Year 8 onwards <1.15x	
<b>Loan Life Coverage Ratio (default if)</b>	<1.10x	
<b>Loan Life Coverage Ratio (distribution lock-up if)</b>	<1.20x	

**Figure 7 – Debt repayment profile (€m)**



\*All in interest rate (Euribor + 1.70%) floor at 0%.





atlas**Arteria**