

31 August 2022

ASX RELEASE

The Manager - Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Atlas Arteria Financial Results for the half year ended 30 June 2022

In accordance with Listing Rule 4.2A, Atlas Arteria (**ASX Code: ALX**) lodges the following attached documents:

1. Appendix 4D – Half-Year Report for the period ended 30 June 2022; and
2. Interim Financial Report for the half year ended 30 June 2022.

The Interim Financial Report has been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board. References to “statutory” financial information throughout this report are consistent with IFRS financial information disclosed in the financial report.

The information disclosed in the attached documents should be read in conjunction with the Atlas Arteria Annual Financial Report for the year ended 31 December 2021.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Clayton McCormack'.

Clayton McCormack
General Counsel & Company Secretary

For further information please contact:

Investors:

Tess Palmer
Director, Investor Relations
+61 (0) 438 493 692
investors@atlasarteria.com

Media:

Lisa Keenan
Nightingale Advisors
+61 (0) 409 150 771
lisa@nightingaleadvisors.com.au

This announcement has been authorised for release by the Boards of Atlas Arteria Limited and Atlas Arteria International Limited.

About Atlas Arteria

Atlas Arteria (ASX:ALX) is a global owner, operator and developer of toll roads, creating value for our investors over the long-term through considered and disciplined management. The roads we own, operate and develop benefit communities through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions.

Today the Atlas Arteria Group consists of four businesses. We currently own a 31.14% interest in the APRR toll road group in France. Adjacent to the APRR business is the smaller ADELAC business which connects to APRR in south-east France. Together APRR and ADELAC comprise a 2,406km motorway network located in the East and South East of France. In the US, we have 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, we own 100% of the Warnow Tunnel in the north-east city of Rostock.

www.atlasarteria.com



atlas**Arteria**

APPENDIX 4D

Half Year Report for period ended 30 June 2022

Name of entity: Atlas Arteria ('ALX')
Reporting period: Half Year ended 30 June 2022
Previous corresponding period: Half Year ended 30 June 2021

Results for announcement to the market

As a global owner and operator of toll roads, our business is to enable people to travel between destinations as safely, quickly, and comfortably as possible. Government imposed restrictions in response to the COVID-19 pandemic have been progressively lifted in the half year across the jurisdictions in which Atlas Arteria operates. The magnitude and extent of those restrictions were generally less restrictive than those imposed during the same period in 2020 and 2021 and continue to relax as governments move towards policies of living with COVID-19.

Profit and Loss Results

| | | 30 June 2022 | | |
|---|---|--------------|----|---------|
| | | Change (%) | | A\$'000 |
| Income from continuing operations | ▲ | 26% | To | 54,692 |
| Profit/(Loss) after tax (excluding notable items) | ▲ | 108% | To | 117,108 |
| Profit/(Loss) from continuing operations after tax | ▲ | 184% | To | 117,108 |
| Profit/(Loss) after tax | ▲ | 184% | To | 117,108 |
| Profit/(Loss) attributable to Atlas Arteria stapled securityholders | ▲ | 184% | To | 117,108 |



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APPENDIX 4D

Financial results presented below show the performance of Atlas Arteria adjusted for notable items which are not expected to recur, to provide further clarity around the underlying operational performance of the business.

| Atlas Arteria A\$m | Management Results | | | Statutory Results | | |
|--|--------------------|-------------|-------------|-------------------|-------------|-------------|
| | H1 2022 | H1 2021 | % Chg | H1 2022 | H1 2021 | % Chg |
| Revenue and other income | | | | | | |
| – Toll Revenue | 53.8 | 43.1 | 25% | 53.8 | 43.1 | 25% |
| – Other income | 0.9 | 0.4 | 113% | 0.9 | 0.4 | 113% |
| Operating expenses | | | | | | |
| – Business operations | (16.0) | (14.4) | (11%) | (62.9) | (55.6) | (13%) |
| – Corporate cost | (15.1) | (11.9) | (27%) | – | – | – |
| Finance costs | (42.5) | (41.3) | (3%) | (42.5) | (91.2) | 53% |
| Depreciation and amortisation | (31.8) | (29.3) | (9%) | – | – | – |
| Share of net profits/(losses) in associates | 168.6 | 108.7 | 55% | 168.6 | 108.7 | 55% |
| Income tax benefit/(expense) | (0.8) | 0.9 | (182%) | (0.8) | 35.8 | (102%) |
| Net Profit/(loss) from operations after tax (excluding Notable Items) | 117.1 | 56.2 | 108% | | | |
| Notable Items | | | | | | |
| – Warnow Tunnel net accounting impacts of capital restructure (non-cash) | – | (15.0) | – | – | – | – |
| Net Profit/(loss) from operations after tax | 117.1 | 41.2 | 184% | 117.1 | 41.2 | 184% |

The statutory results for the half year ended 30 June 2022 for Atlas Arteria are \$117.1 million (2021: \$41.2 million).

Net profit after tax (excluding notable items) increased by 108% due to a 55% increase in share of profits in associates and a 25% increase in toll revenue. The result reflects the increased traffic across the APRR network and more generally the easing of COVID-19 movement restrictions across our businesses.

The prior year results reflect the negative impact of movement restrictions on traffic and the accounting outcomes of refinancing the legacy debt facility and hedging arrangements at Warnow Tunnel.

APPENDIX 4D

Distributions

| Dividends/Distributions | Cents per security | Declaration Date |
|---|--------------------|-------------------|
| 2021: | | |
| Second dividend / distribution ¹ | 20.5 | 17 March 2022 |
| First dividend / distribution ² | 15.5 | 21 September 2021 |
| 2020: | | |
| Second dividend / distribution ³ | 13.0 | 25 March 2021 |
| First dividend / distribution ⁴ | 11.0 | 21 September 2020 |

1. Comprised an ordinary dividend of 20.5 cents per stapled security ("cps").

2. Comprised an ordinary dividend of 15.5 cps.

3. Comprised an ordinary dividend of 13.0 cps.

4. Comprised an ordinary dividend of 11.0 cps.

Net tangible asset per security

| | As at 30 June 2022 | As at 30 June 2021 |
|---|--------------------------|--------------------------|
| Net tangible asset backing per stapled security | A\$1.27 | A\$1.49 |
| Net asset backing per stapled security | A\$3.54 | A\$3.66 |

Financial information

This report is based on the Atlas Arteria Interim Financial Report for the period ended 30 June 2022.

Other information required by Listing Rule 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the following Atlas Arteria Interim Financial Report.



atlas**Arteria**

INTERIM REPORTS

FOR THE HALF YEAR
ENDED 30 JUNE 2022

This report comprises:

Atlas Arteria International Limited and its controlled entities

Atlas Arteria Limited and its controlled entities



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DIRECTORS' REPORTS

The Directors of Atlas Arteria International Limited ('ATLIX') and the Directors of Atlas Arteria Limited ('ATLAX') submit the following reports, together with the Interim Financial Report for Atlas Arteria and the Interim Financial Report for ATLAX and its controlled entities ('ATLAX Group'), for the half year ended 30 June 2022.

An Atlas Arteria stapled security comprises one ATLIX share 'stapled' to one ATLAX share to create a single listed security traded on the Australian Securities Exchange. The stapled securities cannot be traded or dealt with separately.

AASB 3 *Business Combinations* and AASB 10 *Consolidated Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, and consistent with previous reporting periods, ATLIX has been identified as the parent entity of the consolidated group comprising ATLIX and its controlled entities ('ATLIX Group') and ATLAX Group, together comprising 'Atlas Arteria', 'ALX' or 'the Groups'.

All values are in Australian Dollars unless otherwise indicated.

Directors

The following persons were directors of ATLIX during the half year and up to the date of this report (unless otherwise stated):

- Jeffrey Conyers (Chair)
- Fiona Beck
- Andrew Cook
- Caroline Foulger
- Debbie Goodin

The following persons were directors of ATLAX during the half year and up to the date of this report (unless otherwise stated):

- Debbie Goodin (Chair)
- Ariane Barker
- David Bartholomew
- Graeme Bevans
- Jean-Georges Malcor

DIRECTORS' REPORTS

Operating and financial review

Principal activities

The principal activities of Atlas Arteria are to own, operate and develop toll roads globally, creating value for investors over the long term through considered and disciplined management and sustainable business practices. The roads developed, operated or managed by Atlas Arteria benefit communities through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions.

As of the date of this report, Atlas Arteria owned four businesses. The ATLIX Group currently has a 31.14% interest in the APRR toll road group in France and 31.17% interest in ADELAC. Together APRR and ADELAC comprise a 2,406km motorway network located in the East and South East of France. In the US, Atlas Arteria has 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, the ATLIX Group owns 100% of Warnowquerung GmbH & Co. KG and its general partner (collectively 'Warnow Tunnel') in the north-east city of Rostock.

On 30 June 2022, effective ownership of ALIAE SAS, the concessionaire for the A79 (also known as RCEA) toll road, was transferred to APRR, incorporating an additional 88km toll road into the APRR network.

Distributions

Distributions paid to securityholders were as follows:

| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
|--|--|--|
| Dividend of 20.5 cents per stapled security ('cps') paid on 31 March 2022 ^(a) | 196,599 | – |
| Dividend of 13.0 cps paid on 9 April 2021 ^(b) | – | 124,672 |
| | 196,599 | 124,672 |

(a) The dividend paid on 31 March 2022 comprised an ordinary dividend of 20.5 cps. The dividend was paid in full by ATLIX.

(b) The dividend paid on 9 April 2021 comprised an ordinary dividend of 13.0 cps. The dividend was paid in full by ATLIX.

Review and results of operations

As a global owner and operator of toll roads, our business is to enable people to travel between destinations as safely, quickly, and comfortably as possible. Government imposed restrictions in response to the COVID-19 pandemic have been progressively lifted in the half year across the jurisdictions in which Atlas Arteria operates. The magnitude and extent of those restrictions were generally less than those imposed during the same period in 2020 and 2021 and continue to relax as governments move towards policies of living with COVID-19.

This improved operating environment has led to a strong statutory net profit of \$117.1 million as compared to \$41.2 million for the same period in 2021. The result reflects the strong traffic performance at APRR driven by domestic tourism demand, partially offset by the lower average value of the Euro over the first half of 2022. The prior year results reflect the impact of Warnow Tunnel debt restructuring and negative revenue impact of COVID-19 on the business.

The second half distribution for 2021, consisting of an ordinary dividend of 20.5 cps was paid in full by ATLIX on 31 March 2022.

Key operational and strategic updates by business

APRR Group

France started the year with easing of COVID-19 related restrictions and a strong holiday ski season. Ski resorts in France experienced demand at pre-pandemic levels and domestic tourism continued to be strong throughout the half, with accommodation bookings in France during holiday periods exceeding 2019 levels. Demand for the network remained resilient, despite higher retail fuel prices in France (the impact of which was partially offset by a fuel price rebate implemented from 1 April 2022).

Light vehicle traffic in H1 2022 was 28.3% higher than H1 2021 which was impacted by movement restrictions related to COVID-19. Heavy vehicle traffic continued its consistently strong performance throughout the half, up 4.0% on H1 2021 and 3.1% on H1 2019. Total traffic across the network in H1 2022 was 23.4% higher than H1 2021 and up 2.3% on H1 2019. Toll increases from 1 February 2022 combined with the growth in traffic over the period underpinned toll revenue for H1 2022 which was 20.0% higher than H1 2021.

At ADELAC, traffic was impacted by lower cross-border travel as the Swiss government continued to recommend working from home. Restrictions were relaxed in early May, including entry rules for travellers, resulting in a relatively strong second quarter. Traffic at ADELAC in H1 2022 was 42.1% higher than H1 2021 but 2.2% lower than H1 2019.

DIRECTORS' REPORTS

At APRR, construction on the A79 continued with completion expected by the end of the year. This project involves upgrading 88km of road from two single lanes to a two-lane dual carriageway, reducing travel times and significantly improving safety outcomes for motorists. The A79 concession extends to 2068 and the road currently supports significant heavy vehicle traffic. On 30 June 2022, ownership of ALIAE SAS, holder of the A79 concession contract, was transferred to APRR at a cost of €658.9 million¹.

Progress was made to create further value on the APRR network during the period, with a new Investment Plan presented by the Macron administration to the regulator (the Autorité de Régulation des Transports 'ART') who have provided their review. If confirmed, the Investment Plan will involve the deployment of capital expenditure by APRR to achieve carbon reduction and environmental protection outcomes on the network. Having regard to the ART review, the Macron Government is expected to consult with APRR prior to considering it for final approval.

Warnow Tunnel

COVID-19 restrictions in Mecklenburg-Vorpommern which were in place from the start of the year were further expanded in early 2022 as a result of the Omicron outbreak. The new restrictions imposed more stringent requirements for access to some hospitality venues, a work from home requirement and testing obligations for tourists. Restrictions were gradually eased over the period with most removed by the end of April 2022, except for limited mask requirements.

Restrictions and testing obligations for tourists were also relaxed during the period. This saw an increase in tourism, contributing to higher employment in Mecklenburg-Vorpommern to above pre COVID-19 levels, supporting the post COVID-19 economic recovery.

Traffic in H1 2022 was 10.1% higher than H1 2021 but 8.5% lower than H1 2019. Traffic remains lower compared to 2019 in-part due to a reduction in roadworks on competing routes. Toll revenue for the half was 11.5% higher than H1 2021.

Dulles Greenway

Early in the year, Dulles Greenway experienced significant snowfall across the region with around 60% more snowfall compared to Q1 2021 and more than six-times that of Q1 2020. The heavy snowfall led to school closures as well as some federal office closures, reducing traffic over the period.

The outbreak of the COVID-19 Omicron variant led to record-high COVID-19 cases in Virginia in mid-January and a consequent delay in mass return to office-based work. Some federal government employees returned to the office from late April, and the state of Virginia and District of Columbia announced that employees are expected back in the office from the 5th of July 2022.

Overall, traffic at the Greenway in H1 2022 was 12.3% higher than H1 2021 however remained 34.0% lower than H1 2019.

Improved traffic performance and a 5.0% increase in off-peak toll prices from January 2022 supported growth in toll revenue over the half year by 20.3% relative to H1 2021.

As of 30 June 2022, Dulles Greenway had \$259.4 million (US\$178.7 million) cash on the balance sheet. As previously disclosed, failure to pass the lockup tests as defined under the debt covenants for this business means that around US\$61.4 million (31 December 2021: US\$78.9 million) that would otherwise be available for distribution to Atlas Arteria remained included as part of the cash reserves. In February 2022, \$US17.6 million of cash was drawn down in order to supplement debt service funds to ensure bond service requirements were met.

Following the delay of legislation at the session of Virginia's General Assembly in February 2022, we continue to engage with relevant stakeholders on the best path forward for the introduction of distance-based tolling at the Greenway.

Corporate

On 8 June 2022, Atlas Arteria was advised by IFM Global Infrastructure Fund ('IFM GIF') that it had obtained a combined relevant and economic interest in approximately 15% of the issued securities of Atlas Arteria and stated an intention to request access to certain limited information, before deciding whether to submit a non-binding indicative proposal to acquire all the Atlas Arteria securities it did not already own.

During July 2022, Atlas Arteria Senior Management had two meetings with IFM Investors representatives, the principal advisor for IFM GIF and its associates, to discuss and share information requested by IFM Investors. We believe we have addressed IFM Investor's information requests, other than where doing so would require disclosure of material confidential information.

On 28 July 2022, IFM Investors confirmed that IFM GIF was not in a position at that time to meaningfully progress a proposal with Atlas Arteria and determined to cease discussions with the Groups. However, IFM Investors reserved the right to recommence discussion with the Groups in the future.

On 12 August 2022, IFM GIF advised that it had increased its combined relevant and economic interest to 19% of the issued securities in Atlas Arteria, comprising a relevant interest of up to 15.63%, and an economic interest in the balance, and further advised that it had obtained Foreign Investment Review Board (FIRB) approval.

On 26 August 2022, IFM indicated that they would like to discuss the appointment of a director to the Atlas Arteria Board as they convert their combined relevant and economic interest in Atlas Arteria securities to a substantial physical holding. Atlas Arteria is considering this request.

The Boards confirm they have not received any proposal from IFM Investors in relation to the acquisition of Atlas Arteria.

1. Purchased at construction cost to date.

DIRECTORS' REPORTS

Financial Results

Financial results have been presented in this report to show the performance of Atlas Arteria adjusted for 'Notable Items' to provide further clarity around the underlying operational performance of the business. The Notable Items are either not expected to recur or are not related to operational performance.

| | ALX | | % change |
|--|--|--|----------|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | |
| Revenue and other income | | | |
| – Toll Revenue | 53,846 | 43,085 | 25% |
| – Other income | 846 | 397 | 113% |
| Operating expenses | | | |
| – Business operations | (15,981) | (14,385) | (11%) |
| – Corporate costs | (15,120) | (11,925) | (27%) |
| Finance costs | (42,487) | (41,310) | (3%) |
| Depreciation and amortisation | (31,801) | (29,261) | (9%) |
| Share of net profits/(losses) in associates* | 168,616 | 108,632 | 55% |
| Income tax (expense)/benefit | (811) | 993 | (182%) |
| Net Profit from operations after tax (excluding Notable Items) | 117,108 | 56,226 | 108% |
| Notable Items | | | |
| – Warnow Tunnel net accounting impacts of capital restructure (non-cash) | – | (15,025) | – |
| Net Profit from operations after tax | 117,108 | 41,201 | 184% |

* The previous year Interim Financial Statements have been revised. Refer to the Interim Financial Statements for details.

The statutory results for the half year ended 30 June 2022 for Atlas Arteria are \$117.1 million (2021: \$41.2 million). The result reflects the increased traffic across the APRR network and more generally the easing of COVID-19 movement restrictions across our businesses.

The prior year results reflect the negative impact of movement restrictions on traffic and the accounting outcomes of refinancing the legacy debt facility and hedging arrangements at Warnow Tunnel.

Excluding Notable Items net profits increased by \$60.8 million to \$117.1 million. Specific items that impacted the performance were as follows:

- The share of net profits from associates reflects the improved performance of the APRR business, following easing of the lockdowns during H1 2022 and strong domestic tourism demand in the region, with a 60% increase in consolidated net profits for the half year in local currency terms.
- The weakening of the Euro against the Australian Dollar partially offsets the stronger operating performance of APRR and Warnow Tunnel in local currency terms.

Strategic Outlook

Atlas Arteria's financial performance is positively correlated to inflation and securityholders stand to benefit from this during a high inflationary environment.

The Groups have strong organic growth potential within the current portfolio and continue to focus on improving average concession life, as well as creating a clear pathway to sustainable cashflows from the Dulles Greenway. Atlas Arteria also routinely considers other opportunities to drive long-term value and returns to securityholders.

Sustainability

At Atlas Arteria, we are committed to playing a positive role in society and creating long-term value for our stakeholders. We focus on embedding a culture in our business where all key decisions incorporate a sustainability lens.

Our strategy is informed by our four priority areas: keeping those who work and travel with us safe; keeping people, communities and commerce connected; fostering an inclusive, engaged and collaborative workforce; and actively managing our impact on the environment and providing solutions towards a low carbon future. These are underpinned by business fundamentals that enable us to fulfil our future growth potential: good governance; an ethical culture; an emphasis on sustainable growth; and keeping abreast of technology and other innovations.

We are making strong progress in addressing the targets and priorities we established last year. This includes convening a Climate Related Financial Disclosures Working Group to lead the integration of climate change considerations into business-as-usual processes and commencing Scope 3 emissions assessments at wholly owned businesses. Other focus areas include pursuing a safe and inclusive culture, and gaining additional insight into customer satisfaction.

In April 2022, Atlas Arteria delivered its first standalone Sustainability Report which is available on our website at: https://www.atlasarteria.com/stores/_sharedfiles/Sustainability/ALX_Sustainability_Report_2021_Web.pdf

DIRECTORS' REPORTS

Risk Framework

The proactive and disciplined management of risk is critical to Atlas Arteria's business strategy and organisational culture.

Identifying and prioritising risk is critical to the development and implementation of an effective strategy and, together with effective risk management is essential to delivering value for our stakeholders. Atlas Arteria considers risk in conjunction with strategy, and this approach is supported by a positive and proactive risk culture. A robust risk management framework is supported by clear risk appetite statements that enable Atlas Arteria to capture opportunities and effectively manage and escalate risk as required. Our Risk Management Policy is available on our website at: https://www.atlasarteria.com/stores/_sharedfiles/Corporate_governance/ALX_Governance_Docs/RiskManagementPolicy-December2020Approved.pdf

Significant changes in state of affairs

The Directors of ATLIX and ATLAX are not aware of any significant changes in the state of affairs for the half year ended 30 June 2022.

Likely developments and expected results of operations

No change is contemplated to the principal activities outlined on page 2.

Events occurring after balance sheet date

The Directors of ATLIX and ATLAX are not aware of any matter or circumstance not otherwise dealt with in the Directors' Reports that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in years subsequent to the half year ended 30 June 2022.

Rounding of amounts in the Directors' Reports and the Financial Reports

The Groups are of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the Directors' Reports and Interim Financial Reports. Amounts in the Directors' Reports and Interim Financial Reports have been rounded to the nearest thousand dollars in accordance with that instrument, unless otherwise indicated.

Application of class order

The Directors' Reports and Interim Financial Reports for Atlas Arteria and the ATLAX Group have been presented in the one report, as permitted by ASIC Class Order 13/1050 and ASIC Corporations (Stapled Group Reports) Instrument 2015/838.

DIRECTORS' REPORTS

Auditor's Independence Declaration

A copy of the auditor's independence declaration for ATLAX and its controlled entities during the period, as required under section 307C of the *Corporations Act 2001* and an independence declaration for ATLIX and its controlled entities during the period, is set out on page 7.

Signed in accordance with a resolution of the Directors of Atlas Arteria International Limited:



Jeffrey Conyers
Chair
Atlas Arteria International Limited
Hamilton, Bermuda
30 August 2022



Caroline Foulger
Director
Atlas Arteria International Limited
Hamilton, Bermuda
30 August 2022

Signed in accordance with a resolution of the Directors of Atlas Arteria Limited:



Debbie Goodin
Chair
Atlas Arteria Limited
Melbourne, Australia
30 August 2022



Jean-Georges Malcor
Director
Atlas Arteria Limited
Melbourne, Australia
30 August 2022

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the reviews of Atlas Arteria International Limited and Atlas Arteria Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Atlas Arteria International Limited and the entities it controlled during the period and Atlas Arteria Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett'.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
30 August 2022

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | ALX | | ATLAX Group | |
|---|-------|--|--|--|--|
| | | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| | Note | | | | |
| Revenue and other income from operations | | | | | |
| Total revenue and other income from operations | 2.1.1 | 54,692 | 43,482 | 8,266 | 7,086 |
| Operating expenses | 2.1.2 | (62,902) | (55,571) | (13,776) | (10,927) |
| Finance costs | 2.1.3 | (42,487) | (91,198) | (40) | 187 |
| Share of net profits/(losses) in associates* | 3.1.2 | 168,616 | 108,632 | (4,877) | (5,424) |
| Profit/(loss) from operations before income tax | | 117,919 | 5,345 | (10,427) | (9,078) |
| Income tax (expense)/benefit | | (811) | 35,856 | - | - |
| Profit/(loss) for the half year | | 117,108 | 41,201 | (10,427) | (9,078) |
| Profit/(loss) attributable to: | | | | | |
| Equity holders of the parent entity – ATLIX* | | 127,535 | 50,279 | - | - |
| Equity holders of other stapled entity – ATLAX (as non-controlling interest/parent entity) | | (10,427) | (9,078) | (10,427) | (9,078) |
| Stapled securityholders | | 117,108 | 41,201 | (10,427) | (9,078) |
| Other comprehensive (loss)/income | | | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | | | |
| Exchange differences on translation of consolidated foreign operations* | | (26,194) | (25,352) | 5,114 | 1,690 |
| Other comprehensive (loss)/income | | (26,194) | (25,352) | 5,114 | 1,690 |
| Total comprehensive income/(loss) | | 90,914 | 15,849 | (5,313) | (7,388) |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Equity holders of the parent entity – ATLIX* | | 96,227 | 23,237 | - | - |
| Equity holders of other stapled entity – ATLAX (as non-controlling interest/parent entity) | | (5,313) | (7,388) | (5,313) | (7,388) |
| Stapled securityholders | | 90,914 | 15,849 | (5,313) | (7,388) |
| | | | | | |
| | | Cents | Cents | Cents | Cents |
| Profit/(loss) per share attributable to ATLIX/ATLAX shareholders | | | | | |
| Basic profit/(loss) per share attributable to: | | | | | |
| ATLIX (as parent entity)* | | 13.3 | 5.2 | - | - |
| ATLAX (as non-controlling interest) | | (1.1) | (1.0) | (1.1) | (1.0) |
| Basic profit/(loss) per ALX stapled security | | 12.2 | 4.2 | (1.1) | (1.0) |
| Diluted profit/(loss) per share attributable to: | | | | | |
| ATLIX (as parent entity)* | | 13.3 | 5.2 | - | - |
| ATLAX (as non-controlling interest) | | (1.1) | (1.0) | (1.1) | (1.0) |
| Diluted profit/(loss) per ALX stapled security | | 12.2 | 4.2 | (1.1) | (1.0) |

* The ATLIX Group has revised the previous year Interim Financial Statements. Refer to note 3.1.2 for further details.

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Note | ALX | | ATLAX Group | |
|---|------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 |
| Current assets | | | | | |
| Cash and cash equivalents | | 196,748 | 229,389 | 38,000 | 42,758 |
| Derivative financial instruments | | 1,901 | – | – | – |
| Other assets | | 7,852 | 15,796 | 3,310 | 6,135 |
| Total current assets | | 206,501 | 245,185 | 41,310 | 48,893 |
| Non-current assets | | | | | |
| Restricted cash | | 210,394 | 226,325 | – | – |
| Intangible assets – Tolling concessions | 4.1 | 2,166,857 | 2,101,414 | – | – |
| Investments in associates | 3.1 | 2,498,951 | 2,591,821 | 100,242 | 99,986 |
| Goodwill | | 13,387 | 13,719 | – | – |
| Deferred tax asset | | 22,978 | 23,536 | – | – |
| Property plant and equipment | | 16,345 | 16,919 | 5,003 | 5,541 |
| Derivative financial instruments | | – | 188 | – | – |
| Other assets | | 77 | 76 | 7 | 6 |
| Total non-current assets | | 4,928,989 | 4,973,998 | 105,252 | 105,533 |
| Total assets | | 5,135,490 | 5,219,183 | 146,562 | 154,426 |
| Current liabilities | | | | | |
| Other liabilities | | (12,302) | (16,661) | (4,535) | (7,396) |
| Debt at amortised cost | 5.1 | (98,706) | (92,300) | – | – |
| Total current liabilities | | (111,008) | (108,961) | (4,535) | (7,396) |
| Non-current liabilities | | | | | |
| Debt at amortised cost | 5.1 | (1,544,603) | (1,532,061) | – | – |
| Deferred tax liabilities | | (32,236) | (29,704) | – | – |
| Other liabilities | | (55,080) | (50,463) | (3,236) | (3,596) |
| Total non-current liabilities | | (1,631,919) | (1,612,228) | (3,236) | (3,596) |
| Total liabilities | | (1,742,927) | (1,721,189) | (7,771) | (10,992) |
| Net assets | | 3,392,563 | 3,497,994 | 138,791 | 143,434 |
| Equity | | | | | |
| Equity attributable to securityholders of the parent – ATLIX | | | | | |
| Contributed equity | | 3,747,750 | 3,747,750 | – | – |
| Reserves | | (71,773) | (40,049) | – | – |
| Accumulated losses | | (422,205) | (353,141) | – | – |
| ATLIX securityholders' interest | | 3,253,772 | 3,354,560 | – | – |
| Equity attributable to other stapled securityholders – ATLAX | | | | | |
| Contributed equity | | 202,075 | 202,075 | 202,075 | 202,075 |
| Reserves | | 33,145 | 27,361 | 33,145 | 27,361 |
| Accumulated losses | | (96,429) | (86,002) | (96,429) | (86,002) |
| Other stapled securityholders' interest | | 138,791 | 143,434 | 138,791 | 143,434 |
| Total equity | | 3,392,563 | 3,497,994 | 138,791 | 143,434 |

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

The financial information was approved by the ATLIX Board of Directors on 30 August 2022 and as required by Bermuda regulations was signed on its behalf by:



Jeffrey Conyers
Atlas Arteria International Limited
Hamilton, Bermuda



Caroline Foulger
Atlas Arteria International Limited
Hamilton, Bermuda

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| ALX | Attributable to ATLIX securityholders | | | | Attributable to ATLAX securityholders \$'000 | Total ALX equity \$'000 |
|--|---------------------------------------|-----------------|---------------------------|------------------|--|-------------------------|
| | Contributed equity \$'000 | Reserves \$'000 | Accumulated Losses \$'000 | Total \$'000 | | |
| Total equity at 31 December 2021 | 3,747,750 | (40,049) | (353,141) | 3,354,560 | 143,434 | 3,497,994 |
| Profit/(loss) for the half year | – | – | 127,535 | 127,535 | (10,427) | 117,108 |
| Exchange differences on translation of consolidated foreign operations | – | (31,308) | – | (31,308) | 5,114 | (26,194) |
| Total comprehensive income/(expense) | – | (31,308) | 127,535 | 96,227 | (5,313) | 90,914 |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Employee performance rights | – | (416) | – | (416) | 670 | 254 |
| Dividends paid (refer to note 2.2) | – | – | (196,599) | (196,599) | – | (196,599) |
| | – | (416) | (196,599) | (197,015) | 670 | (196,345) |
| Total equity at 30 June 2022 | 3,747,750 | (71,773) | (422,205) | 3,253,772 | 138,791 | 3,392,563 |

| ALX | Attributable to ATLIX securityholders | | | | Attributable to ATLAX securityholders \$'000 | Total ALX equity \$'000 |
|--|---------------------------------------|-----------------|---------------------------|------------------|--|-------------------------|
| | Contributed equity \$'000 | Reserves \$'000 | Accumulated Losses \$'000 | Total \$'000 | | |
| Total equity at 31 December 2020 | 3,747,750 | (8,233) | (263,030) | 3,476,487 | 157,849 | 3,634,336 |
| Adjustment due to change in accounting standard | – | – | – | – | (430) | (430) |
| Total equity at 1 January 2021 | 3,747,750 | (8,233) | (263,030) | 3,476,487 | 157,419 | 3,633,906 |
| Profit/(loss) for the half year* | – | – | 50,279 | 50,279 | (9,078) | 41,201 |
| Exchange differences on translation of consolidated foreign operations* | – | (27,042) | – | (27,042) | 1,690 | (25,352) |
| Total comprehensive income/(expense) | – | (27,042) | 50,279 | 23,237 | (7,388) | 15,849 |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Employee performance rights | – | 703 | – | 703 | 18 | 721 |
| Dividends paid (refer to note 2.2) | – | – | (124,672) | (124,672) | – | (124,672) |
| | – | 703 | (124,672) | (123,969) | 18 | (123,951) |
| Total equity at 30 June 2021 | 3,747,750 | (34,572) | (337,423) | 3,375,755 | 150,049 | 3,525,804 |

* The ATLIX Group has revised the previous year Interim Financial Statements. Refer to note 3.1.2 for further details.

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

| ATLAX Group | Attributable to ATLAX securityholders | | | Total \$'000 |
|--|---------------------------------------|--------------------|---------------------------------|-----------------|
| | Contributed equity \$'000 | Reserves \$'000 | Accumulated Losses \$'000 | |
| Total equity at 31 December 2021 | 202,075 | 27,361 | (86,002) | 143,434 |
| Loss for the half year | – | – | (10,427) | (10,427) |
| Exchange differences on translation of consolidated foreign operations | – | 5,114 | – | 5,114 |
| Total comprehensive income/expense | – | 5,114 | (10,427) | (5,313) |
| Transactions with equity holders in their capacity as equity holders: | | | | |
| Employee performance rights | – | 670 | – | 670 |
| | – | 670 | – | 670 |
| Total equity at 30 June 2022 | 202,075 | 33,145 | (96,429) | 138,791 |

| ATLAX Group | Attributable to ATLAX securityholders | | | Total \$'000 |
|--|---------------------------------------|--------------------|---------------------------------|-----------------|
| | Contributed equity \$'000 | Reserves \$'000 | Accumulated Losses \$'000 | |
| Total equity at 31 December 2020 | 202,075 | 21,834 | (66,060) | 157,849 |
| Adjustment due to change in accounting policy | – | – | (430) | (430) |
| Total equity at 1 January 2021 | 202,075 | 21,834 | (66,490) | 157,419 |
| Loss for the half year | – | – | (9,078) | (9,078) |
| Exchange differences on translation of foreign operations | – | 1,690 | – | 1,690 |
| Total comprehensive income | – | 1,690 | (9,078) | (7,388) |
| Transactions with equity holders in their capacity as equity holders: | | | | |
| Employee performance rights | – | 18 | – | 18 |
| | – | 18 | – | 18 |
| Total equity at 30 June 2021 | 202,075 | 23,542 | (75,568) | 150,049 |

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | ALX | | ATLAX Group | |
|---|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Note | | | | |
| Cash flows from operating activities | | | | |
| Toll revenue received (net of transaction processing fees) | 54,331 | 43,054 | - | - |
| Interest received | 278 | 24 | 51 | 44 |
| Other income received | 297 | 303 | 9,018 | 3,237 |
| Property taxes paid | (1,087) | (2,301) | - | - |
| Manager’s and adviser’s base fees paid | - | (457) | - | - |
| Payments to suppliers and employees (inclusive of GST/VAT) | (29,384) | (26,462) | (13,372) | (8,173) |
| Net cash flows from operating activities | 24,435 | 14,161 | (4,303) | (4,892) |
| Cash flows from investing activities | | | | |
| Distributions from associates | 208,262 | 151,071 | - | - |
| Growth projects | (179) | (1,048) | (85) | (1,048) |
| Additions to tolling concessions (IFRIC 12) | - | (196) | - | - |
| Purchase of fixed assets | (152) | (405) | (72) | (97) |
| Net cash flows from investing activities | 207,931 | 149,422 | (157) | (1,145) |
| Cash flows from financing activities | | | | |
| Repayment of debt (including transaction costs) | (91,853) | (279,870) | - | - |
| Interest paid | (3,483) | (3,865) | (5) | - |
| Proceeds from borrowings (net of transaction costs) | - | 171,953 | - | - |
| Transfer from restricted cash | 26,724 | 8,253 | - | - |
| Dividends paid | (196,599) | (124,672) | - | - |
| Lease principal payments | (1,311) | (899) | (373) | (102) |
| Net cash flows from financing activities | (266,522) | (229,100) | (378) | (102) |
| Net (decrease) in cash and cash equivalents | (34,156) | (65,517) | (4,838) | (6,139) |
| Cash and cash equivalents at the beginning of the year | 229,389 | 260,341 | 42,758 | 52,130 |
| Effects of exchange rate movements on cash and cash equivalents | 1,515 | (3,748) | 80 | (43) |
| Cash and cash equivalents at the end of the year | 196,748 | 191,076 | 38,000 | 45,948 |

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL REPORTS

1 Introduction

Atlas Arteria – Stapled security

An Atlas Arteria ('ALX') stapled security comprises one Atlas Arteria International Limited ('ATLIX') share 'stapled' to one Atlas Arteria Limited ('ATLAX') share to create a single listed security traded on the Australian Securities Exchange. The stapled securities cannot be traded or dealt with separately.

AASB 3 *Business Combinations* and AASB 10 *Consolidated Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, ATLIX has been identified as the parent entity of the consolidated group comprising ATLIX and its controlled entities ('ATLIX Group') and ATLAX and its controlled entities ('ATLAX Group'), together comprising 'Atlas Arteria', 'ALX' or 'the Groups'.

As permitted by ASIC Class Order 13/1050 and ASIC Corporations (Stapled Group Reports) Instrument 2015/838, these reports consist of the Interim Financial Report of the ATLIX Group at the end of and during the half year and separately the Interim Financial Report of the ATLAX Group at the end of and during the half year.

The Interim Financial Report of Atlas Arteria should be read in conjunction with the separate Interim Financial Report of the ATLAX Group presented in these reports for the half year ended 30 June 2022.

Basis of preparation

These general purpose Interim Financial Reports for the half year ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (where applicable). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB').

These Interim Financial Reports do not include all the notes of the type normally included in Annual Financial Reports. Accordingly, these reports are to be read in conjunction with the Annual Financial Reports for the year ended 31 December 2021 and any public announcements made by Atlas Arteria during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (where applicable).

Both ATLIX and ATLAX are for-profit entities for the purpose of preparing the Interim Financial Reports.

The Interim Financial Reports were authorised for issue by the Directors of the ATLIX Board and the ATLAX Board (together, the 'Boards') on 30 August 2022. The Boards have the power to amend and reissue the Interim Financial Reports.

The Interim Financial Reports are general purpose financial reports that:

- have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* (where applicable).
- have also been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').
- include the assets and liabilities of all subsidiaries as at 30 June 2022 and the results of the subsidiaries for the half year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation.
- have been prepared under the historical cost conventions except for certain assets and liabilities, which have been measured at fair value.
- are presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

New and amended standards adopted by the Groups

There have been no new accounting standards adopted by the Groups in the half year ended 30 June 2022.

Critical accounting estimates and judgements

The preparation of the Interim Financial Reports in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The Directors believe the estimates used in the preparation of the Interim Financial Reports are reasonable. Actual results in the future may differ from those reported.

Significant judgments made in applying accounting policies, estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities were disclosed in Note 1 of the Atlas Arteria Financial Report for the year ended 31 December 2021. There have been no material changes in the half year ended 30 June 2022.

NOTES TO THE INTERIM FINANCIAL REPORTS

2 Financial performance

2.1 Profit/(loss) for the half year

The profit/(loss) from operations before income tax includes the following specific items of income and expense:

2.1.1 Revenue and other income from operations

| | ALX | | ATLAX Group | |
|---|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Revenue from operations: | | | | |
| Toll revenue | 53,846 | 43,085 | – | – |
| Other income | 375 | 397 | 8,204 | 7,078 |
| Interest income | 471 | – | 55 | – |
| Total revenue and other income from operations | 54,692 | 43,482 | 8,259 | 7,078 |
| Other income from operations: | | | | |
| Reversal of impairment on financial assets | – | – | 7 | 8 |
| Total other income from operations | – | – | 7 | 8 |
| Total revenue and other income from operations | 54,692 | 43,482 | 8,266 | 7,086 |

2.1.2 Operating expenses

| | ALX | | ATLAX Group | |
|---|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Operating expenses | | | | |
| Amortisation of tolling concession | 30,884 | 28,702 | – | – |
| Cost of operations: | | | | |
| Toll road maintenance expenses | 5,831 | 4,924 | – | – |
| Other operating expenses | 2,577 | 2,746 | – | – |
| Employment costs | 13,715 | 12,877 | 8,072 | 7,229 |
| Total cost of operations | 22,123 | 20,547 | 8,072 | 7,229 |
| Consulting and administration fees | 2,265 | 290 | 1,060 | 675 |
| Construction costs from road development activities | – | 803 | – | – |
| Other expenses | 6,713 | 4,670 | 4,140 | 2,889 |
| Depreciation and amortisation | 917 | 559 | 504 | 134 |
| Total operating expenses | 62,902 | 55,571 | 13,776 | 10,927 |

NOTES TO THE INTERIM FINANCIAL REPORTS

2.1.3 Finance costs

| | ALX | | ATLAX Group | |
|---|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Interest on debt | 43,119 | 40,331 | – | – |
| Mark to market (gain)/loss on derivatives | (1,726) | (492) | – | – |
| Fee on early repayment of borrowings | – | 756 | – | – |
| Warnow Tunnel removal of fair value adjustment with legacy debt repayment | – | 49,888 | – | – |
| Amortisation of issue cost on borrowings from financial institutions | 73 | – | – | – |
| Net foreign exchange (gains)/losses | 119 | (20) | (46) | (77) |
| Other interest costs/(income) | 902 | 735 | 86 | (110) |
| Total net finance costs/(income) | 42,487 | 91,198 | 40 | (187) |

2.2 Distributions

| | ALX | | ATLAX Group | |
|--|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Distributions paid | | | | |
| Dividend paid on 31 March 2022 ^(a) | 196,599 | – | – | – |
| Dividend paid on 9 April 2021 ^(b) | – | 124,672 | – | – |
| Total distributions paid | 196,599 | 124,672 | – | – |
| | Cents per stapled security | Cents per stapled security | Cents per stapled security | Cents per stapled security |
| | | | | |
| Distributions paid | | | | |
| Dividend per stapled security paid on 31 March 2022 ^(a) | 20.5 | – | – | – |
| Dividend per security paid on 9 April 2021 ^(b) | – | 13.0 | – | – |
| Total distributions paid | 20.5 | 13.0 | – | – |

(a) The dividend paid on 31 March 2022 comprised an ordinary dividend of 20.5 cps.

(b) The dividend paid on 9 April 2021 comprised an ordinary dividend of 13.0 cps.

2.3 Segment information

2.3.1 Description of segments

Management has determined the operating segments based on the reports reviewed by the Boards. The Boards do not manage the day-to-day activities of the business. The Directors have appointed a management team to run and manage the ongoing operations of the business.

Management considers the overall business from the aspect of each of the individual businesses and has identified four operating segments for Atlas Arteria and one operating segment for the ATLAX Group. The segments of Atlas Arteria are the investments in APRR, ADELAC, Dulles Greenway and Warnow Tunnel. The only segment for the ATLAX Group is the investment in Dulles Greenway.

NOTES TO THE INTERIM FINANCIAL REPORTS

2.3.2 Segment information provided to the Boards

The proportionally consolidated segment information for the reportable segments for the half year ended 30 June 2022, based on Atlas Arteria's economic ownership interest is as follows:

| ALX | Half Year ended | APRR \$'000 | ADELAC \$'000 | Warnow Tunnel \$'000 | Dulles Greenway \$'000 | Total ALX \$'000 | Total ATLAX \$'000 |
|-------------------------|------------------|------------------|------------------|----------------------------|------------------------------|------------------------|--------------------------|
| Segment revenue | 30-Jun-22 | 638,584 | 14,066 | 9,311 | 44,862 | 706,823 | 6,026 |
| | 30-Jun-21 | 541,764 | 9,524 | 8,632 | 34,821 | 594,741 | 4,677 |
| Segment expenses | 30-Jun-22 | (150,039) | (2,165) | (2,842) | (9,813) | (164,859) | (1,318) |
| | 30-Jun-21 | (133,552) | (1,674) | (2,778) | (9,299) | (147,303) | (1,249) |
| Segment EBITDA | 30-Jun-22 | 488,545 | 11,901 | 6,469 | 35,049 | 541,964 | 4,708 |
| | 30-Jun-21 | 408,212 | 7,850 | 5,854 | 25,522 | 447,438 | 3,428 |
| EBITDA margin | 30-Jun-22 | 77% | 85% | 69% | 78% | 77% | 78% |
| | 30-Jun-21 | 75% | 82% | 68% | 73% | 75% | 73% |

The segment revenue disclosed in the table above primarily relates to toll revenue generated by businesses from external customers.

The segment expenses disclosed in the table above relate directly to costs associated with the operation of that segment. The segment assets and liabilities of equity accounted investments are disclosed in note 3.1.3. Warnow Tunnel's assets are \$240.3 million (31 December 2021: \$254.8 million) and liabilities are \$214.5 million (31 December 2021: \$227.3 million). Dulles Greenway's assets are \$2,252.3 million (31 December 2021: \$2,224.7 million) and liabilities are \$1,545.7 million (31 December 2021: \$1,517.2 million).

A reconciliation of the Groups' segment revenue and EBITDA to its total revenue and profit from operations before income tax is provided as follows:

| | ALX | | ATLAX Group | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30 Jun 2022 \$'000 | As at 30 Jun 2021 \$'000 | As at 30 Jun 2022 \$'000 | As at 30 Jun 2021 \$'000 |
| Reconciliation of segment revenue to revenue | | | | |
| Segment revenue | 706,823 | 594,741 | 6,026 | 4,677 |
| Revenue attributable to non-consolidated investments | (652,650) | (551,288) | (6,026) | (4,677) |
| Unallocated revenue and other income | 519 | 29 | 8,266 | 7,086 |
| Total revenue and other income from operations | 54,692 | 43,482 | 8,266 | 7,086 |
| Reconciliation of segment EBITDA to profit/(loss) before income tax | | | | |
| Segment EBITDA (from above) | 541,964 | 447,438 | 4,708 | 3,428 |
| EBITDA attributable to non-consolidated investments | (500,446) | (416,062) | (4,708) | (3,428) |
| Unallocated revenue | 519 | 29 | 8,266 | 7,086 |
| Corporate costs | (15,120) | (11,925) | (13,272) | (10,770) |
| Amortisation and depreciation | (31,801) | (29,261) | (504) | (157) |
| Unallocated expenses | (3,326) | (2,308) | - | - |
| Finance costs | (42,487) | (91,198) | (40) | 187 |
| Share of net profits/(losses) in associates* | 168,616 | 108,632 | (4,877) | (5,424) |
| Profit/(loss) from operations before income tax | 117,919 | 5,345 | (10,427) | (9,078) |

* The ATLIX Group has revised the previous year Interim Financial Statements. Refer to note 3.1.2 for further details.

NOTES TO THE INTERIM FINANCIAL REPORTS

3 Investments

3.1 Investments accounted for using the equity method

Information relating to associates and joint arrangements is set out below:

3.1.1 Carrying amounts

| Name of Entity ^(a) | Country of Incorporation/ Principal Place of Business | Principal Activity | ALX Economic interest | ALX | | ATLAX Economic Interest | ATLAX Group | |
|-------------------------------|--|---|---|--------------------------------|--------------------------------|---|--------------------------------|--------------------------------|
| | | | As at 30 Jun 2022 and 31 Dec 2021 % | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 | As at 30 Jun 2022 and 31 Dec 2021 % | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 |
| MAF2 ^(b) | Luxembourg | Investment in toll road network located in the east of France (APRR and ADELAC) | 62.3/62.3 | 2,498,951 | 2,591,821 | -/- | - | - |
| TRIP II ^{(c), (d)} | USA | Investment in the Dulles Greenway toll road located in northern Virginia, USA | -/- | - | - | 13.4/13.4 | 100,242 | 99,986 |

(a) All associates and joint arrangements have 31 December year end reporting requirements except for MAF2 which has a 31 March year end.

(b) Atlas Arteria's investment in MAF2 is classified as an associate as any decision made with regard to the relevant activities requires 85% of the voting members to proceed.

(c) The ATLAX Group has a 13.4% interest in TRIP II, the concessionaire for Dulles Greenway is accounted for as an equity accounted associate. Atlas Arteria has a 100% estimated economic interest in TRIP II after combining ATLAX Group's 13.4% equity interest with ATLIX Group's 86.6% economic interest. Accordingly, TRIP II is accounted for as a subsidiary of Atlas Arteria.

(d) TRIP II is in 'lockup' under its debt documents, meaning that it is currently unable to make distributions to Atlas Arteria or the ATLAX Group.

3.1.2 Movement in carrying amounts

| | ALX | | ATLAX Group | |
|--|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Carrying amount at the beginning of the period | 2,591,821 | 2,685,357 | 99,986 | 104,685 |
| Share of profits/(losses) after income tax* | 168,616 | 108,632 | (4,877) | (5,424) |
| Distributions received/receivable | (201,412) | (151,071) | - | - |
| Foreign exchange movement* | (60,074) | (33,331) | 5,133 | 1,690 |
| Carrying amount at the end of the period* | 2,498,951 | 2,609,587 | 100,242 | 100,951 |

* In the prior year Atlas Arteria reviewed the historical equity accounting for its interests in MAF2, dating back to the time when MAF2 became an associate of the Groups. As a result of this review, a number of adjustments were identified as being required as disclosed in note 3.2.2 of the Financial Reports for the year ended 31 December 2021. The same adjustments have been made in the Interim Financial Report reflecting the half year impact to 30 June 2021. None of these adjustments impact the underlying results of the associate. The adjustments are as follows:

- Share of net profits/(losses) in associates decrease by \$29.8 million
- Exchange differences on translation of foreign operations decrease by \$0.3 million
- Opening accumulated losses decrease of \$44.5 million
- Opening reserves increase of \$5.4 million
- Investments in associates increase of \$19.0 million
- Basic and diluted earnings per share decrease of 3.2 cps

NOTES TO THE INTERIM FINANCIAL REPORTS

3.1.3 Summarised financial information for material associates

The following tables summarise financial information for those associates that are material to Atlas Arteria and ATLAX Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Atlas Arteria's or ATLAX Group's share of those amounts. They have been amended to reflect adjustments made by Atlas Arteria and ATLAX Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

| Summarised Statement of Financial Position | MAF2 ^(a) | | TRIP II | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 |
| Total current assets | 1,069,598 | 1,324,917 | 52,870 | 84,748 |
| Total non-current assets* | 10,921,791 | 10,833,487 | 814,833 | 806,335 |
| Total current liabilities | (1,475,399) | (1,354,879) | (100,608) | (94,855) |
| Total non-current liabilities* | (7,500,812) | (7,729,725) | (1,428,061) | (1,399,767) |
| Net assets/(liabilities) | 3,015,178 | 3,073,800 | (660,966) | (603,539) |
| Reconciliation to carrying amounts: | | | | |
| Opening net assets/(liabilities)* | 3,073,800 | 3,125,259 | (603,539) | (518,485) |
| Profit/(loss) for the period* | 301,008 | 516,631 | (24,093) | (54,205) |
| Distributions paid | (323,397) | (494,287) | – | – |
| Foreign exchange and other equity movements* | (36,233) | (73,803) | (33,334) | (30,849) |
| Closing net assets/(liabilities) | 3,015,178 | 3,073,800 | (660,966) | (603,539) |
| ATLIX Group's share of net assets in \$* | 2,389,173 | 2,456,378 | – | – |
| ATLAX Group's share of net assets/(liabilities) in \$ | – | – | 100,242 | 99,986 |
| Atlas Arteria's carrying amount | 2,498,951 | 2,591,821 | – | – |
| ATLAX Group's carrying amount | – | – | 100,242 | 99,986 |

* The ATLIX Group has revised the previous year Interim Financial Statements. Refer to note 3.1.2 for further details.

(a) MAF2 proportionately consolidates the results of APRR and ADELAC.

| Summarised Statement of Comprehensive Income | MAF2 ^(a) | | TRIP II | |
|--|--|--|--|--|
| | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 | Half Year ended 30 Jun 2022 \$'000 | Half Year ended 30 Jun 2021 \$'000 |
| Revenue | 1,146,553 | 973,044 | 44,862 | 34,821 |
| Profit/(loss) for the period* | 301,008 | 205,092 | (24,093) | (30,267) |
| Atlas Arteria's share* | 168,616 | 108,632 | – | – |
| ATLAX Group's share | – | – | (4,877) | (5,424) |
| Atlas Arteria's distributions received | 201,412 | 151,071 | – | – |
| ATLAX Group's distributions received | – | – | – | – |

* The ATLIX Group has revised the previous year Interim Financial Statements. Refer to note 3.1.2 for further details.

(a) MAF2 proportionately consolidates the results of APRR and ADELAC.

NOTES TO THE INTERIM FINANCIAL REPORTS

4 Other balance sheet assets and liabilities

4.1 Intangible assets – Tolling concessions

Intangible assets – Tolling concessions

Tolling concessions are intangible assets and represent the right to levy tolls in respect of controlled motorways. Tolling concessions relating to the non-controlled investments are recognised as a component of the investments accounted for using the equity method.

Tolling concessions have a finite useful life by the terms of the concession arrangement and are carried at cost which represents the fair value of the consideration paid on acquisition less accumulated amortisation and impairment charges. Amortisation is calculated using the straight line method to allocate the cost of tolling concessions over their estimated useful lives which are as follows:

| | Estimated useful life |
|-----------------|--------------------------|
| Dulles Greenway | Period to February 2056 |
| Warnow Tunnel | Period to September 2053 |
| APRR | Period to November 2035 |
| ADELAC | Period to December 2060 |

There has been no change to the estimated useful life during the half year.

In relation to APRR and ADELAC, the tolling concessions in relation to these non-controlled investments are not recognised on the statement of financial position but instead form part of investments accounted for using the equity method. The amortisation of tolling concessions in relation to these non-controlled investments is included in the share of net profit of investments accounted for using the equity method.

| | ALX | | ATLAX Group | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 |
| Balance at the beginning of the period | 2,101,414 | 2,064,339 | – | – |
| Amortisation of tolling concession | (30,884) | (60,039) | – | – |
| Foreign exchange movement | 96,327 | 97,114 | – | – |
| Balance at the end of the period | 2,166,857 | 2,101,414 | – | – |

Key assumptions used for the fair value calculations at the Dulles Greenway include:

- Forecast traffic volumes
- Long term CPI (% annual growth)
- Average toll (% annual growth)
- Post-tax discount rate

For further details on the assumptions used in the prior year calculations refer to the Atlas Arteria Financial Report for the year ended 31 December 2021, note 4.1. There have been no material changes to the key assumptions disclosed in the 31 December 2021 Atlas Arteria Financial Report.

NOTES TO THE INTERIM FINANCIAL REPORTS

5 Capital and risk management

5.1 Debt at amortised cost

| | ALX | | ATLAX Group | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 | As at 30 Jun 2022 \$'000 | As at 31 Dec 2021 \$'000 |
| Current | | | | |
| Non-recourse TRIP II bonds and interest accrued thereon | 98,706 | 92,300 | – | – |
| Total current debt at amortised cost | 98,706 | 92,300 | – | – |
| Non-current | | | | |
| Non-recourse TRIP II bonds and interest accrued thereon | 1,373,831 | 1,357,123 | – | – |
| Non-recourse Warnow Tunnel borrowings and interest accrued thereon | 170,772 | 174,938 | – | – |
| Total non-current debt at amortised cost | 1,544,603 | 1,532,061 | – | – |

Atlas Arteria has complied with all externally imposed capital requirements that it was subject to during the half year ended 30 June 2022.

5.2 Fair value measurement of financial instruments

Fair values of other financial instruments (unrecognised)

The Groups have a number of financial instruments which are not measured at fair value in the balance sheet. With the exception of those listed below, the fair values are not materially different to their carrying amounts as either: the interest receivable/payable is close to current market rates; the instruments are short-term in nature; or the instruments have recently been brought onto the balance sheet and therefore the carrying amount approximated the fair value. The fair value of these financial instruments is determined using discounted cash flow analysis. The fair value of all financial assets (excluding Investments accounted for using the equity method) and financial liabilities approximated their carrying amounts at 30 June 2022. There is no debt in the ATLAX Group.

| | Carrying amount \$'000 | Fair value \$'000 |
|---|------------------------------|----------------------|
| Debt at amortised cost | | |
| Non-recourse TRIP II bonds and accrued interest thereon | 1,472,537 | 1,202,427 |
| Non-recourse Warnow borrowings | 170,772 | 127,950 |

6 Other disclosures

6.1 Contingent liabilities and capital commitments

The Groups have not made any material guarantees as of 30 June 2022.

6.2 Events occurring after balance sheet date

The Directors of ATLIX and ATLAX are not aware of any matter or circumstance not otherwise dealt with in the Directors' Reports that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in years subsequent to the half year ended 30 June 2022.

DIRECTORS' DECLARATION

Directors' Declaration – Atlas Arteria International Limited

The Directors of Atlas Arteria International Limited ('ATLIX') declare that:

- a) the Interim Financial Report of ATLIX and its controlled entities ('Atlas Arteria') and notes set out on pages 8 to 20:
 - i) comply with Australian Accounting Standards and other mandatory professional reporting requirements; and
 - ii) give a true and fair view of the financial position of Atlas Arteria as at 30 June 2022 and of its performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that ATLIX will be able to pay its debts as and when they become due and payable.

The Directors confirm that the Interim Financial Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.



Jeffrey Conyers
Chair
Atlas Arteria International Limited
Hamilton, Bermuda
30 August 2022



Caroline Foulger
Director
Atlas Arteria International Limited
Hamilton, Bermuda
30 August 2022

Directors' Declaration – Atlas Arteria Limited

The Directors of Atlas Arteria Limited ('ATLAX') declare that:

- a) the Interim Financial Report of ATLAX and its controlled entities ('ATLAX Group') and notes set out on pages 8 to 20:
are in accordance with the constitution of ATLAX and the *Corporations Act 2001*, including:
 - i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - ii) giving a true and fair view of the financial position of the ATLAX Group as at 30 June 2022 and of its performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that ATLAX will be able to pay its debts as and when they become due and payable.

The Directors confirm that the Interim Financial Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Debbie Goodin
Chair
Atlas Arteria Limited
Melbourne, Australia
30 August 2022



Jean-Georges Malcor
Director
Atlas Arteria Limited
Melbourne, Australia
30 August 2022



Independent auditor's review report to the stapled security holders of Atlas Arteria International Limited and Atlas Arteria Limited

Report on the Interim Financial Reports

Conclusion

We have reviewed the Interim Financial Reports of:

- Atlas Arteria International Limited (ATLIX) and its controlled entities and Atlas Arteria Limited (ATLAX) and its controlled entities, together Atlas Arteria or ALX; and
- Atlas Arteria Limited (ATLAX) and its controlled entities, together the ATLAX Group

which comprise the consolidated statements of financial position as at 30 June 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration for ATLIX and ATLAX.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying Interim Financial Reports of Atlas Arteria and the ATLAX Group do not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the financial positions of Atlas Arteria and the ATLAX Group as at 30 June 2022 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the Interim Financial Reports* section of our report.

We are independent of Atlas Arteria and the ATLAX Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the Interim Financial Reports

The directors of ATLIX and ATLAX are responsible for the preparation of the Interim Financial Reports that give a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the Interim Financial Reports that give a true and fair view and are free from material misstatement whether due to fraud or error.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

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Auditor's responsibilities for the review of the Interim Financial Reports

Our responsibility is to express a conclusion on the Interim Financial Reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Reports are not in accordance with the *Corporations Act 2001* including giving a true and fair view of the financial positions of Atlas Arteria and the ATLAX Group as at 30 June 2022 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

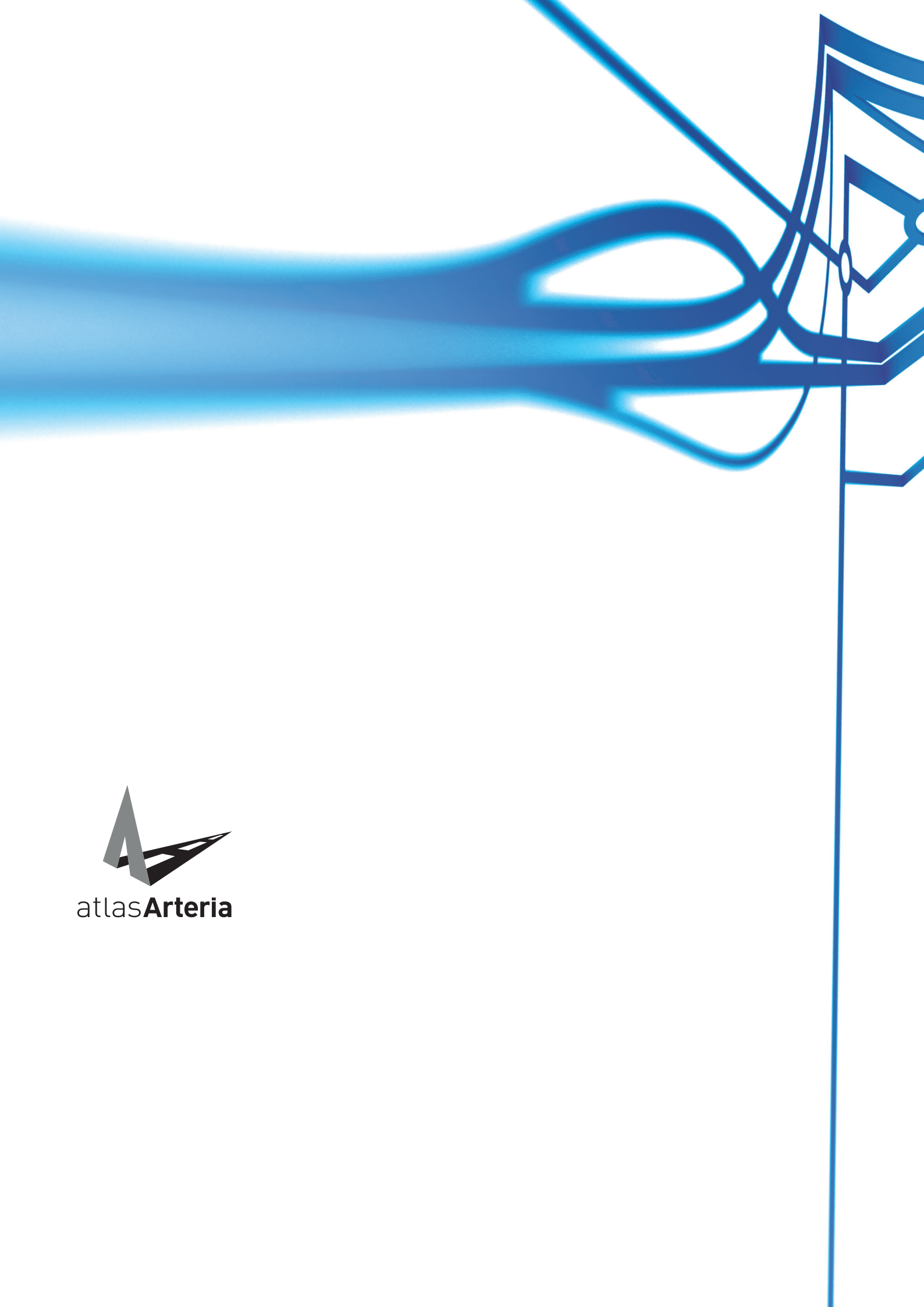
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PricewaterhouseCoopers

A handwritten signature of Ben Gargett.

Ben Gargett
Partner

Melbourne
30 August 2022



atlas**Arteria**