



atlas**Arteria**

# INVESTOR REFERENCE PACK

31 DECEMBER 2022

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

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

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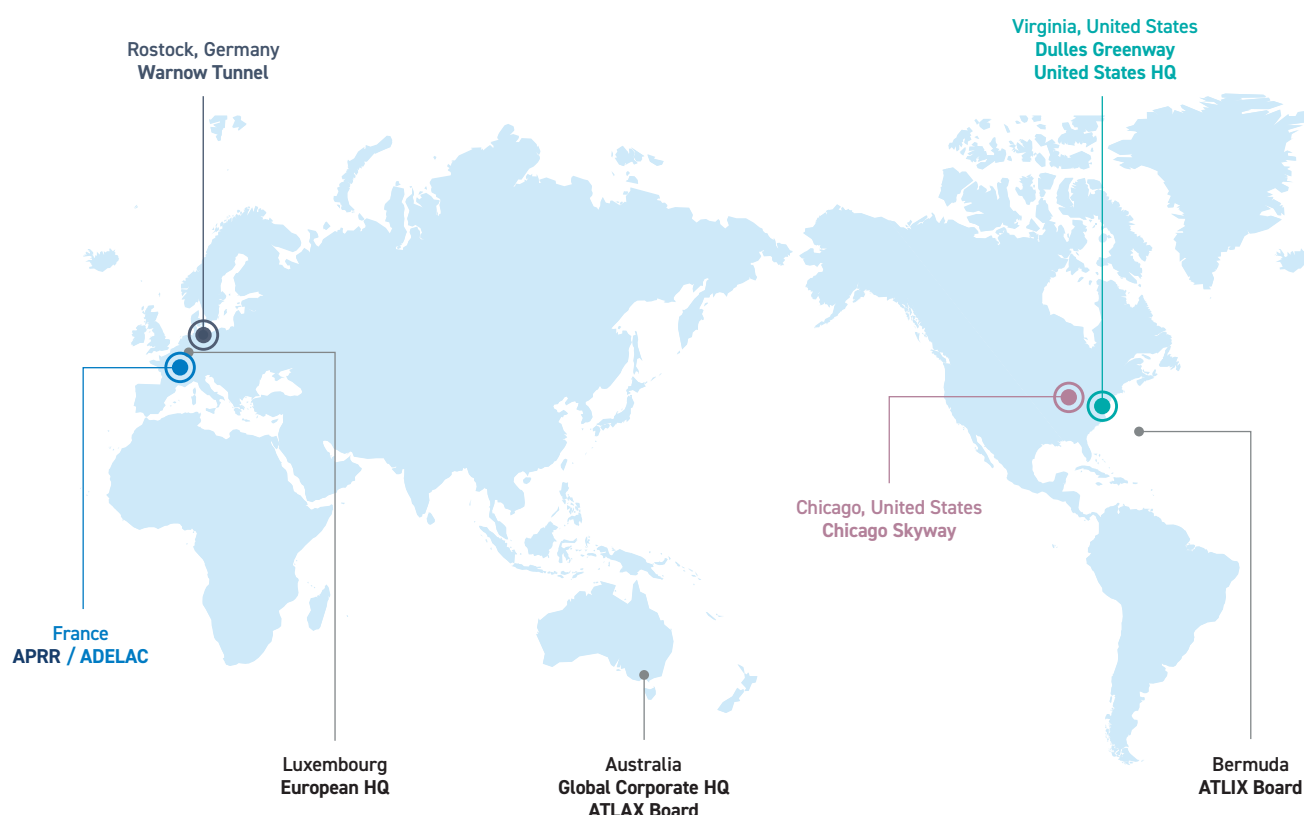
# PURPOSE AND STRUCTURE

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 2022. 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 2022.



## BUSINESS PORTFOLIO

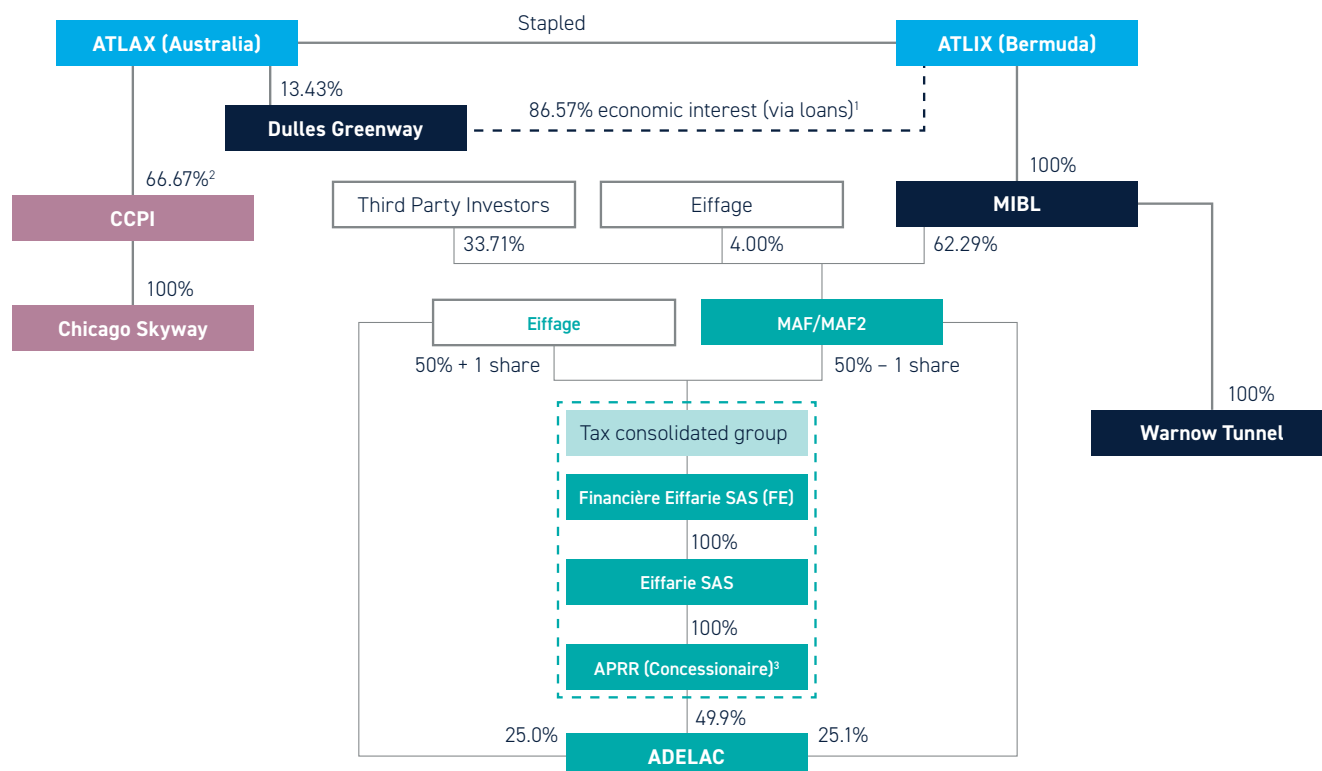
Table 1 – Atlas Arteria's portfolio of businesses and percentage interests as at 31 December 2022

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

# 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 2022



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).

2. ATLIX group holds US\$166.7m of shareholder loans in CCPI.

3. APRR owns 99.84% of AREA and 99.9% of A79. A79 was included in the tax consolidated group on 1 January 2023.

# 1 CORPORATE CASH FLOW

Table 2 – Aggregated cash flow statement of Atlas Arteria

A\$m	FY22	FY21	FY20	FY19	FY18	FY17
<b>Operating cashflows:</b>						
APRR distributions	406.9	307.8	310.9	238.2	249.4	147.8
Warnow Tunnel distributions	13.2	4.9	0.2	0.3	0.2	–
Dulles Greenway distributions	–	–	–	–	–	–
Chicago Skyway distributions	–	–	–	–	–	–
Net cashflows from previously held investments	–	–	–	–	–	5.2
Manager, adviser base fees and performance fees	–	(0.5)	(6.8)	(31.0)	(61.9)	(30.6)
Atlas Arteria internalisation costs	–	–	–	(2.6)	(8.8)	(0.2)
Payments to suppliers and employees	(34.5)	(27.1)	(23.4)	(17.2)	(7.0)	(6.3)
Interest income on corporate cash balances	16.1	(0.2)	1.8	1.2	0.9	1.6
Exchange rate movements	(0.4)	(4.0)	(0.6)	(0.2)	(3.3)	7.1
<b>Investing cashflows:</b>						
Growth projects	(0.3)	(2.1)	(1.6)	–	–	–
Purchase of fixed assets	(0.1)	(1.1)	(0.9)	(0.1)	(0.5)	–
<b>Net corporate cashflow</b>	<b>400.8</b>	<b>277.7</b>	<b>279.6</b>	<b>188.6</b>	<b>169.0</b>	<b>124.6</b>
Interest paid	–	–	(5.2)	(10.8)	(16.1)	(7.5)
Proceeds from borrowings (including transaction costs)	–	–	–	–	534.7	450.5
Payments for & capital contributions to investments (including transaction costs)	(3,014.1)	–	(1,275.4)	(2.2)	(4.0)	(1,275.2)
Proceeds from the issue of securities (net of transaction costs)	3,035.5	–	483.9	1,324.2	–	646.8
Cash injection in investments	–	(64.3)	–	–	–	–
Repayment of borrowings (including transaction costs)	–	–	(571.3)	–	(465.2)	–
Proceeds from/Payment of derivative financial instrument	4.8	–	–	–	(4.8)	–
Net proceeds from sale of previously held investments	–	–	–	–	–	(7.3)
<b>Other financing and investment cashflow</b>	<b>26.3</b>	<b>(64.3)</b>	<b>(1,368.0)</b>	<b>1,311.2</b>	<b>44.6</b>	<b>(192.7)</b>
<b>Cash balance at beginning of the period</b>	<b>133.8</b>	<b>193.7</b>	<b>1,387.6</b>	<b>92.8</b>	<b>41.6</b>	<b>225.1</b>
Net corporate cashflow	400.8	277.7	279.6	188.6	169.0	124.6
Other financing and investment cashflow	26.3	(64.3)	(1,368.0)	1,311.2	44.6	(192.7)
Distributions paid to Atlas Arteria's securityholders	(388.4)	(273.3)	(105.5)	(205.0)	(162.4)	(115.5)
<b>Cash balance at end of the period</b>	<b>172.4</b>	<b>133.8</b>	<b>193.7</b>	<b>1,387.6</b>	<b>92.8</b>	<b>41.6</b>
<b>Distributions paid to Atlas Arteria securityholders (cents per share)</b>	<b>40.5</b>	<b>28.5</b>	<b>11.0</b>	<b>30.0</b>	<b>24.0</b>	<b>20.0</b>

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

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.1 APRR Group

#### 2.1.1 Business background

APRR Group is a 2,386km motorway network located in the east of France. The APRR Group consists of the APRR concession, the AREA concession and the A79 concession. It also owns a minority stake in the ADELAC concession. APRR Group provides intercity road connections between major cities within its network including Paris and Lyon, which are critical connections for light vehicles, as well as a primary route for French and European road freight. In June 2022, the ownership of the A79 was finalised and tolling commenced on 4th November 2022.

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

The current toll escalation formulae are shown below and the applicable tolls are presented on the APRR website<sup>1</sup> and A79 website<sup>2</sup>.

Table 3 – APRR toll escalation

	APRR	AREA	A79
2023	$70\% \times \text{CPI} + 0.25\% + 0.06\%^3$	$70\% \times \text{CPI} + 0.26\% + 0.08\%^3$	$75\% \times \text{CPI}$
2024-2026	$70\% \times \text{CPI} + 0.315\%$	$70\% \times \text{CPI} + 0.33\%$	$+ 15\% \times \text{TP01}^* + 10\% \times \text{TP09}^*$
2027+	$70\% \times \text{CPI}$	$70\% \times \text{CPI}$	

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

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



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

2. <https://www.aliae.com/en/>

3. APRR and AREA decided that the supplemental toll increases would exceptionally not be applied in 2023.

## 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	FY22	FY21	% ch on prior	FY20	FY19	FY18	FY17
<b>APRR/AREA</b>							
– Light Vehicle traffic, VKT millions	21,072	19,284	9.3%	15,856	20,695	20,464	20,124
– Heavy Vehicle traffic, VKT millions	3,985	3,911	1.9%	3,557	3,886	3,859	3,686
<b>Total APRR/AREA Traffic, VKT millions</b>	<b>25,057</b>	<b>23,195</b>	<b>8.0%</b>	<b>19,413</b>	<b>24,581</b>	<b>24,322</b>	<b>23,810</b>
A79 Traffic, VKT millions	47	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total APRR Group Traffic, VKT millions</b>	<b>25,105</b>	<b>23,195</b>	<b>8.2%</b>	<b>19,413</b>	<b>24,581</b>	<b>24,322</b>	<b>23,810</b>
– Toll road operations revenue APRR/AREA	2,681.8	2,468.2	8.7%	2,100.4	2,534.5	2,463.0	2,353.1
– Toll road operations revenue A79	4.2	n/a	n/a	n/a	n/a	n/a	n/a
– Other revenue	132.5	101.1	31.1%	68.8	76.5	74.6	71.5
– Construction services (IFRIC 12)	335.4	302.8	10.7%	345.6	405.0	362.2	304.1
<b>Total Revenue</b>	<b>3,153.8</b>	<b>2,872.0</b>	<b>9.8%</b>	<b>2,514.8</b>	<b>3,015.9</b>	<b>2,899.9</b>	<b>2,728.8</b>
Other operating income (expenses)	4.8	8.1	(40.7%)	3.3	6.5	4.5	3.9
Purchases and external charges	(174.9)	(155.2)	(12.7%)	(114.4)	(115.1)	(116.2)	(114.2)
Construction services (IFRIC 12)	(335.4)	(302.8)	(10.7%)	(345.6)	(405.0)	(362.2)	(304.1)
Employee benefit expenses	(216.8)	(213.6)	(1.5%)	(199.6)	(206.9)	(205.5)	(203.1)
Taxes (other than income tax, comprising of):	(347.0)	(315.7)	(9.9%)	(309.0)	(353.4)	(346.4)	(336.6)
– TAT	(177.9)	(159.3)	(11.7%)	(133.4)	(167.6)	(166.4)	(162.5)
– CET	(50.8)	(48.5)	(4.6%)	(59.8)	(70.8)	(69.9)	(66.4)
– Other	(118.3)	(107.9)	(9.7%)	(115.9)	(115.0)	(110.1)	(107.7)
<b>EBITDA</b>	<b>2,084.6</b>	<b>1,892.8</b>	<b>10.1%</b>	<b>1,549.5</b>	<b>1,942.0</b>	<b>1,874.0</b>	<b>1,774.7</b>
<b>EBITDA margin (excl. IFRIC 12)</b>	<b>74.0%</b>	<b>73.7%</b>	<b>0.3%</b>	<b>71.4%</b>	<b>74.4%</b>	<b>73.8%</b>	<b>73.2%</b>
<b>EBITDA margin (excl. IFRIC 12 and taxes)</b>	<b>86.3%</b>	<b>86.0%</b>	<b>0.3%</b>	<b>85.7%</b>	<b>87.9%</b>	<b>87.5%</b>	<b>87.1%</b>
Depreciation and amortisation	(504.3)	(473.2)	(6.6%)	(454.0)	(432.7)	(418.1)	(398.4)
Provision for maintenance	(31.8)	(48.9)	35.0%	(56.9)	(63.9)	(48.3)	(45.3)
<b>Operating profit</b>	<b>1,548.5</b>	<b>1,370.6</b>	<b>13.0%</b>	<b>1,038.6</b>	<b>1,445.5</b>	<b>1,407.6</b>	<b>1,331.0</b>
Income from cash and cash equivalents	8.0	5.4	47.0%	4.6	6.7	4.9	9.6
Gross finance costs	(107.1)	(99.9)	(7.3%)	(103.1)	(124.9)	(148.1)	(190.2)
Other financial income (expenses)	(33.6)	(10.4)	(224.2%)	(1.8)	5.2	(3.7)	(0.9)
Share of profit (loss) of associates (incl. ADELAC)	2.9	(2.6)	211.8%	0.1	0.4	(0.0)	0.1
Income tax expense	(362.5)	(330.1)	(9.8%)	(310.1)	(458.2)	(431.5)	(443.3)
<b>Profit/(loss) for the period from continuing operations</b>	<b>1,056.3</b>	<b>933.2</b>	<b>13.2%</b>	<b>628.3</b>	<b>874.7</b>	<b>829.2</b>	<b>706.3</b>



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

€m unless otherwise stated	H2 22	H1 22	H2 21	H1 21	H2 20	H1 20	H2 19	H1 19	H2 18	H1 18	H2 17	H1 17
<b>APRR Consolidated Net Profit After Tax (NPAT)</b>	<b>521.4</b>	<b>534.9</b>	<b>524.6</b>	<b>408.6</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>
APRR Consolidation Adjustments	(34.2)	(103.1)	(64.5)	(70.6)	(35.4)	(37.9)	(10.9)	(77.0)	(27.9)	(20.2)	32.8	(48.5)
<b>APRR Company NPAT/dividend</b>	<b>487.2</b>	<b>431.8</b>	<b>460.1</b>	<b>338.0</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>
Eiffarie/FE level tax balancing		–	–	–	–	–	13.6	(7.4)	–	42.0	25.7	38.8
Eiffarie interest		(4.6)	(3.3)	(3.4)	(3.4)	(3.4)	(3.8)	(5.1)	(5.2)	(5.8)	(83.9)	(86.1)
Eiffarie debt amortisation reserving for next period		–	–	–	–	–	–	(70.0)	(60.0)	(60.0)	(50.0)	(50.0)
Other Eiffarie/FE costs (incl. refinance fees) and changes in working capital		11.7	(12.1)	(0.5)	4.0	(5.4)	(6.8)	0.1	0.2	(0.4)	0.5	0.2
<b>Cash available for distribution from FE</b>		<b>439.0</b>	<b>444.6</b>	<b>334.1</b>	<b>321.7</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>
Atlas Arteria indirect ownership <sup>1</sup>		31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	25.0%	25.0%	25.0%	25.0%	20.1%
Cash available for distribution (Atlas Arteria share)		136.7	138.5	104.0	100.2	70.1	130.5	72.1	79.0	94.0	64.4	46.0
ADELAC distribution to MAF		–	–	–	–	–	–	–	–	–	–	–
Cash withheld at MAF (Atlas Arteria share)		(2.7)	(0.1)	(6.3)	(2.1)	(5.9)	(4.1)	(0.8)	(1.8)	(4.3)	(0.1)	1.1
<b>Atlas Arteria distribution from MAF 2</b>		<b>134.0</b>	<b>138.4</b>	<b>97.8</b>	<b>98.1</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>
EUR/AUD exchange rate at date of transfers		0.675	0.664	0.624	0.649	0.617	0.611	0.621	0.626	0.615	0.620	0.666
<b>Atlas Arteria distribution from MAF2 (AUD)</b>		<b>198.6</b>	<b>208.3</b>	<b>156.8</b>	<b>151.1</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>Paid to Atlas Arteria in:</b>		<b>Sep-22</b>	<b>Mar-22</b>	<b>Sep-21</b>	<b>Mar-21</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>

Cash flows in the H2 2022 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.

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.1.3 Financing and debt

Table 6 – Debt metrics

€m	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
<b>APRR</b>						
Gross debt	8,635.8	7,892.5	8,141.2	8,650.7	8,054.2	8,957.1
Cash and cash equivalents	1,534.6	1,228.5	1,120.4	1,639.2	934.9	1,800.9
Net debt	7,101.2	6,664.0	7,020.8	7,011.5	7,119.3	7,156.2
Actual Net debt/EBITDA (default if > 7.0x)	3.4x	3.5x	4.5x	3.6x	3.8x	4.0x
Actual EBITDA/Interest (default if <2.2x)	14.8x	17.2x	14.6x	16.4x	13.2x	10.0x
Hedging %	98.5%	98.5%	94.5%	90.1%	83.1%	86.3%
Corporate credit rating						
– S&P	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)
– Fitch	A (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)
<b>APRR and Eiffarie</b>						
Gross debt	9,705.8	8,962.5	9,211.2	9,720.7	9,254.2	10,267.1
Cash and cash equivalents	1,535.6	1,229.7	1,125.6	1,653.3	935.9	1,821.0
Net debt	8,170.2	7,728.8	8,085.6	8,067.4	8,318.2	8,446.0
Actual Net debt/EBITDA	3.9x	4.1x	5.2x	4.2x	4.4x	4.8x
Hedging %	87.6%	86.7%	83.5%	80.1%	72.2%	106.3%

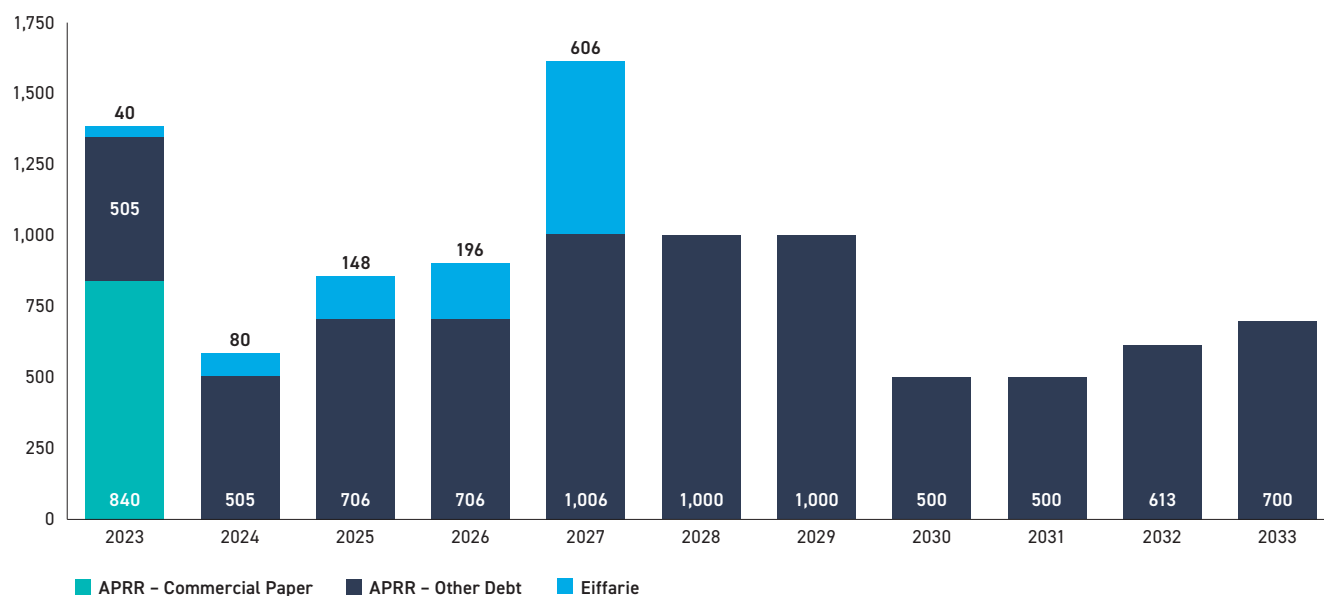
Table 7 – APRR debt facilities

€m	31-Dec-22	31-Dec-21	Details
Euro Medium Term Note (EMTN) public bonds – fixed	7,600	7,100	Fixed coupon bonds ranging from 0% to 1.875%, with maturities from 2023 to 2033. €500m was issued in June 2022 with a 1.875% coupon maturing January 2029.
European Investment Bank Loan	–	100	€100m fixed rate loan was repaid during H1 2022.
EMTN index linked bonds	113	106	Bond matures in 2032 with a coupon of 0.34% with the principal indexed at French CPI.
Caisse Nationale des Autoroutes (CNA) debt	28	33	Outstanding CNA debt is fixed rate with a fixed amortisation profile to 2027.
Maurice-Lemaire Loans	22	21	€7m zero interest with the remainder being index linked.
Commercial Paper	840	503	Short term fixed interest rate borrowings. Weighted average interest rate of 2.06%.
<b>Total drawn debt facilities</b>	<b>8,603</b>	<b>7,863</b>	
Other	101	99	Includes €87m in accrued interest and €14m in other items.
IFRS adjustment	(68)	(69)	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>8,636</b>	<b>7,893</b>	Total carrying value of debt reflected in the APRR consolidated accounts.
Revolving Credit Facility (RCF)	2,000	2,000	

**Table 8 – Other APRR related debt facilities**

€m	31-Dec-22	31-Dec-21	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%. In January 2021, 96.66% of the loan maturity was extended by 1 year to February 2026 (remaining 3.34% matures in February 2025). In January 2022, 90.47% of the loan was extended for a further year to February 2027 (6.19% matures in February 2026). 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.

**Figure 3 – APRR and Eiffarie debt maturity profile at 31 December 2022 (€m)<sup>1</sup>**



1. Chart excludes €22m Maurice-Lemaire loans.

## 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.

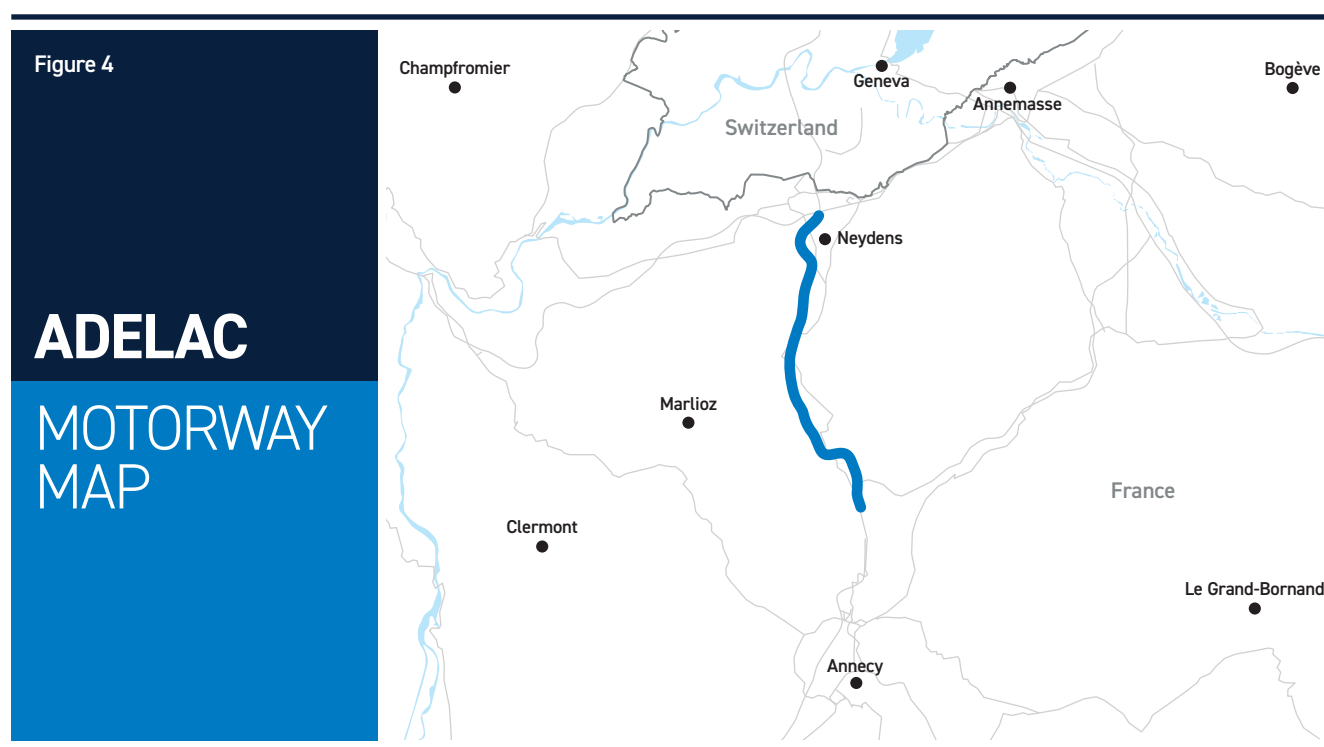
The road provides a continuous motorway connection to the A41 (south) and the A40 (west). APRR is the operator of the ADELAC Concession.

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

**Table 9 – ADELAC toll escalation**

2023	CPI
2024	CPI + 2.0% <sup>4</sup>
2025-27	CPI + 1.0%
2028	CPI + 0.41%
2029+	CPI

The ADELAC concession expires in 2060.



4. Including 1% increase delayed from 2023.



## 2.2.2 Business performance

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

**Table 10 – ADELAC profit and loss**

€m unless otherwise stated	FY22	FY21	% ch on prior	FY20	FY19	FY18	FY17
<b>Total traffic (trips millions)</b>	<b>10.78</b>	<b>8.89</b>	<b>21.4%</b>	<b>7.70</b>	<b>10.79</b>	<b>10.85</b>	<b>10.72</b>
<b>Average Daily Traffic (ADT)</b>	<b>29,548</b>	<b>24,344</b>	<b>21.4%</b>	<b>21,044</b>	<b>29,567</b>	<b>29,713</b>	<b>29,374</b>
– Toll road operations revenue	61.0	47.7	27.9%	41.4	56.7	56.0	54.2
– Other revenue	0.2	0.1	19.3%	0.1	0.1	0.1	0.2
<b>Revenue</b>	<b>61.2</b>	<b>47.9</b>	<b>27.8%</b>	<b>41.5</b>	<b>56.8</b>	<b>56.1</b>	<b>54.4</b>
Purchases and external charges	(8.1)	(6.5)	(25.6%)	(5.8)	(7.4)	(7.5)	(7.5)
Taxes (other than income tax)	(3.3)	(1.6)	(106.6%)	(1.7)	(2.3)	(2.3)	(2.2)
<b>EBITDA</b>	<b>49.8</b>	<b>39.8</b>	<b>25.1%</b>	<b>34.0</b>	<b>47.1</b>	<b>46.3</b>	<b>44.7</b>
EBITDA margin	81.4%	83.2%	(1.8%)	81.9%	83.0%	82.5%	82.2%

## 2.2.3 Financing and debt

**Table 11 – Debt metrics**

€m unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Gross debt	691.8	707.1	714.5	721.8	730.0
Cash	47.8	32.9	20.9	12.5	13.9
Net debt	644.1	674.2	693.6	709.3	716.0
Net debt/EBITDA	12.9x	16.9x	20.4x	15.1x	15.5x
EBITDA/Interest	2.67x	2.25x	1.95x	2.66x	2.61x
Hedging %	84.7%	84.9%	85.2%	85.3%	85.2%

Gross debt is exclusive of shareholder loans from related entities (AREA) which totalled €25.7m as at 31 December 2022 (€24.2m as at 31 December 2021). Dividends from ADELAC to APRR and MAF2 can only commence following repayment of these shareholder loans. These shareholder loans were fully repaid in January 2023.

**Table 12 – ADELAC debt facilities**

€m	31-Dec-22	31-Dec-21	Details
Term facility	691.8	707.1	Margin over Euribor of 1.90% to June 2026, 2.10% thereafter. Maturity in July 2030 with cash sweep mechanism with minimum repayment profile. Swap paying fixed rate at 0.85% maturing in 2035 for c.85% of existing debt.

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.3 Warnow Tunnel

#### 2.3.1 Business background

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

Tolls may be escalated annually and are subject to the approval of the Ministry of Energy, Infrastructure and State Development for the State of Mecklenburg-Vorpommern. Potential toll increases are linked to pre-tax equity IRR of the concession (see table below). Since 2013, Warnow Tunnel tolls have been increasing on the basis of a calculation using inflation and 50% of GDP growth. Toll increases have historically been typically implemented in November and based on inflation and 50% of GDP growth figures, from the prior year and in Q1 of the relevant year. In November 2022, toll prices increased by an average of 6.4%.

Applicable toll prices as of December 2022 are presented on the Warnow Tunnel website<sup>5</sup>.

**Table 13 – 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.



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

## 2.3.2 Business performance

Stand-alone accounts are prepared by Warnow Tunnel using German GAAP. The Operating expenses shown below, however, do not include items of capital expenditure or accruals which would otherwise classify as operating expenses under German GAAP and as such, the inputs used to calculate EBITDA are reflective of IFRS.

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

€m unless otherwise stated	FY22	FY21	% ch on prior	FY20	FY19	FY18	FY17
<b>Total traffic (trips millions)</b>	<b>4.52</b>	<b>4.37</b>	<b>3.4%</b>	<b>4.56</b>	<b>4.94</b>	<b>4.73</b>	<b>4.28</b>
<b>Average Daily Traffic (ADT)</b>	<b>12,372</b>	<b>11,967</b>	<b>3.4%</b>	<b>12,465</b>	<b>13,541</b>	<b>12,948</b>	<b>11,715</b>
Toll revenues	13.1	12.5	5.2%	12.7	13.6	12.6	11.1
Other Revenues	0.1	0.2	(42.1%)	0.1	0.1	0.1	–
<b>Revenue</b>	<b>13.3</b>	<b>12.7</b>	<b>4.5%</b>	<b>12.8</b>	<b>13.7</b>	<b>12.6</b>	<b>11.1</b>
Operating expenses	(4.1)	(4.0)	(2.0%)	(3.7)	(3.4)	(2.9)	(2.8)
<b>EBITDA</b>	<b>9.2</b>	<b>8.7</b>	<b>5.6%</b>	<b>9.1</b>	<b>10.3</b>	<b>9.7</b>	<b>8.3</b>
EBITDA margin	69.0%	68.3%	0.8%	71.1%	75.3%	76.8%	74.9%

**Table 15 – Warnow Tunnel cashflows**

€m unless otherwise stated	FY22	FY21	FY20	FY19	FY18	FY17
<b>Cash flows from operating activities:</b>						
EBITDA	9.2	8.7	9.1	10.3	9.7	8.3
HMTC expenses	(0.2)	(0.1)	(0.4)	(0.4)	(0.1)	(0.1)
Other capital expenditure expensed	(0.7)	(0.7)	(0.6)	(0.4)	(0.0)	(0.1)
Capital gains tax (2018 acquisition)	–	–	(1.3)	–	–	–
Movements in working capital and other items	0.1	(0.0)	0.2	0.0	0.5	0.7
Net external interest income/(expenses paid)	(2.3)	(2.4)	(3.1)	(3.4)	(3.6)	(3.8)
<b>Net cash provided by/(used in) operating activities</b>	<b>6.0</b>	<b>5.4</b>	<b>4.0</b>	<b>6.2</b>	<b>6.5</b>	<b>5.0</b>
<b>Cash flows from investing activities:</b>						
Purchases of fixed assets	(0.1)	(0.1)	(0.1)	(0.0)	(0.6)	(0.3)
<b>Net cash provided by/(used in) investing activities</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.6)</b>	<b>(0.3)</b>
<b>Cash flows from financing activities:</b>						
Net repayments of external borrowings	–	(27.3)	(4.4)	(6.8)	(5.1)	(4.0)
Refinancing costs (including break fees)	–	(11.8)	–	–	–	–
Payment into capital reserves and other intercompany cash injections	–	42.0	–	1.3	–	–
Distributions and loan payments to Atlas Arteria	(8.6)	(2.5)	–	–	–	–
<b>Net cash from/(used) in financing activities</b>	<b>(8.6)</b>	<b>0.4</b>	<b>(4.4)</b>	<b>(5.5)</b>	<b>(5.1)</b>	<b>(4.0)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2.7)</b>	<b>5.8</b>	<b>(0.5)</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>
Cash at the beginning of period	11.1	5.3	5.7	5.1	4.3	3.6
<b>Cash at the end of period</b>	<b>8.4</b>	<b>11.1</b>	<b>5.3</b>	<b>5.7</b>	<b>5.1</b>	<b>4.3</b>
Debt balance at the end of the period	115.0	115.0	142.3	146.7	153.4	158.6
<b>Distributions and loan payments to Atlas Arteria</b>	<b>8.6</b>	<b>2.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.3.3 Financing and Debt

Table 16 – Debt metrics

€m	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Gross debt	115.0	115.0	142.3	146.7	153.4	158.6
Cash	8.4	11.1	5.3	5.7	5.1	4.3
Net debt	106.6	103.9	137.0	140.9	148.4	154.3
Net debt/EBITDA	11.6x	12.0x	15.0x	13.7x	15.3x	18.5x
Historical DSCR	3.64x	3.59x	n/a	n/a	n/a	n/a
Hedging %	75.0%	75.0%	27.7%	28.7%	28.9%	29.2%

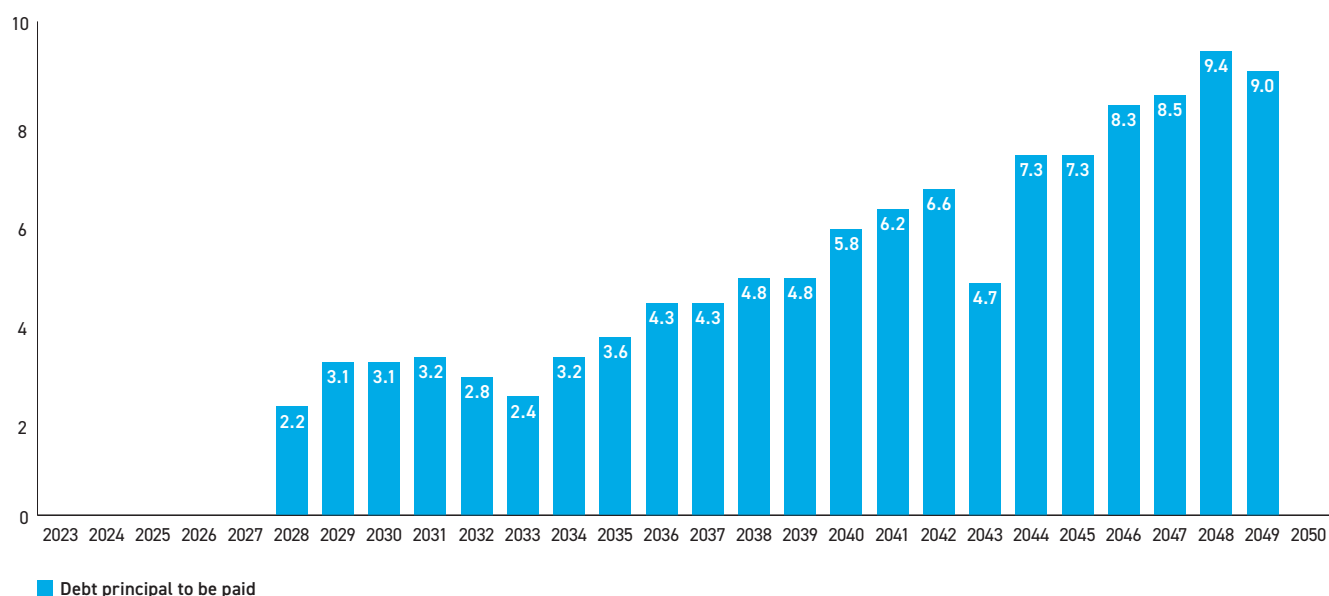
Table 17 – Warnow Tunnel debt facilities financial covenants

Debt Service Coverage Ratio (default if)	<1.05x
Debt Service Coverage Ratio (distribution lock-up if)	2021 <1.25x 2022 <1.40x 2023 <1.60x 2024–27 <1.80x 2028 onwards <1.15x
Loan Life Coverage Ratio (default if)	<1.10x
Loan Life Coverage Ratio (distribution lock up if)	<1.20x

Table 18 – Warnow Tunnel debt facilities

€m	30-Dec-22	31-Dec-21	Details
Tranche A	86.3	86.3	Fixed rate facility with all in interest rate of 2.07%. Sculpted amortisation from 30 June 2028 to 31 December 2049.
Tranche B	28.7	28.7	Floating rate facility with 1.70% margin (all in interest rate floored at zero). Sculpted amortisation from 30 June 2028 to 31 December 2049.
<b>Total debt</b>	<b>115.0</b>	<b>115.0</b>	

Figure 6 – Debt repayment profile (€m)





## 2.4 Chicago Skyway

### 2.4.1 Business background

Chicago Skyway is a 12.5km (7.8 mile) elevated toll road providing congestion relief in an essential transportation corridor between Chicago, Illinois and Northwest Indiana. Initially opened to traffic in 1958, Chicago Skyway is now operated under a 99 year concession lease which expires in 2104 (81 years remaining) following privatisation by the City of Chicago in 2005. Chicago Skyway serves the third-largest metropolitan area in the US and is situated in one of the densest urban areas in the country. The region is also a key logistics infrastructure hub in the Midwest, resulting in a diverse traffic base. Chicago Skyway delivers substantial time savings and reliability for customers, providing up to 30 minutes (c.20 minutes on average) time saving in peak hours and c.9 km shorter travel distance.

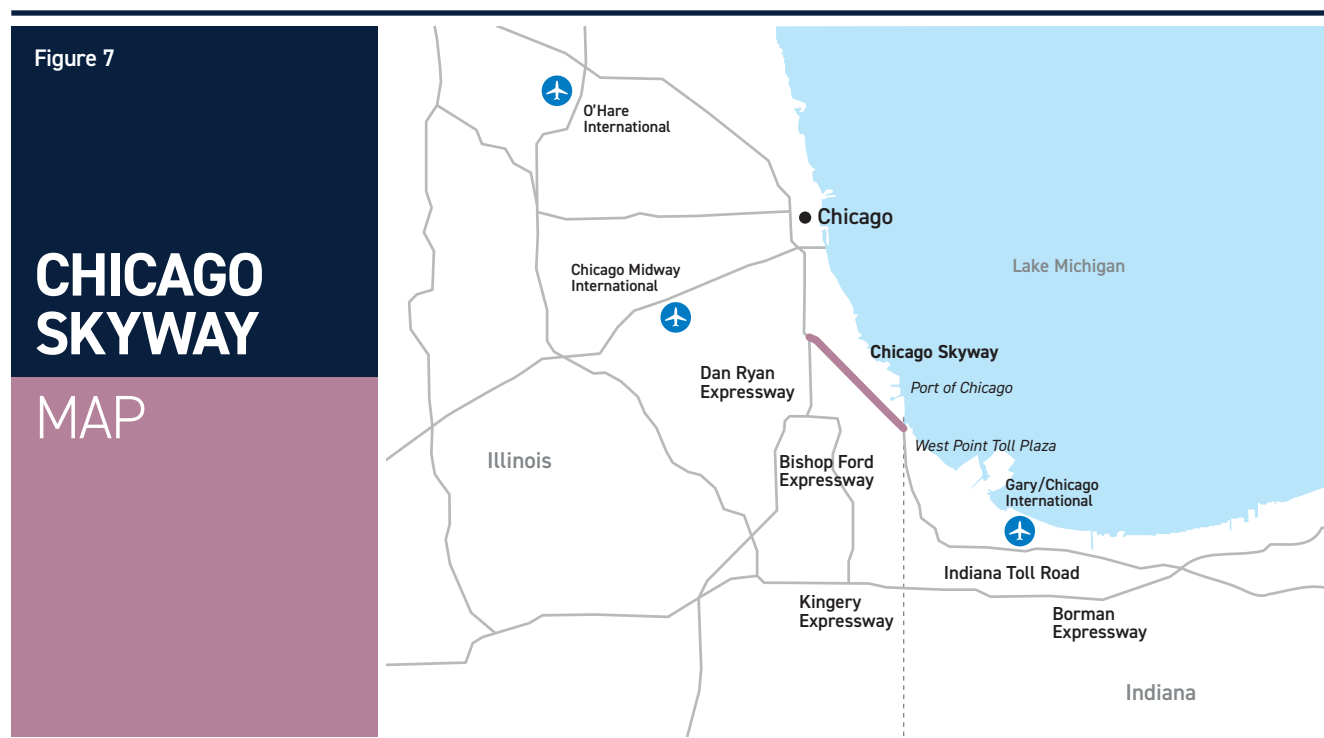
Atlas Arteria holds a 66.67% interest in Chicago Skyway. Tolls are permitted to be escalated annually on the 1 January based on the greater of:

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

Tolls are rounded up to the nearest 10 cents. Permitted toll price escalations under the toll formula are presented in the table below and are available on the Chicago Skyway website<sup>6</sup>.

**Table 19 – Chicago Skyway toll escalation**

Toll price increases	Toll escalation %	US nominal GDP per capita growth (2 years prior)	US CPI (2 years prior)	Floor %
2022 (from 1 January 2022)	2.0%	(2.6%)	1.2%	2.0%
2023 (from 1 January 2023)	10.9%	10.9%	7.0%	2.0%



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

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.4.2 Business performance

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

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

US\$m unless otherwise stated	FY22	FY21	% ch on prior	FY20	FY19	FY18	FY17
– Light Vehicle traffic, trips millions	12.61	12.41	1.6%	9.24	11.87	12.84	13.37
– Heavy Vehicle traffic, trips millions	1.52	1.42	7.2%	1.18	1.08	1.25	1.32
<b>Total traffic, trips millions</b>	<b>14.13</b>	<b>13.83</b>	<b>2.2%</b>	<b>10.42</b>	<b>12.95</b>	<b>14.09</b>	<b>14.69</b>
<b>Average Daily Traffic (ADT)</b>	<b>38,710</b>	<b>37,887</b>	<b>2.2%</b>	<b>28,470</b>	<b>35,472</b>	<b>38,616</b>	<b>40,236</b>
– Toll revenue	120.1	114.2	5.1%	84.9	91.8	98.8	100.0
– Other revenue	0.0	0.1	(95.5%)	0.0	0.0	0.2	-
<b>Total Revenue</b>	<b>120.1</b>	<b>114.3</b>	<b>5.1%</b>	<b>84.9</b>	<b>91.9</b>	<b>99.0</b>	<b>100.0</b>
Overhead expenses	(5.1)	(5.2)	1.1%	(4.8)	(5.2)	(4.2)	(4.5)
O&M expenses	(6.8)	(5.9)	(15.0%)	(5.4)	(5.3)	(4.6)	(3.1)
Toll collection expenses	(4.2)	(3.9)	(5.5%)	(3.2)	(3.2)	(3.5)	(4.9)
<b>EBITDA (excluding IFRS adjustments)</b>	<b>104.0</b>	<b>99.2</b>	<b>4.8%</b>	<b>71.5</b>	<b>78.1</b>	<b>86.8</b>	<b>87.5</b>
EBITDA margin	86.6%	86.8%	(0.2%)	84.2%	85.0%	87.7%	87.5%
<b>IFRS Adjustments</b>							
AASB 16 Adjustment	0.1	0.1	0.5%	0.1	0.1	n/a	n/a
<b>EBITDA</b>	<b>104.1</b>	<b>99.4</b>	<b>4.8%</b>	<b>71.6</b>	<b>78.2</b>	<b>86.8</b>	<b>87.5</b>
EBITDA margin	86.7%	86.9%	(0.2%)	84.3%	85.2%	87.7%	87.5%

**Table 21 – Chicago Skyway Cashflow**

US\$m unless otherwise stated	FY22	FY21	FY20	FY19	FY18	FY17
<b>Cash flows from operating activities:</b>						
<b>EBITDA (excluding IFRS adjustments)</b>	<b>104.0</b>	<b>99.2</b>	<b>71.5</b>	<b>78.1</b>	<b>86.8</b>	<b>87.5</b>
Movements in working capital and other items	(0.5)	(0.7)	(0.0)	0.2	(0.5)	(5.6)
Capital expenditure expensed	(5.7)	(6.1)	(2.7)	(4.8)	(10.9)	(9.4)
Interest income	0.6	0.1	0.3	0.9	0.8	0.4
Interest expenses	(57.7)	(54.8)	(55.6)	(58.4)	(57.6)	(55.3)
<b>Net cash provided by/(used in) operating activities</b>	<b>40.6</b>	<b>37.7</b>	<b>13.4</b>	<b>16.1</b>	<b>18.6</b>	<b>17.7</b>
<b>Cash flows from investing activities:</b>						
Sales/Purchases of fixed assets	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)	(2.1)
<b>Net cash provided by/(used in) investing activities</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>(2.1)</b>
<b>Cash flows from financing activities:</b>						
Debt issuance costs	-	-	-	(0.1)	(2.8)	(1.4)
Capital facility drawdown/repayment	7.1	5.6	2.4	5.6	(24.2)	12.7
Proceeds from debt	-	-	-	-	160.0	230.0
Payment of debt	-	-	-	-	(100.0)	(225.0)
Distributions	(41.2)	(36.4)	(16.8)	(24.5)	(52.9)	(38.7)
<b>Net cash from (used) in financing activities</b>	<b>(34.2)</b>	<b>(30.8)</b>	<b>(14.4)</b>	<b>(19.0)</b>	<b>(19.9)</b>	<b>(22.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6.3</b>	<b>6.9</b>	<b>(1.1)</b>	<b>(3.0)</b>	<b>(1.6)</b>	<b>(6.8)</b>
Cash at the beginning of period	46.6	39.7	40.8	43.8	45.5	52.3
<b>Cash at the end of period</b>	<b>52.8</b>	<b>46.6</b>	<b>39.7</b>	<b>40.8</b>	<b>43.8</b>	<b>45.5</b>
– Cash reserved for debt service	31.7	27.6	27.5	28.7	34.4	33.8
– Non restricted cash	21.1	19.0	12.3	12.1	9.4	11.6

## 2.4.3 Financing and debt

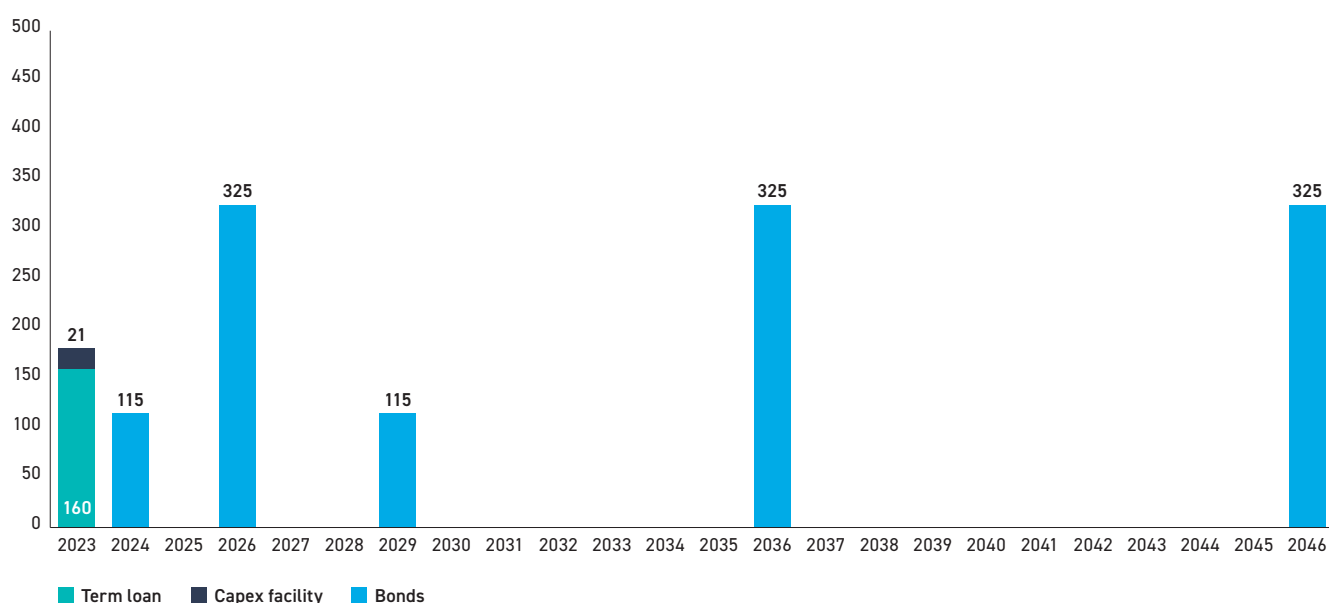
Table 22 – Debt metrics

US\$m unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Gross debt	1,385.7	1,378.6	1,373.0	1,370.6	1,365.0	1,329.2
Cash	52.8	46.6	39.7	40.8	43.8	45.5
Net debt	1,332.8	1,332.0	1,333.3	1,329.8	1,321.2	1,283.8
Net debt/EBITDA	12.8x	13.4x	18.7x	17.0x	15.2x	14.7x
Historical DSCR (lock up if <1.25x, default <1.05x)	1.82x	1.79x	1.30x	1.35x	1.49x	1.55x
Corporate credit rating						
– S&P	BBB+ (stable)	BBB+ (stable)	BBB (positive)	BBB+ (stable)	BBB+ (stable)	BBB+ (stable)
Hedging %	87.0%	87.4%	87.8%	87.9%	88.3%	90.7%

Table 23 – Chicago Skyway debt facilities

US\$m	31-Dec-22	31-Dec-21	Details
Term Loan	160.0	160.0	Issued in December 2018 and matures in December 2023. Interest rate – 1 month LIBOR + 1.1% margin.
Capex Loan Facility	20.7	13.6	Issued in December 2018 and matures in December 2023. Interest rate – 1 month LIBOR + 1.1% margin. Total capex loan facility is US\$35m; drawn amount shown.
Bond Tranche A	325.0	325.0	Issued in February 2016 with fixed rate of 3.886% per annum. Principal is payable in full at maturity in February 2026.
Bond Tranche B	325.0	325.0	Issued in February 2016 with fixed interest rate of 4.732% per annum. Principal is payable in full at maturity in February 2036.
Bond Tranche C	325.0	325.0	Issued in February 2016 with fixed rate of 4.882% per annum. Principal is payable in full at maturity in February 2046.
Bond Tranche D	115.0	115.0	Issued in July 2017 with fixed rate of 3.66% per annum. Principal is payable in full at maturity on July 2024.
Bond Tranche E	115.0	115.0	Issued in July 2017 with fixed rate of 4.01% per annum. Principal is payable in full at maturity in July 2029.
<b>Total debt</b>	<b>1,385.7</b>	<b>1,378.6</b>	

Figure 8 – Debt maturity profile as at 31 December 2022 (US\$m)



## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.5 Dulles Greenway

#### 2.5.1 Business background

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

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

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

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

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

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

**Table 24 – Dulles Greenway toll escalation**

Toll price increases (two-axle vehicle)	Peak	Off-peak
2021 (effective 5 May 2021)	0%	5.3%
2022 (from 1 January 2022)	0%	5.0%





## 2.5.2 Business performance

Stand-alone accounts are prepared by Dulles Greenway (or TRIP II) using US GAAP and since 2019 have been prepared in accordance with ASC606 for statutory reporting purposes. For comparative purposes however, revenue in 2019 to 2022 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 to 2022.

**Table 25 – Traffic, revenue and EBITDA**

US\$m unless otherwise stated	FY22	FY21	% ch on prior	FY20	FY19	FY18	FY17
<b>Total traffic (trips millions)</b>	<b>12.32</b>	<b>11.56</b>	<b>6.6%</b>	<b>10.20</b>	<b>17.80</b>	<b>18.32</b>	<b>19.18</b>
<b>Average Daily Traffic (ADT)</b>	<b>33,746</b>	<b>31,662</b>	<b>6.6%</b>	<b>27,876</b>	<b>48,757</b>	<b>50,193</b>	<b>52,555</b>
Toll revenue net of VIP cash back	67.1	59.9	12.0%	51.6	89.3	90.4	91.7
Other revenue	0.9	0.4	96.2%	0.4	0.4	0.4	0.4
<b>Revenue</b>	<b>68.0</b>	<b>60.4</b>	<b>12.6%</b>	<b>52.0</b>	<b>89.7</b>	<b>90.8</b>	<b>92.2</b>
Operating expenses	(14.2)	(13.4)	(6.0%)	(14.3)	(16.5)	(17.0)	(17.2)
<b>EBITDA (excluding IFRS adjustments)</b>	<b>53.7</b>	<b>46.9</b>	<b>14.5%</b>	<b>37.7</b>	<b>73.2</b>	<b>73.8</b>	<b>75.0</b>
EBITDA margin	79.0%	77.7%	1.3%	72.5%	81.6%	81.3%	81.4%
<b>IFRS Adjustments</b>							
West End Project adjustment	(0.2)	(1.6)	90.3%	n/a	n/a	n/a	n/a
AASB 16 Adjustment	0.7	1.2	(45.4%)	0.7	0.5	n/a	n/a
<b>EBITDA</b>	<b>54.3</b>	<b>46.6</b>	<b>16.5%</b>	<b>38.4</b>	<b>73.7</b>	<b>73.8</b>	<b>75.0</b>
EBITDA margin	79.8%	77.1%	2.7%	73.8%	82.2%	81.3%	81.4%

**Table 26 – Dulles Greenway cash flows**

US\$m unless otherwise stated	FY22	FY21	FY20	FY19	FY18	FY17
<b>Cash flows from operating activities:</b>						
<b>EBITDA (excluding IFRS adjustments)</b>	<b>53.7</b>	<b>46.9</b>	<b>37.7</b>	<b>73.2</b>	<b>73.8</b>	<b>75.0</b>
Movements in working capital and other items	(0.2)	(0.5)	(0.3)	(0.5)	(0.1)	0.3
Capex: Project Improvement Expenses	(0.5)	(1.2)	(0.3)	(0.9)	(1.8)	(1.0)
Capex: DTR Connector	-	-	(4.6)	(10.7)	(1.8)	-
Capex: West end project	(0.0)	(1.6)	(1.7)	(0.1)	-	-
Interest income	2.2	0.0	1.0	3.9	2.7	1.0
Interest expenses	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Scheduled accreted interest payments on zero-coupon bond redemptions	(49.6)	(27.1)	(18.4)	(34.7)	(31.9)	(38.1)
<b>Net cash provided by/(used in) operating activities</b>	<b>3.1</b>	<b>14.0</b>	<b>10.9</b>	<b>27.8</b>	<b>38.5</b>	<b>34.7</b>
<b>Cash flows from investing activities:</b>						
Sales/Purchases of fixed assets	(0.1)	(0.3)	(0.3)	(0.0)	(0.2)	(0.1)
<b>Net cash provided by/(used in) investing activities</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>
<b>Cash flows from financing activities:</b>						
Scheduled principal payments on zero-coupon bond redemptions	(16.4)	(9.0)	(9.6)	(16.2)	(17.6)	(22.4)
Distributions paid to Atlas Arteria	-	-	-	-	-	-
<b>Net cash from (used) in financing activities</b>	<b>(16.4)</b>	<b>(9.0)</b>	<b>(9.6)</b>	<b>(16.2)</b>	<b>(17.6)</b>	<b>(22.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13.4)</b>	<b>4.7</b>	<b>1.0</b>	<b>11.6</b>	<b>20.7</b>	<b>12.2</b>
Cash at the beginning of period	221.0	216.3	215.4	203.8	183.1	171.0
<b>Cash at the end of period</b>	<b>207.6</b>	<b>221.0</b>	<b>216.3</b>	<b>215.4</b>	<b>203.8</b>	<b>183.1</b>
- Cash reserved for debt service	134.2	129.1	119.5	111.3	134.2	132.8
- Cash reserved for capital expenditure	0.9	2.6	7.3	13.0	18.3	3.6
- Other cash reserve requirements	9.9	10.4	12.5	11.7	10.9	10.2
- Cash available for distribution if lockup tests are met	62.5	78.9	77.0	79.3	40.4	36.5
<b>Distributions paid to Atlas Arteria</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2 BUSINESS OVERVIEW AND PERFORMANCE

### 2.5.3 Financing and debt

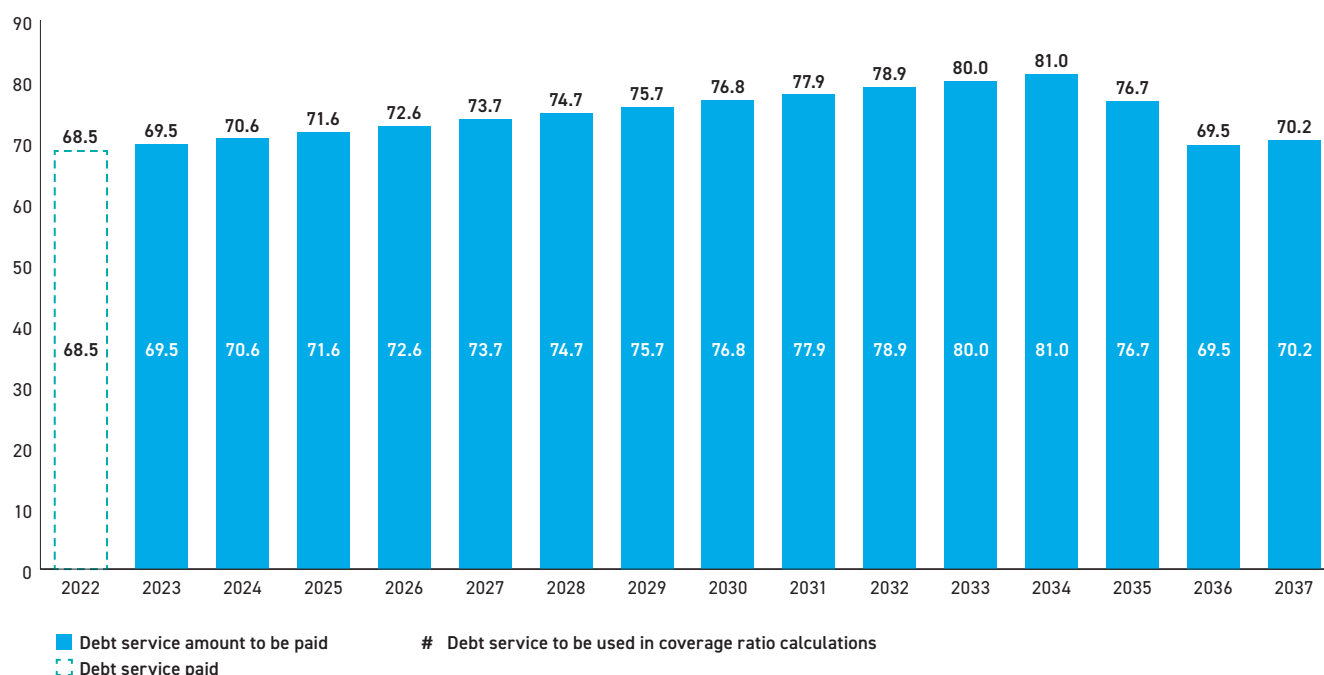
**Table 27 – Debt metrics**

US\$m unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Gross debt	1,121.0	1,120.5	1,090.1	1,053.4	1,041.7	1,029.3
Cash	207.6	221.0	216.3	215.4	203.8	183.1
Net debt	913.4	899.4	873.8	838.0	837.9	846.1
Net debt/EBITDA	17.0x	19.2x	23.2x	11.4x	11.3x	11.3x
Actual MCR (lock up if <1.25x)	0.77x	0.85x	0.64x	1.20x	1.18x	1.18x
Actual ACR (lock up if <1.15x)	0.74x	0.83x	0.64x	1.20x	1.18x	1.16x
Corporate credit rating						
– S&P	BB (negative)	BB (negative)	BB+ (negative)	BBB- (stable)	BBB- (stable)	BBB- (stable)
– Moody's	Ba1 (negative)	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)	Ba1 (stable)
– Fitch	BB- (negative)	BB- (negative)	BB- (negative)	BB (negative)	BB+ (stable)	BB+ (stable)

**Table 28 – Dulles Greenway debt facilities**

US\$m	31-Dec-22	31-Dec-21	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	493.0	505.9	Zero coupon bonds, 7.30% pa embedded interest rate on remaining bonds, mature over a range of dates from 2003 to 2035.
Senior Accreting Interest Bonds 2005B	126.9	138.4	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	466.2	441.2	Zero coupon bonds, yield to maturity ranging from 5.50% to 5.65%, with maturities between 2036 and 2056.
<b>Total debt</b>	<b>1,121.0</b>	<b>1,120.5</b>	

Figure 10 – Debt service profile (2022-2037) as at 31 December 2022 (US\$m)



The chart above presents the maturity profile for debt outstanding as at 31 December 2022 and also provides the total debt service (principal and accrued interest) payable each year to 2037. The debt service profile extends to 2056.

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

The debt service which is included in the MCR and ACR calculations includes the bonds that were repurchased and cancelled, net of the percentage of the discount at which they were acquired (US\$2.7m in 2020 and US\$0.2m in 2019).

Table 29 – Distribution tests as at year end 31 December

US\$m	2022	2021	2020	2019	2018	2017
Toll Revenues	67.1	59.9	51.6	89.3	90.4	91.7
Operating Expenses	(14.2)	(13.4)	(14.3)	(16.5)	(17.0)	(17.2)
<b>Net Toll Revenues used for Minimum Coverage Ratio (A)</b>	<b>52.9</b>	<b>46.5</b>	<b>37.3</b>	<b>72.8</b>	<b>73.4</b>	<b>74.6</b>
Net Transfers to Improvement Fund and Operating Reserve Fund	(2.1)	(1.4)	–	–	(0.4)	(1.5)
<b>Net Toll Revenues used for Additional Coverage Ratio (B)</b>	<b>50.7</b>	<b>45.1</b>	<b>37.3</b>	<b>72.8</b>	<b>73.0</b>	<b>73.1</b>
1999A	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
1999B	(47.4)	(45.3)	(43.4)	(41.6)	(39.8)	(38.1)
2005A	(18.6)	(6.8)	(14.6)	(16.9)	(19.7)	(22.4)
2005B / 2005C	–	–	–	–	–	–
Reduction in debt service used in coverage ratio for bond buy back discount	–	0.0	2.7	0.2	–	–
<b>Total Debt Service (C)</b>	<b>(68.5)</b>	<b>(54.5)</b>	<b>(57.8)</b>	<b>(60.8)</b>	<b>(62.0)</b>	<b>(63.0)</b>
<b>Minimum Coverage Ratio (A ÷ C) – 1.25x requirement</b>	<b>0.77x</b>	<b>0.85x</b>	<b>0.64x</b>	<b>1.20x</b>	<b>1.18x</b>	<b>1.18x</b>
<b>Additional Coverage Ratio (B ÷ C) – 1.15x requirement</b>	<b>0.74x</b>	<b>0.83x</b>	<b>0.64x</b>	<b>1.20x</b>	<b>1.18x</b>	<b>1.16x</b>



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