

24 February 2022

ASX RELEASE

Strong financial performance and record distribution underpinned by traffic recovery

Atlas Arteria (**ASX:ALX**) today announced results for the year ended 31 December 2021 and distribution guidance of 20.5 cents per security.

- Traffic continued to recover despite the ongoing impact of COVID-19 related movement restrictions in all jurisdictions
 - Weighted average traffic in 2021 was 18.6% higher than 2020 and only 8.4% below 2019
 - APRR recorded its highest second half traffic performance to date
 - Heavy vehicle traffic at APRR for the year was 10.0% above 2020 levels and 0.6% above 2019 levels
 - Warnow Tunnel traffic reached near 2019 levels over the traditional summer period
 - The Dulles Greenway continued its steady recovery notwithstanding delayed plans to return to office based work
- Continued focus on embedding a safety-first culture across the business
- Performance targets established across all four sustainability priorities of safety, our people, customers and community, and environmental stewardship
- Statutory net profit after tax of \$163.7 million (2020: net loss of \$99.2 million)
- Net profit after tax excluding notable items of \$179.1 million (2020: net profit of \$26.2 million) with notable items reflecting the accounting impacts of the capital restructure at Warnow Tunnel (and in 2020 the foreign exchange impacts of the APRR transaction and the impairment of holdings in the Dulles Greenway)
- Strong net profit after tax for APRR of €933.2 million (2020: €628.3 million, 2019: €874.7 million)
- Over \$625 million in capital expenditure (excluding RCEA) across all businesses during the period, enhancing the customer experience, increasing traffic flow and enabling ESG practices
- Advanced strategy to build sustainable cashflows and long-term value for securityholders:
 - Financial close of the capital restructure at Warnow Tunnel in March 2021 diversifies Atlas Arteria's sources of cash flow, and substantially increases the value of the business through reduced leverage and the expectation of cash flows earlier in the life of the concession
 - Increase to off-peak tolls at the Dulles Greenway of 5.3% in 2021 and 5.0% in 2022 granted by the Virginia State Corporation Commission (SCC)
 - Construction of RCEA on track to complete late 2022 and ownership is expected to transfer to APRR by end of the first half
- H2 2021 distribution guidance of 20.5 cents per security leading to a record 36.0 cents per security distribution for the 2021 year¹

¹ The distribution remains subject to continued business performance, movements in foreign exchange rates, and other future events

Atlas Arteria CEO Graeme Bevans said:

“As they have throughout the pandemic, our roads kept communities connected and economies moving for the things in life that matter most. While COVID-19 continued to restrict movement across all our jurisdictions, the introduction of the EU health pass in Europe, coupled with high vaccination rates, led to a strong summer season at our European businesses. Following the easing of restrictions, APRR recorded its highest second half for both light vehicle and heavy vehicle traffic, which gives us confidence in the resilience of the European macroeconomic environment and the value of the APRR network to our customers.”

“We continue to deliver against our strategic objectives to build sustainable cashflows and long-term value for securityholders. In March we reached financial close of the capital restructure at the Warnow Tunnel and received the first distribution from that business in August. We received a second distribution in February this year. At the Dulles Greenway, we achieved toll price certainty for the next two years. Following the Virginia State Elections completed during the year, we are continuing our work with all government and community stakeholders to develop a toll structure to better meet the needs of all stakeholders. In France, agreements have now been signed for RCEA ownership to transfer to APRR during 2022 and discussions continue with Government stakeholders regarding the delivery of further investment plans.”

“Following the very strong performance of the APRR business during the second half, we are pleased to provide distribution guidance of 20.5 cents per security, which would bring the full year distribution for 2021 to a record 36.0 cents per security.”

“Our balance sheet capacity remains very strong. At the corporate level we currently have no debt, ample liquidity, strong cash flows from APRR and Warnow Tunnel, and we remain well placed to pursue growth opportunities as they arise.”

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Investor Conference Call Details

A briefing for analysts and investors will be held today by Graeme Bevans (CEO) and Nadine Lennie (CFO) at 11:00am Australian Eastern Daylight Time.

The briefing will be via a live audio webcast and accessible from the Atlas Arteria website: www.atlasarteria.com/investor-centre.

To participate and ask questions in the briefing, pre-registration is required via the following [link](#). Registered participants will receive a calendar invite, dial-in details and a unique code which is to be quoted when dialing into the call.

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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 2,318km 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

Review of 2021 Operations

Summary Financial Performance

| | 2021 | 2020 | 2021 vs 2020 (%) | 2019 | 2021 vs 2019 (%) |
|---|---------|---------|------------------|-------------------|------------------|
| Atlas Arteria Key Financial Metrics (A\$m) | | | | | |
| Net Profit after tax (pre notable items) | 179.1 | 26.2 | 584.3% | 178.2 | 0.5% |
| Net Profit after tax | 163.7 | (99.2) | 265.0% | (9.8) | 1,770.4% |
| Corporate Liquidity | 133.8 | 193.7 | (30.9%) | 1,387.6 | (90.4%) |
| Total Assets | 5,219.2 | 5,268.9 | (0.9%) | 5,675.5 | (8.0%) |
| Total Liabilities | 1,721.2 | 1,634.6 | 5.3% | 2,331.9 | (26.2%) |
| Net Operating Cash Flows | 284.9 | 282.7 | 0.8% | 188.9 | 50.8% |
| | | | | | |
| Distribution paid per share (dps) | 28.5 | 11.0 | 159.1% | 30.0 | (5.0%) |
| Key Financial Metrics by business unit | | | | | |
| APRR Group (€m) | | | | | |
| Total Traffic (VKT millions) | 23,195 | 19,413 | 19.5% | 24,581 | (5.6%) |
| Toll Revenue | 2,468.2 | 2,100.4 | 17.5% | 2,534.5 | (2.6%) |
| EBITDA | 1,892.8 | 1,549.5 | 22.2% | 1,942.0 | (2.5%) |
| EBITDA margin (%) | 73.7% | 71.4% | 2.2% | 74.4% | (0.7%) |
| NPAT | 933.2 | 628.3 | 48.5% | 874.7 | 6.7% |
| Total Liquidity | 3,229.7 | 3,125.6 | 3.3% | 3,453.3 | (6.5%) |
| LTIFR | 2.85 | 2.66 | 6.8% | 4.99 ¹ | (43.0%) |
| Warnow Tunnel (€m) | | | | | |
| Total Traffic (m) | 4.37 | 4.56 | (4.3%) | 4.94 | (11.6%) |
| Toll Revenue | 12.5 | 12.7 | (1.8%) | 13.6 | (8.2%) |
| EBITDA | 8.7 | 9.1 | (5.0%) | 10.3 | (16.0%) |
| EBITDA margin (%) | 68.3% | 71.1% | (2.8%) | 75.3% | (7.1%) |
| Total Liquidity | 11.1 | 5.3 | 110.7% | 5.7 | 93.3% |
| Number of lost time injuries | 2 | 0 | n/a | 1 | n/a |
| Dulles Greenway (US\$m) | | | | | |
| Total Traffic (m) | 11.56 | 10.20 | 13.3% | 17.80 | (35.1%) |
| Toll Revenue | 59.9 | 51.6 | 16.2% | 89.3 | (32.9%) |
| EBITDA | 46.6 | 38.4 | 21.3% | 73.7 | (36.8%) |
| EBITDA margin (%) | 77.1% | 73.8% | 3.3% | 82.2% | (5.0%) |
| Total Liquidity | 221.0 | 216.3 | 2.2% | 215.4 | 2.6% |
| Number of lost time injuries | 0 | 0 | n/a | 0 | n/a |

1. Restatement of 2019 APRR LTIFR from 4.59 to 4.99.

Safety Outcomes

Safety across the businesses is a top priority. The objective is to ensure that all people that work for the company and use the roads return home safely.

Key safety achievements:

- Continued to embed a safety-first culture amongst our people and across our businesses
- Implemented recommendations of the Warnow Tunnel customer behaviour study to improve customer behaviour at the toll plaza
- Continued SafeStart training for all employees at APRR
- Implemented a better layout for winter operations at the Dulles Greenway to better manage safety during the loading of salt, and a larger enclosed maintenance environment

APRR – Record traffic performance during the second half

APRR traffic numbers were up 19.5% in 2021 (vs 2020), resulting in a 17.5% increase in toll revenue to \$3,889 million (€2,468 million) and a 22.2% increase in EBITDA to \$2,982 million (€1,893 million).

France continued to be impacted by COVID-19 related movement restrictions in 2021. However, after a third lockdown beginning April 2021, movement restrictions were progressively lifted leading into the European summer.

APRR has remained focused on helping the French government deliver on its ESG objectives. APRR continued the roll out of electric vehicle charging stations across the network, with 58% of motorway service stations now equipped with high or very-high power terminals. An additional 98 free car park spaces for customers were also opened during the year to encourage shared mobility, reducing congestion and carbon emissions.

APRR continued to invest in capital projects to grow the APRR network and improve the customer experience. During the year the A41, A75 and A71 projects were completed and opened to traffic. Capex spend (excluding RCEA) for 2021 was around €400 million. Construction work on the RCEA/A79 Project continued with APRR operating the motorway since March 2020. The project is expected to be transferred from Eiffage to APRR in Q2 2022 at a cost of €650 - €700m with completion expected in late 2022.

APRR remains in a strong financial position. In November, APRR successfully priced €500m of bonds under its Euro Medium Term Note Programme at a zero percent coupon providing additional liquidity, further reducing its average cost of debt and extending its weighted average debt maturity. As at 31 December 2021, APRR has approximately €1.2 billion cash on hand and a €2.0 billion undrawn revolving credit facility. Both S&P and Fitch re-affirmed their A- stable outlook for APRR.

Warnow Tunnel – Strong recovery after extended strict lockdowns

Traffic at the Warnow Tunnel decreased 4.3% in 2021 (vs 2020), resulting in a 1.8% decline in toll revenue to \$19.7 million (€12.5 million) and a 5.0% decline in EBITDA to \$13.7 million (€8.7 million).

Traffic for the 2021 year was impacted by strict social and mobility restrictions from January until May 2021, offset by the continuation of roadworks on competing routes, though to a lesser extent than in prior years, and particularly in 2019.

The state in which Warnow Tunnel is located was more significantly impacted by COVID-19 related restrictions during the first half than in any other period in 2020. A hard lockdown which closed non-essential services and schools and limited social gatherings was in place for all of Q1. Restrictions only relaxed in May and domestic travel resumed in early June.

Relaxation of restrictions, and more tourism, led to a recovery in traffic to around pre-COVID levels over the traditional summer holiday period. Traffic was also supported by the return of cruise ship travel in Rostock. Germany's fourth COVID-19 wave began in October 2021 which again resulted in the tightening of restrictions in November 2021.

The capital restructure of Warnow Tunnel has diversified Atlas Arteria's sources of cash, improved Atlas Arteria's access to cash flows from Warnow Tunnel and positioned the business for sustainable growth. The first distribution, based on performance of the business in H1 2021, was received in August and a second distribution received in February 2022.

Dulles Greenway – Traffic continues a steady recovery

Traffic at the Dulles Greenway increased 13.3% in 2021 (vs 2020), resulting in a 16.2% increase in toll revenue to \$79.9 million (US\$59.9 million), while EBITDA was up 21.3% (vs 2020) to \$62.1 million (US\$46.6 million). Compared to 2019, traffic was 35.1% down, toll revenue was 32.9% down and EBITDA was 36.8% down.

The Greenway, as a popular commuter road, has been heavily impacted by COVID-19 related restrictions with schools and most workplaces virtually closed since the start of the pandemic. Schools went back to in person learning in Q3 2021 however, due to the Delta outbreak, companies delayed their return to the workplace. During Q4, commuters continued to return to the office, which contributed to modest increases in weekday traffic.

Despite these challenging times, the Greenway achieved some key milestones over the period. In May, we hosted the inaugural Run the Greenway fun run event with more than 1,200 runners raising over US\$150,000 for 27 local non-profit enterprises. We partnered with the American Eagle Foundation, Loudoun Wildlife Conservancy and HDOnTap to install two cameras in our 149-acre wetlands to live stream nesting bald eagles, showcasing the beauty of the surrounding environment in an educational and engaging manner.

We continued with the delivery of our capital projects to improve safety and reduce travel time for our customers. The Leesburg Bypass improvements at the west end of the Greenway opened to traffic in August and the final configuration opened to traffic in December.

The SCC released its ruling in April providing toll price certainty for the next two years. Following the election of the new governor of Virginia, we are continuing to pursue tolling outcomes that benefit the community and customers of the Greenway.

As at 31 December 2021, Dulles Greenway had approximately US\$221 million in cash reserves. Failure to pass the lock-up tests at 31 December 2021, as defined under the debt covenants for this business, means that around US\$78.9 million that would otherwise be available for distribution to Atlas Arteria remained included in cash reserves.

Outlook

At APRR, the second half traffic performance gives us confidence in the strength of the European macroeconomic environment and demonstrates value of the APRR network to our customers. Traffic at the Dulles Greenway continues to improve, and we look forward to further recovery as people progressively return to the workplace in 2022.

We have strong growth potential both within and external to our current portfolio and ample liquidity to support this growth. We have a uniquely experienced team with a proven track record of unlocking value from complex situations. On the back of a record 2021 distribution, securityholders stand to benefit from a strong distribution yield generated from sustainable operating cash flows.

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