



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

28 May 2020

Equity Raising Restructuring the Balance Sheet For Flexibility and Growth

Key Highlights

- Atlas Arteria today announces an equity raising to restructure the balance sheet, enhance resilience in uncertain times and provide additional capacity for growth
- The equity raising consists of a fully underwritten A\$420 million Institutional Placement (**Placement**) and a non-underwritten Security Purchase Plan (**SPP**) to raise up to A\$75 million¹
- The H2 2019 distribution, previously deferred, has now been cancelled and cash relating to this distribution, together with the proceeds from the Placement will be used to repay the existing €350 million MIBL Facility
- Atlas Arteria received unanimous support overnight from its MIBL Lenders for leverage lock-up and default covenant waivers as at 30 June 2020 and 31 December 2020, however the Boards have made the strategic decision to raise equity and repay the MIBL Facility
- The equity raising will position Atlas Arteria with a stronger, more flexible balance sheet to support growth opportunities as they arise, particularly in France, where Atlas Arteria expects the French government to look for 'shovel ready' projects to stimulate the French economy post the relaxation of COVID-19 restrictions
- The balance sheet restructure will allow Atlas Arteria to distribute APRR free cash flows to securityholders without the need to satisfy increasingly restrictive debt covenant tests
- The Boards' objective is to reinstate distributions once the operating environment is more certain. Dividends from APRR will form the basis of any Atlas Arteria distributions for H1 2020
- Looking forward, Atlas Arteria may consider establishing a more flexible corporate debt facility with terms that better meets the needs of its growing business

Atlas Arteria CEO Graeme Bevans said: "We remain well positioned to weather the COVID-19 pandemic. Our businesses have responded quickly and appropriately to the challenges on the ground, with the safety of our team and customers our number one priority. The start of easing of lockdown restrictions in Europe has resulted in significant improvements in traffic in recent weeks, with the prospect of further easing to come. We anticipate that a range of growth opportunities will emerge, especially in France as the government looks to stimulate the economy. We continue to benefit from

¹ If Atlas Arteria receives applications that exceed the amount it proposes to raise under the SPP, Atlas Arteria may decide to scale back applications or raise a higher amount, in its absolute discretion. If a scale back is applied, this means that eligible retail Securityholders may be allocated fewer Atlas Arteria securities than they apply for under the SPP. If Atlas Arteria decides to conduct any scale back, it will apply the scale back having regard to the size of the existing securityholdings of applicants.

strong liquidity and restructuring our balance sheet at this time means we will have more capacity and flexibility to pursue these opportunities."

Business and Financial Update

During the COVID-19 pandemic, the core focus of Atlas Arteria is the safety of our people and customers, with appropriate safety and business continuity measures having been taken across all businesses.

APRR continues to operate through COVID-19, however traffic, particularly Light Vehicles, reduced significantly from mid-March when COVID-19 lockdown measures were enforced by the French government. Traffic in Heavy Vehicles, which are subject to higher tolls than Light Vehicles, has proven to be more resilient over this period. Traffic has rebounded strongly since the first phase easing of restrictions on 11 May, with further easing to come.

Traffic on the Dulles Greenway continues to be adversely impacted by COVID-19 restrictions and the timing of deconfinement measures in Northern Virginia is currently unclear. Given the decline in traffic at the Dulles Greenway and uncertainty regarding recovery of the U.S. economy, it is expected that there will be a further impairment to the Dulles Greenway in the half year results of between US\$50 million and US\$100 million².

There has been a smaller impact on traffic at Warnow Tunnel due to the limited outbreak of COVID-19 in the region, when compared to APRR and the Dulles Greenway. Traffic has improved since mid-April due to some easing of restrictions in Rostock.

APRR has approximately €3.2 billion in liquidity to support €1.8 billion of outstanding Commercial Paper and debt maturing across 2020 and 2021. Further, in April 2020, S&P reaffirmed its 'A-/A-2' long-term and short-term issuer credit ratings and stable outlook for APRR.

The Dulles Greenway and Warnow Tunnel remain well positioned from a liquidity perspective and are able to meet their upcoming obligations.

Atlas Arteria has a strong liquidity position and following the Placement and repayment of the MIBL Facility will have a cash balance of around A\$118 million at the corporate level (excluding SPP proceeds)³.

Equity Raising Details

The relative sizing of the Placement and SPP reflects the composition of Atlas Arteria's share register prior to the equity raising and is consistent with the Boards' objective to ensure that all eligible securityholders have an opportunity to participate in the equity raising. Further, the structure of the raising as a combination of a Placement and a SPP is considered appropriate in minimising market risk in the current environment.

The Placement and SPP will raise up to A\$495 million (**Equity Raising**) via:

- Fully underwritten⁴ Institutional Placement of A\$420 million (**Placement**); and
- Non-underwritten SPP to raise up to A\$75⁵ million (**SPP**)

² Refer to slide 26 of the investor presentation released to ASX on 28 May 2020 (**Investor Presentation**) for further information.

³ Pro-forma cash balance post receipt of the Placement proceeds and after repayment of the MIBL Facility (excluding any SPP proceeds).

⁴ Subject to the terms of the Underwriting Agreement. Refer to Appendix B of the Investor Presentation.

⁵ If Atlas Arteria receives applications that exceed the amount it proposes to raise under the SPP, Atlas Arteria may decide to scale back applications or raise a higher amount, in its absolute discretion. If a scale back is applied, this means that eligible retail Securityholders may be allocated fewer Atlas Arteria securities than they apply for under the SPP. If Atlas Arteria decides to conduct any scale back, it will apply the scale back having regard to the size of the existing securityholdings of applicants.

The Placement will be conducted at an offer price of A\$6.20 per security (**Placement Price**), representing a 7.5% discount to the last traded price of A\$6.70 per security before announcement of the Equity Raising, and an 8.2% discount to the 5-day VWAP³ to the close of trade on 27 May 2020 of A\$6.76 per security.

The SPP will be conducted at an issue price that is the lower of:

- the Placement Price; and
- the VWAP⁶ of Atlas Arteria securities trading on the ASX during the five trading days up to, and including, the SPP closing date (expected to be Thursday 25 June 2020) less a 2.0% discount, rounded down to the nearest cent.

New fully paid stapled securities (**New Securities**) issued under the Placement and SPP will rank equally with existing Atlas Arteria securities from the date of allotment.

Fully Underwritten Placement

The fully underwritten Placement to institutional investors will raise A\$420 million at a Placement Price of A\$6.20 per security. The Placement comprises the issue of approximately 67.7 million New Securities to eligible sophisticated, professional and other institutional investors located in Australia and select international jurisdictions (**Placement Securities**). It is intended that eligible institutional Securityholders who bid for up to their 'pro-rata' share of New Securities under the Placement will be allocated their full bid, on a best endeavours basis.^{7,8}

The Placement represents 7.7% of Atlas Arteria's securities on issue. The Placement is within Atlas Arteria's existing capacity under ASX Listing Rule 7.1 and accordingly no Securityholder approval is required to issue the New Securities under the Placement.

Settlement of the Placement is scheduled to take place on Tuesday 2 June 2020, with allotment and quotation of the New Securities on ASX expected to occur on Wednesday 3 June 2020.

The Placement is fully underwritten by UBS AG, Australia Branch and Macquarie Capital (Australia) Limited, (together, **Underwriters**).

Security Purchase Plan

Following the completion of the Placement, Atlas Arteria will offer all Eligible Securityholders the opportunity to participate in a non-underwritten SPP. Eligible Securityholders will be invited to subscribe for up to A\$30,000 of new fully paid stapled securities (**SPP Securities**) free of any brokerage and other transaction costs, and subject to scale back⁹.

⁶ Volume weighted average price

⁷ For this purpose, an eligible institutional Securityholder's 'pro-rata' share of New Stapled Securities will be estimated by reference to Atlas Arteria's latest available beneficial register which shows a historical holding as at 27 May 2020 and which is not necessarily fully up to date. No verification or reconciliation of holdings as shown in the historical beneficial register will be undertaken and accordingly, unlike in a rights issue, this may not truly reflect the participating Securityholder's actual 'pro-rata' share. Nothing in this announcement gives a Securityholder a right or entitlement to participate in the Placement and Atlas Arteria has no obligations to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a Securityholder's 'pro-rata' share. Institutional Securityholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. See Appendix C of the Investor Presentation for the eligible jurisdiction and selling restrictions relevant to these jurisdictions. Atlas Arteria and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a Securityholder's 'pro-rata' share of New Stapled Securities.

⁸ Eligible institutional Securityholders who bid in excess of their 'pro-rata' share of New Stapled Securities as determined by Atlas Arteria and the Underwriters are expected to be allocated a minimum of their 'pro-rata' share on a best endeavours basis as set out in footnote 4 above, and any excess may be subject to scale back.

⁹ If Atlas Arteria receives applications that exceed the amount it proposes to raise under the SPP, Atlas Arteria may decide to scale back applications or raise a higher amount, in its absolute discretion. If a scale back is applied, this means that an Eligible Securityholder may be allocated fewer securities than they apply for under the SPP. If Atlas Arteria decides to conduct any scale back, it will apply the scale back having regard to the size of the existing securityholdings of applicants.

Eligible Securityholders under the SPP are registered holders of Atlas Arteria securities at 7.00pm (AEST) on Wednesday 27 May 2020 who have registered addresses in Australia or New Zealand (or another jurisdiction which Atlas Arteria may determine as eligible in certain circumstances) (**Eligible Jurisdictions**) and who are not Excluded Securityholders (**Eligible Securityholders**). An Excluded Securityholder is any securityholder (including a custodian) to the extent that they (i) hold securities on their own account and reside outside the Eligible Jurisdictions, (ii) hold securities on behalf of another person who resides outside the Eligible Jurisdictions, or (iii) are in the United States or are a US Person (as defined in Rule 902(k) under the US Securities Act of 1933, as amended) (**US Person**), or are acting for the account or benefit of persons in the United States or US Persons (to the extent that they are participating in the SPP on behalf of those persons) (**Excluded Securityholders**).

The SPP offer booklet, containing full details of the SPP, will be sent to Eligible Securityholders on Friday 5 June 2020.

All eligible Atlas Arteria Directors have indicated an intention to participate in the SPP.

Indicative timetable¹⁰

Placement	Date
Trading halt, announcement of Placement and SPP	28 May 2020
Placement bookbuild	28 May 2020
Trading halt lifted and announcement of Placement results	29 May 2020
Settlement of New Stapled Securities issued under the Placement	2 June 2020
Allotment and normal trading of New Stapled Securities issued under the Placement	3 June 2020

SPP	Date
Record date for determining eligibility for SPP	7.00pm, 27 May 2020
SPP offer opens and booklet dispatched	5 June 2020
SPP offer closes	5.00pm, 25 June 2020
SPP allotment date	2 July 2020
Commencement of normal trading of securities on ASX	3 July 2020
Dispatch of holding statements	3 July 2020

Additional information

Additional information regarding the Equity Raising is contained in the investor presentation released to ASX today. The investor presentation contains important information including key risks and foreign selling restrictions with respect to the Placement and the SPP.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

¹⁰ This timetable is indicative only and may change without notice at Atlas Arteria's discretion or subject to the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules. Atlas Arteria has the ability at its discretion to make changes including to extend the closing date for the SPP, to withdraw the SPP at any time prior to the issue of the New Securities and/or to accept late applications either generally or in specific areas.

For any questions, investors should consult their broker, solicitor, accountant, financial adviser or other professional adviser.

- ENDS -

For further information please contact:

Investors:

Jeanette Royce
Director, Investor Relations
1800 621 694 / +61 (0) 438 493 692
investors@atlasarteria.com

Media:

Lisa Keenan
Nightingale Advisors
+61 (0) 409 1509 771
lisa@nightingleadvisors.com.au

This announcement has been authorised for release by the Atlas Arteria Boards.

About Atlas Arteria

Atlas Arteria (ASX:ALX) is a global operator and developer of toll roads, creating value for our investors over the long-term through considered and disciplined management. The roads we develop, operate and invest in 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 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

Important Notices and Disclaimer

Not for release or distribution in the United States

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to "US persons" (as defined in Regulation S under the US Securities Act of 1933 ("US Securities Act")). Any securities described in this announcement have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to US persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. Accordingly, the Placement Securities and SPP Securities will only be offered and sold outside the United States to non-US persons in "offshore transactions" in compliance with Regulation S under the US Securities Act.

Forward-looking statements

This announcement may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, distributions, performance, illustrations of projected revenue, illustrations of projected relative revenue contributions and projected pro forma EV/EBITDA multiples are also forward-looking statements as are statements regarding internal management estimates and assessments of projected population and employment growth, traffic expectations, the market outlook, the outcome of the Placement and

the use of the proceeds. Such forward-looking statements, including forecast financial information, are not guarantees of future performance and should not be considered as a recommendation in relation to holding, purchasing or selling, securities or other instruments in Atlas Arteria. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forward-looking statements and forecasts by their very nature are subject to assumptions, uncertainty, risks (including, without limitation, the risks and uncertainties associated with the ongoing impacts of the COVID-19 pandemic, the global economic environment and capital market conditions) and contingencies many of which are outside the control of Atlas Arteria, its officers, employees, agents and advisers. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Neither Atlas Arteria nor any other person gives any representation, warranty, assurance or guarantee that any events implied by such forward-looking statements will occur.

To the maximum extent permitted by the law, ATLAX, ATLIX, their respective directors, employees and agents, disclaim any responsibility for the accuracy or completeness of any forward-looking statement. The forward-looking statements are based on information available to Atlas Arteria as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Atlas Arteria disclaims any responsibility or undertaking to update or revise any forward-looking statement to reflect any change in expectations in relation to any forward-looking statement, Atlas Arteria's financial position or the circumstances on which a statement is based.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Atlas Arteria or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

Dollar amounts in this announcement are Australian Dollars unless stated otherwise. Arithmetic totals may vary or be inconsistent due to rounding.

Non-IFRS Information

This announcement includes certain financial measures that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS) and are classified as "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information". Such information includes EBITDA, proportional EBITDA, underlying proportional EBITDA, free cash and underlying free cash. Such non-IFRS financial measures do not have a standardised meaning prescribed by AAS or IFRS.

Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this announcement. The non-IFRS information has not been subject to audit or review by Atlas Arteria's external auditor.

This announcement includes certain pro-forma financial information. The pro-forma historical financial information provided in this announcement is for illustrative purposes only and is not represented as being indicative of Atlas Arteria's views on its future financial position and/or performance.