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ASX RELEASE

Delivery against strategy – a new capital structure for Warnow Tunnel

Atlas Arteria (**ASX:ALX**) today announces that contractual close has been achieved for a new debt facility, which will support a new capital structure at the Warnow Tunnel. Financial close is expected in March 2021.

The establishment of a new capital structure for the Warnow Tunnel is a further milestone in the ongoing transformation of Atlas Arteria. The new arrangements are more capable of supporting the ongoing success of the Warnow Tunnel business and allow for an optimised cash management strategy, resulting in the company having the ability to distribute free cash to Atlas Arteria, rather than being swept to lenders.

The new arrangements include a €115 million (c. A\$184 million) debt facility (fixed and variable tranches), together with a cash injection from Atlas Arteria of around €42 million (c. A\$67 million), that will be used to repay €142 million (c. A\$228 million) of current debt, termination of the current hedging arrangements, transaction costs and reserve funding requirements. The cash injection will be funded from cash on the Atlas Arteria balance sheet.

Further details of the new debt facility are set out in Appendix A.

Atlas Arteria's CFO Nadine Lennie said: "This transaction is transformative for the Warnow Tunnel and gives the business full control over its cash management activities. It is also another step towards delivering on Atlas Arteria's strategy to diversify our distribution sources and achieve sustainable distribution growth over time. By way of example, based on Warnow Tunnel's 2020 EBITDA of €9 million (A\$15 million), under the terms of the new facility, around €6 million (A\$10 million) of cash flow would have been available for distribution to Atlas Arteria on a pro forma basis."

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This announcement has been authorised for release by Clayton McCormack, General Counsel and Company Secretary.

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

Appendix A - Term Sheet

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

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