29 February 2024

ASX RELEASE

2023 Annual Report

Atlas Arteria (**ASX:ALX**) has today released its Annual Report for the year ended 31 December 2023, which is attached and can also be viewed at Atlas Arteria's website www.atlasarteria.com.

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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 five 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 2,424km motorway network located in the East and South East of France. In the US, we own a 66.67% interest in the Chicago Skyway, a 12.5km toll road in Chicago and 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 Notice:
Investors should note that neither of the Atlas Arteria entities has been, or will be, registered under the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act"), in reliance on the exception in Section 3(c)(7) from the definition of "investment company". Accordingly, Atlas Arteria securities cannot be held at any time by, or for the account or benefit of, any "U.S. person" (as defined in Rule 902(k) under the U.S. Securities Act of 1933) ("U.S. Person") that is not a "qualified purchaser" (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) ("Qualified Purchaser" or "QP") at the time of their acquisition. Any U.S. Person that is not a Qualified Purchaser, or any investor acting for the account or benefit of any U.S. Person that is not a Qualified Purchaser, is an "Excluded U.S. Person" and may not hold Atlas Arteria securities.

For further details of ownership restrictions that apply to residents of the United States and other U.S. Persons that are not Qualified Purchasers, please see our website.

https://www.atlasarteria.com/stores/_sharedfiles/US_Ownership/AtlasArteria-USownershiprestrictions.pdf

atlasArteria

ANNUAL REPORT 2023

ATLAS ARTERIA
CONNECTING COMMUNITIES

Contents

Acknowledgement of Country

Atlas Arteria acknowledges the Traditional Custodians of country throughout Australia, and their connections to land, sea and community. We pay our respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

As a global owner, operator and developer of toll roads, we extend our respect to the First Nations custodians in every location where we live and work and to their past, present and ongoing contributions, which enrich our lives and communities. Keeping communities connected is at the heart of what we do; and we do so guided by our values, which encourage respect for all people in every interaction.

Atlas Arteria (ALX) comprises Atlas Arteria International Limited (Registration No. 43828) (ATLIX) and Atlas Arteria Limited (ACN 141 075 201) (ATLAX). ATLIX is an exempted mutual fund company incorporated and domiciled in Bermuda with limited liability and the registered office is 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. ATLAX is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 1, 180 Flinders Street, Melbourne, VIC 3000, Australia.

KEY BUSINESS HIGHLIGHTS

Chicago Skyway transition plan complete

- Advanced the transition to a whole-of-life asset management culture
- Optimised the capital structure
- Completed operational review
- Aligned with Atlas Arteria's safety approach and emissions reporting process
- Chicago Skyway outperformed business acquisition case

Submitted Dulles Greenway rate case application for increased tolls

Hosted the 3rd Run the Greenway event raising over

US$268,000

for local charities

Achieved target of

19

wildlife crossings along the APRR and AREA networks by the end of 2023

On track to achieve 25% reduction in scope 1 and 2 emissions by 2025 compared to 2019 baseline

Maintained

40%

gender balance[1]

Weighted average traffic performance in 2023:

3.3%

higher than 2022 and 2.9% above 2019[2]

Weighted average toll revenue performance in 2023:

6.9%

higher than 2022 and 11.9% above 2019[3]

Securityholder distribution per security:

40.0cps[4]

2023	40.0cps
2022	40.0cps
2021	36.0cps
2020	24.0cps

APRR net profit after tax[5]:

€1,116m

2023	€1,116m
2022	€1,056m
2021	€933m
2020	€628m

1. Across Boards, within senior executive roles and across all Atlas Arteria employees. Senior executives is defined as Atlas Arteria Executive Team members, their direct reports in senior roles and CEOs of the wholly and majority owned businesses.
2. Reflects weighted average traffic growth based on portfolio revenue allocations from Atlas Arteria's current beneficial interests in its businesses, in AUD using the foreign currency exchange rates in the period.
3. Toll revenue growth is calculated using the respective businesses' local currencies, converted to AUD.
4. Includes H2 2023 distribution guidance of 20.0 cps which is subject to continued business performance, movements in foreign exchange rates, and other future events.
5. Prepared on a consolidated basis under IFRS.

THE ATLAS ARTERIA BUSINESS

We work to create long-term value for our stakeholders through considered and disciplined management and sustainable business practices.

Our key stakeholders:

- Customers
- Communities
- Employees
- Securityholders
- Co-investors
- Governments and regulatory authorities
- Partners and suppliers

OUR VISION

Our vision is to benefit the communities in which we operate through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions and to provide an enjoyable travel experience.

OUR VALUES

Our values guide the decisions we make and the way we behave as we work together towards our vision. In living and breathing our values, we can create strong growth for securityholders and better outcomes for our customers, our communities and our people. To us, great performance is as much about how we get there and not just the end result. That's why our people's success is evaluated against our five values, along with their role responsibilities.

OUR GUIDING VALUES

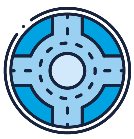
When we are guided by these values, we are acting in the best interests of one another, our securityholders, our customers and our communities. In this way, together, we're driving better outcomes.

Safety is at our heart

We care about our people, partners and customers and believe that their health, safety and wellbeing come first. We are proud to promote a culture of awareness and action where our people take accountability to identify opportunities for change. We want our workplaces to be safe places for all people.

Transparency in all we do

We are open, honest and straightforward in the way we communicate. Our people feel connected to what is happening across our businesses in the way we share information. We take a 'no surprises' approach to keeping people informed and trust each other to do the right thing. We understand the importance of cultivating a safe environment where people know they can speak up at any time.



Engage for better outcomes

We are committed to making meaningful connections that improve the way we work. We are open, curious and challenge constructively. We work hard to ensure that everyone feels heard and that feedback is welcome. We are connected to our purpose and strategy and are committed to working together to deliver.

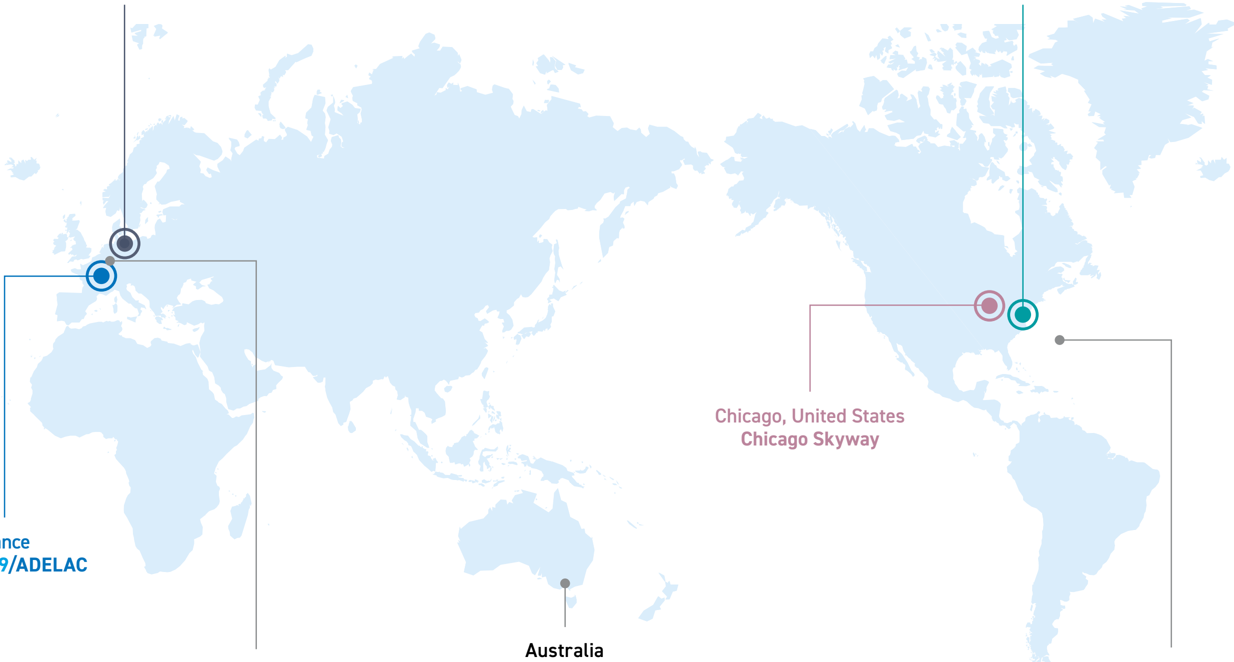
Environmentally and socially responsible

We understand the responsibility we have to the environment, the community and each other, and we take our commitments seriously. We encourage our people to be curious and look for innovative ways to minimise adverse impacts, no matter how big or small.

Respect in every interaction

We expect respect in every interaction. We value the time, perspective, and experience of others and demonstrate that in the way we treat them. We work hard to ensure a truly inclusive workplace where all people feel seen, heard and valued. We know how important it is to do the right thing and ensure we act ethically, lawfully and responsibly at all times.

Today the Atlas Arteria Group consists of five toll road businesses in France, Germany and the United States. We are focused on ensuring our customers, and the communities in which we operate, are well served by the transport links we provide.



APRR

Ownership: 31.14% | 2,316km motorway network in Eastern France | 2035 concession expiry [1]

A79

Ownership: 31.14% | 88km east-west transversal link | 2068 concession expiry

ADELAC

Ownership: 31.17% | 20km commuter road connecting Annecy to Geneva | 2060 concession expiry

WARNOW TUNNEL

Ownership: 100% | 2.1km road and tunnel in Rostock, Germany | 2053 concession expiry

CHICAGO SKYWAY

Ownership: 66.67% | 12.5km toll road connecting Chicago and Northwest Indiana | 2104 concession expiry

DULLES GREENWAY

Ownership: 100% [2] | 22km commuter route into the greater Washington DC area | 2056 concession expiry

1. APRR concession expires in November 2035, AREA concession expires in September 2036.
2. 100% economic ownership.

CHAIRPERSONS' REVIEW

Dear Securityholder,

2023 was in many ways a challenging year for Atlas Arteria. The Company faced several headwinds, including rising bond yields and the introduction of a new French tax on companies operating long-distance transport infrastructure. This new tax is expected to apply to both APRR and AREA, and its introduction in December 2023 adversely impacted our share price. We are committed to using all appropriate means and avenues to assert APRR's legal and contractual rights to ensure that the concession contracts are respected and their rights are protected.

Despite these challenges, 2023 marked a period of consolidation for the Company. We successfully integrated Chicago Skyway into our operations. We submitted a rate case to the Virginia State Corporation Commission requesting an increase in the maximum level of tolls at Dulles Greenway and we achieved credible financial results at APRR, Warnow Tunnel and Chicago Skyway.

We started 2024 on a positive note, with APRR and Eiffage appointed for exclusive negotiations for the A412 Thonon-Machilly project in France, laying the foundations for further expansion of the network.

Strong financial performance

Overall, Atlas Arteria is well positioned to outperform in the current economic environment. We have a diversified portfolio of businesses, are positively correlated to inflation and have a strong balance sheet with a high proportion of long-term fixed interest rate debt.

The impacts of inflation linked toll increases can be seen in weighted average toll revenue for 2023, which rose by 6.9%, while weighted average EBITDA increased by 7.1% compared to 2022. These numbers also reflect record traffic performance at APRR.

The performance of the business enabled distributions of 20 cents per security for H1 2023 and we are guiding to a further 20 cents per security for H2 2023, bringing the total for 2023 to 40 cents per security.

Pleasingly, Chicago Skyway is outperforming our business acquisition case, achieving c. 21% growth in tolls for 2023 and 2024, above our acquisition assumption of c. 18%. Traffic also exceeded expectations as the Indiana Toll Road roadworks were suspended over the summer holiday period. These roadworks are now complete. The planned regearing at the Skyway was also completed, consistent with our communication at the time of acquisition, resulting in US$116m of capital releases at the Atlas Arteria level. These funds will be used to smooth distributions.

Creating long-term value for securityholders

Continuing to grow long-term securityholder value remains our unwavering focus; and this was the driving force behind our acquisition of Chicago Skyway in 2022. This was an exceptional opportunity and met our three stated investment criteria.

We acknowledge the acquisition came as a surprise to some investors, but we believe the Chicago Skyway is a truly transformational opportunity for the Company and your Board and Executive Team recognise the responsibility we now have to ensure the investment case is fully delivered.

Our determination to create future value from APRR is ongoing. We are pleased with the progress on the Investment Plan, approved by the French State in January last year, and our focus remains on the government's concession review process, of which APRR are active participants. As noted earlier, we will actively defend our rights in relation to the new French tax and we aim to mitigate the impact of the tax on distributions as the process unfolds.

Unlocking value from Dulles Greenway is a primary focus, and we are positioning the business for the optimal chance of success. We are strengthening our team in the US, with a process underway to appoint a North American Group Executive to the Atlas Arteria team.

Our strategic areas of focus for 2024 and beyond

Throughout the year, we have dedicated ourselves to actively engaging with, and listening to, our securityholders and key stakeholders. These conversations have played an important role in shaping our strategic priorities for 2024 and beyond, and we intend to continue this constructive dialogue in the coming year. These strategic priorities are:

Business optimisation

We will pursue initiatives to create value for our securityholders within our existing businesses. These will aim to enhance operating efficiencies, reduce costs and uphold exemplary stewardship.

Associated growth opportunities

We intend to pursue opportunities that are directly related to, or in proximity to, our existing businesses, similar to what we have achieved with the A79 in France, which is now owned and operated by APRR. We have an attractive pipeline of growth projects and our focus is squarely on realising accretive value from these opportunities.

Other than in the context of these opportunities, acquisitions are not being considered. We will provide appropriate notice to securityholders if this position were to change.

Capital management

We will look to optimise the capital structure at each of our businesses backed by an investment grade credit rating. We will also explore capital management options. We will be seeking securityholder approval at the 2024 AGM for changes to the ATLIX constitution to enable share buybacks.

Achieving safety targets

Safety for us is not a set and forget exercise. We are more committed than ever to making sure that everyone, including our customers, employees and contractors, go home safely after working at one of our businesses or using one of our roads.

While we showed a slight improvement on our safety performance targets on the previous year, there is still work to be done to ensure that we are consistently meeting all of our safety targets. At APRR, we did not meet our large business safety target with a lost-time injury frequency rate of 3.4. Pleasingly, we met our target of one or less lost-time injuries at our small businesses with one lost-time injury at Chicago Skyway and no lost-time injuries recorded at Warnow Tunnel, Dulles Greenway or at Corporate level.

A culture that celebrates diversity

We are committed to fostering a culture of diversity and inclusion. We have continued to achieve our gender balance commitment of 40/40/20 across Boards, within senior executive roles and across all Atlas Arteria employees. We also have female CEOs leading three of our businesses, at Chicago Skyway, Dulles Greenway and Warnow Tunnel.

Climate and environmental stewardship

We continued to make good progress on our emissions profile, reducing our total scope 1 and 2 emissions through the purchase of renewable energy at most of our businesses and in our corporate offices.

During the year, we completed the important work of aligning Chicago Skyway with Atlas Arteria's emissions reporting process. We are pleased to report that the Skyway's greenhouse gas emissions (GHG), with regard to scope 1, 2 and 3, will be included in Atlas Arteria's 2023 emissions figures, and we have recalculated our 2019 baseline figures to include the Skyway.

Our Sustainability Working Group (SWG) continues to progress our approach to climate-related risks and opportunities and alignment with Taskforce on Climate-related Financial Disclosures (TCFD) reporting, particularly the identification, assessment and mitigation of climate-related risks. This SWG has also begun to prepare the business for the requirements of mandatory climate reporting, which are expected to be introduced in Australia in 2024.

All these achievements put us on track to achieve our interim target of 25% reduction in scope 1 and 2 emissions by 2025 as we continue to work toward our 46% reduction by 2030 target. We were also pleased to see our achievements recognised by GRESB, receiving an A rating and ranked 2 out of 33 in the Asia-Pacific transport sector.

To strengthen our reporting, we have engaged PwC to provide limited assurance over specific sustainability metrics, including GHG emissions, to be reported in our Sustainability Report, which will be released in April 2024.

Distributions for securityholders

We remain committed to providing our securityholders with distributions funded from operating business cash flows and cash on hand. At the time of the Chicago Skyway acquisition, we guided to distributions of 40 cents per security for 2023. We are on track to meet this guidance for 2023 and are pleased to guide to 40 cents per security for 2024, despite the introduction of the new French tax described earlier.

Board renewal

We continuously strive to ensure that our Boards comprise a diverse mix of skills, experience, backgrounds and perspectives. On 1 March 2023, Fiona Beck became the Chair of ATLIX, following the retirement of Jeff Conyers, and the ATLIX Board membership reduced from five to four members. Kiernan Bell joined the ATLIX Board as an Independent Non-executive Director on 1 September 2023, following the retirement of Caroline Foulger. The ATLAX Board increased to seven members, welcoming IFM Global Infrastructure Fund nominee Ken Daley as a Non-executive Director on 30 May 2023, and John Wigglesworth and Laura Hendricks as Independent Non-executive Directors on 1 January 2023 and 16 October 2023 respectively.

These new appointments to the ATLAX and ATLIX Boards add extensive operational and leadership experience from across the infrastructure sector, within the geographies in which we operate and in the area of corporate governance.

I can speak on behalf of all Directors when I say we are passionately committed to delivering against Atlas Arteria's business strategy and priorities in 2024.

Outlook

The outlook for the business in 2024 and beyond is positive. Our businesses continue to perform strongly, and we are well positioned to benefit from the current inflationary environment.

On behalf of the Boards, thank you to our securityholders, customers and stakeholders for your continued support. We would also like to thank our Executive Team and our people for their ongoing contribution to the business.

Debbie Goodin
Chair
Atlas Arteria Limited

Fiona Beck
Chair
Atlas Arteria International Limited

CEO AND MANAGING DIRECTOR'S REVIEW

Dear Securityholder,

Over the past year, in the face of some real challenges, the resilience of our businesses shone through in a strong financial performance, which facilitated another strong distribution. We also continued to work hard on setting the business up for sustainable growth and performance.

Key highlights

Overall traffic numbers were up 3.3% on 2022, driven mainly by record traffic performance at APRR. We also witnessed the positive impact of the advantageous toll formula at Chicago Skyway, with tolls up 11.9% and toll revenue increasing by 2.7%, above our acquisition business case. Dulles Greenway is gradually recovering post COVID-19 and Warnow Tunnel had a robust year, also benefiting from toll increases and strong traffic.

Another highlight was the successful completion of the integration of Chicago Skyway, with a number of initiatives implemented to ensure that we deliver on the potential of this transformational acquisition.

In February important progress was made in the Virginia legislature. The Virginia House of Delegates passed a budget that included language authorising the Department of Transportation to negotiate and execute a new concession agreement with Dulles Greenway. The budget passed by the Virginia Senate did not include the same language related to the Dulles Greenway, which was just one of the many differences between the budgets passed by the House and Senate.

The House and Senate are now working on a compromise budget which is anticipated to be voted on in early March. We are optimistic that the Dulles Greenway language will be included in that budget. If passed and signed by the Governor, it would authorise the Department of Transportation to negotiate and execute a new concession agreement with the Greenway under the Public-Private Transportation Act. This would facilitate the introduction of distance-based tolling and provide lower tolls for customers. In parallel, we continue to progress our rate case application, which requests a material increase in the maximum level of tolls on the Greenway.

Business performance

APRR and ADELAC

In France, continued high demand for the APRR network led to another year of strong results. Traffic was robust, up 3.9% and the positive impact of inflation linked tolls resulted in a 7.0% increase in toll revenue and 7.5% increase in EBITDA versus 2022.

In December 2023, the French Government imposed a new tax on companies operating long-distance transport infrastructure. The tax will represent 4.6% of revenues exceeding €120 million per legal entity and is expected to apply to both APRR and AREA based on historical earnings. Atlas Arteria and our partners at APRR are committed to using all appropriate means and avenues to assert APRR's legal and contractual rights to ensure that the concession contracts are respected and their rights are protected.

In February 2024, APRR and Eiffage were appointed for exclusive negotiations for the A412 Thonon-Machilly project in France. The A412 is a new 16.5km motorway from Thonon-les-Bains to Machilly to the south of Lake Geneva. The project will consist of a two-lane dual carriageway with free-flow tolling that is expected to reduce congestion and travel times.

Warnow Tunnel

At Warnow, traffic rose 3.1% as customers took advantage of the time savings and reliability offered by Warnow Tunnel, given roadworks on the competing route along Am Strande. Inflationary tailwinds on tolls resulted in toll revenue and EBITDA increasing 9.9% and 9.5% versus 2022 respectively.

The business took positive steps to improve safety and the customer experience, achieving zero lost-time injuries (LTIs) during the calendar year. Examples of these improvements include new safety initiatives involving the local community and authorities, and transitioning to 100% LED lighting outside the Warnow Tunnel. More credit card terminals are now available at the toll plaza and the installation of an advanced licence plate recognition system provides a backup vehicle identification measure for tolling purposes and violations.

Chicago Skyway

Pleasingly, at Chicago Skyway, traffic outperformed our acquisition business case predominantly due to the planned roadworks on the Indiana Toll Road being paused over the summer holiday period, one of the busiest traffic periods for the Skyway. Overall, toll revenue and EBITDA were up 2.7% and 0.8% respectively due to toll increases combined with better than expected traffic.

By the end of 2023, the Chicago Skyway integration was complete – a notable achievement within 12 months of closing the acquisition. As part of the transition plan for the business, we have initiated the change to a proactive, whole-of-life approach to asset management. It will improve safety, use early detection and intervention to better manage assets, minimise risk and reduce overall capital expenditure. We also worked to optimise the capital structure of the business, through the refinancing of maturing debt, along with a regearing to release capital. Our operational review focused on championing expertise, efficiency and automation to optimise performance.

Importantly, during the year, we also successfully aligned the business with Atlas Arteria's approach to safety, sustainability, and emissions reporting.

Dulles Greenway

Traffic has continued to gradually improve at the Dulles Greenway, with higher weekday traffic showing promising signs of people continuing to return to office-based work. Despite traffic being lower than in 2019, I am pleased to report that in 2023, traffic, toll revenue and EBITDA outperformed 2022 (at 6.4%, 8.5% and 6.3% respectively). Fundamentals for the region also remain positive, with high population growth and robust household earnings.

We remain steadfastly committed to achieving legislative change to facilitate the implementation of distance-based tolling at the Greenway. We will continue to engage with the Virginian Administration and legislators on the opportunity, as a move to distance-based tolling is in the best interests of our customers and would put the business on a more sustainable financial path.

While our preference is for the implementation of distance-based tolling – which is mutually beneficial for our customers and our business – we will continue to also pursue toll increases under the existing framework until this can be achieved. As such, our rate case application was submitted in July 2023.

Organisational review

Since internalisation in 2019, Atlas Arteria has undergone significant growth and transformation, with the increased ownership and governance rights at APRR and the acquisition of Chicago Skyway. In 2023, the Board and Management conducted a review of our operating model with improvements made to position the business for long-term success.

A new operating model, launched in November, focuses on delivering on a well-defined strategic plan and operational objectives which includes the addition of a North American Group Executive, for which the recruitment process is underway. This new way of working marks a crucial milestone in the business's maturation, delivery of strategy and succession planning.

Looking forward

The outlook for Atlas Arteria is bright. We are positively leveraged to inflation and have benefitted strongly from considerable toll increases for 2023 and 2024 at APRR, Chicago Skyway and Warnow Tunnel.

We have good momentum and a clear focus for 2024. We remain focused on further improving each of our businesses and enhancing value across the board. Our immediate priorities are listed below.

- Mitigating the impacts of the new French tax, while pursing all appropriate means and avenues to assert APRR's rights to ensure that the concession contracts are respected.
- Continuing to engage with the French government on the future of the toll road concession model in France.
- Achieving a positive legislative outcome to enable distance-based tolling at Dulles Greenway.
- Pursuing our requested rate case outcome for Dulles Greenway.
- Further strengthening our North American team including the addition of a Group Executive.

I am proud of the strong progress we have made this year. Of course, none of it would be possible without our talented and capable team, and I thank each and every one of them for their passion and dedication. As we all work together every day, connecting people and keeping economies moving, we are connected by a shared purpose to generate long-term value for our securityholders.

Thank you to our securityholders and customers for your continued support.

Graeme Bevans
CEO and Managing Director
Atlas Arteria

EXECUTIVE TEAM

Graeme Bevans

CEO and Managing Director

Graeme has more than 25 years' experience in the global infrastructure sector, where he has completed the acquisition, development and management of 17 infrastructure businesses with a total enterprise value of over $40 billion.

Prior to joining Atlas Arteria, Graeme was Founder and CEO of Annuity Infrastructure in the UK. He has also held senior roles globally, including as Head of Infrastructure at CPPIB in Canada, Partner at Alinda Capital Partners in the USA, and Head of Infrastructure Investment at IFM Investors in Australia.

Graeme has overseen very complex joint venture arrangements in global infrastructure both in Australia and abroad, particularly in Europe and the Americas. He has served as an active Director of 10 of those investee companies in Europe, Australia, North America and South America.

David Collins

Chief Financial Officer

David has over 20 years' experience in finance and commercial roles covering businesses in Australia, New Zealand, the UK, Germany and the Middle East.

Prior to joining Atlas Arteria, David was the Chief Financial Officer at Chorus, a role that he held since 2018. Prior to Chorus, David held a number of senior finance roles with Aurizon and Brookfield Asset Management.

David has an undergraduate degree in Commerce from the University of Melbourne and an MBA from the University of Wollongong. He is also a qualified Chartered Accountant.

Vincent Portal-Barrault

Chief Operating Officer

Vincent has spent most of his career in infrastructure asset management, investment and M&A advisory, having worked across all major infrastructure sub-sectors including roads, airports, ports, power and utilities and telecommunications.

He spent 12 years working with the Macquarie Group, most recently in the Infrastructure and Real Assets team based in France where he has been actively involved in the management of several portfolio companies, including APRR.

Vincent has deep experience and a proven track record in the origination of infrastructure investments, and the successful operational monitoring and improvement of infrastructure businesses. He also brings strong knowledge of the APRR business.

Clayton McCormack

General Counsel and Company Secretary

Clayton has more than 20 years' experience at leading law firms and in legal and company secretarial leadership positions at ASX100 companies.

Clayton is an experienced legal governance and risk advisor to complex multinational businesses, with deep expertise in cross-border M&A, capital markets, directors' duties and legal risk management.

Clayton has undergraduate degrees in Law and Commerce (University of Western Australia) and postgraduate qualifications in Professional Ethics (University of Melbourne) and Applied Finance and Investment (Securities Institute of Australia).

Catherine Brain

Group Executive, People and Culture

Catherine is a respected executive with more than 20 years' experience working across industry sectors in senior roles dedicated to people, culture and transformation. She brings extensive experience leading strategic change programs and people strategies for ASX100 companies.

Catherine has undergraduate degrees in Arts and Public Policy from the University of Melbourne and an MBA from Melbourne Business School.

BUSINESS LEADERS

Guillaume Hérent

CEO of APRR and AREA and Chairman of ADELAC and ALIAE (A79)

Guillaume was appointed CEO of APRR and AREA in July 2022, where he also took on the role of Chairman of ADELAC. He was appointed Chairman of ALIAE (A79) in November 2022.

Guillaume joined APRR in 1999, where he has held various senior operational positions including Head of District, Deputy Regional Director and Head of Client Relationship and Tolling for AREA. In 2013, he became Regional Director for APRR, and in 2015 Deputy COO of AREA. In 2016, he assumed leadership of the AREA network and Client Relationship for APRR. He was appointed Deputy CEO in August 2019, having led the Group's operations since July 2018.

Guillaume has a degree in Engineering from Ecole des Mines de Douai.

Kristi Lafleur

CEO of Skyway Concession Company LLC (SCC)

Kristi became CEO of SCC in January 2021, where she also serves on the Board of Directors.

Kristi has over 20 years' experience in the toll road and transportation sectors. Prior to joining SCC, Kristi served as a Senior Vice President of HNTB Corporation as well as Executive Director of the Illinois State Toll Highway Authority, overseeing one of the largest toll road systems in North America. Kristi has served on various mayoral and gubernatorial transition committees and is active with civic and community groups. She has also served on the boards of the International Bridge, Tunnel and Turnpike Association and the E-Z Pass Group.

Kristi received a degree from DePaul University in Chicago, Illinois.

Renée N. Hamilton

CEO of Toll Road Investors Partnership (TRIP II)

Renée was appointed CEO of TRIP II in July 2020, covering the Dulles Greenway business.

Renée has over 35 years' experience in senior roles in the transportation sector. Prior to her role at TRIP II, Renée worked at the Virginia Department of Transportation for over three decades, the last seven years of which she served as the Northern Virginia Deputy District Administrator. During her tenure, she led the transportation team that was pivotal to bringing Amazon's new headquarters to Northern Virginia and was the executive manager for the Transform I-66 projects.

Renée studied Civil Engineering at South Carolina State University and holds a Master's in Civil Engineering Management from Old Dominion University.

Yvonne Osterkamp

Co-Managing Director of Warnow Tunnel

Yvonne was appointed Co-Managing Director of Warnow Tunnel in December 2014, where she co-leads the business with Torsten Raths. She started at Warnow Tunnel in April 2000 as an assistant to the Managing Director, before taking on the role of Human Resources and Accounting Manager in 2003.

Yvonne is a respected executive with more than 25 years' experience working across industry sectors in finance and commercial roles. Prior to joining Warnow Tunnel, Yvonne worked as a foreign trade economist in Berlin and as a manager for an import-export business in Rostock.

Yvonne has a Master of Commerce degree from the University of Berlin.

Torsten Raths

Co-Managing Director of Warnow Tunnel

Torsten was appointed Co-Managing Director of Warnow Tunnel in April 2022, where he co-leads the business with Yvonne Osterkamp. He returned to Warnow Tunnel in the position of Head of Operations in February 2021.

Torsten has over 35 years' experience in technical and commercial roles covering businesses across Europe, including in the shipping industry. Torsten was a Construction and Technical Manager at Bouygues Construction, which designed and constructed the Warnow Tunnel. After construction, he joined the Warnow Tunnel team as Operational Manager. Between 2009 and 2020, Torsten worked as a manager in technical building services and facility management in the private sector, before returning to Warnow Tunnel in 2021.

Torsten has a degree in Mechanical Engineering from the University of Rostock.

HISTORY OF ATLAS ARTERIA

Atlas Arteria (ALX), previously known as Macquarie Atlas Roads (MQA), was created out of the reorganisation of Macquarie Infrastructure Group into two separate ASX listed toll road groups in 2010.

Since separation from Macquarie, Atlas Arteria has demonstrated its capability to deliver growth and create value for securityholders.

2010

JANUARY Macquarie Atlas Roads (ASX:MQA) commences trading on the ASX.

2017

MARCH Macquarie Atlas Roads (ASX:MQA) admitted entry to the S&P/ASX 100 Index.

MAY Completion of the acquisition of the remaining 50% estimated economic interest in Dulles Greenway, increasing Atlas Arteria's economic interest to 100%[1].

SEPTEMBER Announced the acquisition of an additional 4.86% interest in APRR, increasing ownership to 25%.

NOVEMBER Announcement that Macquarie Atlas Roads would internalise.

2018

APRIL Agreement reached with Macquarie Bank for the internalisation of management for Macquarie Atlas Roads.

MAY AGM held to approve internalisation of management for Macquarie Atlas Roads. Name changed from Macquarie Atlas Roads to Atlas Arteria (ASX:ALX).

SEPTEMBER Completion of the acquisition of the remaining 30% equity interest in Warnow Tunnel, increasing Atlas Arteria's interest to 100%.

NOVEMBER APRR and AREA awarded a €187m capital investment plan (the 2018 Motorway Investment Plan) by the French Government, compensated through supplemental toll increases.

2019

JUNE Eiffage and APRR consortium selected as preferred bidder for the A79 (also known as RCEA) project.

NOVEMBER Announced the APRR transaction to increase Atlas Arteria's ownership of APRR and ADELAC by 6.14% to 31.14% and 31.17% respectively, secure governance rights in respect of its total indirect interest in APRR and ADELAC and terminate all remaining management agreements with the Macquarie Group. An equity raising for $1.35bn was undertaken to fund the transaction.

1. Economic interest held through ~86.6% subordinated loans secured against the equity held by other limited partners. Remaining 13.4% interest held through equity.

2020

MARCH APRR took over the operations of the A79 in preparation for the construction of the A79 project.

JUNE/JULY Completed an equity raising for $495m. Proceeds from the equity raising, together with the cancelled H2 2019 dividend, were applied to the repayment of the €350m corporate debt facility, strengthening the Atlas Arteria balance sheet to support future growth.

SEPTEMBER Opened up the US market as a future source of institutional capital with completion of a Security Sale Facility, which removed all US based retail investors from the Atlas Arteria security register.

2021

MARCH Completion of the Warnow Tunnel capital restructure diversifying Atlas Arteria's sources of cash flow.

2022

JUNE APRR network expanded with ownership of A79 finalised.

SEPTEMBER Acquisition of a 66.67% majority interest in Chicago Skyway announced, doubling Atlas Arteria's weighted average concession life, and providing for long-term sustainable distributions. An equity raising for $3.1bn was undertaken to fund the transaction.

NOVEMBER Tolling commenced on the A79 in France.

2023

JANUARY APRR and AREA awarded a €410m capital investment plan (Investment Plan) by the French Government, compensated through a number of measures including supplemental toll increases.

OCTOBER Optimised capital structure at Chicago Skyway through refinancing of maturing debt along with a regearing to enable capital releases.

DECEMBER Chicago Skyway transition plan complete:

- Advanced the transition to whole-of-life asset management
- Concluded the operational review, championing inhouse expertise and modernisation
- Aligned with Atlas Arteria's safety standards and process for emissions reporting
- Chicago Skyway outperformed business acquisition case.

2024

FEBRUARY Eiffage and APRR consortium appointed for exclusive negotiations for the A412 motorway.

CORPORATE
APRR
CHICAGO SKYWAY
WARNOW TUNNEL
DULLES GREENWAY

BUSINESS STRATEGY

Delivering long-term value for securityholders

Acquiring Chicago Skyway in 2022 achieved several of our key strategic objectives, reshaping the business to put us on a stronger footing to deliver long-term sustainable distributions to securityholders. The Skyway increases and diversifies our cash flows and more than doubles the weighted average concession life of the business from 18 years to 37 years. Having completed this transformational acquisition, we are now looking to focus on three key areas to drive future value for securityholders.

Business optimisation

We plan to drive value by optimising the way we work across operations, maintenance, toll management, revenue recovery and innovation. We aim to enhance efficiency and reduce costs while maintaining our overarching commitments to the highest safety standards, making a positive impact on the community and reducing our environmental footprint and delivering superior service to our customers.

Associated growth opportunities

We have a robust pipeline of growth opportunities that are directly related to, or in proximity to, our existing businesses. We plan to pursue these value accretive opportunities as a priority, making the most of the competitive advantages we hold in the form of our existing operations and highly experienced team.

Other than in the context of these opportunities, acquisitions are not being considered. We will provide appropriate notice to securityholders if this position were to change.

Capital management

We will target an optimal capital structure at each of our businesses backed by investment grade credit ratings. We will seize market opportunities to lower our cost of debt, regear our businesses, or repay debt to achieve and maintain an optimal capital structure for each business over time. We will also explore capital management options such as share buybacks and special dividends to maximise value for securityholders.

STAKEHOLDER ENGAGEMENT

At Atlas Arteria, we value creating meaningful connections with our stakeholders and build relationships based on trust and respect. We engage in open and transparent dialogue with our stakeholder groups, listening to their unique needs. This ensures we can be responsive to what matters to them. It allows us to best understand stakeholder expectations and concerns, enabling us to engage in a way that demonstrates the value of our stakeholders' contributions, while strengthening our own business.

Stakeholder group	What matters most	How we create value
Customers	Safe, fast, reliable, convenient, comfortable and affordable travel options 24/7; giving more time to focus on the things in life that matter most.	– Providing safe, well-maintained roadways that offer reliable, fast and cost-effective travel options, connecting people and keeping economies moving. – Making travel easier with real-time information across multiple touchpoints, allowing customers to plan their trip. – Enhancing the travel experience with services such as rest areas, carpool carparks and high-occupancy vehicle lanes, electric vehicle charging stations, automated technology and driver safety educational campaigns.
Communities	Responsible business practices and a commitment to positive impacts on local communities, the economy and the environment.	– Consistent and transparent engagement to understand and respond to community needs. – Connecting people with employment, via job creation and the use of our motorways. – Supporting community services and local community groups, by way of donations, educational opportunities and free use of our motorways for fundraising events and critical community services. – Minimising our environmental impact and carbon footprint and protecting our local flora and fauna.
Employees	A safe and inclusive work environment that prioritises safety and wellbeing. Meaningful employment and competitive remuneration, benefits and working conditions. A sustainable and values-driven employer that cares.	– A safety-first, inclusive culture, in which our STEER values guide us. – Actively listening to, and acting on, formal and informal employee feedback. – Honest, open and regular two-way communication via various channels. – Opportunities for connection with one another via offsites, events and celebrations of success. – Formal development opportunities and wellbeing support programs, so people can be at their best. – Attractive remuneration, rewards and benefits. – Flexible working conditions, supporting people to find the right balance.
Securityholders	Solid financial performance and management. Good returns on their investment. Sustainable and ethical business practices.	– Transparent, open and timely communication and financial disclosures. – Listening and responding to feedback. – A well-articulated business strategy focused on Business Optimisation, Capital Management and Associated Growth Opportunities. – Healthy distributions and balance sheet. – Strong governance and risk management procedures. – Delivery against our Sustainability Priorities.
Co-investors	A mutually beneficial partnership, grounded in respect for one another's complementary skills, a spirit of collaboration, transparency and an aligned vision of success.	– Providing expert operating and technical capabilities. – Consistently collaborating and contributing ideas, insights and learnings for ongoing prioritisation of safety, commitment to sustainability, business optimisation and shared success. – Promoting the shared businesses' short and long-term interests. – Transparent, timely and regular communication and meetings.
Governments and regulatory authorities	Operating ethically, responsibly and transparently. Aligning with broader societal interests and positively contributing to the economy.	– Strong, constructive relationships with governments, local authorities and regulatory bodies, focusing on providing solutions to support government needs. – Exceptional ongoing management of motorway infrastructure and strong focus on ensuring the safety of customers and employees. – Helping governments to develop and deploy public policy outcomes that benefit society. – Strong community engagement and a commitment to sustainability.
Partners and suppliers	Fair and transparent business practices, including ethical behaviour and integrity. A collaborative and mutually successful partnership.	– Building long-term, mutually beneficial relationships with partners and suppliers based on respect and transparency. – Promoting responsibility and upholding important supply chain standards by embedding compliance through our Supplier Code of Conduct. – Offering on-the-ground training and shared learnings. – Fair and timely payments.

APRR AND ADELAC

APRR is a 2,424 kilometre motorway network located in the south-east of France, including ADELAC's 20 kilometres. It is the second-largest motorway network in France and the fourth largest in Europe.

Atlas Arteria interest

31.14%	**31.17%**
in APRR Group	in ADELAC

CONCESSION TERM
APRR: 2035
AREA: 2036
ADELAC: 2060
A79: 2068

APRR (including AREA & A79)
Traffic: up 3.9% on pcp
Toll revenue: up 7.0% on pcp
EBITDA: up 7.5% on pcp

ADELAC
Traffic: up 5.0% on pcp
Toll revenue: up 11.5% on pcp
EBITDA: up 15.8% on pcp

France

CONNECTING COMMUNITIES

APRR consists of four separate concessions: APRR, the A79 and AREA, referred to together as the APRR Group, and the ADELAC Concession. Together, these represent a vital motorway network that is part of multiple transportation corridors for major Western European and intra-France trade and tourism. It provides essential connectivity between Paris and Lyon, France's two largest metropolitan areas.

Year in review

The business delivered another year of strong results, driven by record traffic performance and the positive revenue impact of inflation-linked tolls, which increased in February 2023 on the APRR and AREA motorway networks by 4.68% and 4.69% respectively. This continued high demand for the network, coupled with the impact of decade-high inflation levels in France on tolls, resulted in an 7.5% increase in EBITDA on 2022. Toll increases for 2024 were implemented at APRR and AREA on 1 February 2024 of 3.08% and 3.12% respectively.

APRR continued to invest in the network, improving safety and the customer experience, with around €330 million spent on capital projects during the year, including those agreed with the French Government under its fourth Investment Plan signed in January 2023.

In February 2024, APRR and Eiffage were appointed for exclusive negotiations for the A412 Thonon-Machilly project, laying the foundations for future expansion of the network. The project has a long concession of 55 years which will commence once the concession is signed. The project, if transferred to APRR, would further extend Atlas Arteria's weighted average concession life, creating additional securityholder value.

Traffic

APRR Group traffic performance reached record levels, outperforming 2022 by 3.9%. Traffic performance was driven by low unemployment levels in France, the addition of the A79 concession and the integration of the 17.5km stretch of the existing A6 North roadway.

Light vehicle traffic was robust, achieving incremental growth each quarter versus the prior corresponding period. This was largely a result of leisure and holiday traffic, along with high employment levels in France which positively impacted household earnings, leading to higher demand for the network. Heavy vehicle traffic growth was marginal, being closely correlated with Spanish and French trade with the rest of Europe which was constrained by the relatively flat performance of the European economies and reduced agricultural production associated with the summer drought in Western Europe.

These overall record traffic results were achieved despite higher retail fuel prices in France and union action and strikes at refineries during the first quarter. This was against a backdrop of pension reform strikes which saw reduced capacity on the French rail network. There were also several disruptive weather events in August, including a record heatwave and a landslide in the Maurienne Valley, which resulted in the temporary closure of a stretch of the A43, an SFTRF concession, near the Italian border and adjacent to our AREA network.

Investing for improved customer outcomes and value creation

Under the €410m Investment Plan signed in 2023, APRR and AREA committed to a series of capital projects to invest in the network and assist the French Government with delivering on its ambitious environmental agenda. These include projects to improve safety and traffic flow and the provision of additional carpool facilities across the network. As part of the agreement, the government has approved supplemental toll increases, up to 2026, along with other compensatory measures.

As such, APRR's investment in the network continued during the year, with around €330 million spent on capital projects. The majority of spend was on road improvements, as well as the c.€14 million A6 Chalon Nord on/off ramp upgrade, which commenced construction in March 2023. The upgrade is expected to be completed in the second half of 2024 and will improve traffic flow and safety by reducing truck traffic on local roads. The A43-A41 Chambery junction was the largest capital project completed during the year. This €95 million capital project improves traffic flow and safety.

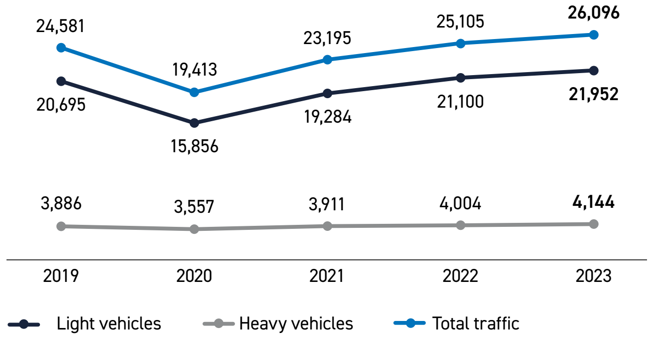
The Eiffage and APRR consortium were appointed for exclusive negotiations for a new concession for the A412 Thonon-Machilly project. The A412 is a new 16.5km motorway from Thonon-les-Bains to Machilly to the south of Lake Geneva that is expected to reduce congestion and travel times. The project will consist of a two-lane dual carriageway with free-flow tolling. Construction is expected to commence after all necessary permits have been obtained.

Investing for a more sustainable future

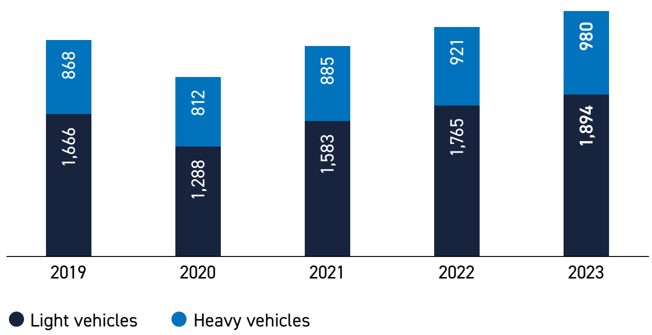
The business remains committed to improving outcomes for a more sustainable future. This means empowering motorists to reduce their carbon footprint, which includes providing them with more options to power their electric vehicles over long distances. APRR and AREA's charging deployment plan achieved its 2022 target to have 100% of service areas equipped with charging stations. Throughout 2023, the offer has been further reinforced with the network now offering 794 charging points.

Electric vehicle usage and charging stations have also increased for the APRR Group's internal fleet during the year. This takes the total number of charging stations for internal operations to 190 and the total number of electric light vehicles to 332, equating to 31% (2022: 23%) of APRR's light vehicle fleet. The aim is to electrify 75% of APRR's light vehicle fleet by 2025.

APRR Group traffic (VKTm)*



APRR Group toll revenue (€m)



*APRR Group includes APRR, AREA and A79 concessions. The A79 concession began tolling on 4 November 2022. APRR traffic from 1 February 2023 includes A6 North traffic. This relates to the integration of the 17.5km stretch of the existing A6 as part of the Investment Plan announced in February 2023.

Carpooling is another way motorists can proactively minimise their carbon footprint. In 2023, a further 14 carpooling carparks were built, encouraging motorists to park their vehicles in a safe and secure location and then travel to their destination in a carpool arrangement. The total number of carpooling carparks available on the network now sits at 128.

Renewable energy plays a critical role in the transition to a cleaner energy future. APRR met its target to transition to 100% renewable electricity by 2023. In addition, a total of five solar projects are in operation on the network. One additional project (Varennes-Changy) was commissioned and 18 additional solar projects are currently under analysis.

As part of its commitment to protecting wildlife on its network, APRR has completed its construction of wildlife crossings. The crossings are 25-metre wide, vegetated, tree-lined eco-bridges, offering safe passage for fauna. Five crossings were constructed during the year, which saw APRR meet its target to complete 19 crossings by the end of 2023.

The business's initiatives in the environmental, social and governance space were recognised again with a Global Real Estate Sustainability Benchmark (GRESB) score of 92.

Significant balance sheet capacity to support growth

The APRR Group remains in a strong financial position to fund planned and future capital expenditure projects on the network. It has €3.4 billion of liquidity comprising a €2.0 billion undrawn revolving credit facility and €1.4 billion cash at the end of December 2023.

Additionally, market support for APRR remains strong. In May 2023, APRR successfully priced €700 million of bonds under its Euro Medium Term Note Programme, providing additional liquidity and extending its weighted average debt maturity.

The APRR Group is rated 'A' by Fitch Ratings and 'A-' by S&P and its ratings outlook is 'Stable'.

Transport tax

In December 2023, the French Government's 2024 Budget Bill was approved, which includes a new tax on companies operating long-distance transport infrastructure. The tax, effective from 1 January 2024, applies to companies with annual revenues above €120 million and historical profit margins above 10%. The new tax will represent 4.6% of revenues exceeding €120 million per legal entity and is expected to apply to both APRR and AREA based on historical earnings. APRR, along with its shareholders, will continue to use all appropriate means and avenues to assert APRR's legal and contractual rights to ensure that the concession contracts are respected and its rights are protected.

Concession review process

The future of the toll road concession system in France is a key consideration for the current government. The SANEF concession will be first to expire in 2031, well ahead of the APRR and AREA in November 2035 and September 2036 respectively. The APRR Group remains proactively engaged in the government's concession review process.

Case Study

A French first in decarbonising the transport sector

Heavy vehicles currently account for around 27% of transport-related CO_2 emissions, despite only representing 1.3% of vehicles in France. That's why APRR is partnering with ENGIE, a leader in the energy transition, to install five high-power (400-500 kW per terminal) electric vehicle charging stations for heavy vehicles and long-distance coaches. This initiative is the first of its kind in France and is an important step towards decarbonising the French transport sector. All six of the charging stations will be deployed in 2024 along the A6, as part of the APRR Group's charging point deployment plan.

WARNOW TUNNEL

The Warnow Tunnel is a 2.1 kilometre toll road, including a 0.8 kilometre tunnel under the Warnow River. It offers customers a reliable, cost-effective way to travel across the river.

Atlas Arteria interest

100%

CONCESSION EXPIRY: 2053

Traffic: up 3.1% on pcp

Toll revenue: up 9.9% on pcp

EBITDA: 9.5% on pcp

Rostock, Germany

CONNECTING COMMUNITIES

The Warnow Tunnel is located in Rostock in north-eastern Germany. The Port of Rostock is the fourth-largest port in Germany. The Warnow Tunnel offers an alternative to travelling along 19 kilometres of untolled roads through the city centre of Rostock. This alternate route often suffers from congestion during peak periods.

Year in review

Warnow Tunnel had a strong year, driven by average toll increases of 6.4% implemented in November 2022 and robust traffic performance. During the year, traffic was positively impacted by roadworks on the competing route along Am Strande, which increased travel time savings for commuters using the Warnow Tunnel. This, combined with the positive impact of inflationary tailwinds on tolls, resulted in an EBITDA increase of 9.5% versus 2022. Additional toll increases were introduced at Warnow Tunnel in November 2023 of 8.38%.

Warnow Tunnel celebrated its 20th anniversary in September 2023 and continued to implement a range of initiatives to improve safety and the customer experience.

Traffic

Traffic at Warnow Tunnel increased by 3.1% compared to 2022. Traffic performance was predominantly driven by roadworks on the competing route along Am Strande, which increased time savings for commuters using the Warnow Tunnel. In addition, traffic levels in 2022 were negatively impacted by COVID-19 restrictions associated with the Omicron variant and the introduction of the German Government's temporary public transport card during summer.

As an attractive Hanseatic city, which needs to improve its infrastructure to keep up with the existing and upcoming demands of its citizens, restorative roadworks and upgrades in Rostock are a frequent part of commuter life. Roadworks around Rostock have historically positively impacted Warnow traffic, as they typically lead to higher congestion and travel times on competing routes. Customers value the reliable and predictable travel times offered by the Warnow Tunnel.

Investing in safety and the customer experience

In January 2023, Warnow Tunnel conducted a pilot safety program with local police and traffic authorities to address safety risks associated with wrong-way drivers. A short section of the central barrier at the toll plaza was opened, creating a 'loophole' to allow drivers to safely cross onto the correct side of the road. The pilot was successful, and the loophole has remained on the western side of the toll plaza, improving safety conditions with no wrong-way drivers through the tunnel since the opening of the loophole. Additionally, new road markings were also added on the approach to the tunnel and LED lane signage in all 11 lanes was upgraded during the year. New signage marking the last exit points was also added on both sides of the tunnel.

The transition to 100% LED lighting outside the tunnel was completed in August 2023. The brighter lighting allows drivers to safely adapt to lighting conditions when entering the tunnel, which results in less braking and reduced accident risks.

All lanes are now equipped with credit card terminals (excluding lane 6, which is bidirectional). This has improved the customer experience, particular for non-German customers, who typically use credit cards for payment. It also improves safety by reducing the need for customers to change lanes at the last minute.

The rollout of advanced cameras for licence plate recognition continued during the first half. All lanes (excluding lane 6) are now equipped with the Optical Character Recognition (OCR) cameras, providing an additional method of identification to improve the correct reading rate of Radio Frequency Identification (RFID) strips.

Customers also continued to download the Warnow Tunnel app, which provides the convenience of an alternative option for account changes, top-ups and for access to trip reports and traffic information.

Tunnel maintenance and certification

In recognition of its best practice approach to health and safety, Warnow Tunnel is certified to ISO 45001 for health and safety and ISO 9001 for quality management system. In addition, the standardised use of safety reporting software – Asset Vision – which was introduced across Atlas Arteria's businesses in 2022, has helped improve performance monitoring at Warnow Tunnel.

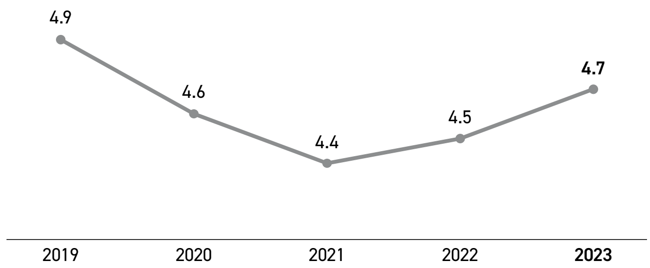
Annual routine tunnel maintenance confirmed that all safety components and systems are functioning well, and all technical equipment is in good condition. In October 2023, tunnel jet fans in the south tube were upgraded.

Giving back to the community

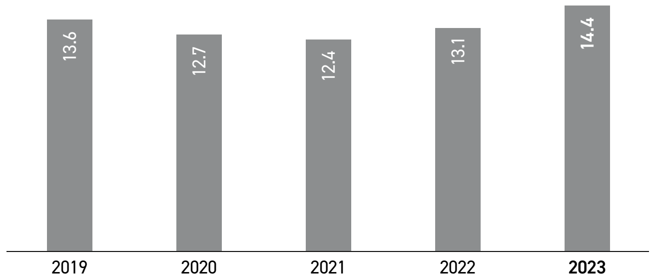
For the 21st time, the Hella Rostock marathon took place and Warnow Tunnel took centre stage as part of the running course, with the toll plaza used as the starting line of the half marathon. The marathon was held in August 2023 with a total of 1,913 marathon runners getting to view the tunnel from a different perspective.

Warnow Tunnel continued to build strong links with Rostock Zoo during the year. As a long-term animal sponsor of the otters at Rostock Zoo, the Warnow Tunnel was invited to celebrate World Otter Day on 31 May 2023. The celebrations included animal feeding activities and were attended by Warnow Tunnel mascot, Oskar the otter. Cooperation and the protection of wildlife were key themes of the day.

Traffic (trips m)



Toll revenue (€m)



Case Study

Twenty years of operation for Warnow Tunnel

Warnow Tunnel celebrated its 20th anniversary on 16 September 2023. This milestone was commemorated with a birthday party the whole community could participate in. The festivities included live music, sports, a raffle and guided tours of the site. Safety was a key theme of the day. There were a range of educational activities on offer, including a driving simulator that gave drivers first-hand experience of the dangers of slower driving reaction times caused by drugs and alcohol.

The Chicago Skyway is a 12.5 kilometre elevated toll road providing congestion relief in an essential transportation corridor between Chicago, Illinois and Northwest Indiana.

CHICAGO SKYWAY

Atlas Arteria interest

66.67%

CONCESSION EXPIRY: 2104

Traffic: down 7.2% on pcp

Toll revenue: up 2.7% on pcp

EBITDA: up 0.8% on pcp

Chicago, USA

CONNECTING COMMUNITIES

Chicago Skyway is a 12.5 kilometre elevated toll road that provides congestion relief in the third-largest metropolitan area of the United States. It serves as a key infrastructure hub in the Midwest in one of the region's densest urban areas and is the most direct route between Northwest Indiana and Chicago. The road offers customers reliable and substantial time savings of up to 30 minutes and distance savings of around nine kilometres.

Year in review

Chicago Skyway delivered a solid result in its first full year under Atlas Arteria's majority ownership and governance. Toll revenue increased 2.7%, driven by toll increases implemented in January 2023 of 10.9% on average for heavy vehicles and 11.9% for light vehicles, combined with better than expected traffic. Traffic fell by 7.2% compared to 2022 but was above the acquisition business case, which allowed for the negative impact of the planned Indiana Toll Road (ITR) roadworks. This resulted in an EBITDA increase of 0.8% versus 2022.

Further toll increases were introduced at Chicago Skyway in January 2024 of 10.0% for heavy vehicles on average and 9.1% for light vehicles. Each year, Chicago Skyway's tolls escalate at the greater of (i) US CPI growth, (ii) US nominal GDP per capita growth or (iii) 2.0%. The CPI and GDP indicators are based on a two year 'look back' mechanism, providing a high degree of predictability over future toll escalation. Moreover, being set at 'the higher of' the three indicators, the mechanism provides Atlas Arteria with downside protection during economic downturns and upside from periods of growth.

During 2023, Atlas Arteria championed a series of initiatives as part of its Chicago Skyway transition plan, with the asset management program, key refinancing activities and operational review all substantially complete by the end of the year. These changes are focused on delivering capital efficiency and long-term sustainable value, including lifecycle cost savings and enhancements to capability and asset quality.

Traffic

As expected, traffic at Chicago Skyway fell versus 2022 due to major roadworks on the ITR, which saw capacity reduced to one lane in each direction for six months of the year. Roadworks were also undertaken on the Chicago Skyway in Q3 to the north of the toll plaza, which were rescheduled to align with the ITR works downstream to minimise the total disruption to customers. In addition, traffic levels in the prior period were positively impacted by roadworks on the Frank Borman Expressway (I-94), which resulted in elevated traffic on the Skyway.

While traffic decreased 7.2%, it remained above Atlas Arteria's business acquisition case. This was primarily because the planned roadworks on the ITR were paused over the summer holiday period, one of the busiest traffic periods for the Skyway.

Transition plan complete

Since assuming majority ownership of the Skyway, Atlas Arteria – alongside its partner Ontario Teachers' – has championed a transition plan aimed at optimising the Skyway's capital structure and enhancing the business's internal capabilities. Under the plan, value-add work increases via new systems and automation and operations and maintenance are optimised as a result of in-depth reviews and improvement initiatives.

This comprised launching a new asset management program, which is allowing Chicago Skyway's management to transition to a proactive, whole-of-life approach to maintenance. This will enable the Skyway to better monitor and manage its assets, by detecting the required maintenance early and selecting the right intervention cycle to improve safety. This will minimise risk and reduce the overall capex requirements of the business over its life cycle. Maintenance planning will also be able to be scheduled to optimise traffic and revenue. As part of the program, a high-resolution 'digital twin' of the Skyway's main bridge is being created using drone footage. It was commissioned in late 2023 and will leverage artificial intelligence to identify and analyse any structural deterioration. This will allow the business to conduct virtual assessments, perform enhanced analysis, prioritise maintenance work, and help optimise maintenance requirements across structures. Once operational it will enable the scheduling of repairs on the Calumet River Bridge at lower overall lifecycle risk and cost.

Kristi Lafleur – CEO

"The Chicago Skyway is critical to the transportation network in Chicagoland. We are uniquely positioned to serve our customers – we have a simple goal, to deliver them safely to their destinations and add time back in their day."

Kara Lawrence – CFO

"The Chicago Skyway provides a transportation link which brings value to commercial customers, consumers and our surrounding communities. I look forward to continuing to find ways to bring value to these constituents."

Chad Elliott – COO

"The Chicago Skyway is an iconic asset with a rich history involving people across the entire region, and I want to ensure that both the community and our customers continue to see it as a vital link that adds value to their daily lives. I look forward to enhancing and managing our operations into the future."

Another key focus during the year was the refinancing of maturing debt at Chicago Skyway, along with a regearing to enable capital releases which will be used to smooth distributions in the short term. In October 2023, a note issuance for US$155 million was undertaken, enabling capital releases of around US$116 million from the business to Atlas Arteria. The new and existing notes were rated BBB (stable) by S&P. In addition, the US$160 million term facility and US$32 million capex facility were refinanced with a new three-year drawn term loan of US$180 million, an undrawn capex facility of US$66 million and an undrawn revolving credit facility of US$50 million. Consequently, total drawn debt at Chicago Skyway increased from US$1.39 billion to US$1.54 billion, representing US$149 million of incremental drawn debt. The successful refinancing showcases the strong partnership with Ontario Teachers', as well as continued support for the business from lenders and credit rating agencies.

During 2023, Atlas Arteria also undertook an operational review focused on championing expertise, efficiency and automation to optimise operations. As part of this workstream, the Skyway's Executive Team was further developed, with Kara Lawrence joining as Chief Financial Officer and Chad Elliot joining as Chief Operating Officer. Combined, they bring more than 45 years' experience in people leadership, corporate finance, and road operations and maintenance. Together with Kristi Lafleur's leadership as CEO, the Skyway is well positioned to continue building out capabilities within the wider teams and executing on its business optimisation initiatives. In addition, the tolling back-office system, which collects the data from the roadside cash, credit card and transponder transactions, and processes it so that tolls can be accurately and timely tracked and collected, is being upgraded in 2024. The new system will support enhanced security, functionality and automation.

Strong focus on safety and achieving our climate goals

Good progress was made in 2023 in aligning Chicago Skyway with Atlas Arteria's safety approach and emissions reporting process. We are pleased to report that the Skyway's greenhouse gas emissions, with regards to scope 1, 2 and 3, will be included in Atlas Arteria's 2023 emissions figures, and we have recalculated our 2019 baseline figures to include the Skyway.

We support a strong safety culture and in 2023, Chicago Skyway conducted over 772 hours of safety training to keep our employees and customers safe.

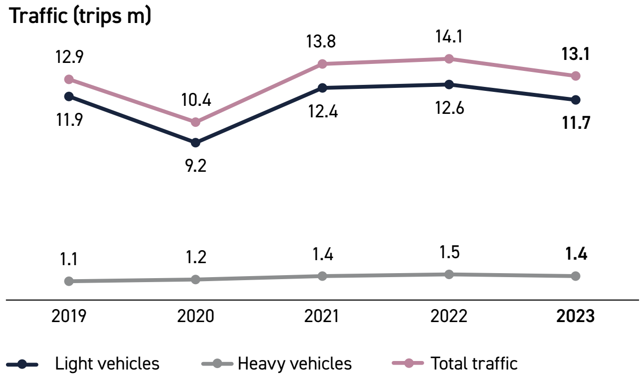
On the community front, over US$23,000 was spent in support of local schools, veterans' organisations and community events. The business also contributes regularly to local causes in Chicago and provides several impactful community grants.

Investing in Chicago Skyway

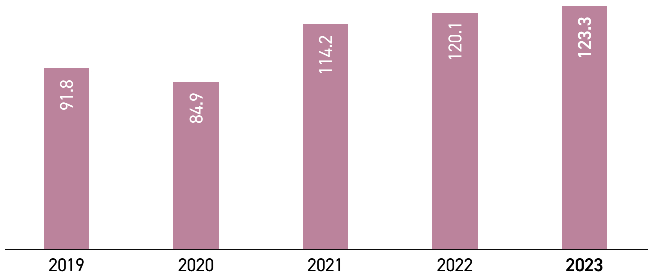
While no major rehabilitation work will be required until around 2050, there will be continued investment in maintenance including decks for viaducts and overpass bridges, pavement and joint repairs, steel rehabilitation and/or replacement and painting, along with other activities.

Total capital spend during 2023 was US$16 million, slightly below guidance. This included unspent carryovers from 2022 and investments in automation and modernisation as part of the transition plan that will not be recurring in the short term. It also included planned deck and structural rehabilitation work and other investments in technology.

Traffic (trips m)



Toll revenue (US$m)



DULLES GREENWAY

The Dulles Greenway is a 22 kilometre toll road in Northern Virginia in the USA. It offers customers a cost-effective way to travel between Northern Virginia and the greater Washington area.

Atlas Arteria interest

100%

CERTIFICATE OF AUTHORITY EXPIRY: 2056

Traffic: up **6.4%** on pcp

Toll revenue: up **8.5%** on pcp

EBITDA: **6.3%** on pcp

Situated in one of the fastest growing counties in the United States, the Dulles Greenway provides customers with a reliable and safe connection from Leesburg, Virginia to the west, through Loudoun County to Dulles International Airport and connector roads to Washington DC. For over 25 years, the Greenway has connected people to their jobs, communities, recreational venues and to their families. It provides a safe, reliable and faster transport option.

Year in review

Dulles Greenway continued to see a gradual traffic improvement post COVID-19, predominantly driven by higher weekday traffic reflecting the steady return to office-based work. While traffic remains below 2019 levels, traffic and toll revenue were both up by 6.4% and 8.5% respectively versus 2022, which translated to 6.3% increase in EBITDA. The business continues to proactively engage with the Virginian Administration to achieve positive outcomes for all stakeholders.

Pathway to implement distance-based tolling

Dulles Greenway continues to pursue a two-pronged strategy to unlock value and develop a more sustainable long-term pathway for the business.

In February important progress was made in the Virginia legislature. The Virginia House of Delegates passed a budget that included language authorising the Department of Transportation to negotiate and execute a new concession agreement with Dulles Greenway. The budget passed by the Virginia Senate did not include the same language related to the Dulles Greenway, which was just one of the many differences between the budgets passed by the House and Senate. The House and Senate are now working on a compromise budget which is anticipated to be voted on in early March.

Simultaneously, we continue to progress our rate case application for increased tolls at the Greenway. Submissions were taken by the Virginia State Corporation Commission from stakeholders as part of the determination process, and the hearings commenced on 28 February 2024 (USA). Based on past rate case decisions, we expect an outcome in H2 2024.

Traffic

Traffic at the Greenway continued to improve during 2023 with growth in traffic largely as a result of higher weekday traffic.

The key driver of traffic at the Greenway continues to be the gradual return to office-based work in Northern Virginia. Overall, return to office trends in the Washington DC area are broadly in line with the US average, showing gradual growth. Pre-COVID, traditional weekday commuters accounted for a large proportion of traffic on the Greenway.

Traffic during weekday off-peak also increased 4.3% versus the prior period, reflecting the value proposition of the Greenway, which offers reliable and predictable travel times for customers.

DULLES GREENWAY

Strong engagement with the local community

Dulles Greenway continued to foster strong community links through engagement with local stakeholders during the year. The third Run the Greenway event was held in May 2023 in Northern Virginia with around 2,000 people taking part; a significant increase versus 2022. Overall, the event was highly successful with around US$268,000 raised for local non-profit organisations, bringing the total raised over the three-year period to approximately US$644,000 – a fantastic achievement.

In 2023, the Dulles Greenway's Eagle Cam celebrated its second year of operation, with our volunteers logging over 5,310 hours on the project over the past two years. This reflects our commitment to protecting local wildlife and strengthening ties with the local community through engagement. During the spring, the camera captured the birth of three eaglets, which were named Pi, Pat and Flora through a public naming contest. The camera also captured the unfortunate collapse of the eagles' nest in June, which was situated in a 90-foot high pignut hickory tree. Importantly, the capture of the collapse by the camera allowed Dulles Greenway and Loudoun Wildlife to respond quickly, working successfully in partnership to re-build the nest prior to the eagles' return and to re-home the fallen eaglets.

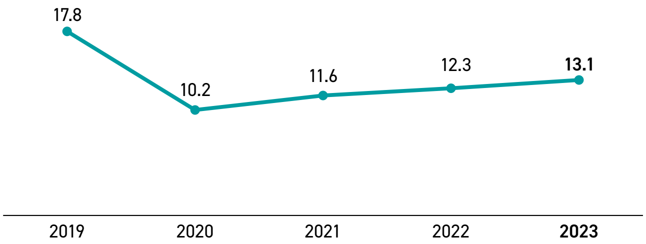
Financial stability

Dulles Greenway had US$204 million of cash available across restricted and unrestricted reserve accounts at 31 December 2023. These reserves include locked cash due to Dulles Greenway not passing its one and three-year lock-up tests.

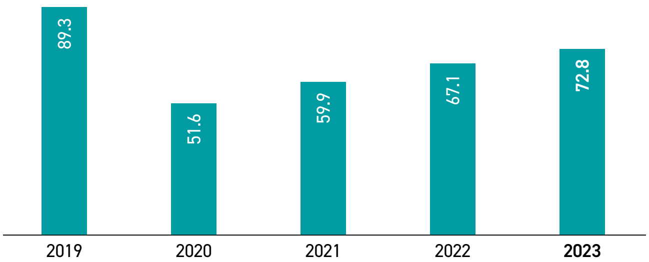
Adding future value

During 2024, the focus will remain on pursuing the two-pronged strategy at Dulles Greenway: the rate case application for increased tolls; and the preferred outcome of a change in legislation to implement distanced-based tolling and lower tolls for customers.

Traffic (trips m)



Toll revenue (US$m)



Case Study

Enhancing connections with customers and the community

Since 2020, Dulles Greenway CEO Renee Hamilton has led her team in prioritising an enhanced community engagement program that embodies a commitment to social responsibility and collaboration. Drawing on her 32-year career with the Virginia Department of Transportation, Renee manages an annual program fostering external partnerships and enhancing connections with customers and the community.

The cornerstone event launched in 2021, the inaugural "Run the Greenway" race, brought together thousands of runners and families, raising over US$600,000 over three years to support 60 local non-profits. These successful events and newly launched engagement activities have enabled the Dulles Greenway team to strengthen vital connections in the region and demonstrate a robust commitment to proactive community support.

SUSTAINABILITY

At Atlas Arteria we keep communities connected and economies moving. This is what we do every day. We take this responsibility seriously, but we also care deeply about how we do it. To us, success is defined by creating strong growth for securityholders and better outcomes for our customers, our communities and our people. That's why sustainability is integrated into our decision making at all levels across all our businesses. This approach strengthens our business and our communities; so we can leave a legacy that makes us proud.

Sustainability Priorities

Safety

Safety is our priority as we keep communities connected. We pursue a zero-harm culture. Nothing is more important than keeping our people and our customers safe.

Climate and environmental stewardship

We actively manage our environmental impacts to protect our natural resources. We empower our customers with solutions to minimise their own footprint, so we can all contribute to a low-carbon future.

Our people

We foster diverse and inclusive work environments. We cultivate a culture of connection, engagement and collaboration as we work together creating business success and better outcomes.

Customers and community

We provide positive customer experiences and create better outcomes for our communities. Our roads provide safer, faster transport options, providing vital connections for people to their loved ones, work and their communities.

Our Sustainability Targets

LTIFR <= 3
at large businesses[1]

LTI <= 1
at small businesses[1]

Maintain our
40/40/20
commitment to gender balance and evolve representation across and within specific teams

25%
reduction in scope 1 and 2 emissions by 2025, and

46%
by 2030 from a 2019 baseline

Progress against our Sustainability Targets in 2023

LTIFR = 3.36
at APRR

LTI = 1
at Chicago Skyway

LTI = 0
at Dulles Greenway, Warnow Tunnel and Corporate

Maintained
40%
gender balance at Atlas Arteria

On track
to achieve interim 2025 scope 1 and 2 emissions reduction target from a 2019 baseline, restated to include Chicago Skyway emissions

1. APRR is considered a large business and Warnow Tunnel, Chicago Skyway and Dulles Greenway small businesses.

SUSTAINABILITY HIGHLIGHTS 2023

Safety

New Safety Implementation Plan introduced at APRR

Climate and environmental stewardship

Total scope 1 and 2 emissions reduced through renewable electricity purchases and fleet electrification initiatives

Our people

98%

of our employees agree that they are proud to work for Atlas Arteria

Customers and community

Expansion of the successful APRR 'Panorama' art program, including a new season of the Panorama podcast

Community donations by Chicago Skyway, Dulles Greenway and Warnow Tunnel:

over

$135,000

Sustainability is embedded in our business practices, so we can generate positive long-term impacts as we work every day connecting communities responsibly.

Our Sustainability Framework helps guide and focus our approach to sustainability. Our Sustainability Priorities focus on the environmental, social and governance (ESG) topics that matter most to our stakeholders and our business. Our Sustainability Targets hold us to account for making consistent progress and keep us focused on success.

We are also driven by our values-led culture, living our STEER values of: Safety; Transparency; Engagement; Environmental and social responsibility; and Respect. When we are steered by these values, we're acting in the best interests of one another, our securityholders, our customers and our communities.

Working in this way, together, ensures we can create better outcomes and deliver against our Sustainability Priorities.

This section provides a summary of our achievements from 2023 across our four priority areas, including progress against our Sustainability Targets. More detailed information will be provided in the Sustainability Report, to be released in April 2024.

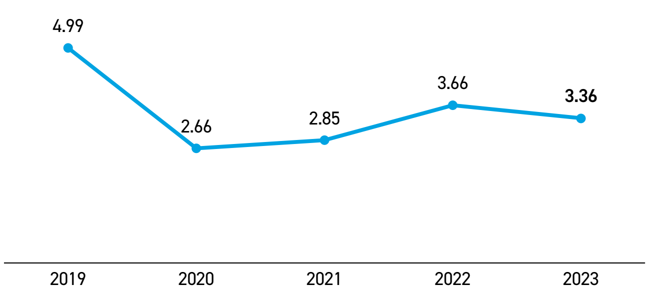
Safety

Safety is our top priority. We have a safety-first culture, empowering our people with the right equipment and the right training to do their job safely, and maintain safe roads across our networks. Nothing is more important than our people and customers returning home safely at the end of each day.

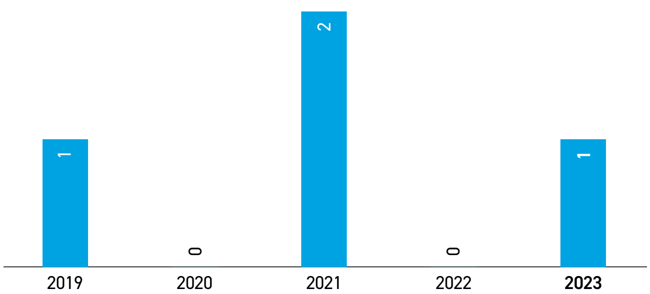
1 employee LTI	0 contractor LTIs across Corporate and all small businesses

We are pleased to report two consecutive years of no lost-time injuries at Dulles Greenway, Warnow Tunnel, or in the Corporate team. We continue to strive towards our target to keep LTIFR ≤ 3 at APRR, where the result was 3.36 in 2023. This year we have also been monitoring the safety performance of Chicago Skyway, where one LTI was recorded. This incident, was thoroughly investigated by the Skyway team and an action plan has been developed to help prevent a similar recurrence.

LTIFR (large businesses)[1]



Employee LTIs (small businesses)[1]



1. APRR is considered a large business and Warnow Tunnel, Chicago Skyway and Dulles Greenway small businesses. Chicago Skyway has been included from 2023 only.

We continued to strengthen our safety systems, undertaking regular safety audits across all businesses and implementing ongoing improvements. A priority during the year was rolling out our safety reporting software, Asset Vision, to the newly acquired Chicago Skyway business. Asset Vision continues to provide valuable safety performance monitoring for all incident types, including near-miss incidents. Insights to such incidents are invaluable, as they allow us to put steps in place to prevent future incidents occurring.

At APRR, they launched their new Safety Plan during the year. The plan is built on nine core areas and has been rolled out across the APRR business, setting behaviour expectations for all employees to help protect them and our customers.

An integral part of keeping our customers safe is empowering them with information so they can also reduce their own safety risks. All Atlas Arteria businesses delivered educational safety campaigns to customers throughout 2023. All our businesses provide digital targeted safety messaging to customers through websites or social media. APRR also provides an outreach campaign, visiting schools and community groups to educate communities on safe driving. At Warnow Tunnel, a new infrastructure project was completed to open a median break, enabling drivers to turn around if necessary without needing to reverse or drive against traffic in the tunnel. At Chicago Skyway, they ran a series of community reminders about safe driving, including campaigns targeted at both young and older drivers.

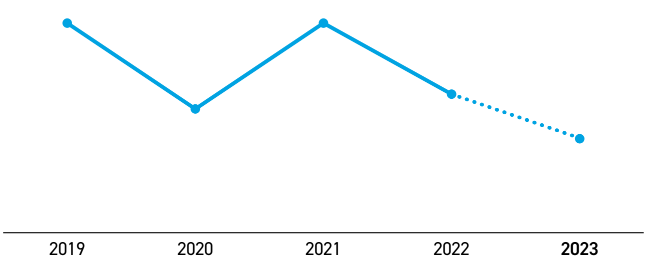
Maintaining the structural integrity of our infrastructure is an important component of keeping our customers safe. Chicago Skyway is partnering with an artificial intelligence (AI) drone company, Aren, utilising a combination of drone imaging and cutting-edge AI to monitor and maintain bridges through digital twin 3D modelling. This is revolutionising the way the Skyway team works to ensure bridges are optimally maintained and continue to provide customers with a safe and reliable connection to Chicago.

APRR

Climate

We are committed to operating responsibly to achieve our climate targets. We are actively working toward achieving our scope 1 and 2 greenhouse gas (GHG) emissions targets and are empowering our customers with solutions to help them reduce their own footprint. We are equipping our networks with the green technology needed to ensure our customers can move freely, while contributing to a greener future.

Scope 1 & 2 GHG emissions (tCO_2e)[1]

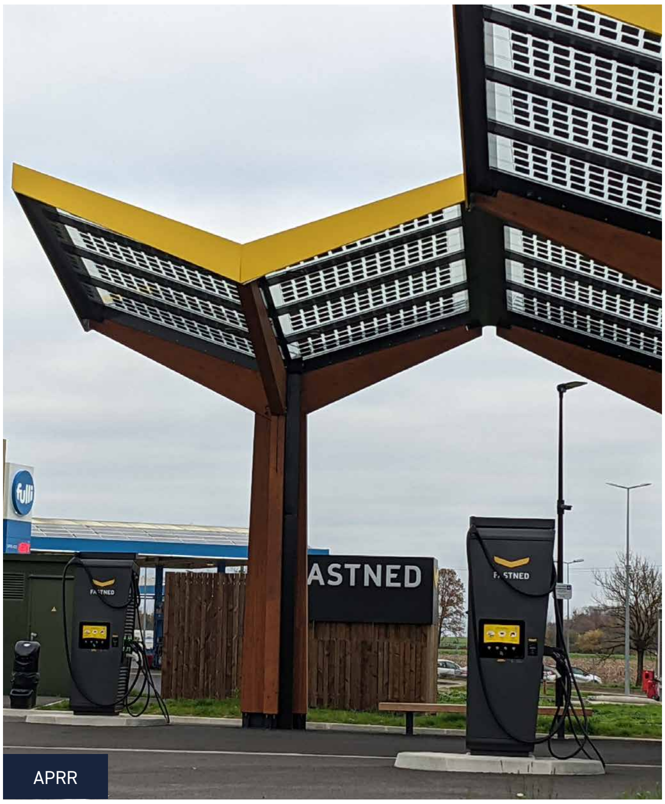


1. Indicative only. Details to be provided in the 2023 Sustainability Report to be published in April 2024.

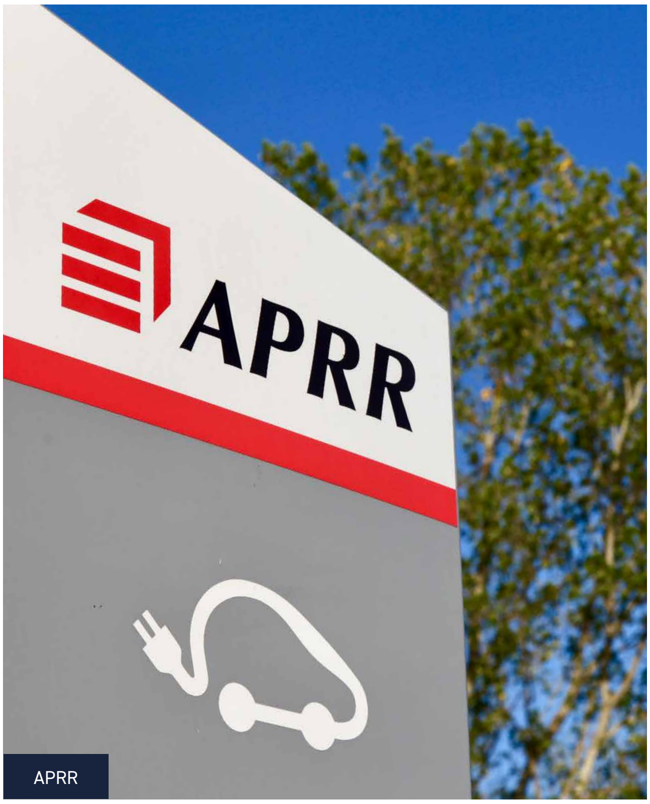
Our emissions reduction targets (of 25% by 2025 and 46% by 2030) were set prior to the acquisition of Chicago Skyway and align to the Science Based Targets initiative (SBTi) net zero pathway. Over the course of 2023, we have worked with the Chicago Skyway team to establish their baseline 2019 emissions and ensure they are incorporated into the Atlas Arteria baseline and targets. Further details will be provided in the 2023 Sustainability Report, to be published in April 2024.

For most of our businesses, the majority of scope 1 and 2 emissions were generated through electricity use (scope 2) and, accordingly, this has been the primary focus of our emissions reduction strategy to date. By reducing our scope 2 emissions, through the purchase of renewable energy and renewable energy certificates, we have made significant progress towards achieving our interim target of 25% reduction in scope 1 and 2 emissions by 2025 (from a 2019 baseline).

We are also investigating options to reduce our scope 1 emissions, which are primarily generated through fuel use in fleet vehicles at APRR, Chicago Skyway and Dulles Greenway. These vehicles include large machinery such as snow ploughs, which can be difficult to transition to low emission vehicles. However, significant inroads have already been made into the electrification of light vehicles at APRR, with 190 fleet vehicles being replaced with electric vehicles during 2023. This represents more than 30% of the fleet, with a target of 75% by 2025.



APRR



APRR

Our people

Our people are essential to our success. We are committed to building a team of diverse, passionate, driven and innovative people. We provide them with the right resources, environment and learning opportunities to thrive and feel valued for the work they do. Inspiring and empowering our people helps them feel engaged and connected to successfully deliver on our strategy.

93%
participation in Atlas Arteria's employee engagement survey

95%
would recommend Atlas Arteria as a great place to work

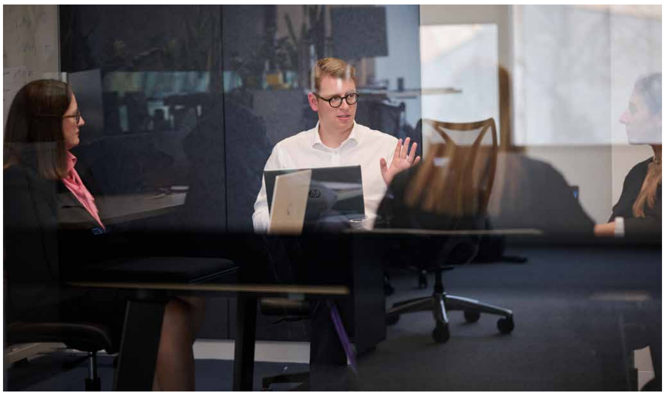
Each year we seek feedback and ideas from our people through an employee engagement survey. In 2023, 93% of employees chose to participate in the survey (up from 87% in 2022). Pleasingly, 92% felt that their manager genuinely cared about their wellbeing, reflecting our commitment to providing a safe and positive working environment. We recognise that this environment relies on respectful and inclusive relationships and this was a focus for us in 2023 as we introduced the Building Trust program. The program involved our people working within functional teams, with external facilitators, in a series of workshops to develop team action plans for building trust and respectful relationships.

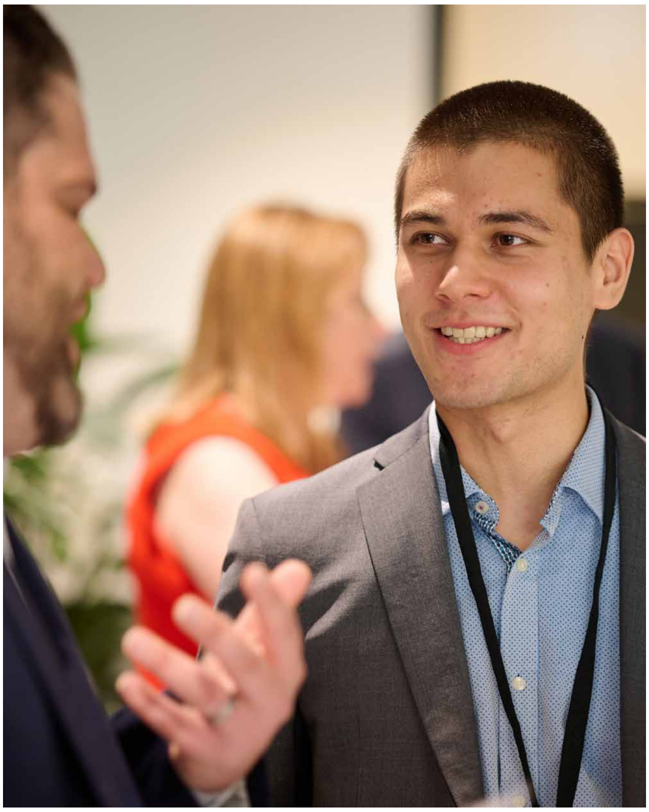
We are pleased to report that we maintained our 40/40/20 gender balance across Boards (40%), senior executive (45%) and all Atlas Arteria employees (47%) again in 2023. Information regarding gender and age diversity within our businesses will be reported in our Sustainability Report, to be published in April 2024.

40/40/20
gender balance achieved at senior executive level and across all Atlas Arteria permanent employees for fourth consecutive year[1]

1. Senior executives is defined as Atlas Arteria Executive Team members, their direct reports in senior roles and CEOs of the wholly and majority owned businesses.

Our third Modern Slavery Statement (2022) was published in June 2023 and reflected the work we are doing to try and prevent any instance of modern slavery in our business and supply chain. Pleasingly, our Statement received an A rating for the first time in the Monash University Modern Slavery Statement Disclosure Quality Rating Report. Our 2022 Statement is available via our website. Our 2023 Modern Slavery Statement will be published in mid-2024.





Customers and community

Connecting customers and communities is what we do. Improving safety, reducing travel times and enhancing comfort and mobility at a reasonable cost are core to our offerings. We are committed to building strong, respectful connections with the communities in which we operate and creating a legacy of positive impact and engagement.

>$135,000
in donations and sponsorships across Dulles Greenway, Warnow Tunnel and Chicago Skyway

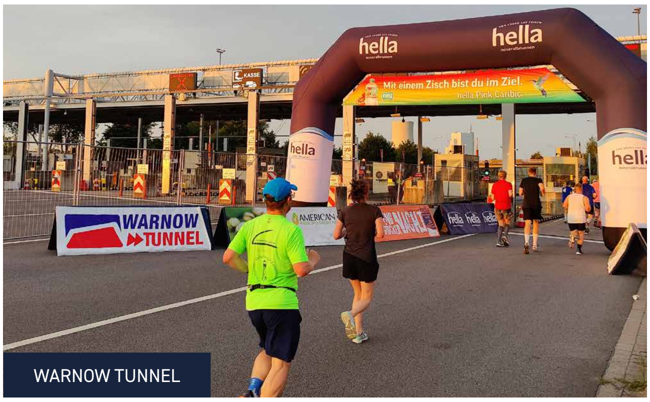
We are fully committed to providing our customers with a safe and reliable service. Our roadways play a vital role in keeping people moving and staying connected; to one another and to essential goods and services. From commuters and holiday makers, through to emergency services and essential goods transport, everyone needs to be confident they can arrive on time, without incident.

Our businesses seek opportunities to engage with our customers and communities across multiple touchpoints to ensure they are well informed and have a safe and enjoyable journey. All our businesses provide customers with real-time travel information to assist with trip planning, ranging from a dedicated radio channel at APRR, to a travel app at Warnow Tunnel and informative websites at Chicago Skyway and Dulles Greenway.

Our businesses also run a series of safety campaigns to empower customers with key safety actions. During the European summer break, APRR organised activities at rest areas along the A6 to encourage customers to stop regularly and prevent driver fatigue. Activities ranged from carnival rides and face painting to archery and even CPR training. At Warnow, as part of their 20-year anniversary celebrations, a driving simulator gave drivers first-hand experience of the dangers of slower driving reaction times caused by drugs and alcohol.

As part of our commitment to strengthening ties with our local communities, we again provided our roadways in support of much needed fundraising opportunities through both the Run the Greenway event at Dulles Greenway and the Hella Rostock Marathon at Warnow Tunnel. Each of our businesses also continued to contribute to local communities through sponsorships and donations. At Chicago Skyway this included donating backpacks and school supplies to around 500 recipients in three local neighbouring wards as part of a summer return to school program.

APRR AREA



WARNOW TUNNEL

To mark the 20th anniversary of Warnow Tunnel, they also hosted a community festival to celebrate the milestone with customers. The tunnel has now recorded more than 80 million trips trips since opening in 2003.

Environmental stewardship

Protecting our environments and natural resources is a responsibility that belongs to all of us. The impacts of a disrupted climate and ecosystem affect businesses and communities alike. We strive to proactively reduce our environmental footprint, support the health of our ecosystems, and deliver better outcomes for all our stakeholders.

3,000m^2 to be planted in Plant'Adapt pilot project	>90% of waste sorted at APRR

In November 2023, APRR planted the first seed of its Plant'Adapt project at the Taponas service area (69) on the A6 motorway between Lyon and Mâcon. The aim of Plant'Adapt is to encourage the natural development of climate-compatible vegetation, using species present in the area, through cuttings, grafting, sowing and assisted natural regeneration. Initially, some 3,000m^2 will be planted on the APRR pilot site at Taponas, where four areas have been set aside for this purpose. By the end of 2025, 60% of APRR and AREA's green areas will be Plant'Adapt.

Water is a precious resource and, as such, we are mindful of and careful with our water use at Atlas Arteria. The majority of our water use is at APRR, which is aiming for a 2% reduction each year. To date, the focus has been on accurate measuring to identify and rectify leaks.

Waste minimisation is also a priority. At APRR, which generates the majority of waste for our business, various waste reduction initiatives are underway. These range from working to increase the proportion of asphalt recycled in operations, through to optimising waste sorting and maximising general recycling efforts. In 2023 APRR began testing a new intuitive waste sorting system at rest areas with promising results. This project will continue into 2024.

MANAGING CLIMATE RISKS AND MAXIMISING OPPORTUNITIES

We understand that the ongoing success of our business depends on our ability to proactively manage our climate-related risks and opportunities. That's why climate-related decision making is being embedded across all our businesses and in all our business practices. Climate change poses risks and opportunities right across our business. From infrastructure vulnerability, changing travel patterns and supply chain costs, to embracing opportunities for low carbon technologies that can continue to connect people in a decarbonised world.

During the year, as well as continuing to address our emissions profile, we worked to better understand the connection between managing potential climate-related impacts and delivering successful business outcomes.

We are committed to playing our part to reduce our emissions in-line with the Paris Agreement. Our scope 1 and 2 emission reduction targets are aligned with a 1.5°C warming scenario. We have also worked this year to further define our 2019 (baseline) scope 3 upstream emissions across all businesses as we look to set an appropriate course of action for our value chain emissions.

We are utilising the TCFD recommendations to guide our approach to identifying, assessing and disclosing climate-related impacts on the business, ensuring we are also well placed to comply with future sustainability reporting standards.

During 2023, our Sustainability Working Group updated our previously identified climate-related risks and opportunities to include an analysis of Chicago Skyway, aligned with the approach for our other businesses. This section summarises our progress in our approach to climate issues. A full description of the potential risks and opportunities identified will be provided in our 2023 Sustainability Report, to be released in April 2024.

Governance

The Boards have oversight of sustainability-related matters including climate-related issues supported by the Audit and Risk Committee and the People and Remuneration Committee. The People and Remuneration Committee ensures sustainability risks are considered when defining the key performance indicators linked to executive remuneration.

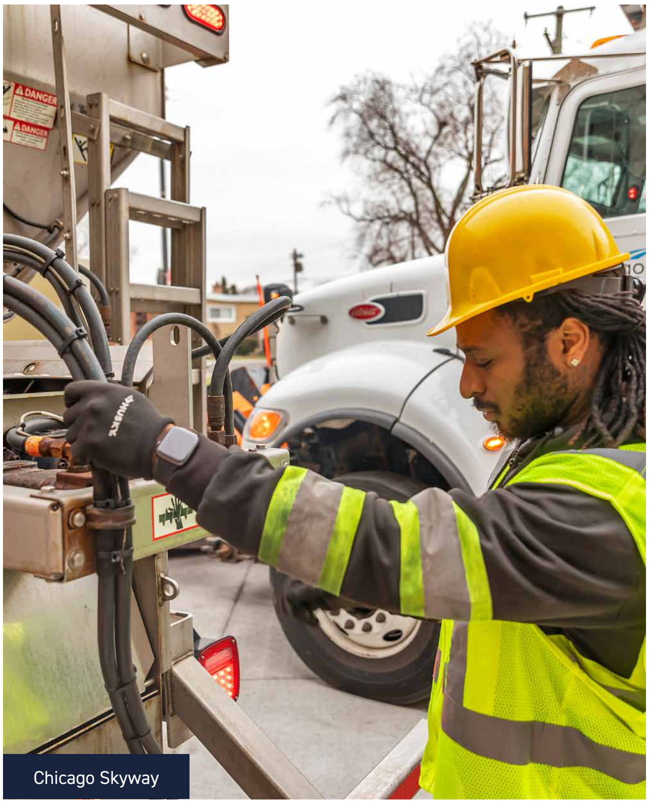
In 2023, we provided timely updates to the Boards on climate-related issues, as we progressed our identification and analysis of risks and opportunities for Chicago Skyway and reviewed those previously identified for our other businesses. We have established a regular cadence for reporting climate-related issues to the Boards and its Committees.

Within the Executive Team, the CEO has ultimate responsibility for delivering on our climate change approach and reporting to the Boards. The CFO directs our sustainability and climate change agenda.

A Sustainability Working Group was established in 2022 to inform the identification and analysis of climate-related issues. Guided by Atlas Arteria's Sustainability and Risk functions, the group includes management representatives from key business areas including operations, finance, legal, strategy and forecasting. The group provides a forum for analysing climate-related issues, exchanging insights, and communicating throughout the business, including reporting to the Executive Committee and Boards. In 2023, the Sustainability Working Group reviewed our potential climate-related risks and opportunities and considered how these may be incorporated into the day-to-day management and strategic decision making of our businesses. The group will continue to build on this work through 2024 as we aim to quantify the potential risk impacts.

Our 2023 Sustainability Report will provide further detail on the roles and responsibilities of the Boards and management in relation to the governance of climate-related issues.

APRR AREA



Chicago Skyway

Strategy

During 2023, we continued work to identify potential physical and transition risks and opportunities across all of our businesses. We conducted climate-scenario analysis to help assess the strategic implications of climate change over the short, medium and long term. For the purposes of this climate analysis, we define each as short (2030), medium (2040) and long-term (2050).

Corporate and asset-based subject matter experts were engaged in desktop analysis and research, one-on-one interviews and workshops. Their expertise was utilised in identifying and prioritising relevant climate-related risks, supported by our risk management framework and scenario analysis. The process, ongoing since 2022, has included climate modelling, providing insight into potential physical climate-related changes (e.g. temperature, precipitation, flooding) in each of our asset locations.

Two scenarios were applied: one aligned with a Net Zero (1.5°C) future and one with a Current Policies (3°C+) future. The analysis provided an initial assessment of the potential impacts of climate-related risks and opportunities on our business and operations, enabling the identification of key risks for further consideration.

Climate change scenarios used in Atlas Arteria climate-related risk and opportunity assessments

Net zero/orderly transition – 1.5°C	Current Policies/ hothouse – 3°C+
Early, ambitious action to support the transition to a net zero CO_2 emissions economy. This includes a net zero 2050 scenario, reflecting a policy ambition to limit global temperature increase to 1.5°C.	Limited action resulting in continued global warming and significant increases in exposure to physical risks. This includes a current policies scenario, resulting in potential global temperature increases of 3°C+.

This work provided the basis for a qualitative assessment of the potential business impacts of the risks and opportunities identified and how these impacts need consideration in our strategic decision making. In 2023, this led to the initiation of a project aimed at establishing a quantitative assessment of the potential financial impacts of climate-related risks. An important part of the process is a modelling project to commence in 2024, seeking to establish a measurable relationship between weather and traffic volumes to assist in assessing future impacts on revenue under different climate scenarios. Further details of the risks and opportunities identified, their potential impacts and how these may be incorporated into our business strategy, will be provided in our 2023 Sustainability Report.

Risk management

Sustainability-related risks, including those associated with climate change, are identified, assessed, monitored and integrated in accordance with our Group Risk Management Framework. See page 36.

In 2023, our work to improve our climate disclosures and alignment to TCFD has enhanced our understanding of climate-related risks. Potential climate change impacts, both positive and negative, include those associated with infrastructure resilience, the health and wellbeing of employees, customer travel behaviour and the potential technology changes that could reduce emissions on our road networks. Further information on key risks and opportunities identified will be included in our 2023 Sustainability Report.

In 2024 and beyond, our focus is on appropriately embedding identification, assessment and review processes into our business practices and to continue to work toward quantitative risk response disclosures.

Metrics and targets

In addition to managing the impacts of climate change on our business, we are vigilant about managing the impacts of our business on the climate. Atlas Arteria is committed to reducing emissions and we have set reduction targets for our scope 1 and 2 emissions consistent with a 1.5°C decarbonisation pathway defined by the Science Based Targets initiative (SBTi).

Scope 1 and 2 emissions

↓25% by 2025 ↓46% by 2030

From a 2019 baseline

In 2023, we recalculated our baseline (2019) emissions assessment to include Chicago Skyway. Our work in reducing our scope 1 and 2 emissions in 2023 has focused on renewable electricity and renewable energy certificate purchases and the ongoing electrification of the light vehicle fleet at APRR. This has ensured we are on track to achieve our first interim target of a 25% reduction by 2025.

Further disclosure of our performance against our targets will be included in our 2023 Sustainability Report, due for release in April 2024.

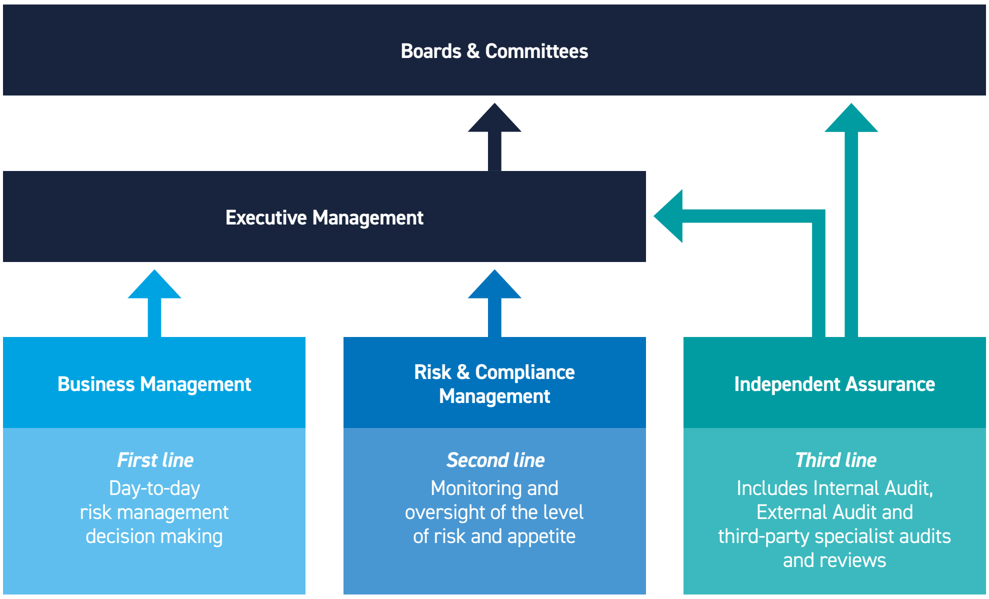
RISK MANAGEMENT

Risk Management Framework

Atlas Arteria's Risk Management Framework sets out our approach and direction in relation to risk management and includes a Risk Management Policy and risk appetite statements that provide clarity as to the level of risk the business is willing to take in achieving its strategic objectives.

The Framework is reviewed annually by management and the Boards to ensure our approach continues to be sound and that it achieves an appropriate balance between effective risk management and the achievement of our strategic objectives.

Atlas Arteria has adopted the 'Three Lines of Accountability' model to support effective monitoring and oversight of risk across its operations. This model is consistent with Atlas Arteria's objective to actively manage risk rather than eliminate it, recognising that risk presents opportunities as well as challenges.



Role of the Boards in risk management

While ultimate responsibility for Atlas Arteria's risk management framework rests with the Atlas Arteria Boards, they have established an Audit and Risk Committee (ARC) to oversee the Risk Management Framework and ensure its ongoing effectiveness. The charter for the ARC is available on the Atlas Arteria website. As set out in the Charter, the ARC is responsible for monitoring and reviewing the effectiveness of the Risk Management Framework and internal controls and compliance with key risk management policies, including the processes for identifying, assessing and responding to risks in a manner consistent with the risk appetite statements.

The Atlas Arteria Boards and the ARC receive periodic reports on the key financial and non-financial risks facing the organisation, including the measures undertaken to manage the risk, and consider whether the risk is within appetite. The internal and external audit functions also have direct lines of reporting to the ARC.

Risk management in practice

Uncertainty and volatility remain the key themes in the external environment in 2023. Such external factors include: the continued and increasing threat from geopolitical unrest; ongoing inflation effects on the cost of living for many; the fast emerging disruption and opportunity presented by AI; and the growing urgency around understanding and mitigating the impacts of climate change. Within Atlas Arteria there has been significant focus on the integration of Chicago Skyway to ensure identified benefits of the acquisition are realised, as well as maintaining strong relationships with government stakeholders at each of our businesses as they continue to manage their own priorities and challenges.

Atlas Arteria's integrated Risk Management Framework delivers an agile approach, with a focus on providing accurate and timely risk information and insights to support management oversight and decision making. Risk management activities undertaken in 2023 focused on further embedding risk culture and capability to maintain a resilient business ready to respond to external threats and opportunities, and a strong internal control environment to facilitate the achievement of business and strategic objectives.

Key risks

Nature of risk	Inherent risk	Key management actions	2023 Insights
Economic and market conditions With economic growth forecast to remain moderate in 2024, economic conditions, particularly in the US, present a stable risk exposure for Atlas Arteria. Atlas Arteria is positively leveraged to inflation with CPI-linked tolls at the majority of our businesses and with most debt fixed. Potential FX impacts remain, along with the risk of increasing cost of capital from a tighter credit market.	Stable	– Ongoing monitoring and assessment of economic variables and understanding how these impact traffic volumes and mix as well as improvement opportunities at each business. – Assessment of traffic scenarios under various economic and market conditions enables forward-based planning. – Ongoing assessment of local and global economic threats and opportunities, their impact on financial results, access to capital and liquidity across the business.	– Our businesses continued to experience traffic growth in 2023, demonstrating their resilience despite economic uncertainty. See individual business sections for detailed traffic information. – Following the acquisition of Chicago Skyway in 2022, focus in 2023 moved to the transition and optimisation of the business to deliver the projected benefits of the Skyway's addition to Atlas Arteria's portfolio. – Successful refinancing of debt for Chicago Skyway and APRR in 2023 demonstrates the financial resilience of these businesses.
Government and regulatory policies A change in government or government policy can impact Atlas Arteria's ability to achieve its long-term strategic objectives. The announcement of a new tax by the French Government, to be introduced in 2024, presents an increased risk to Atlas Arteria.	Risk increasing	– Regular engagement across various levels of government and regulatory authorities in relevant jurisdictions. – Participation in policy discussions and education as to how our roads form effective parts of the relevant transport networks.	– We will continue to actively engage with elected officials in France to educate them on the concession model, our contracts and the consequences of the new tax. We will be using all appropriate means and avenues to ensure APRR's legal and contractual rights under the concession contracts are protected. We are also looking at cost management options to mitigate the financial impact. – Positive stakeholder relationships have been further embedded with the Virginian Administration and legislature in 2023, along with the strengthening of connections with community stakeholders remaining a key focus for our US team.
Environmental, social and governance (ESG) practices Atlas Arteria recognises the importance of minimising adverse impacts on the environment and supporting the communities in which we operate. We also appreciate the need for transparency in reporting on these matters, particularly in relation to climate-related impacts for our businesses.	Risk increasing	– Our annual Sustainability Report outlines key safety, environmental and social risks, how Atlas Arteria intends to manage those risks and key priorities in responding to those risks. – Targets and metrics have been established to track performance across material ESG matters.	– We continue to align our ESG practices with the recommendations of the TCFD, with further work undertaken in 2023 to build a deeper understanding of our climate risks and opportunities and ensure readiness for upcoming regulations in Europe and Australia. See page 27 for more detail. – We released our third annual Modern Slavery Statement in 2023, which can be found on the Atlas Arteria website.
Information technology/ cybersecurity With cyber attacks continuing to increase globally, it is important that Atlas Arteria and its underlying businesses have effective, secure and reliable technology systems in place to protect and maintain information and operations.	Risk increasing	– Atlas Arteria and its underlying businesses undertake regular reviews across key technology platforms to ensure they are fit-for-purpose and maintain effective security controls. – Atlas Arteria maintains effective data and cyber risk management practices to protect its businesses and customers from exposure to data breaches. – Cyber risk 'deep dives' and information sessions undertaken with the Executive Team and Boards and awareness training sessions have been undertaken across Corporate and the businesses.	– We continue to review and improve our monitoring and response readiness in recognition of the persistent external threat landscape, providing improved visibility of IT and OT security management practices to our Boards, with continual review and uplift of our cyber resilience practices an ongoing focus.
Organisational capability It is important that within Atlas Arteria's Corporate headquarters, and at each business, there is sufficient depth, understanding and expertise to effectively deliver on the company's strategy.	Stable	– Atlas Arteria has created a compelling employee experience designed to attract, retain and develop the right people in the right roles. – People processes are supported by a clear vision and values statement, remuneration framework and learning and development programme, along with a contemporary approach to flexibility, diversity and inclusion. – There is an active feedback approach in place including an annual employee engagement survey which provides critical insight to management and Board.	– Our team consists of a highly skilled and geographically dispersed workforce with depth across key capability areas. The small size and specialised nature of the workforce means it is important to continually monitor and proactively manage resourcing requirements. – Global 'Town Hall' meetings and local 'All In the Office' days are key mechanisms for building and maintaining connections across our workforce, and in 2023, the Corporate team had the opportunity to connect in person for the first time at our Team Off-site.
Operational risk management It is important that each business and their operations have effective controls in place to: ensure the long-term integrity and safety of our assets; and sustainability of returns through a balance of investment and cash flow management.	Stable	– The management teams of each business employ a disciplined approach to operations and maintenance to optimise business performance and customer experience. – The asset integrity of all businesses is tracked through an asset management inspection and evaluation cycle to ensure continual assessment and oversight. – Operational risk management arrangements, including contractual and legal frameworks, are regularly reviewed to ensure that organisational needs are met. – A risk management policy and framework, and internal reviews support compliance with regulatory obligations and key business processes.	– Following transaction close in December 2022, a significant body of work was undertaken at Chicago Skyway in 2023 to build management understanding of processes and controls in place at the Skyway to support the identification and management of operational risks. Information has been included in Atlas Arteria's risk reporting to support oversight of key business processes.

CORPORATE GOVERNANCE

Atlas Arteria comprises Atlas Arteria Limited (ACN 141 075 201) (ATLAX), an Australian public company, and Atlas Arteria International Limited (Registration No. 43828) (ATLIX), an exempted mutual fund company incorporated in Bermuda.

Atlas Arteria is listed as a stapled structure on the Australian Securities Exchange (ASX). The securities of ATLAX and ATLIX are stapled and must trade and otherwise be dealt with together.

ATLAX and ATLIX have entered into a cooperation deed which provides for sharing of information, adoption of consistent accounting policies and coordination of reporting to securityholders (Atlas Arteria Cooperation Deed).

Governance disclosures

We recommend that you also read the documents listed below on the governance section of the Atlas Arteria website.

- Overview of Legal Framework.
- ATLIX Bye-Laws.
- ATLAX Constitution.
- Atlas Arteria Cooperation Deed.
- Board & Committee Charters.
- Atlas Arteria Corporate Policies.

More detail about our operational and governance arrangements can also be found in the ASIC Regulatory Guide 231 disclosure on the Atlas Arteria website. This disclosure is required by ASIC and seeks to improve disclosure for retail investors in infrastructure entities.

For more information go to atlasarteria.com

Corporate Governance Statement

The Atlas Arteria Boards determine the corporate governance arrangements for Atlas Arteria with regard to what they consider to be in the long-term interests of the business and its investors, and consistent with their responsibilities to other stakeholders. Atlas Arteria's corporate governance arrangements conform to the Corporate Governance Principles and Recommendations (4th edition) issued by the ASX Corporate Governance Council.

During 2023 the ATLAX and ATLIX Boards reviewed the structure and processes of the Board committees, with a particular focus on streamlining decision making and improving the overall efficiency of the Boards. A key outcome of this review was the implementation of a new joint committee structure, which resulted in the ATLAX and ATLIX Boards agreeing to consolidate their respective standing Board Committees. Further details regarding the Atlas Arteria's Board Committees is included in Atlas Arteria's 2023 Corporate Governance Statement.

Atlas Arteria's 2023 Corporate Governance Statement has been approved by the Boards and outlines our main corporate governance practices for the year ended 31 December 2023. Included in the statement are details relating to the items listed below.

- Board composition, skills matrix and performance.
- Structure and role of Board Committees.
- Director independence.
- Diversity and inclusion.
- Key governance documents including Vision and Values Statement, Code of Conduct, Whistleblower Policy, Securities Trading Policy and Anti-Bribery & Corruption Policy.
- External communications and market disclosures.
- Risk management and corporate reporting.

Our 2023 Corporate Governance Statement, as well as other governance documents referred to within the Statement, can be viewed on Atlas Arteria's website at https://www.atlasarteria.com/aboutus. These governance documents are regularly reviewed and updated to ensure they reflect emerging governance issues and regulatory developments relevant to Atlas Arteria and remain consistent with the objectives of the Boards.

For more information go to atlasarteria.com

BOARD OF DIRECTORS – ATLAX BOARD

Debbie Goodin

BEc (U of Adelaide), FCA

Independent Non-executive Director

Appointed: ATLAX – 1 September 2017, Chair effective 1 November 2020

ATLIX – 1 November 2020

Chair of the Atlas Arteria Nomination and Governance Committee.

Nationality – Australian

Country of residence – Australia

Debbie Goodin has extensive director experience as well as over 20 years' senior management experience with professional services firms, government authorities and ASX-listed companies across a broad range of industries and service areas.

Among other executive roles, Debbie was COO for an ANZ subsidiary of Downer EDI Limited and Acting CFO and Head of Mergers and Acquisitions and Global Head of Operations at Coffey International Limited.

Other listed company directorships (past three years): Non-executive Director (since September 2015) of APA Group (ASX:APA). Non-executive Director (since December 2022) of Ansell Limited (ASX:ANN).

Other directorships and appointments: Nil

Graeme Bevans

Managing Director and Chief Executive Officer

Appointed – 1 April 2019

Nationality – Australian

Country of residence – Australia

Graeme Bevans has more than 25 years' experience in the global infrastructure sector, where he has completed the acquisition, development and management of 17 infrastructure businesses with a total enterprise value of over $40 billion.

Prior to joining Atlas Arteria, Graeme was Founder and CEO of Annuity Infrastructure in the UK. He has also held senior roles globally, including as Head of Infrastructure at CPPIB in Canada, Partner at Alinda Capital Partners in the USA and Head of Infrastructure Investment at IFM Investors in Australia.

Graeme has overseen very complex joint venture arrangements in global infrastructure both in Australia and abroad, particularly in Europe and the Americas. He has served as an active director of 10 of those investee companies in Europe, Australia, North America and South America.

Graeme is Managing Director of ATLAX and holds no other current directorships.

David Bartholomew

BEc (Hons) (U of Adelaide), MBA (AGSM)

Independent Non-executive Director

Appointed – 1 October 2018

Chair of the Atlas Arteria People and Remuneration Committee.

Nationality – Australian

Country of residence – Australia

David Bartholomew has over 30 years' experience across the energy utilities, transportation and industrial sectors.

David was CEO of DUET Group, where he oversaw the ASX listed company's transition to a fully internalised management and governance structure. He also held executive roles at Hastings Funds Management, Lend Lease, The Boston Consulting Group and BHP Minerals. David has also served on the Boards of Interlink Roads (Sydney's M5 Motorway) and Statewide Roads (Sydney's M4 Motorway) representing investors managed by Hastings Funds Management and is a former Director of the Power and Water Corporation (Northern Territory).

Other listed company directorships (past three years): Chair (since March 2021) of Iris Energy Limited (NASDAQ:IREN)

Other directorships and appointments: Director, Endeavour Energy. Director, Keolis Downer. Director, GHD Group Limited. Non-executive and independent Chair of Atmos Renewables. External Independent Chair of the Executive Price Review Steering Committee of AusNet Services.

Ken Daley

MEngSc (Transport) (MON)

Non-executive Director

Appointed – 30 May 2023

Nationality – Australian

Country of residence – Australia

Ken Daley is a globally recognised infrastructure leader with several decades of operational and board-level toll road experience.

Ken's previous executive experience in toll roads has included being the CEO of Aleatica, the CEO of Indiana Toll Road and President International Development at Transurban. Ken is also a former Director of the International Bridge, Tunnel and Turnpike Association (IBTTA), which is the worldwide association of toll road operators.

Ken is currently a special adviser to the IFM Global Infrastructure Fund (IFM GIF) and is also a Director on IFM GIF investee companies.

Other listed company directorships (past three years): Nil

Other directorships and appointments: Special Adviser, IFM Global Infrastructure Fund. Chair, Aleatica Group. Director, Indiana Toll Road. Director, M6toll.

Laura Hendricks

B.L.A (XU)

Independent Non-executive Director

Appointed – 16 October 2023

Nationality – American

Country of residence – United States

Laura Hendricks is currently Chief Executive Officer of Transdev U.S., the largest operator and integrator of multiple modes of transportation in the United States. Laura has worked in several roles in the transportation industry across the US for more than 20 years and has international experience working with shareholders in Europe, specifically in France and Germany. Laura is also currently Chair of the North American Transit Alliance, an organisation that advocates for the essential role that private contractors play in public transit.

Prior to joining Transdev U.S., Laura was President and/or CEO of several companies including Paint Drop by Valspar, Coach America and Merry Maids. Laura also spent several years in executive leadership roles at Cintas and Fed Ex.

Laura is an accomplished senior executive with broad leadership experience in operations, including full P&L responsibility, business development, supply chain management, financial oversight, M&A, culture-building and change management, and has significant government relations experience in the United States, including working with public authorities and regulators.

Other listed company directorships (past three years): Nil

Other directorships and appointments: Chief Executive Officer, Transdev North America, Inc. Chair, North American Transit Alliance.

Jean-Georges Malcor

Ecole Centrale de Paris (Eng), MSc (Stanford)

Independent Non-executive Director

Appointed – 1 November 2018

Nationality – French/Australian

Country of residence – France

Jean-Georges Malcor is an experienced executive and Non-executive Director and has a long track record in large international projects and developments.

His executive experience includes eight years as CEO at CGG, a Euronext-listed French geoscience company in the global oil and gas industry. Prior to this, he spent 25 years at Thales Group (EPA:HO) in France and Australia and was Managing Director of ADI (Australian Defence Industry).

Jean-Georges has demonstrated expertise in corporate governance, risk mitigation, strategy, technology, financing and restructuring. He is also an officer of the French Légion d'Honneur Order and National Order of Merit.

Other listed company directorships (past three years): Nil

Other directorships and appointments: Director, ORTEC. Director, Fives' Group. Chair, ENSTA Bretagne School of Engineering (July 2020 to December 2023).

John Wigglesworth

BEc (MACQ), FCA

Independent Non-executive Director

Appointed – 1 January 2023

Chair of the Atlas Arteria Audit and Risk Committee.

Nationality – Australian

Country of residence – Australia

John Wigglesworth is a Chartered Accountant with 37 years, professional experience, including nearly 25 years as a Partner at KPMG both in Australia and internationally. During this time, he held several leadership positions across operations, industry sectors and business development.

John has extensive experience working with ASX listed and leading global companies, with specific expertise in external and internal audit, financial reporting, accounting systems and controls, governance and risk management.

Other listed company directorships (past three years): Non-executive Director (since February 2024) of Cyclopharm Limited (ASX:CYC).

Other directorships and appointments: Non-executive Director, The Sydney Children's Hospital Network. Non-executive Director, Independent Reserve Pty Ltd. Non-executive Director, Grid Share Holding Group Pty Ltd.

BOARD OF DIRECTORS – ATLIX BOARD

Fiona Beck

BMS (Hons) Waikato (NZ) CA

Independent
Non-executive Director

Appointed – 13 September 2019, Chair effective 1 March 2023.

Nationality – New Zealander

Country of residence – Bermuda

Fiona Beck has over 20 years' leadership experience in listed and unlisted companies, having held senior executive and governance positions in large infrastructure companies, including as the President and CEO of Southern Cross Cable Limited, a submarine fiberoptic cable company, for 13 years.

In addition, Fiona is a Chartered Accountant and brings expertise in technology, cyber security, data analysis and infrastructure asset management in a global environment.

Other listed company directorships (past three years): Non-executive Director (since July 2020) of IBEX Limited (NASDAQ:IBEX). Non-executive Director (since October 2020) of Oakley Capital Investments Limited (LSE:OCI). Non-executive Director (since April 2020) of Ocean Wilsons Holdings Limited (LSE/BSX:OCN).

Other directorships and appointments: Nil.

Kiernan Bell

BA (U of T), LLB (Bham)

Independent
Non-executive Director

Appointed – 1 September 2023

Nationality – British/Bermudian

Country of residence – Bermuda

Kiernan Bell is a retired lawyer, with over 20 years, professional experience practicing as a commercial litigator at leading international law firm Appleby, serving in a leadership capacity as Head of Dispute Resolution and as the Managing Partner of the Bermuda office.

Kiernan is a former President of the Bermuda Bar Council and has also served in a variety of judicial and quasi-judicial roles including as Chair of the Bermuda Immigration Appeals Tribunal and as an Assistant Justice of the Supreme Court of Bermuda.

Kiernan has over 25 years' corporate governance experience, advising or serving on the Board of Directors of commercial and non-profit entities, including banking and re-insurance entities, the Bermuda Chamber of Commerce and the Bermuda Business Development Agency.

In addition to serving as an Independent Non-executive Director on several Boards in Bermuda, Kiernan also serves as an Independent Senator and Vice President of the Senate of Bermuda.

Other listed company directorships (past three years): Nil

Other directorships and appointments: Director, Wilton Reinsurance Bermuda Limited. Director, Liberty Group Limited. Director, HSBC Insurance SAC 1 (Bermuda) Limited and HSBC Insurance SAC 2 (Bermuda) Limited.

Andrew Cook

BA (UWO), CPA (Ontario)

Independent
Non-executive Director

Appointed – 26 November 2020

Nationality – Bermudian

Country of residence – Bermuda

Andrew Cook has extensive executive, financial, operational and capital market experience having been the founding CFO of several organisations and overseeing the development and growth of accounting, finance, treasury and investor relations departments.

He brings significant global M&A experience, having served as the President and CFO of Harbor Point (and later as President of Alterra Bermuda) as well as leading successful IPOs at LaSalle Re, Axis Capital and Global Partner Acquisition Corp.

Andrew was formerly the Chief Executive Officer of GreyCastle Life Reinsurance and was on the Boards of Blue Capital Reinsurance Holdings Limited and GreyCastle Life Reinsurance (SAC) Ltd.

Other listed company directorships (past three years): Non-executive Director of Global Partner Acquisition Corp II (NASDAQ:GPACU) (January 2021 to January 2023).

Other directorships and appointments: Chair, OmegaCat Reinsurance Ltd. Director, Aspida Holdings Ltd. Director, Ferian Holdings Ltd

Debbie Goodin

See page 39 for full details.

The number of Board, and Board Committee meetings held during the year and each Directors' attendance at those meetings are set out below. From time to time the Board establishes ad hoc committees to assist the Board with carrying out its responsibilities. Details of those ad hoc committees are not included in the tables.

	Board		Audit and Risk Committee		Nomination and Governance Committee		People and Remuneration Committee	
ATLIX Directors	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended
Fiona Beck	12	12	n.a.	n.a.	4	4	4	4
Kiernan Bell[2]	3	3	n.a.	n.a.	n.a.	n.a.	3	3
Jeffrey Conyers[3]	2	1	2	1	1	0	2	0
Andrew Cook[4]	12	11	5	5	2	2	3	3
Caroline Foulger[5]	8	8	3	3	2	2	n.a.	n.a.
Debra Goodin	12	12	5	5	4	4	7	7

1. The number of meetings held during the time the Director was a member of the Board or of the relevant Committee.
2. Kiernan Bell was appointed as a Director on 1 September 2023.
3. Jeffrey Conyers was unable to attend a Board meeting due to a pre-existing commitment.
4. Andrew Cook was unable to attend an unscheduled Board meeting convened at short notice due to a pre-existing commitment.
5. Caroline Foulger retired as a Director on 1 July 2023.

	Board		Audit and Risk Committee		Nomination and Governance Committee		People and Remuneration Committee	
ATLAX Directors	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended	Meetings held[1]	Meetings attended
Debra Goodin	13	13	5	5	4	4	7	7
David Bartholomew	13	13	n.a.	n.a.	4	4	7	7
Graeme Bevans	13	13	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ken Daley[2]	6	6	n.a.	n.a.	1	1	n.a.	n.a.
Laura Hendricks[3]	2	2	1	1	1	1	2	2
Jean-Georges Malcor	13	13	5	5	4	4	7	7
John Wigglesworth	13	13	5	5	4	4	n.a.	n.a.

1. The number of meetings held during the time the Director was a member of the Board or of the relevant Committee.
2. Ken Daley was appointed as a Director on 30 May 2023.
3. Laura Hendricks was appointed as a Director on 16 October 2023.

Where a Director is unable to attend a meeting, they are provided with a briefing on the key matters and are given an opportunity to provide input prior to the meeting.

Company Secretaries

Clayton McCormack, BCom, LLB

General Counsel and Company Secretary

Appointed as Company Secretary of Atlas Arteria Limited on 1 April 2019. A lawyer and company secretary with over 25 years' experience in private practice and corporate roles.

Paul Lynch, BCom, LLB

Joint Company Secretary

Appointed as an additional Company Secretary of Atlas Arteria Limited on 26 August 2021. A company secretary and lawyer with approximately 15 years' experience working in legal and governance roles in the ASX listed environment.

FINANCIAL OVERVIEW

Financial highlights

Statutory results

Atlas Arteria consolidates results for both Dulles Greenway and Warnow Tunnel and equity accounts for its investments in APRR, ADELAC and Chicago Skyway. Accordingly, the results for APRR, ADELAC and Chicago Skyway are disclosed in Atlas Arteria's income statement under the 'share of profit/(loss) from equity accounted investments' and 'share of other comprehensive income from equity accounted investments' line items, and in the 'equity accounted investments' line item in Atlas Arteria's balance sheet. Combined with the corporate level expense, these make up Atlas Arteria's statutory results for the period.

Financial results have been presented in this report to show the performance of Atlas Arteria. Underlying results is a non-IFRS measure that is used by ALX management and the Boards as a measure to assess financial performance and represents statutory profit excluding the impact of items not related to underlying operational performance such as impairments of investments, acquisition and disposal costs, and debt and equity issuance costs. There were no such items in the year ended 31 December 2023, and therefore the statutory results reflect the underlying operational performance of the business ('Underlying Results'). The impact of these items on the statutory results is presented below:

	Statutory Results			Adjustments		Underlying Results		
Atlas Arteria A$m	**Year ended 31 Dec 2023 $m**	**Year ended 31 Dec 2022 $m**	**% change**	**Year ended 31 Dec 2023 $m**	**Year ended 31 Dec 2022 $m**	**Year ended 31 Dec 2023 $m**	**Year ended 31 Dec 2022 $m**	**% change**
Toll revenue	**133.2**	116.7	14%	**–**	–	**133.2**	116.7	14%
Other revenue	**0.8**	1.5	(47%)	**–**	–	**0.8**	1.5	(47%)
Total revenue and other income	**134.0**	**118.2**	**13%**	**–**	**–**	**134.0**	**118.2**	**13%**
Business operations	**(33.9)**	(38.0)	11%	**–**	–	**(33.9)**	(38.0)	11%
Corporate costs	**(36.0)**	(32.5)	(11%)	**–**	–	**(36.0)**	(32.5)	(11%)
IFM engagement costs [(a)]	**–**	(2.3)	100%	**–**	2.3	**–**	–	–
Acquisition transaction costs [(a)]	**–**	(2.5)	100%	**–**	2.5	**–**	–	–
Depreciation and amortisation	**(69.2)**	(66.2)	(5%)	**–**	–	**(69.2)**	(66.2)	(5%)
Share of profit/(loss) of equity accounted investments	**325.6**	336.4	(3%)	**–**	–	**325.6**	336.4	(3%)
Net Finance costs:								
Interest on shareholder loans with CCPI	**18.1**	1.7	965%	**–**	–	**18.1**	1.7	965%
Other finance income	**17.9**	5.1	251%	**–**	–	**17.9**	5.1	251%
Interest on funds held [(b)]	**–**	15.3	(100%)	**–**	(15.3)	**–**	–	–
Finance costs	**(96.5)**	(82.8)	(17%)	**–**	–	**(96.5)**	(82.8)	(17%)
Hedge ineffectiveness [(c)]	**–**	(10.9)	100%	**–**	10.9	**–**	–	–
FX impacts of significant transactions [(c)]	**–**	2.7	(100%)	**–**	(2.7)	**–**	–	–
Income tax expense	**(3.7)**	(3.2)	(16%)	**–**	–	**(3.7)**	(3.2)	(16%)
Net profit after tax	**256.3**	**241.0**	**6%**	**–**	**(2.3)**	**256.3**	**238.7**	**7%**

(a) Reported in 'Consulting and administration expenses' in the Statutory Results. Acquisition transaction costs relate to costs associated with the Chicago Skyway acquisition.
(b) Reported in 'Other finance income' in the Statutory Results and relates to the equity raise completed for the Chicago Skyway acquisition.
(c) Reported in 'Finance costs' in the Statutory Results. Hedge ineffectiveness arose from the deal contingent premium on the swap for the Chicago Skyway acquisition.

The statutory results for the year ended 31 December 2023 for Atlas Arteria show a profit after tax of $256.3 million (2022: $241.0 million).

Net profit after tax on Underlying Results increased by $17.6 million to $256.3 million. The net profit for 2023 predominantly reflects the continued strong traffic performance and inflation linked toll increases at APRR, improved traffic performance at the Dulles Greenway, offset by the loss from Chicago Skyway for the full year reflected in the 'Share of profit/(loss) of equity accounted investments'.

The Atlas Arteria equity accounted profit includes the equity accounted profit of APRR of $370.2 million (2022: profit of $340.5 million) and the equity accounted loss for Chicago Skyway of $44.6 million (2022: loss of $4.1 million).

On 1 December 2022, Atlas Arteria acquired 66.67% of Calumet Concession Partners Inc ('CCPI') which indirectly owns the Chicago Skyway Toll Bridge concession ('Chicago Skyway' or 'Skyway'). The year ended 31 December 2023 is the first full year that Atlas Arteria has equity accounted for the results of Chicago Skyway. The Groups' equity accounted loss for Chicago Skyway of $44.6 million was partially offset by the interest income on the Calumet Concession Partners Inc (CCPI) shareholder loans of $18.1 million (2022: $1.7 million). The loss also reflects the non-cash amortisation of the tolling concession and fair value adjustments on the debt, consistent with our acquisition business case.

Cashflows

Atlas Arteria received two main distributions from APRR during 2023, being $220.5 million (€137.9 million) in March based on the second half performance for 2022, and $224.4 million (€134.4 million) in September, reflecting the first half performance for 2023.

Whilst distributions from APRR continue to be the primary source of cash for Atlas Arteria, in 2023 Atlas Arteria Atlas Arteria also began receiving distributions from Chicago Skyway with distributions of $174.7 million (US$111.1 million) received during 2023 as well as interest income on the Calumet Concession Partners Inc (CCPI) shareholder loans of $18.4 million (US$12.1 million).

The second half distribution for 2022 consisting of an ordinary dividend of 20.0 cents per share (cps) was paid in full on 6 April 2023. The first half distribution for 2023 consisting of an ordinary dividend of 20.0 cps was paid in full on 5 October 2023.

After payment of distributions and operational activities for the year, the corporate balance sheet held $196.4 million in cash as at 31 December 2023.

Business Operations

A summary of the underlying results for each business is shown in the table below.

	2023 Traffic		2023 Toll Revenue [4, 5]		2023 EBITDA [4, 5]	
Business	**vs 2022**	**vs 2019**	**vs 2022**	**vs 2019**	**vs 2022**	**vs 2019**
APRR Group [1]	3.9%	6.2%	7.0%	13.4%	7.5%	15.4%
ADELAC	5.0%	4.9%	11.5%	20.2%	15.8%	22.5%
Warnow Tunnel	3.1%	(5.8%)	9.9%	6.1%	9.5%	(2.9%)
Chicago Skyway [2]	(7.2%)	1.3%	2.7%	34.3%	0.8%	34.1%
Dulles Greenway	6.4%	(26.4%)	8.5%	(18.5%)	6.3%	(21.8%)
Weighted Average [3]	**3.3%**	**2.9%**	**6.9%**	**11.9%**	**7.1%**	**13.1%**

1. APRR Group includes APRR, AREA and A79 concessions.
2. Atlas Arteria completed the acquisition of a 66.67% majority interest in the Chicago Skyway on 1 December 2022, however data for the full period has been provided to allow comparisons with prior periods.
3. Refer to slide 8 of the Investor Presentation lodged with the ASX on 29 February 2024 for weighted average calculation methodology.
4. Revenues and operating costs are presented under IFRS in local currency, excluding impacts of IFRIC 12.
5. Toll revenue % and EBITDA % change is calculated using the respective businesses local currencies.

The weighted average results, aggregate the financial results of each of Atlas Arteria's businesses according to its economic interests from ongoing operations.

APRR Group

APRR Group[1] 100%	€m 2023	€m 2022	€m % change	A$m 2023	A$m 2022	A$m % change
Toll revenue	2,873.8	2,686.0	7.0%	4,681.9	4,075.4	14.9%
Other revenue	144.9	132.5	9.4%	235.9	201.0	17.4%
Construction services revenue	230.5	335.4	(31.3%)	375.5	508.9	(26.2%)
Total revenue	**3,249.2**	**3,153.8**	**3.0%**	**5,293.3**	**4,785.3**	**10.6%**
Purchases and external charges	(199.7)	(174.9)	(14.2%)	(325.3)	(265.4)	(22.6%)
Personnel costs	(226.6)	(216.8)	(4.5%)	(369.2)	(329.0)	(12.2%)
Taxes	(362.3)	(347.0)	(4.4%)	(590.3)	(526.5)	(12.1%)
Construction services costs	(230.5)	(335.4)	31.3%	(375.5)	(508.9)	26.2%
Other	11.0	4.9	126.2%	17.9	7.4	141.9%
Total expenses	**(1,008.1)**	**(1,069.2)**	**5.7%**	**(1,642.4)**	**(1,622.4)**	**(1.2%)**
Total EBITDA	**2,241.2**	**2,084.6**	**7.5%**	**3,650.9**	**3,163.0**	**15.4%**
Provisions	(30.0)	(31.8)	5.7%	(48.9)	(48.3)	(1.2%)
Net interest expense	(98.3)	(99.1)	0.8%	(160.1)	(150.4)	(6.4%)
Other financial income (expenses)	(19.4)	(33.6)	42.3%	(31.6)	(51.0)	38.0%
Depreciation and amortisation	(564.0)	(504.3)	(11.8%)	(918.9)	(765.2)	(20.1%)
APRR corporate income tax	(384.3)	(362.5)	(6.0%)	(626.1)	(550.0)	(13.8%)
Share of profit/(loss) of associates (incl ADELAC)	3.2	2.9	10.0%	5.2	4.4	18.2%
Other	(32.5)	–	–	(52.9)	–	–
Consolidated NPAT	**1,115.8**	**1,056.3**	**5.6%**	**1,817.6**	**1,602.4**	**13.4%**
Total EBITDA (proportional)	**698.0**	**649.1**	**7.5%**	**1,137.1**	**985.0**	**15.4%**

1. APRR Group includes APRR, AREA and A79 concessions.

Traffic performance at APRR reached record levels, outperforming 2022 by 3.9%. Traffic performance was driven by continued strong operating conditions, low unemployment levels in France, the addition of the A79 concession and integration of the 17.5km stretch of the existing A6 North roadway.

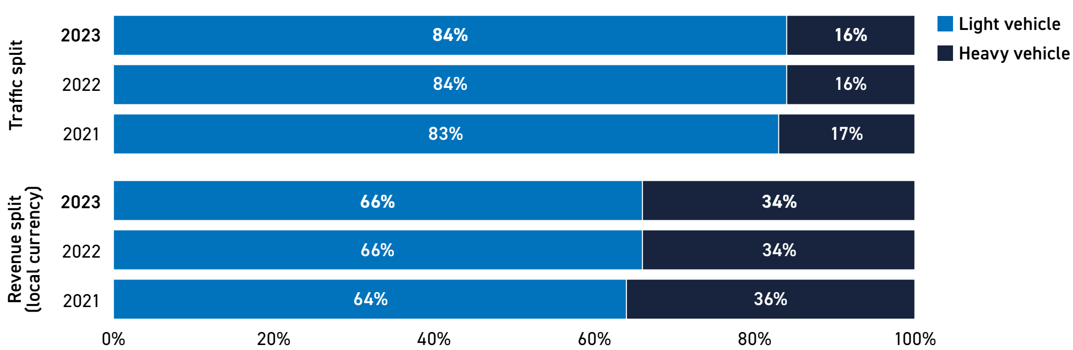
Light vehicle traffic was robust, showing incremental growth each quarter versus the prior corresponding period. This was largely attributable to strong leisure and holiday traffic, along with high employment levels in France, which positively impacted household earnings, leading to higher demand for the network. Heavy vehicle traffic showed marginal growth during the year, being closely correlated to Spanish GDP and manufacturing which was constrained by the relatively flat performance of the European economies and reduced agricultural production associated with the summer drought in Western Europe.

These overall record traffic results were achieved despite higher retail fuel prices in France and union action and strikes at refineries during the first quarter. This was against a backdrop of pension reform strikes which saw reduced capacity on the French rail network. There were also several disruptive weather events in August, including a record heatwave (which saw hot weather protection measures introduced across France) and a landslide in the Maurienne Valley, which resulted in the temporary closure of a stretch of the A43, an SFTRF concession, near the Italian border and adjacent to our AREA network.

The A79 commenced tolling on 4 November 2022. During its first year of tolling, the A79 recorded around 420 million VKT, with light vehicles comprising around 67% of traffic. Toll revenue for the 12 months ending 31 December 2023 was around €34 million, with heavy vehicles making up around 69% of revenue. The A79 concession extends to 2068 and the road currently supports significant heavy vehicle traffic. For more detail, see APRR on pages 14 to 17.

Total toll revenue for 2023 was €2.9 billion (2022: €2.7 billion) driven by the strong traffic growth and toll price increases at APRR and AREA of c.4.7% from 1 February 2023.

APRR Light Vehicle/Heavy Vehicle traffic and toll revenue split

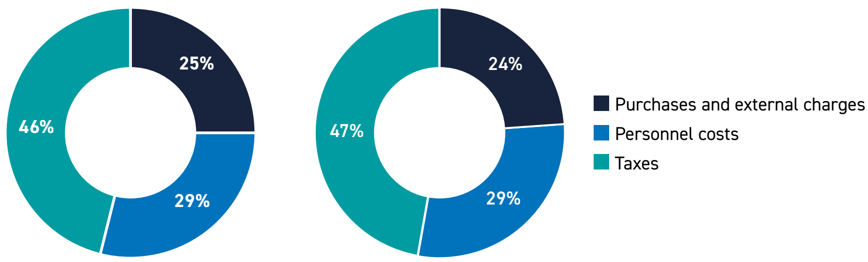


Other revenue increased during the year primarily as a result of the full year contribution of the A79.

Application of AASB Interpretation 12 Service Concession Agreements ('IFRIC 12') relating to capital spend during the year saw revenue of €230.5 million (2022: €335.4 million) offset by a corresponding expense.

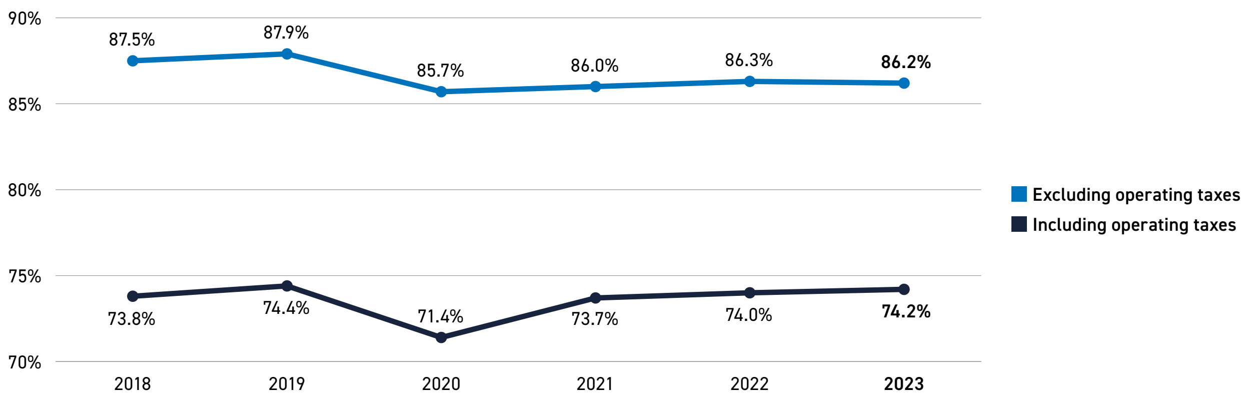
Operating costs (ex IFRIC 12 adjustments) increased by 5.9% as a result of the full year impact of A79 operation expenses of €17m (2022: €3m), higher operating taxes due to higher traffic and earnings in the period, and general cost escalation impacting personnel expenses and other external charges.

2023 Operating costs **2022 Operating costs**



EBITDA margins progressively improved from 2015 but were impacted in 2020 and 2021 due to the COVID-19 movement restrictions on traffic. In addition, from 2021 the commencement of the Fulli business has marginally diluted the EBITDA margins. EBITDA margins in 2023 remained relatively flat relative to 2022.

APRR EBITDA margins (excluding construction services revenue and costs)



Net interest expense at APRR decreased by 0.8% driven by a €28.9m increase in interest costs due to higher interest rates on new debt issuances in the year which was more than offset by a €29.7m increase in interest income on cash balances. Given APRR's primarily fixed rate debt profile, rates on existing debt were largely unimpacted for higher rates during the year. During the year APRR issued €700.0 million of bonds under its Euro Medium Term Note Program at 98.761% of par with a coupon of 3.125%, the proceeds of which were used for general corporate purposes. At the Financère Eiffarie level, an increase in the average cost of debt to 4.0% (2022: 0.7%) reflects the variable nature of the loan in a rising interest rate environment.

During the year, Fitch Ratings reaffirmed its credit rating for APRR from an 'A' long-term issuer default rating and S&P also re-affirmed their 'A-' long term issuer ratings for APRR, and both maintained their outlook as 'stable'.

As at year end, APRR had $2,242.5 million (€1,382.8 million) in cash on the balance sheet with a €2.0 billion undrawn revolving credit facility. For more detail see APRR on pages 14 to 17.

ADELAC

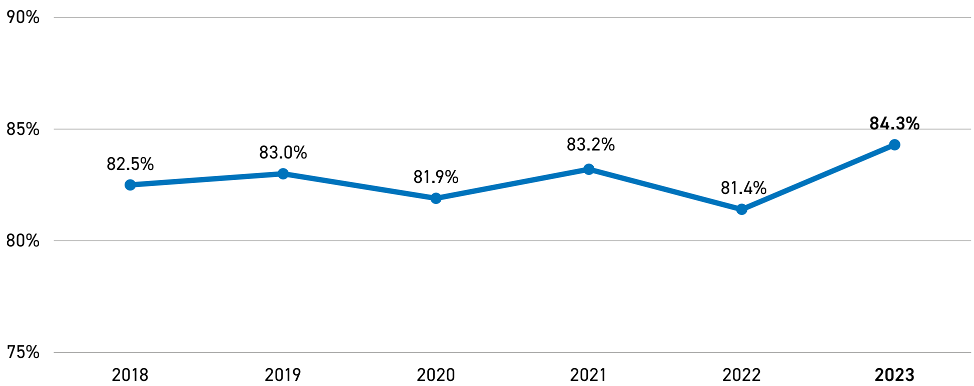
ADELAC 100%	€m 2023	€m 2022	€m % change	A$m 2023	A$m 2022	A$m % change
Toll revenue	68.1	61.0	11.5%	110.9	92.6	19.8%
Other revenue	0.4	0.2	130.4%	0.7	0.3	133.3%
Total operating revenue	**68.5**	**61.2**	**11.8%**	**111.6**	**92.9**	**20.1%**
Operating expenses	(10.8)	(11.4)	5.3%	(17.6)	(17.3)	(1.7%)
Total EBITDA	**57.7**	**49.8**	**15.8%**	**94.0**	**75.6**	**24.3%**
Total EBITDA (proportional)	**18.0**	**15.5**	**15.8%**	**29.3**	**23.6**	**24.3%**

At ADELAC, traffic in 2023 experienced strong growth on the prior corresponding period which was impacted early in 2022 by lower cross-border travel as the Swiss Government continued to recommend working from home. Traffic at ADELAC was 5.0% higher than 2022. Toll revenue for the year was 11.5% higher than 2022.

Costs at ADELAC decreased marginally by €0.6 million (5.3%).

Other than during the COVID-19 period in 2020 and in 2022, EBITDA margins have progressively improved since 2018. The increase in 2023 reflects strong revenue growth in the period and a reduction in operating expenses.

ADELAC EBITDA margins (excluding construction services revenue and costs)



ADELAC had $56.9 million (€35.1 million) cash as at 31 December 2023. For more detail see ADELAC on pages 14 to 17.

FINANCIAL OVERVIEW

Warnow Tunnel

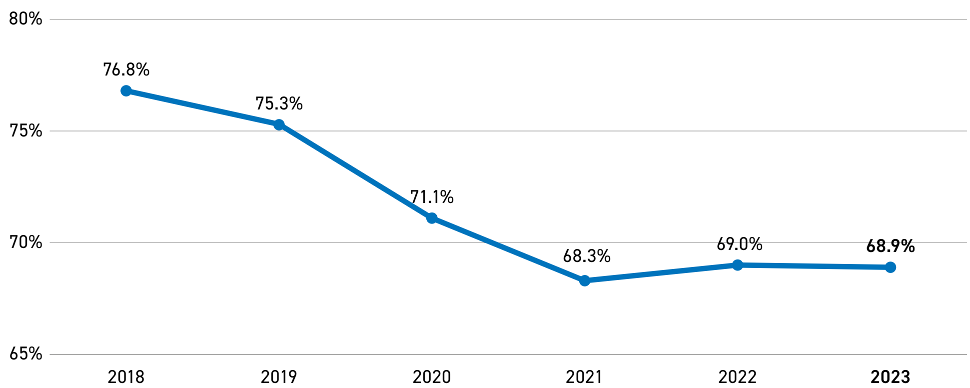
Warnow Tunnel 100%	€m 2023	€m 2022	€m % change	A$m 2023	A$m 2022	A$m % change
Toll revenue	14.4	13.1	9.9%	23.5	19.9	18.1%
Other revenue	0.1	0.1	–	0.2	0.2	–
Total operating revenue	**14.6**	**13.3**	**9.8%**	**23.7**	**20.1**	**17.9%**
Operating expenses	(4.6)	(4.1)	(12.2%)	(7.4)	(6.2)	(19.4%)
Total EBITDA	**10.0**	**9.2**	**9.5%**	**16.3**	**13.9**	**17.3%**

Traffic at Warnow Tunnel increased by 3.1% compared to 2022. Traffic performance was predominantly driven by roadworks on the competing route along Am Strande which increased time savings for commuters using the Warnow Tunnel. In addition, traffic levels in 2022 were negatively impacted by COVID-19 restrictions associated with the Omicron variant and the introduction of the German Government's temporary public transport card during summer. Toll revenue for the year was 9.9% higher than 2022, outperforming traffic growth as a result of an increase to average tolls of 6.4% on 1 November 2022.

Costs at Warnow Tunnel increased by €0.5 million (12.2%).

EBITDA margins progressively improved from 2016 to 2018 in line with the strong increase in traffic and revenues. Warnow's EBITDA margins were impacted by COVID-19 movement restrictions in 2020 and 2021.

Warnow Tunnel EBITDA (excluding construction services revenue and costs)



Warnow Tunnel had $14.8 million (€9.1 million) cash as at 31 December 2023. For more detail see Warnow Tunnel on pages 18 to 20.

Chicago Skyway

The Chicago Skyway interest was acquired on 1 December 2022 and has been equity accounted in the Atlas Arteria and ATLAX Group accounts from that date. The table below sets out an analysis of the full calendar year financial results of Chicago Skyway to provide more complete information on underlying operational performance.

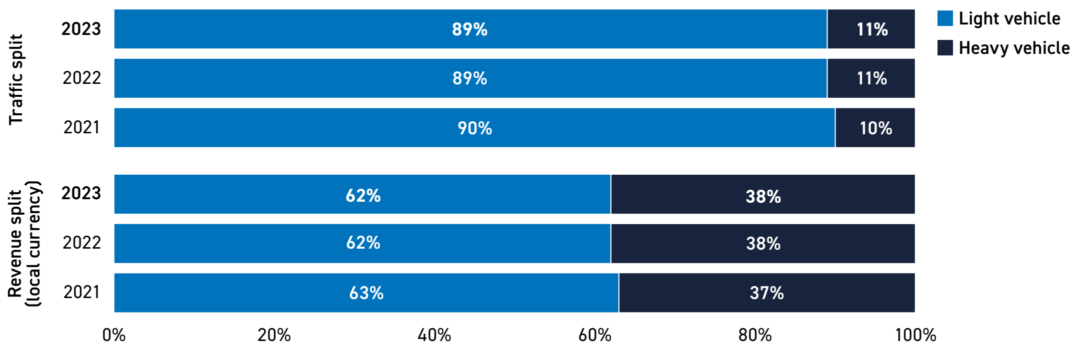
Chicago Skyway 100%	US$m 2023	US$m 2022	US$m % change	A$m 2023	A$m 2022	A$m % change
Toll revenue	123.3	120.1	2.7%	185.8	173.3	7.2%
Other revenue	–	–	–	–	–	–
Total revenue	**123.3**	**120.1**	**2.7%**	**185.8**	**173.3**	**7.2%**
Overhead expenses	(5.9)	(5.0)	(18.0%)	(8.9)	(7.2)	(23.5%)
Operating and maintenance expenses	(8.1)	(6.8)	(19.1%)	(12.1)	(9.9)	(22.3%)
Toll collection expenses	(4.4)	(4.2)	(4.8%)	(6.6)	(6.0)	(10.5%)
Total operating expenses	**(18.4)**	**(16.0)**	**(15.3%)**	**(27.6)**	**(23.1)**	**(19.6%)**
Total EBITDA	**104.9**	**104.1**	**0.8%**	**158.1**	**150.2**	**5.3%**
Total EBITDA (proportional)	**70.0**	**69.4**	**0.8%**	**105.4**	**100.2**	**5.3%**

As expected, traffic at Chicago Skyway fell versus 2022 due to major roadworks on the Indiana Toll Road (ITR), which saw capacity reduced to one lane in each direction for several months of the year. In addition, traffic levels in the prior period were positively impacted by roadworks on the Frank Borman Expressway (I-94), which resulted in elevated traffic on the Skyway.

While traffic decreased 7.2%, it remained above Atlas Arteria's business acquisition case. This was due to strong traffic in January and February before the start of the eastbound ITR roadworks and because the roadworks were conservatively assumed to continue throughout summer whilst they stopped in May. Roadworks on the ITR westbound overpass ran from early September to the end of November.

As a result of toll increases implemented in January 2023, total revenue increased 2.7%, despite the fall in traffic numbers.

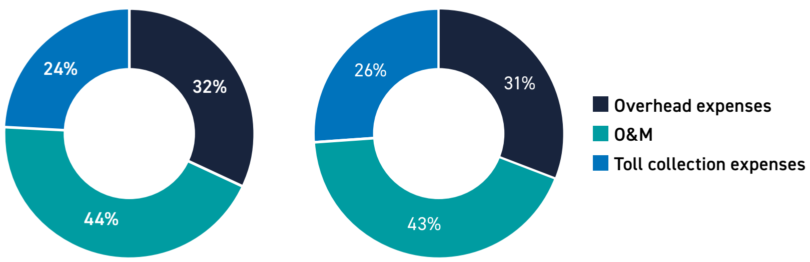
Chicago Skyway Light Vehicle/Heavy Vehicle traffic and toll revenue split



Operating costs increased by 15.3% compared to 2022 predominantly driven by increased spending on tolling systems, additional O&M expenditure and higher insurance premiums.

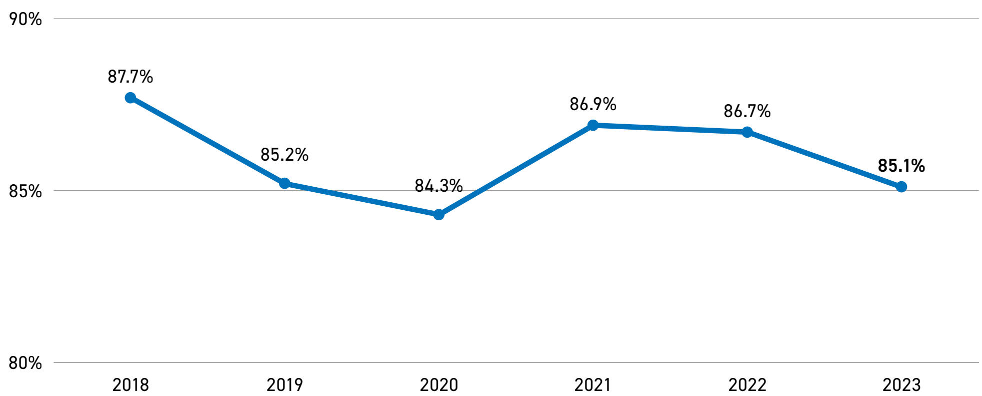
2023 Operating costs (based on US$ costs)

2022 Operating costs (based on US$ costs)



EBITDA margins were stable from 2016 to 2019, then in 2020 were impacted by the COVID-19 movement restrictions on traffic. The reduction in margins during 2023 reflect the impact on traffic of the ITR roadworks during the period as well as rising operating expenses.

Chicago Skyway EBITDA margins (excluding construction services revenue and costs)



Chicago Skyway had $26.2 million (US$17.8 million) cash at 31 December 2023 which excludes an additional $29.1 million (US$19.8 million) held at the Calumet Concession Partners Inc (CCPI) entity level. For more detail see Chicago Skyway on pages 21 to 23.

FINANCIAL OVERVIEW

Dulles Greenway

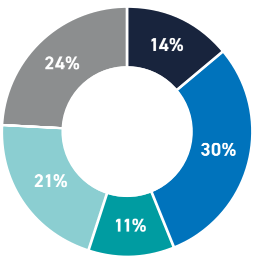
Dulles Greenway 100%	US$m 2023	US$m 2022	US$m % change	A$m 2023	A$m 2022	A$m % change
Toll revenue	72.8	67.1	8.5%	109.7	97.1	13.0%
Other revenue	0.5	0.9	(47.8%)	0.7	1.0	(30.8%)
Total revenue	**73.3**	**68.0**	**7.8%**	**110.4**	**98.1**	**12.6%**
Transaction fees	(2.3)	(2.2)	(4.8%)	(3.5)	(3.2)	(7.2%)
Operating and maintenance expenses	(4.8)	(4.5)	(6.9%)	(7.2)	(6.6)	(9.4%)
Other operating expenses	(8.5)	(7.0)	(21.4%)	(12.8)	(10.3)	(24.2%)
Total operating expenses	**(15.6)**	**(13.7)**	**(14.0%)**	**(23.5)**	**(20.2)**	**(16.6%)**
Total EBITDA[1]	**57.7**	**54.3**	**6.3%**	**86.9**	**77.9**	**11.5%**

1. Total EBITDA as presented at note 4 Segment information within the financial statements is $57.6 million (2022: $54.0 million) with the difference attributed to administrative costs associated with the Groups' holding structure in Dulles Greenway.

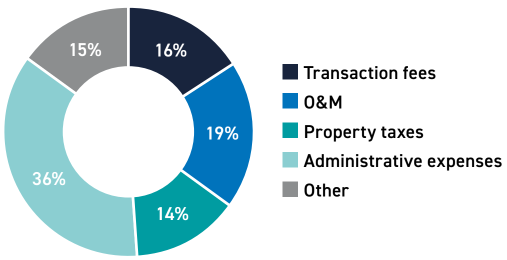
Traffic at the Greenway continued to improve during 2023 with growth in traffic largely as a result of higher weekday traffic. Overall, return to office trends in the Washington DC area are broadly in line with the US average, showing gradual growth. Growth in traffic was largely driven by higher weekday traffic which increased by 7.7%, reflecting the gradual return to office-based work, and consistent with the value proposition of the Greenway which offers reliable and predictable travel times for customers. Overall, traffic at Dulles Greenway was up by 6.4% compared to 2022 and toll revenue and EBITDA were up 8.5% and 6.3% respectively. The business continues to proactively engage with the Virginian Administration to achieve positive outcomes for all stakeholders.

Operating costs increased by 14.1% compared to 2022 as a result of costs associated with a new violation enforcement system and costs incurred in connection with the Virginia State Corporation Commission (SCC) rate case application.

2023 Operating costs (based on US$ costs)

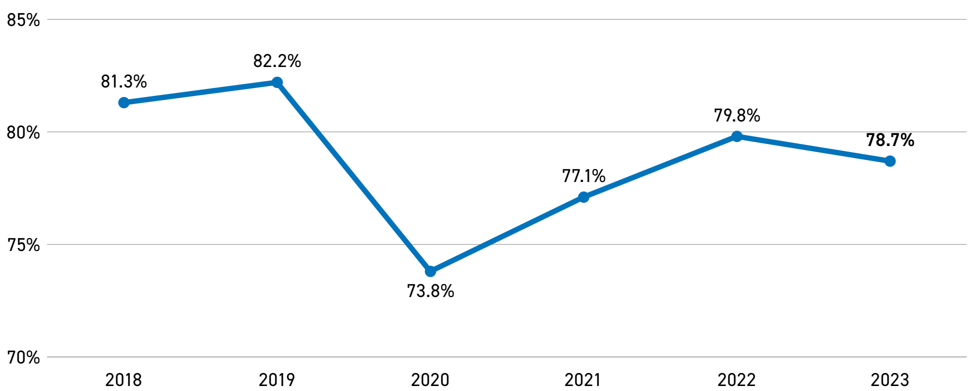


2022 Operating costs (based on US$ costs)



EBITDA margins were stable from 2016 to 2019, then in 2020 were impacted by the COVID-19 movement restrictions on traffic but are slowly increasing towards pre-pandemic levels.

Dulles Greenway EBITDA (excluding construction services revenue and costs)



Dulles Greenway had $299.0 million (US$203.5 million) of cash available across restricted and unrestricted reserve accounts as at 31 December 2023. These reserves include locked cash due to Dulles Greenway not passing its one and three-year lock-up tests. For more detail see Dulles Greenway on pages 24 to 26.

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 Financial Report for Atlas Arteria and the Financial Report for ATLAX and its controlled entities ('ATLAX Group'), for the year ended 31 December 2023. The information below also forms part of these Directors' Reports:

- Strategic Framework on pages 12 to 13
- Portfolio and Performance on pages 14 to 26
- Sustainability on pages 27 to 35
- Risk Management Framework on pages 36 to 37
- Information on the Directors, Company Secretaries and Directors' meetings on pages 38 to 42
- Financial Overview on pages 43 to 50
- Remuneration Report on pages 56 to 84

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 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.

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 has ownership interests in five businesses. The ATLIX Group currently has a 31.14% interest in the APRR toll road group in France and a 31.17% interest in ADELAC. Together APRR and ADELAC comprise a 2,424km motorway network located in the East and South East of France. In the US, the ATLAX Group owns a 66.67% interest in the Chicago Skyway, a 12km toll road located south of Chicago and Atlas Arteria has 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia, of which the ATLAX Group owns a 13.43% interest. 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.

Distributions

Distributions paid to securityholders were as follows:

	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Dividend of 20.0 cents per stapled security (cps) paid on 5 October 2023 [a]	**290.2**	–
Dividend of 20.0 paid on 6 April 2023 [b]	**290.2**	–
Dividend of 20.0 cps paid on 3 October 2022 [c]	**–**	191.8
Dividend of 20.5 cps paid on 31 March 2022 [d]	**–**	196.6
Total distributions paid	**580.4**	**388.4**

(a) The dividend paid on 5 October 2023 comprised of an ordinary dividend of 20.0 cps. The dividend was paid in full by ATLIX.
(b) The dividend paid on 6 April 2023 comprised of an ordinary dividend of 20.0 cps. The dividend was paid in full by ATLIX.
(c) The dividend paid on 3 October 2022 comprised of an ordinary dividend of 20.0 cps. The dividend was paid in full by ATLIX.
(d) The dividend paid on 31 March 2022 comprised of an ordinary dividend of 20.5 cps. The dividend was paid in full by ATLIX.

Financial Results

Commentary and details of the financial results of Atlas Arteria can be found in the Financial Overview on pages 43 to 44.

Review and results of operations

Key operational and strategic updates by business can be found in the Financial Overview on pages 45 to 50.

Strategic outlook

Atlas Arteria has strong growth opportunities within the current portfolio. Extending the concession life of APRR, as well as creating a clear pathway to sustainable cash flows from the Dulles Greenway remain key priorities. At Chicago Skyway, the business is focused on the smooth transition of ownership and implementation of our key strategies outlined at acquisition. Importantly, the Chicago Skyway acquisition provides Atlas Arteria with the scale and additional balance sheet capacity to participate in any potential re-tender of the APRR and AREA concessions.

Further details regarding Atlas Arteria's strategic framework can be found on pages 12 to 13.

Sustainability

At Atlas Arteria, we are committed to playing a positive role in society and creating long-term value for our stakeholders. From the strong and sustainable outcomes we create for investors and customers, through to our employees and communities, we take our responsibilities seriously. Embedding sustainable business practices is core to our growth and plays a crucial part in how we define success.

Our strategy is informed by our four priority areas: safety; customers and community; our people; and environmental stewardship. These four priorities 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 continue to make progress in support of our priority areas and safety, diversity and greenhouse gas emissions targets. This includes testing of safety innovations at APRR, working to address employee feedback raised through recent surveys, and pursuing renewable electricity options at our businesses and corporate headquarters. We also continue our work to better understand scope 3 emissions and to integrate climate change considerations into business-as-usual processes.

Our work with the team at Chicago Skyway to mature their approach to sustainability has also commenced, with an initial focus on improving insight into, and management over, greenhouse gas emissions.

In April 2023, Atlas Arteria delivered its second standalone Sustainability Report which is available on our website at: https://www.atlasarteria.com/stores/_sharedfiles/Sustainability/ALX_Sustainability_Report_2022_web.pdf. In April 2024, Atlas Arteria will release its Sustainability Report in respect of the 2023 year.

Further details regarding Atlas Arteria's approach to sustainability can be found on pages 27 to 35.

Risk Framework

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/2023/Risk_Management_Policy_-_March_2023.pdf

Further details regarding Atlas Arteria's approach to risk management can be found on pages 36 to 37.

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 year ended 31 December 2023.

Events occurring after balance sheet date

The Directors of ATLIX and ATLAX are not aware of any other matters or circumstances not otherwise dealt with in the Financial 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 subsequent to the year ended 31 December 2023.

Indemnification and insurance of officers and auditors

During the year, ATLIX and ATLAX each paid a premium in respect of a contract insuring the Directors and Officers of the Groups against liabilities incurred in their capacity as Directors and Officers of the ATLAX Group and the ATLIX Group. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the Directors and Officers. The terms of the policies prohibit disclosures of the details of the insurance cover and the premiums paid.

The auditors of the Groups are in no way indemnified out of the assets of the Groups.

Environmental regulation

The operations of the underlying businesses in which the Groups invest are subject to environmental regulations particular to the countries in which they are located.

Each of our businesses is responsible for adopting and maintaining its own environmental and social risk management framework that complies with the relevant regulation and standards for environmental and social responsibility matters in the country and industry in which the business operates.

Our ability to control or influence the ongoing management of these issues will differ for each business based on the extent of our control/governance rights at each business through the level of ownership influence, board representation and regulatory environment. The Boards are not aware of any material breaches during the reporting period.

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 Financial Reports. Amounts in the Directors' Reports and 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 Financial Reports for Atlas Arteria and the ATLAX Group have been presented in the one report, as permitted by *ASIC Corporations (Financial Reporting by Stapled entities) Instrument 2023/673* and *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*.

Auditor services

Atlas Arteria has an auditor independence policy which precludes the auditors from performing certain services. This ensures that the audit firm does not review or audit their own work, act in a management or a decision-making capacity for Atlas Arteria, act as advocate for Atlas Arteria or jointly share economic risks and rewards. When permissible by this policy, Atlas Arteria may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's specific expertise and experience with Atlas Arteria are important.

Details of the amounts paid or payable to Atlas Arteria's auditor (PricewaterhouseCoopers) as well as other audit firms for services provided during the year are set out in Note 23 to the Financial Reports on page 124.

The Boards have considered the position and, in accordance with the advice received from their respective Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committees to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

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 55.

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

Fiona Beck
Chair
Atlas Arteria International Limited
Hamilton, Bermuda
28 February 2024

Andrew Cook
Director
Atlas Arteria International Limited
Hamilton, Bermuda
28 February 2024

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

Debra Goodin
Chair
Atlas Arteria Limited
Melbourne, Australia
29 February 2024

John Wigglesworth
Director
Atlas Arteria Limited
Melbourne, Australia
29 February 2024

Auditor’s Independence Declaration

As lead auditor for the audits of Atlas Arteria International Limited and Atlas Arteria Limited for the year ended 31 December 2023, 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 audits; and

(b) no contraventions of any applicable code of professional conduct in relation to the audits.

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.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
29 February 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au
Liability limited by a scheme approved under Professional Standards Legislation

REMUNERATION REPORT

Message from the People and Remuneration Committee Chair

On behalf of the Atlas Arteria People and Remuneration Committee and Boards, I am pleased to present the Remuneration Report for the 2023 financial year. This report contains detailed information regarding the remuneration arrangements for the Directors and Senior Executives who were Key Management Personnel (KMP) for Atlas Arteria during the year.

In 2023, Atlas Arteria faced several challenges including rising bond yields and the introduction of a new French tax, both of which had an impact on security price performance. However, management demonstrated steadfast dedication to extracting value from our businesses, navigating a period of consolidation for Atlas Arteria.

Despite these challenges, Atlas Arteria delivered a strong financial performance with both weighted average traffic and toll revenue exceeding 2022 levels, up 3.3% and 6.9% respectively. This predominantly reflects the robust traffic performance of APRR and the addition of the A79, as well as the positive impact of inflation linked tolls which drove strong revenue outcomes. As a result of our overall financial performance for 2023, the Boards are expecting to pay a distribution of 40.0 cents per security to our securityholders for the 2023 year.

Key strategic milestones were achieved during the year including the following:

- Completion of the Chicago Skyway 12-month transition plan including:
  - Successful regearing at Chicago Skyway to release capital for securityholders;
  - Advanced the transition to a whole-of-life asset management culture;
  - Optimised operations including commencing design of a new back-office system;
  - Enhanced the leadership team including appointment of a new CFO and COO; and
  - Incorporated Chicago Skyway into Atlas Arteria's emission reduction targets.
- Appointed as part of the Eiffage and APRR consortium for exclusive negotiation on the A412 in France.
- Submission of a rate case to the SCC requesting an increase in the maximum level of tolls at Dulles Greenway;
- Completion of operating model review for Atlas Arteria to optimize capability and capacity across the group which is being implemented;
- Redefined our strategy, positioning the business for long-term success.

Across 2023 we have continued to progress our commitment on each of our sustainability priorities – safety, our people, customers, community and environmental stewardship. We continue to make good progress on our emissions profile, reducing our total scope 1 and 2 emissions through the purchase of renewable energy at most of our businesses and in our corporate offices. We have launched a new program targeted at strengthening connections with our communities and customers which we will see evolve further in 2024. We again achieved an A rating on the GRESB Infrastructure Public Disclosure Report increasing our score from 80 to 87 and were ranked second in the Asia-Pacific Transport sector. Further details on our progress will be shared in our Sustainability Report to be published in April 2024.

Addressing stakeholder feedback

Atlas Arteria received a strike against its Remuneration Report at the 2023 AGM. Our subsequent discussions with securityholders confirmed their primary concern was with the use of positive discretion in 2022 on the MD & CEO's remuneration outcome, as well as highlighting some aspects of the Remuneration Framework that they considered to be misaligned with industry peers.

The Boards have spent considerable time during the year reflecting on the feedback and reviewing all of Atlas Arteria's remuneration processes and practices. The review process has taken into account the need to balance the interests of our securityholders, while maintaining competitive and contemporary remuneration practices. As a result of the review, we are proposing a number of changes to the Atlas Arteria Remuneration Framework including enhancements to governance processes that are outlined in this report.

2023 remuneration outcomes

Atlas Arteria's Remuneration Framework seeks to align executive remuneration outcomes with the performance of the business and the interests of securityholders.

Our people are at the core of everything we do and we continue to invest in their growth and development. We are proud of our ability to continue to attract and retain top talent across our diverse global workforce. We recognise the importance of responding to critical matters that impact the safety, wellbeing and engagement of our people and have focused our energy in 2023 on matters related to psychosocial risk. We pride ourselves on being a truly inclusive organisation and focused our efforts in 2023 on looking at ways to bring our STEER[1] Principles to life. We continue to cultivate a high-performance culture where our people feel engaged and connected to the work we do, the communities in which we operate, and to each other.

1. STEER principles – Safety, Transparency, Engage, Environmental and Respect.

The decisions made to align remuneration with securityholder expectations more effectively during 2023 included:

Remuneration outcomes

- **Executive Remuneration Level and Structure:** A full remuneration benchmarking exercise was completed in 2023. In the context of securityholder experience in the last 12 months, the Boards have determined to retain MD & CEO remuneration at current levels for 2024, noting that this level is below the benchmarked market median. Details of the outcome of the review are included in section 7.1.
- **2023 STI outcomes:** The STI outcomes for the 2023 performance year have been assessed as, on-average, at target for non-financial KPIs and above target for financial KPIs.
- **2021 LTI outcome:** The 2021 Long-Term Incentive (LTI) Award was tested at the end of the performance period on 31 December 2023. The result was a partial vesting with 50.73% of the award vesting.
- **NED fees:** A full review of NED fees, including an external benchmarking exercise, was completed during the year. The Boards have decided to cease the use of travel allowances with existing base fees being adjusted to include an amount equivalent to one international trip per year, noting that aggregate NED fees remain below market median levels.

Remuneration governance: As part of the changes introduced during 2023, there is now a single PRC responsible for the oversight of people and remuneration. This change has helped to drive clarity and improve effectiveness in the way we oversee remuneration matters, while at the same time maintaining the high level of engagement of ATLAX and ATLIX Directors on these critical matters.

Enhancements to Remuneration Structure and Disclosures

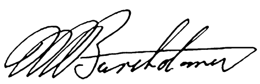
The Boards have conducted a thorough review in 2023 on all aspects of executive remuneration at Atlas Arteria in response to securityholder feedback. The Boards aim to ensure that the remuneration practices continue to be appropriate for the business, aligned to securityholder interests and consistent with contemporary practices. We take securityholder feedback seriously, and the changes we are introducing in 2024 underscore our commitment to addressing these concerns. We will continue to engage with securityholders in relation to remuneration at Atlas Arteria.

As part of the 2023 review process, the following changes to the Remuneration Framework have been introduced for 2024:

- **Use of Board discretion:** Update the guidelines used to govern the use of discretion for executive remuneration decisions to limit the exercise of positive discretion to exceptional circumstances and where financial performance materially exceeds securityholders' expectations. Details are included in section 3.3.1.
- **STI Weighting to Financial Measures:** Revise the weightings of the STI plan to emphasise the importance of achieving our financial targets and meeting our Health and Safety and ESG obligations. The 2024 STI will include financial measures with a 70% weighting, ESG and safety measures with a 15% weighting and specific business priorities with a weighting of 15%.
- **LTI Performance Period:** Amend the performance period for the LTI plan to a 4-year period for executive KMP.
- **LTI KPI Targets:** Introduce a new second measure to the LTI plan. The 2024 plan will retain relative TSR with a 70% weighting and introduce a new measure based on Free Cash Flow per security with a 30% weighting. This combination of measures provides clear alignment to long-term strategic priorities, are clear and quantifiable and designed to meet the expectations of securityholders.
- **Dividend Equivalent Payments:** Remove Dividend Equivalent Payments (DEPS) from future equity award grants.
- **Adjustments to Financial KPI's:** Include additional disclosures regarding the adjustments made to reported EBITDA and other measures when assessing financial performance for STI purposes. Further details are included in section 3.3.2.

Securityholders will be asked to approve the equity based STI and LTI awards for the MD & CEO at the 2024 AGM.

I have confidence that you, our securityholders, will find the 2023 Remuneration Report to be clear in outlining our remuneration practices. I trust that the adjustments made by the Boards in response to feedback will instil confidence in our approach, and I hope you recognise the value of the implemented changes and improved clarity they will provide.



David Bartholomew
Atlas Arteria
People & Remuneration Committee Chair

This Remuneration Report contains the following sections:

1. Introduction

The Directors of the Groups present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the Groups and the consolidated entity for the year ended 31 December 2023. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*. This Remuneration Report forms part of the Directors' Reports.

2. Who is covered by this report?

This Remuneration Report outlines the Remuneration Framework and outcomes for the ATLAX Group and Atlas Arteria Key Management Personnel (KMP). The obligation under the *Corporations Act* to provide a remuneration report only applies to ATLAX as an Australian listed Group. However, given the stapled securityholding structure, the Boards of both ATLAX and ATLIX and the Atlas Arteria PRC have worked together on the Remuneration Report with the disclosures extended to cover all of the Atlas Arteria KMP.

For the purposes of this Report, KMP are those persons having authority and responsibility for planning, directing and controlling the major activities of the Groups.

The individuals covered by this Remuneration Report are:

Name	Role	Date of appointment
Management		
Graeme Bevans	Managing Director & Chief Executive Officer	1 April 2019
David Collins	Chief Financial Officer	30 August 2022
Vincent Portal–Barrault	Chief Operating Officer	1 April 2019
Non-executive Directors		
Debra Goodin*	Independent Non-executive Chair (ATLAX) and Independent Non-executive Director (ATLIX)	1 November 2020 as Chair of ATLAX (Director of ATLAX from 1 September 2017 and Director of ATLIX from 1 November 2020)
David Bartholomew	Independent Non-executive Director (ATLAX) People and Remuneration Committee (PRC) Chair	1 October 2018
Jean-Georges Malcor	Independent Non-executive Director (ATLAX)	1 November 2018
John Wigglesworth	Independent Non-executive Director (ATLAX) Audit and Risk Committee (ARC) Chair	1 January 2023
Ken Daley	Independent Non-executive Director (ATLAX)	30 May 2023
Laura Hendricks	Independent Non-executive Director (ATLAX)	16 October 2023
Fiona Beck	Independent Non-executive Chair (ATLIX)	1 March 2023 as Chair of ATLIX (Director of ATLIX from 13 September 2019)
Andrew Cook	Independent Non-executive Director (ATLIX)	25 November 2020
Kiernan Bell	Independent Non-executive Director (ATLIX)	1 September 2023
Former Non-executive Directors		
Jeffrey Conyers	Independent Non-executive Chair (ATLIX)	16 December 2009 (Retired 1 March 2023) Chair of ATLIX until 1 March 2023
Caroline Foulger	Independent Non-executive Director (ATLIX) Audit and Risk Committee (ARC) Chair	19 May 2020 (Retired 1 July 2023)

* As contemplated by the Co-operation Deed in place between ATLAX and ATLIX, the ATLIX Board includes a Director of ATLAX (Debra Goodin) to facilitate and promote co-operation and consultation between the two Boards.

3. Remuneration Framework review

3.1 Our response to the 2022 strike

At Atlas Arteria's 2023 AGM securityholders voiced their concerns with our 2022 remuneration outcomes, in particular executive remuneration read together with the business' 2023 financial performance and securityholder outcomes. This resulted in Atlas Arteria receiving a first strike against our Remuneration Report (2022 strike). In response to these concerns, the Boards have actively engaged with securityholders to understand the issues raised and are taking appropriate steps to ensure our remuneration practices align with expectations, and at the same time retaining our skilled and engaged workforce.

A structured review process was undertaken during 2023 to ensure a full and comprehensive review of our Remuneration Framework. This encompassed the areas highlighted by securityholders, along with an assessment of all related policies, processes, and procedures. In summary, the review process involved:

- Consolidating feedback from securityholders to have a clear view of the issues that motivated the 2022 strike;
- Developing a comprehensive project plan to ensure a considered and timely approach to address the feedback received;
- Reviewing market data and obtaining external advice in relation to comparator and ASX listed company practices from our advisers to understand and assess potential alternatives;
- Reviewing proposed changes against the Atlas Arteria business strategy and remuneration principles to enable any changes to consider both internal and external factors appropriately; and
- Engaging with securityholders to capture feedback on the proposed changes.

The Boards are focussed on implementing a Remuneration Strategy that best fits Atlas Arteria to incentivise management to maximise securityholder outcomes.

The following table summarises the concerns raised at the 2023 AGM and the response from the Atlas Arteria Boards.

Topic	Board response
Exercising positive discretion over the MD & CEO's 2022 STI outcome	– As part of the 2022 STI evaluation for the MD & CEO, the Boards exercised positive discretion to increase the overall outcome from 105% of target to 120% of target – a discretionary award of 15%. While the Boards believed there was a clear rationale for this decision at the time given the MD & CEO's strong performance in 2022, this view received adverse commentary from securityholders. – As part of the 2023 Remuneration Framework review, the guidelines that govern the use of discretion for executive remuneration were reviewed against market practice and securityholder expectations. We have put in place guidelines that the Boards will use when they look to exercise discretion – both positive and negative. Based on these guidelines, the Boards will only exercise positive discretion where financial performance materially exceeds securityholder expectations. The *Discretion Guidelines* are published in the Remuneration Report, refer section 3.3.1. – The Boards believe these changes will enable greater transparency and ensure any future use of discretion, both positive and negative, is aligned with the expectations of securityholders.
Weighting of financial targets for the STI plan for KMP executives	– In 2022, to accommodate the inclusion of a 10% ESG measure in the KMP and executive STI plan, the weighting for the financial component was reduced to 60% (from 70%) with the weighting for the strategic component retained at 30%. – The introduction of an ESG measure was well received by securityholders as it recognised the importance of linking executive remuneration outcomes to the achievement of ESG priorities. However, there were concerns raised about the adjusted weighting assigned to the financial component, suggesting it was too low in comparison to peers. – A detailed review of market practice by companies in the ASX100 identified a range of approaches and confirmed that the typical weighting of the financial component ranges from 50%-70% of the total STI scorecard. – The Boards have considered the market data and securityholder feedback and have concluded it is appropriate to increase the STI weighting for the financial component back up to 70% for 2024. Other changes to the weightings include increasing the weighting of the ESG/safety component to 15% and a key business priorities component of 15% with stretch targets set that are tailored to individual KMP accountabilities focussed on increasing securityholder value. – The Boards believe the revised weightings will provide an appropriate and balanced incentive to management to achieve the annual financial targets, meet our investors' expectations in relation to ESG (including health and safety) and to drive our key business priorities. – Further details of the STI plan weightings are included in section 5.4.

Topic	Board response
Number of LTI performance measures	– Securityholders raised concerns that the 2023 LTI plan, with only one performance measure, is too narrow and inconsistent with market practice and that it is common to include a second quantifiable measure in LTI plans to ensure a balanced approach. – As part of the 2023 review, the Boards have decided to introduce a Free Cash Flow per security measure as being the most appropriate second LTI measure given that cash flow is critical to meeting securityholder expectations of our dividend profile and critical in underpinning our valuation and security price. The Boards have previously considered the introduction of a Free Cash Flow per security as a second measure but decided not to proceed for a number of reasons at the time such as during COVID or at the time of the Chicago Skyway acquisition. – The proposed 2024 LTI plan will retain relative TSR and reduce it from 100% to 70% and include Free Cash Flow per security at 30%. This combination provides alignment to long-term strategic priorities, is clear and quantifiable and is designed, on balance, to meet the expectations of securityholders. This approach also aligns more closely with market practice. Details of the proposed change are included in section 3.2.
Appropriateness of LTI performance period	– Some securityholders questioned the duration of the LTI performance period at three years and whether it was in line with relevant peers. – A detailed review of market practice confirmed that while the 3-year performance period is still the dominant approach adopted by companies in the ASX100, there is a movement in some sectors to a 4-year performance period for LTI plans. – Given the practice of our closest peers is to use a 4-year performance period and the longer-term nature of the Atlas Arteria investment proposition for investors, the Boards have determined a 4-year performance period will enhance the alignment of executive KMP with investors and will apply to the 2024 LTI grants.
Distribution Equivalent Payments (DEPs)	– The Atlas Arteria LTI plans have historically provided for an award of DEPs (either by way of an additional grant of securities or by a cash payment) on performance rights that have vested. The Boards considered that the inclusion of distribution equivalents improved the alignment between management and securityholders where the investment proposition was based on both yield and security price growth. – Some securityholders provided feedback indicating that the continued use of DEPs is uncommon and deemed inappropriate as a feature of the Atlas Arteria LTI Plan. The 2023 review of remuneration practices confirmed the use of DEPs is limited within the ASX100. – On reviewing feedback from investors and market practice of peer companies, the Boards have decided to cease the use of DEPs as part of the Remuneration Framework for equity awards made from 2024.
Travel allowance for Non-executive Directors (NEDs)	– Reflecting the international nature of the Atlas Arteria business, NEDs have historically received a travel allowance of $10,000 for each time they are required to travel more than eight hours to attend Board meetings. Concerns were raised about the ongoing use of travel fees for NEDs and whether this was consistent with market practice. – A full review of NED fees was completed in 2023 to ensure that fees remained appropriate and competitive to attract high performing Directors. The review included consideration of the use of travel allowances by comparable companies, specifically global companies where regular international travel by NEDs is expected. Pending the outcome of a review of NED fees, no travel allowance fees were paid in 2023 even though NEDs were required to travel internationally during the year. – The review also identified that while travel allowances were used by some similar companies, other companies adopted a simpler approach and included fees for travel time in their overall base fees. – The Boards have decided to adopt an approach that incorporates travel time in the base fees. Accordingly, the payment of travel fees to NEDs will cease and the existing base fees will be adjusted to include an amount in respect of one international trip per year. It is noted that with the inclusion of this increase in base fees, Directors will continue to be paid below the benchmarked median.
Additional detail needed on adjustments to STI financial measures	– Consistent with other companies, the Boards, when assessing financial performance for STI purposes, make adjustments to the reported financial results. This is done to ensure that STI awards accurately reflect the performance of the underlying operations of the business and the contribution of MD & CEO and other executive KMP on managing the controllable factors to achieve annual earnings targets. – Some securityholders have requested that we provide more information in the Remuneration Report to explain the rationale for the various adjustments to STI financial measures. – The Boards acknowledge this feedback and are committed to enhancing the level of disclosure provided to securityholders regarding the adjustments to reported EBITDA and other financial measures used in assessing financial performance. – The enhanced disclosures have been included in section 3.3.2.

3.2 Changes to the Atlas Arteria Remuneration Framework

During 2023, the People and Remuneration Committee completed a comprehensive review of Atlas Arteria's Remuneration Framework. The table below provides a summary of changes that have been made and are being put in place for 2024.

Remuneration component	Feature	2022	2023	2024
Remuneration benchmarking	**Peer group**	ASX 25-100	Selected industry comparator ASX 200 companies	No change
Short-term incentive	**Weighting**	STI weighting made up of the following: – 60% Financial – 30% Strategic – 10% Safety and ESG	No change	STI weighting made up of the following: – 70% Financial – 15% Safety and ESG – 15% Business Priorities
	Target setting	Targets for KMP are set relative to role for strategic goals/priorities. Targets for financial, safety and ESG shared for all KMP	No change	Board to endorse targets related to Financial, Safety and ESG and Business Priorities All targets will have quantifiable measures
Long-term incentive	**Performance period**	3-year performance period	No change	4-year performance period
	Performance measures	Use of two measures for LTI plan: – Relative TSR with a positive TSR gateway (50%) – Strategic measures (50%)	Use of single measure for LTI plan: – 100% relative TSR with a requirement for a positive TSR gateway	Use of two measures for LTI plan: – Relative TSR with a positive TSR gateway (70%) – Free Cash Flow per security (30%)
	Use of Dividend Equivalent Payments (DEPs)	DEPs payable on vested LTI awards	No change	DEPs not payable
Non-executive Director fees	**Travel fee**	Travel fee of $10,000 for ATLAX Directors/ US$7,500 for ATLIX Directors – Fee payable per trip over 8 hours	No change Directors voluntarily waived the travel allowance for 2023	No travel fees payable Base fees for 2024 increased by an amount equivalent to one travel fee

3.3 Improving transparency

3.3.1 Guidelines for the use of discretion

The existing guidelines on the use of discretion at Atlas Arteria have been reviewed based on the feedback received from securityholders. These guidelines operate to allow consideration of the need to exercise discretion on:

- An ongoing basis in response to situations that may require discretion to be considered; and
- At the time decisions in relation to reasonableness and fairness of the actual variable pay outcomes are being made.

The 2023 review has focused on strengthening the language used in the guidelines and providing further clarification on the circumstances that would justify the use of positive discretion in any future variable pay decisions by the Board. To embed these guidelines, the Board will continue to ensure the following:

The adoption of a formal process at the time any of the following events are reviewed to consider the exercise of discretion to adjust variable pay outcomes accordingly. These events include:

- A significant safety, environmental or governance event;
- A material financial event or outcome or major corporate activity or change in the portfolio;
- A significant behavioural concern or reported breach of the STEER[2] Principles;
- The approval of STI outcomes;
- The approval of the release of deferred STI equity awards;
- The LTI grants;
- Performance reviews; and
- Where clawback provisions have been triggered.

Circumstances where the exercise of discretion will be considered include situations where there have been:

- Misalignment between STI scorecard outcomes and business financial performance;
- Unintended windfall gains or losses; and
- Changes to business plans that are not adequately addressed in the original STI or LTI targets.

It is important to address how the use of positive discretion will be managed going forward. The positive exercise of discretion will only be considered in the following exceptional circumstances:

- Above expected returns delivered for securityholders during the year – for example higher than forecast distributions, top quartile TSR performance and/or security price growth;
- Financial performance that materially exceeds securityholder expectations;
- Where STI or LTI targets become obsolete as a result of a material financial event, corporate activity or change in the portfolio; and
- Where appropriate disclosures are included in the Remuneration Report that outline the evidence and rationale for the use of the discretion.

The exercise of negative discretion will be considered in circumstances such as the following:

- Significant safety incident/s at one of our wholly or majority-owned businesses;
- Significant safety incident/s at one of our minority-owned businesses (with discretion limited to the ESG component of the STI);
- Adverse risk findings during the year;
- Individual behaviours that are inconsistent with the STEER Principles; and
- Adverse financial outcomes that are materially below securityholder expectations.

3.3.2 STI adjustments for financial measures

When assessing financial performance for STI purposes, the Boards make adjustments to the reported financial results. This ensures STI awards accurately reflect the performance of the underlying operations of the business, emphasising the contribution of the MD & CEO and other executive KMP on managing the controllable factors effectively to achieve annual earnings targets. Details of these adjustments are included in section 7.2.

The Board has considered the following in relation to the adjustments:

- A consistent approach is adopted when setting targets and assessing performance from year to year;
- Targets are set and performance is measured on a consistent basis each year by ensuring annual STI financial targets are set excluding the costs of STI and LTI awards and without any allowance for Board approved projects;
- A reconciliation between the reported earnings and the earnings for STI purposes is provided below;
- No adjustments are made to the targets or to assessment of the target for distributions payable to securityholders; and
- The ALX security price will reflect the actual position of the business which in turn impacts the TSR calculation for LTI purposes.

2. STEER principles – Safety, Transparency, Engage, Environmental and Respect.

4. Our Remuneration Framework at a glance

Included below is a summary of the 2023 Remuneration Framework for the management team. Further details regarding our remuneration arrangements are provided in the remainder of this Remuneration Report. A number of important changes to this Remuneration Framework are proposed for 2024 and are set out in section 3.2.

OUR VISION

Our vision is to benefit the communities in which we operate through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions and to provide an enjoyable travel experience.

OUR VALUES

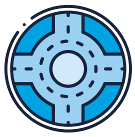
Our values guide the decisions we make and the way we behave as we work together towards our vision. In living and breathing our values, we can create strong growth for securityholders and better outcomes for our customers, our communities and our people. To us, great performance is as much about how we get there and not just the end result. That's why our people's success is evaluated against our five values, along with their role responsibilities.

OUR GUIDING VALUES

When we are guided by these values, we are acting in the best interests of one another, our securityholders, our customers and our communities. In this way, together, we're driving better outcomes.

Safety is at our heart

Transparency in all we do



Engage for better outcomes

Environmentally and socially responsible

Respect in every interaction

Executive remuneration framework overview

Remuneration principles	Simple Balance short and long-term needs	Maintain contemporary and competitive practices Reflect our values and behaviours	Specific and differentiated performance outcomes Securityholder alignment
Remuneration elements	**Fixed remuneration** Salary and superannuation Reviewed annually against comparator benchmarks	**Short-Term Incentive** Annual incentive delivered 50% in cash and 50% in restricted securities	**Long-Term Incentive** Annual award of performance rights with a 3 year performance period in 2023 and 4 year performance period in 2024
Purpose	Executive remuneration levels should be competitive with companies of similar size and complexity	To align the interests of securityholders, executives and other participants as determined by the Boards	Rewards long-term value creation for securityholders
How aligned to performance	Recognises the market value of an individual's skills, experience, accountability and their contribution in delivering the requirements of their roles	A combination of financial measures and non-financial measures relating to specific business outcomes and taking account of behaviours and conduct	Vesting based on achieving challenging performance targets
Performance measures	An individual's skills, experience, accountability and contribution in delivering the requirements of their roles	Assessment of performance against a balanced scorecard of financial measures (weighted 60%), ESG (10%) and non-financial strategic measures (30%) with challenging targets set by the Boards based on the business priorities for the year.	Relative total securityholder return (TSR) compared to a comparator group of local and international infrastructure companies For 2022 only, a strategic measure was introduced with vesting based on demonstrated delivery of securityholder returns A positive TSR gateway applies before vesting occurs In 2024, a second LTI measure based on achieving cash flow target has been introduced with a 30% weighting
Performance targets		Measures are set to reward delivery of returns and value creation for securityholders	Measures performance against local and international infrastructure companies
Alignment to securityholders	Minimum securityholding requirements to be accumulated within five years	STI deferral to restricted securities	Measures aligned to creation of value for securityholders
Governance	Ability to exercise discretion as required over remuneration decisions to ensure that remuneration outcomes: – Reflect the performance of the Groups and the individual executives; and – Are consistent with securityholder expectations. All variable remuneration is subject to malus adjustment.		

5. Executive Remuneration Framework

5.1 Remuneration principles

The following six principles underpin the management of the Remuneration Framework at Atlas Arteria. The principles which were reviewed by the PRC during the year provide guidance on how remuneration decisions are made and how remuneration outcomes are determined.

The executive Remuneration Framework should be:	Description
Simple	Be simple to understand, implement and communicate
Balance short and long-term needs	Align the interests of our people and our company by ensuring a clear link between remuneration and both short and long-term business performance
Maintain contemporary and competitive practices	Use market competitive and contemporary practices to ensure we can attract, retain, and motivate the right talent
Reflect our values and behaviours	Align reward with demonstrated behaviours and actions consistent with our STEER principles, business priorities and stakeholder expectations
Specific and differentiated performance outcomes	Support a high-performance culture with specific performance measures for individual employees they can influence
Securityholder alignment	Encourage equity ownership so that employees have 'skin in the game,' aligning individuals to securityholder returns

5.2 Positioning and mix of executive remuneration

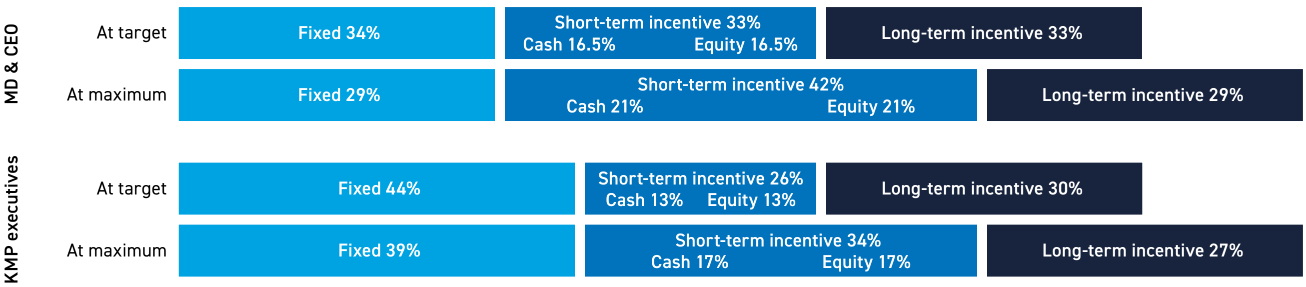
The Remuneration Framework for the Executive Team aims to achieve balance between:

- Fixed and performance-based remuneration;
- Short and long-term performance incentives;
- Financial, non-financial and strategic outcomes; and
- Remuneration delivered in cash and equity.

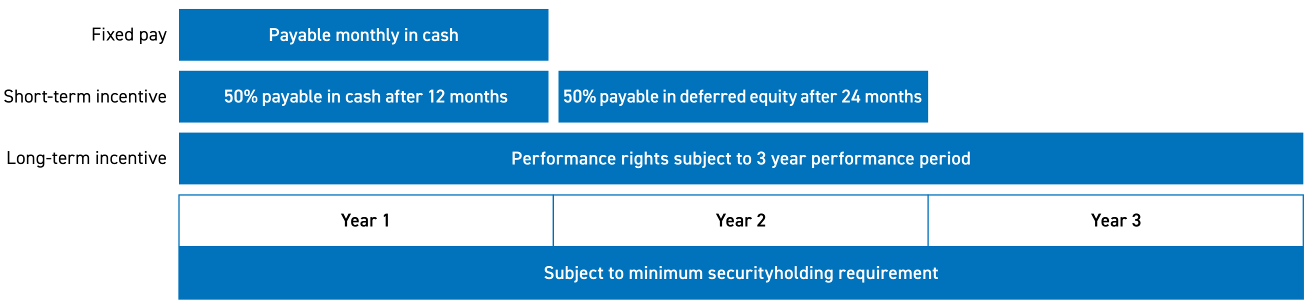
To ensure our remuneration quantum and structure is market competitive, reference is made to the median of a group of ASX listed comparator companies of similar size and complexity to Atlas Arteria. The remuneration arrangements of selected industry comparators are also considered for each role.

The target and maximum remuneration for 2023, together with the timeframe over which the different elements of the framework are delivered for the MD & CEO and the executive KMP, are represented in the graphs below.[3]

Remuneration mix



Remuneration delivery



3. Timing of payment of STI components from commencement of performance period.

5.3 Fixed pay

Fixed pay recognises the market value of an individual's skills, experience, accountability and their contribution in delivering the requirements of their roles. Fixed pay includes base pay and superannuation.

The PRC has selected (and reviews periodically) a peer group of ASX listed companies for the purposes of benchmarking both fixed and variable remuneration for the Australian based executives. The peer group reflects the size and complexity of Atlas Arteria and includes companies with significant international operations, similar scale and scope of business and market capitalisation. The peer group is not solely based on market capitalisation, as the PRC believes this would lead to inappropriate remuneration outcomes and distortions in remuneration levels that are not reflective of the scale and complexity of our business. A similar approach is adopted based on European and US companies for executives in those locations.

Securityholders were advised in the 2022 Report, that the Boards would undertake a review of fixed pay during 2023 to ensure our remuneration levels are competitive with companies of similar size and complexity. This review was concluded during the year and further information on the outcomes of the review is included at section 7.1.

5.4 Short-Term Incentive Plan

Details regarding the STI arrangements for the executive KMP are set out below. The size of each STI award is capped at an agreed percentage of fixed remuneration for each executive. The value of the STI payment made at the end of the performance period is a function of performance against a balance of financial and non-financial performance measures aligned with Atlas Arteria's annual business plans.

Element	Description
Opportunity	The STI is subject to achievement of defined performance targets. The target STI opportunity represents an opportunity to earn 100% of fixed remuneration for the MD & CEO and 60% of fixed remuneration for the other executive KMP. When assessing performance, the Boards have discretion to increase or decrease an STI award subject to an overall cap of 150% of target.
Performance period	Performance is measured over a one year performance period from 1 January to 31 December.
STI deferral	To assist in creating alignment with securityholders and in achieving the minimum securityholding requirement, 50% of the STI outcome is deferred into restricted securities for a one year period following the conclusion of the performance period, with vesting subject to ongoing service and the discretion of the Boards.
STI objectives	STI targets set for 2023 comprised a combination of financial measures, ESG, including Health and Safety, measures and non-financial measures relating to specific strategic outcomes and taking account of culture and behaviours.
STI weighting – financial and non-financial measures	The Boards believe delivering strong financial performance for our securityholders continues to be a priority. Accordingly, for 2023 the financial component of the STI scorecard has a 60% weighting with the remaining 40% applying to strategic (30%) and ESG (10%) measures. As noted in section 3.2 above, the STI weighting for the financial component has been adjusted to 70% for 2024, the weightings for the ESG/Safety component to 15% and a Key Business Priorities component to 15%.
ESG measures	An ESG measure with a 10% weighting was introduced to the STI Plan in 2022. Inclusion of an ESG measure reflects our commitment to safety, the environment, our people, and our focus on customers and communities. For 2023, targets have been set based on achieving our safety goals, renewable electricity transition (GHG Reduction) and achieving direct renewable supply or carbon credits of at least 90% of electricity usage across our business by end 2023.
Target setting	Targets for financial measures have been determined on the basis that 'target' is equal to budget with 'threshold' at 95% of target and 'stretch' at 105% of target.

5.5 Long-Term Incentive Plan

To align with the interests of securityholders, executives and other participants as determined by the Boards are eligible to participate in an LTIP. Details of the LTIP arrangements of the MD & CEO and executive KMP are set out below. The size of each year's grant is capped at an agreed percentage of fixed remuneration for each executive. The value of the LTIP award made at the end of the vesting period is a function of:

- Atlas Arteria's performance against the relevant performance measures over the performance period. The performance period for 2023 was three years. As noted in section 3.2, this performance period will be 4 years in 2024. These measures include TSR performance relative to a group of Australian and international peer companies and other measures if selected by the Board to address specific strategic priorities from time to time (which determines the number of securities granted that vest);
- The change in the price per Atlas Arteria stapled security (which determines the value of each stapled security that vests); and
- For awards made in the years to 2023, the value of distributions that would have been made during the vesting period to the number of securities that vest (distribution equivalents). As noted above in section 3.1, distribution equivalent payments are no longer included as a feature of the Atlas Arteria equity awards.

As a result, management incentives are aligned with the long-term interests of securityholders to achieve strong performance relative to peers and to generate an appropriate balance of security price performance and distributions.

Element	Description
Opportunity	The maximum grant value of LTIP opportunities represents 100% of fixed remuneration for the MD & CEO and 70% of fixed remuneration for the other executive KMP. The number of awards granted is based on face value and is determined based on the 10 day VWAP immediately following the announcement by Atlas Arteria of its annual results.
Vehicle	Awards are delivered in the form of performance rights. A performance right is a right to acquire one fully paid Atlas Arteria security, subject to meeting pre-determined performance measures.
Performance measure	Historically, LTIP performance has been assessed solely against relative TSR. Relative TSR has been selected as a performance measure as it measures securityholding value creation objectively, can be used for comparing performance across different jurisdictions and is widely understood and accepted by stakeholders. As a one-off intervention, for the 2022 grant, a second LTI performance hurdle (equal to 50% of the LTI award value) was introduced with vesting based on quantifiable improvements in securityholder value from the successful delivery of key strategic objectives (refer to section 7.3 for information on progress against the strategic objectives). – Creating a clear pathway to distributions from Dulles Greenway. – Improving the average concession life of the Atlas Arteria portfolio. Vesting of the remaining 50% of the 2022 LTI award is subject to the same relative TSR measure as applied for previous years. Relative TSR with a positive TSR gateway as a sole performance hurdle was reintroduced for awards under the 2023 LTI Plan. Relative TSR has been selected as the sole performance measure as it measures securityholder value creation objectively, can be used for comparing performance across different jurisdictions and is widely understood and accepted by stakeholders. From with Since 2020, Atlas Arteria's TSR performance has been assessed against a group of approximately 125 OECD-domiciled companies that are included in the Global Listed Infrastructure Organisation (GLIO) index at the start of the performance period. The comparator group may, at the discretion of the Boards, be adjusted to take into account events during the Performance Period including, but not limited to takeovers, mergers, de-mergers or de-listings, so that the outcome appropriately reflects the circumstances. A volume weighted average security price (VWAP) over a 40 business day period prior to the start of a performance period and a 40 business day period to the end of the respective performance period is used for the calculation of TSR performance for the 2020 and subsequent awards. A 40 business day averaging period for calculating the security price for TSR performance helps to eliminate the impact of short-term security price movements on vesting outcomes.
Target setting and Vesting schedule	Relative TSR performance is assessed on a sliding scale, with vesting determined as follows: **Atlas Arteria's TSR performance** — **% vesting** Below the 51st percentile — 0% At the 51st percentile — 50% Between the 51st percentile & 75th percentile — Pro-rata between 50% & 100% At the 75th percentile — 100% Awards which have strategic LTI measures will vest based on actual performance with 50% of the award vesting for the minimum acceptable performance and 100% of the award only vesting where challenging performance outcomes are achieved. Details of the quantifiable outcomes will be disclosed in the Remuneration Report for the year of vesting.

Element	Description
Positive TSR Hurdle	A positive TSR hurdle was introduced for the 2021 and subsequent LTI awards which applies in addition to the actual performance hurdles – relative TSR or strategic. For 2024 plans, the positive TSR hurdle will only apply to the relative TSR component. It will not apply to the Free Cash Flow measure being introduced.
Performance period	Performance is measured over a performance period, from 1 January to 31 December. The performance for the 2023 grant will be assessed at the start of 2026 and measured from 1 January 2023 to 31 December 2025. Up to and including the 2023 grants, the performance period has been 3 years. As noted in section 5.5 above, given the practice of our closer peers is to use a 4 year performance period, the longer term nature of the Atlas Arteria investment proposition for investors, and to enhance the alignment of executive KMP with investors the Boards have determined a 4-year performance period will apply to the 2024 LTI grants.
Vesting and allocation of securities	If and when the Boards determine that the performance measures have been achieved, the performance rights will automatically be exercised provided absolute TSR has been positive (where appropriate), and the relevant number of securities will be allocated.
Distribution equivalents payments (DEP)	Distribution equivalents will be payable (via a grant of securities or a cash payment, at the Boards' discretion) on performance rights that have vested, to the value of any distributions paid during the performance period in respect of an equivalent number of Atlas Arteria securities. On reviewing feedback from investors, market practice of peer companies and given the relatively small value attached to DEPs, the Boards have decided to cease the use of DEPs as part of the Remuneration Framework for equity awards made from 2024.

Introduction of free cash flow per security measure to LTI in 2024

A free cash flow (FCF) per security[4] compound annual growth rate (CAGR) measure will be introduced as the second measure for the FY24 LTI plan. The new measure will represent 30% of the LTI, with Total Shareholder Return (TSR) representing the remaining 70%. Cash flow expectations will be used to determine appropriately challenging target and threshold levels. The target for the FY24 FCF measure will be a CAGR of 5.5% over the 4-year performance period, with the threshold for vesting beginning at 4.2%. Vesting of awards is subject to continued service and demonstration of the STEER principles throughout the performance period. Full details of targets and other terms for the FY24 LTI plan will be disclosed in the Notice of Meeting Explanatory Memorandum for the resolution seeking approval of the proposed FY24 LTI grant to the MD & CEO.

5.6 Employee Equity Incentive Plan

The Groups operate an employee equity plan to enable all corporate employees to become securityholders of the Group. The plan was introduced in 2020 to support employee retention, develop the team with a common purpose, share in the success of the business and for employees to become equity holders, and thus increase alignment with securityholders. All corporate employees, other than members of the Executive Team who participate in the LTIP Scheme, are eligible to participate in the plan. Awards to the value of $5,000 were made in the form of share rights with vesting subject to a 3 year service condition. The total value of the equity awarded in 2023 was $99,147.

5.7 Employment contracts

The remuneration and other terms of employment for the executive KMP are formalised in executive contracts. Key contractual terms in place for 2023 are outlined below.

	Contract type	Termination notice by either party	Termination notice with cause	Termination notice by KMP for fundamental change in role
MD & CEO	Ongoing	12 months	Immediate without notice period	30 days within 21 days of fundamental change
CFO and COO	Ongoing	6 months	Immediate without notice period	30 days within 21 days of fundamental change

Securityholders were advised in the 2022 Remuneration Report, that the Boards provided confirmation to the CFO and COO that in the event of a change in control, they would receive a payment equal to 6 months fixed pay (as Atlas Arteria's executive employment contracts do not provide for payments on termination of employment other than for notice), a pro-rata payment under the short-term incentive plan for the period of employment paid out at maximum, and awards made under the long-term incentive plan would vest in accordance with plan rules and would be paid in cash. Entitlement to a payment is conditional on ongoing employment and no payment will arise where either party provides the other party with notice of termination prior to the payment date. These arrangements have been extended for a further 12 months until 31 December 2024.

These arrangements do not apply to the MD & CEO and the normal terms of the various plans will apply in the event of a change of control. Accordingly, in the event of a change of control the following will apply:

- Mr Bevans will be provided with 12 months' notice of termination of employment or a payment of fixed pay in lieu of notice for any period of time not worked where there is a fundamental change to his role.
- The Boards have absolute discretion to determine the treatment of STI awards where there is a change of control and in the event that they do not exercise discretion, cash based STI will be assessed on a pro-rata basis and paid at that time based on performance, and deferred STI will vest in full.
- The Boards have discretion to determine the treatment of LTI unvested equity awards and the timing of such treatment. In the event the Boards do not exercise its discretion, the LTIP will vest pro-rata for time and performance at date of change of control.

4. Free cash flow per security is calculated by dividing the free cash flow determined consistent with Table 2 of the Investor Reference Pack (adjusted to remove the impact of capital releases, future FX movements and board approved special project costs), by the weighted average number of securities on issue during the period.

6. 2023 business performance highlights

6.1 Overview of business performance

The strength of our portfolio and balance sheet has enabled the Groups to continue to deliver against strategy with a number of key initiatives implemented that will drive long-term value creation for securityholders. These have been discussed on pages 12 to 13.

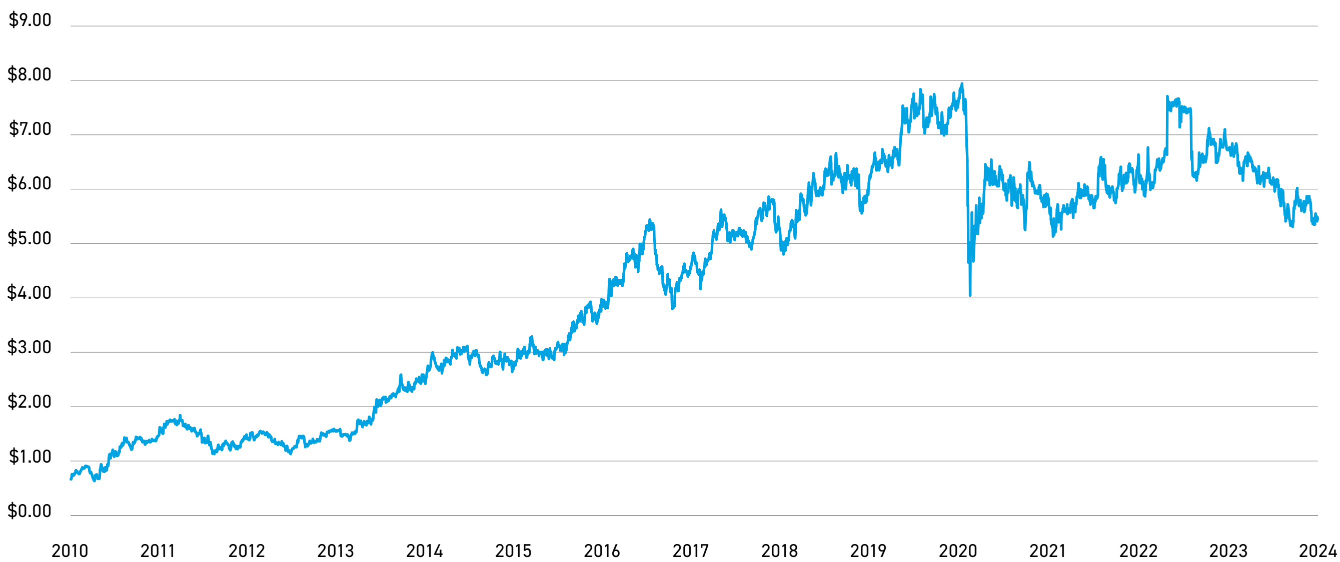
6.2 Atlas Arteria's performance

The following table outlines the key financial metrics over the past five financial years up to and including 2023 that underpin the STI and LTI plans.

	2023	2022	2021	2020	2019
Dividend Payments per Security (cents) [1]	**40.0**	40.5	28.5	11.0	30.0
Cash flow per security ($) [2]	**0.42**	0.42	0.30	0.31	0.27
EBITDA proportionate ($m) [3]	**1,375.0**	1,100.8	1,024.4	884.0	923.0
Security price (@year end) ($) [4]	**5.78**	6.61	6.47	6.07	7.32
Total Security Return	**-6.7%**	8.7%	11.5%	-15.5%	32.2%
STI awarded as a % of maximum – CEO [5]	**65%**	80%	84%	26%	100%
LTI vested as a % of max – CEO [6]	**50.7%**	Nil vesting	Nil vesting	n.a.	n.a.

1. Distributions paid to securityholders during the year.
2. Cash flow per security calculated by reference to the securities on issue at the time the cash flows were received by the business.
3. Proportionate EBITDA from each business as reported for each financial year on a constant currency basis, prior years excluding Chicago Skyway.
4. Atlas Arteria TERP adjusted security price as at year end.
5. Relates to the year for which the STI was awarded.
6. Relates to the final year of the LTI performance period, that is the year the LTI may have vested.

ALX security price (2010-2024)



7. 2023 remuneration outcomes

7.1 Fixed pay

Securityholders were advised in the 2022 Remuneration Report a pay freeze would apply to the MD & CEO and the executive KMP for 2023 with the next increases (other than any Luxembourg government mandated increases that may apply for the COO) to occur no earlier than 1 January 2024.

During the 2023 year as indicated in the 2022 Remuneration Report, the Boards reviewed executive remuneration to ensure our remuneration levels are competitive with companies of similar size and complexity.

As a result of the review, taking into account the scope of each role, the experience and capability of each executive relative to peers, the following fixed remuneration levels will apply from 1 January 2024:

- MD & CEO – The MD & CEO's fixed pay is $1,400,000 and was last reviewed with effect from 1 January 2022. While this is below the market median level, the Boards have decided that there should be no fixed pay increase for the MD & CEO in 2024. We will review fixed pay during 2024 with any increase to occur no earlier than 1 January 2025.
- CFO – Reflecting the CFO's relative position to market at the time of appointment, annual fixed remuneration will increase to $745,000 with effect from 1 January 2024.
- COO – As a result of a Luxembourg government compulsory CPI review during the year, the COO's fixed pay was adjusted to €491,098. The Boards have agreed that no further increases above the Luxembourg government compulsory CPI reviews will occur in 2024.

7.2 Short-term Incentive Plan

STI performance in respect of 2023 was assessed based on a combination of financial, ESG and non-financial measures. These measures were determined at the start of the 2023 financial year based on the structure of the Atlas Arteria business at that time.

In assessing performance, the Board considers both what has been achieved and how it was achieved. Each Executive's behaviour is considered against our STEER principles, which are the guiding principles for our conduct and how we work. The actual STI awarded can be adjusted where these expectations are deemed not to have been met.

Discretion

The Boards also considers the application of discretion against the pre-determined principles set out in section 3.3. These include consideration of the securityholder experience, the broader employee experience and overall safety performance considering factors both within and outside of managements control. In 2023, the Boards considered that there were no factors requiring the exercise of discretion, either to increase or to reduce, STI outcomes.

Adjustments to reported financial results

Consistent with other ASX listed companies, when assessing financial performance for STI purposes, the Boards make adjustments to the reported financial results. These adjustments are made to ensure STI awards accurately reflect the performance of the underlying operations of the business, emphasising the contribution of the MD & CEO and other executive KMP on managing the controllable factors effectively to achieve annual earnings targets.

The adjustments made to reported financial results when assessing performance for STI purposes are as follows:

Adjustment	Reasons
To exclude the costs of awards under the short-term and long-term incentive plans	Given the relative costs of STI and LTI to other corporate costs and in order to avoid circularity in the calculation, these costs are excluded.
Board approved project costs and capital projects	The costs are excluded so decisions on whether to proceed with a project are not influenced by potential impact on STI outcomes. If such costs were included and budgeted, the financial KPI's would no longer be appropriate performance targets if the projects did not proceed given the size of many of these projects relative to the company's business-as-usual cost base.
To exclude the impact of exchange rate movements during the year	The adjustments for exchange rate movements are made to enable management to be rewarded on the aspects of the business that they are in a position to control and influence directly. These adjustments result in both positive and negative adjustments being made to the reported results from year to year and for different currencies.

Reconciliation of reported financial results to financial results for STI purposes

The following table reconciles the reported results with the financials for STI purposes for 2023.

Proportional adjusted EBITDA

Performance area	Target $	Actual performance $
Reported Proportional EBITDA [5]		**1,374.8**
Adjustments		
Add back: DG Holdco costs included in the DG segment of the Segment note to the Financial Statements		0.2
Proportional EBITDA		**1,375.0**
Adjustments		
Add/(deduct) the impact of exchange rate movements during the year (budgeted AUD/EUR of 0.66 versus actual average FX rate across the year of 0.6138, budgeted AUD/USD of 0.71 versus average actual of 0.6638)		(95.3)
Add/(deduct) AIFRS accounting related adjustments applied to business' EBITDA		(1.1)
Proportional adjusted EBITDA for STI purposes	**1,265.0**	**1,278.6**

Free cash flow [6]

Performance area	Target $	Actual performance $
Free cash flow received from Operations		**609.9**
Adjustments		
Add back: Interest and fees paid		0.4
Add back: payments for capital projects		0.2
Add back: STI payments reflected in payments to suppliers and employees		5.3
Add back: Board approved special project costs reflected in payments to suppliers and employees		1.9
Add back: Exchange rate movements		4.9
Deduct: capital distributions received		(155.6)
Add/(deduct) the impact of exchange rate movements during the year (budgeted AUD/EUR of 0.66 versus actual FX rate at date of distribution conversions of 0.612, budgeted AUD/USD of 0.71 versus actual of 0.657)		(35.6)
Free cash flow for STI purposes	**400.0**	**431.4**

Corporate costs

Performance area	Target $	Actual performance $
Corporate operational expenditure [7]		**36.0**
Adjustments		
Add back: AASB16 lease accounting (considered as a financing cost, not a corporate cost in statutory accounts)		1.2
Add back: DG Hold Co costs (considered a business operation cost, not a corporate cost in statutory accounts)		0.2
Add back: GST refund (removed for STI purposes, but included as a reduction to corporate costs for statutory purposes)		0.3
Add back: the impact of exchange rate movements during the year		0.1
Add back: MAF/MAF2/Warnow recharges		2.9
Deduct: Board approved special project costs		(1.7)
Deduct: the cost of STIs and LTIs		(8.0)
Corporate operational expenditure	**33.0**	**31.0**

Details of the 2023 STI awards for executive KMP are set out below.

5. Refer note 4 Segment Information in financial reports.
6. Refer Investor Reference Pack, table 2.
7. Refer note 4 Segment Information in financial reports.

7.2.1 MD & CEO

The annual performance assessment includes consideration of both what is achieved and how it is achieved by reference to each executive's behaviours during the year.

The Boards may exercise discretion to adjust the actual STI awarded upwards where these expectations have been exceeded or adjusted downwards where the expectations are not met. The 2023 STI outcomes were assessed based on the actual performance against target and the Boards did not exercise any discretion this year, either positive or negative, over the STI outcomes.

Performance area and description	Weighting	Threshold	Target	Stretch	Result	Reason chosen	Performance assessment
Proportional adjusted EBITDA							
(reflecting proportional performance of each business at constant exchange rates and excludes corporate costs and special items)	20%	A$1,200m (~95% of target)	A$1,265m	A$1,330m (~105% of target)	A$1,278.6m 22.1%	Proportional adjusted EBITDA reflects the performance of the underlying operations of the business and has been adopted to focus the MD & CEO and the other executive KMP on the delivery of the annual earnings targets.	Higher traffic relative to expectations (up 3.3% on 2022); Increases in toll revenue (up 6.9% compared to 2022, adjusted for Skyway) Proportional adjusted EBITDA from: – Businesses excluding Skyway increased by 7.6% compared with 2022 – The Chicago Skyway EBITDA increased 0.8% compared to the 2022 Skyway full year performance and exceeded our 2023 projections at the time of the acquisition.
Free cash flow received from Operations							
(at constant exchange rates and excludes corporate costs and special items)	15%	A$380m (~95% of target)	A$400m	A$420m (~105% of target)	A$431.4m 22.5%	Free Cash Flow from Operations recognises the importance in the generation of continuous cash flow to support distribution growth.	The strong financial performance and, in-turn, distributions received from APRR, combined with higher-than-expected distributions from Chicago Skyway relative to our 2023 projections at the time of the acquisition resulted in a cash flows during 2023 that exceeded stretch.
Distributions							
of $0.40 per security	15%		$0.40	$0.40	$0.40 15%	Growth in distributions is closely aligned with investor expectations and encourages management to deliver increasing returns to securityholders.	Distributions for the year were at target of 40 cents per security compared to 40.5 cents per security for 2022. This result was in line with guidance provided to securityholders at the time of the 2022 equity raise.
Corporate operational expenditure							
(excluding costs of STIs and LTIs, special projects and at constant exchange rates)	10%	A$35m (~105% of target)	A$33m	A$31m (~95% of target)	A$31.0m 15%	Focuses management on the importance of making operational improvements and delivery of cost savings.	Corporate costs were effectively managed with a stretch outcome.
Total financials	**60%**				**74.6%**		

Performance area and description	Weighting	Target	Result	Reason chosen	Performance assessment
ESG targets – safety					
– Meet Corporate Safety targets and – Continue to professionalise safety processes within controlled businesses	5%	Target Safety metrics: Minority owned business: LTIFR <=3 Majority/wholly owned: LTI <=1 Implementation of safety processes leading to an improvement in safety outcomes.	0%	Safety is our primary focus, and we pursue a zero-harm culture for our people, partners and customers.	LTIFR for APRR of 3.36. LTI for Skyway of 1 with no LTI for Warnow, Dulles Greenway or Corporate. Result below the level required for threshold performance, hence the outcome is 0%. Solid progress was made to professionalise safety processes throughout the business.
ESG targets – environment					
– Renewable electricity transition (GHG Reduction) – GRESB Public Disclosure Assessment – Agree an ESG approach and plan with Chicago Skyway and Ontario Teachers to allow ALX to meet its ESG objectives	5%	Achieve direct renewable supply or carbon credits of at least 90% of electricity usage across our business by end 2023. Maintain an 'A' rating in the GRESB Public Disclosure Assessment.	5%	There is increasing expectation amongst regulators and investors that organisations align their actions and disclosures to TCFD recommendations. Alignment requires input and action from across the businesses, to effectively integrate consideration of climate-related issues into business processes, including risk, strategy and financial planning.	A direct renewable supply or carbon credits of 91.8% was achieved compared to a target of at least 90% of electricity usage across our business by end 2023. An 'A' rating with a score of 87 up from 80 in '22 was achieved which was ranked 2nd of 33 in the Asia Pacific transport sector. Skyway's ESG Plan was developed during the year and approved at the final Skyway board meeting of 2023. Implementation has commenced.
Operational Review					
– Lead and agree the development and implementation plan for the business	10%	The Review is undertaken to the satisfaction of the Boards with demonstrated progress on the Implementation Plan.	5%	Operational Review to ensure a rigorous informed debate can be undertaken leading to a clear Operational Plan for the business that is aligned to delivery of strategy.	Redesign of operating model endorsed by Boards. Key changes focused on optimising existing capability and focus investment in North America to support delivery of business priorities. Implementation plan is well underway with Group Executive North America recruitment role proceeding and plan for FY24 on target. The new processes and accountabilities being introduced are designed to provide clarity of roles and responsibilities at all levels of the organisation. Efficiencies and consequent cost savings are expected as fully implemented in 2025 following offsetting costs of implementation in 2024. Issues with project leadership with cost and duration of the review exceeded expectations resulted in the score at threshold.

Performance area and description	Weighting	Target	Result	Reason chosen	Performance assessment
Corporate development and M&A activity					
– Pursue and achieve clear progress on opportunities for growth that meet our strategic objectives	10%	Agreement and alignment of an updated corporate strategy. Successful refinance of Chicago Skyway to allow AUD132m of funding for 2023 distribution. Ensure the successful integration and implementation of Chicago Skyway as outlined in the investment plan and implementation plan. Position the company for achieving concession extensions at APRR, along with bidding for other French opportunities including the A412 through the APRR bid with Eiffage. **Dulles Greenway** – Negotiate a PPTA concession arrangement on mutually agreeable terms – Lodgement of a strong rate case with the SCC consistent with business plan to be agreed by Board.	5%	To deliver projects that achieve accretive long term value for securityholders	A Refined strategy has been agreed with the Board and announced with year-end results. Refinancing achieved with approximately AUD177m available. Integration completed with key outcomes being: – Implementation of a state of the art asset management system to drive efficiency in operations. – Recruitment of highly experienced CFO and COO to enhance implementation of strategy moving forward. – Creation of a digital twin utilising artificial intelligence to identify and project future maintenance cycles which will lead to a proactive asset management system that achieves a higher level of rating of the Skyway's roads and bridges. And reduce capital maintenance costs over time. The A412 bid has resulted in achievement of preferred bidder status in February 2024. Legislative changes were delayed in the 2023 session and we will continue to seek changes in the current 2024 legislative sessions with appropriate drafts under consideration in the Senate and House. A strong rate case was agreed with the Board and submitted. The rate case is working through the SCC process with hearings set for end of February.
Individual Strategic					
	5%	Achieve an improved relationship with investors and the market more broadly.	0%	To focus on driving more effective engagement with the market to respond to feedback from 2022	While there was some improvement in feedback from existing investors and the buy side analysts it was not to a level sufficient to justify an award for this KPI.
Team Development					
Focusing on leadership capability, and employee engagement	5%	Improve the staff engagement index from the current engagement at 66%; and Increase the score to 65% on the management question 'My manager role models the STEER principles in the way they work' (currently 60% favourable).	7.5%	Focuses on the continued development of people capability, leadership and engagement to support the implementation of strategy and growth of the business	Increase in employee engagement index from FY22, up to 83% overall from 66%. Increase in the way managers role-model the ALX STEER principles, up to 85% overall from 60%.
Total non-financials	**40%**		**23.5%**		
Total award as a % of Target			**98%**	**Overall outcome for FY23 is at 98% of target, and 65% of stretch.**	

7.2.2 Other executive KMP

The MD & CEO's STI objectives, both financial and non-financial, for 2023 were cascaded to the other executive KMP being the CFO and COO and were included within their specific personal and team objectives for the year. Their STI outcomes were assessed on a consistent basis with that of the MD & CEO.

7.2.3 Executive KMP STI outcomes

Based on the performance achievement assessments described above, the following STI awards were made in respect of achievements relating to 2023.

Name	% of maximum achieved	% of maximum forfeited	Value – cash $	Value – equity $	STI forfeited $
Graeme Bevans	65%	35%	686,000	686,000	728,000
David Collins	72%	28%	208,980	208,980	162,540
Vincent Portal-Barrault	72%	28%	258,030	258,030	204,020

7.3 Long-term Incentive Plan

The relative TSR hurdle for the 2021 LTI award was tested following the end of the performance period on 31 December 2023. The result (an absolute TSR of 11.35% and is ranked 55 out of 112 companies), a percentile ranking of 51.35% of the comparator group, which is above the level required for threshold vesting, resulting in a vesting outcome of 50.73%.

This return compares favourably with the TSR returns delivered over the same period by the other Australian listed companies included in the GLIO international infrastructure comparator group – Aurizon a TSR of 11.353%, Auckland Airport a TSR of 5.14%, Transurban a TSR of 2.19% and APA a negative TSR of 4.86%.

The ALX TSR return was delivered in an environment of rising bond yields during the latter part of the vesting period, which have adversely impacted TSR performances of the infrastructure comparator group, including Atlas Arteria.

The following table summarises the relative TSR performance of the various grants of LTI awards since the time of appointment of the internal management team in 2018:

	2023	2022	2021	2020	2019	2018
Vesting outcome	Will be tested on 31.12.2025	Will be tested on 31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Vesting outcome/projected vesting outcome based on performance to date [8]	Nil	52%	50.73%	Nil	Nil	Nil

Strategic LTI measures

As a one-off intervention, a second LTI performance hurdle (equal to 50% of the LTI award value) was introduced for the 2022 LTI grant. The strategic measures were selected by the Boards based on delivery of initiatives that are fundamental to creating long-term value for Atlas Arteria securityholders. These initiatives are important value levers for Atlas Arteria and the Boards believe it is important for management incentives to be aligned with those of securityholders.

Vesting will be based on Board assessment of achieving quantifiable outcomes that improve securityholder value and a positive TSR over the performance period from the successful delivery of two key strategic objectives, being:

- Creating a clear pathway to distributions from Dulles Greenway.
- Improving the average concession life of the Atlas Arteria portfolio.

Vesting of the remaining 50% of the 2022 LTI award is based on relative TSR performance with a positive absolute TSR hurdle.

We are providing an update below on progress achieved to 31 December 2023 on the outcomes required for the awards to vest at the end of the performance period in the interests of transparency.

No decision has been made as to whether the awards will vest at the end of the three-year performance period noting that awards for the FY22 plan will only vest where:

- Quantifiable returns to securityholders from delivery of the strategic measures including the business case for the acquisition of the Chicago Skyway is demonstrated; and
- Absolute TSR over the performance period has been positive.

Where this cannot be demonstrated, the awards will not vest.

8. Projected vesting outcome based on TSR component only. Projected date as at 26/2/2024.

Notwithstanding the significant progress that has been made to date in improving the average concession life of the Atlas Arteria portfolio from the acquisition of the Chicago Skyway, we continue to be focused on improving the concession life of the existing portfolio by securing concession extensions at APRR and Dulles Greenway (as part of an overall restructure of that concession). Our focus has not changed as a result of acquiring Skyway. We have had and continue to have a dual focus, to extend our concession life through our existing businesses, as well as through new projects that meet our investment criteria.

The following summarises the progress in achieving the requirements for vesting of each of the two strategic priorities:

Strategic measure	Description	Key achievements
Dulles Greenway	Creating a clear pathway to distributions from Dulles Greenway	– Political and stakeholder engagement continued during the period, particularly following the November 2023 elections, with the objective of delivering a more effective regulation at Dulles Greenway. – We continue to pursue legislative change at Dulles Greenway to enable a more effective tolling regime to meet consumer needs and deliver value to securityholders.
Average portfolio concession length	Improving the average concession life of the Atlas Arteria portfolio	– Atlas Arteria's weighted average concession life (based on relative EBITDA contribution to ALX) has improved since the commencement of the performance period on 1 January 2022 from 18.7 to 39.1 with the addition of two roads. 1. The A79 was added to the APRR Group during the period with the ownership finalised in June 2022 and tolling commencing in November 2022. The A79 is an 88km road in France with a 48-year concession (45 years remaining). 2. A majority interest was acquired in the Chicago Skyway with the acquisition completing in December 2022. The Chicago Skyway is a 12.5km toll road in Chicago with a 99-year concession (81 years remaining). The acquisition doubled the average concession life of Atlas Arteria from 18 years to 37 years. Performance to date since the acquisition has been higher than the acquisition business case. The ongoing performance of this investment against the acquisition business case and securityholder experience will be fundamental to the assessment of the final vesting outcome by the Boards. – The consortium formed by Eiffage and APRR is currently in exclusive negotiation with the French State regarding the A412, a 16km road in France with a concession life of 55 years.

The Boards will retain full discretion over vesting on being satisfied that the strategic objectives have been met based on clearly identifiable quantifiable outcomes that improve securityholder value. Factors the Boards will consider when determining the vesting outcomes will include progress against approved business plans and investment projections, cash flows, security price performance and returns delivered to securityholders. Full disclosure of the basis on which the vesting decisions were made will be provided to securityholders at the time of potential vesting.

8. Non-executive Director fees

8.1 Determination of Non-executive Director fees

Non-executive Directors receive fees to recognise their contributions to the Boards and Committees on which they serve. No performance related remuneration is payable to Non-executive Directors.

Non-executive Director fees were reviewed during 2023 to ensure that fees remained appropriate and competitive to attract high performing directors. The review was conducted by comparing Atlas Arteria's NED fee levels with those of a group of comparable ASX listed companies selected on the basis of similar businesses, scale of operation and skill requirements.

While the review identified that the Atlas Arteria NED base and Committee fees were below market median the Board considered it was inappropriate to consider changes to those fees for 2024, taking into account securityholder experience and outcomes in 2023.

The review also included consideration of the use of travel fees by comparable companies, specifically global companies where regular international travel by NEDs is expected. Pending the outcome of a review of NED fees, no travel fees were paid in 2023 even though NEDs were required to travel internationally during the year.

The review also identified that while travel fees were used by some similar companies, other companies adopted a simpler approach and included fees for travel time in their overall base fees. The Boards decided to adopt an approach to fees that incorporates travel time in the base fees, Accordingly, the payment of travel fees to NEDs will cease and the existing base fees will be adjusted to include an amount in respect of one fee per year. The resulting base fee remains below the benchmarked market median level.

The fees paid during 2023 are set out below:

	ATLAX		ATLIX		
Fees	Chair (AUD)	Member (AUD)	Chair (US $)	Member (US $)	Member (US $)[1]
Board	$310,000[2]	$155,000	$220,000[2]	$110,000[3]	$55,000
Audit and Risk Committee	$30,000	$15,000	$20,000	$10,000	Nil
People and Remuneration Committee	$30,000	$15,000	$20,000	$10,000	Nil
Nominations and Governance Committee	Nil	Nil	Nil	Nil	Nil
Travel fee	Nil	Nil	Nil	Nil	Nil

1. For Australian-based Director.
2. Committee fees are not payable to the Chairs of the ATLAX or ATLIX Boards.
3. Non-executive Directors are also entitled to receive a travel allowance of A$10,000 for each occasion where they are required to travel over 8 hours to attend a Board meeting or strategy session (as discussed above, this was not paid in 2023).

ATLAX and ATLIX Directors are not entitled to Atlas Arteria performance rights or securities or to retirement benefits as part of their remuneration package.

8.2 2024 Non-executive Director fees

The following fees will be payable for 2024:

	ATLAX		ATLIX		
Fees	Chair (AUD)	Member (AUD)	Chair (US $)	Member (US $)	Member (US $)[1]
Board	$320,000[2]	$165,000	$227,500[2]	$117,500	$58,750
Audit and Risk Committee	$30,000	$15,000	$20,000	$10,000	Nil
People and Remuneration Committee	$30,000	$15,000	$20,000	$10,000	Nil
Nominations and Governance Committee	Nil	Nil	Nil	Nil	Nil
Travel fee	Nil	Nil	Nil	Nil	Nil

1. For Australian-based Director.
2. Committee fees are not payable to the Chairs of the ATLAX or ATLIX Boards.

NED fee arrangements will be reviewed during 2024 with any adjustments to occur no earlier than 1 January 2025.

8.3 Aggregate fee pool

As approved by securityholders at the 2023 AGM, the aggregate ATLAX Non-executive Director fee pool is capped at AU$1,500,000 and the ATLIX Non-executive Director fee pool is capped at US$600,000.

9. Remuneration governance

9.1 Roles and responsibilities

The table below outlines the roles and responsibilities of the Boards, PRC, management and external advisers in relation to the remuneration arrangements of Non-executive Directors and executive KMP.

The Boards	People & Remuneration Committees	Management	External advisers
Approve remuneration strategy and approve recommendations from the PRC. Approve the quantum of remuneration for Non-executive Directors and the MD & CEO.	The PRC consists entirely of independent Non-executive Directors. The PRC makes recommendations to the Boards regarding the Remuneration Framework, policies and practices for Atlas Arteria. The PRC approves the quantum of remuneration for other executive KMP.	Makes recommendations to the PRC on Atlas Arteria's Remuneration Framework, policies and practices.	Provide independent advice to the PRC and/or management on remuneration market data, market practice and other remuneration related matters.

9.2 PRC activities during 2023

The PRC is actively engaged in ensuring our remuneration and people programmes are contemporary and working as intended. The activities of the PRC during 2023 included:

- Recommending the STI outcomes for 2022 to the Boards.
- Recommending the STI objectives for 2023, including recommending approval of the financial targets to the Boards.
- Monitoring progress against the 2023 STI targets.
- Response to the strike against the 2022 Remuneration Report, including understanding investor concerns and issues raised and taking appropriate actions to ensure our remuneration practices align with the expectations of our securityholders in future.
- Reviewing the remuneration of the CEO, and remuneration arrangements for KMP and other executives as required.
- Engaging remuneration consultants to provide market remuneration data to assist with the review of executive remuneration.
- Engagement with investors and proxy advisers in relation to the Remuneration Framework and Report.
- Considering and recommending to the Boards amendments to the Remuneration Framework.
- Recommendations regarding NED fees for 2024 to the Boards for approval.
- Review and approval of the offer terms, plan rules and basis of participation for the Groups' equity plans.
- Consideration of market and regulatory related developments impacting the Groups' remuneration arrangements.
- Consideration of the necessity to exercise discretion over variable pay decisions.
- Review progress against the Atlas Arteria People Plan and Priorities.
- Consideration of the Diversity and Inclusion objectives.
- Review of the Talent Management Framework and undertaking the annual Talent and Succession Review.
- Review and approval of the Atlas Arteria People Strategy.
- Executive Talent and Succession Reviews.

9.3 External Advisers

The requirement for external remuneration advisor services is assessed in the context of matters the PRC needs to address. Remuneration advisers are engaged by and report directly to the PRC. Potential conflicts of interest are considered when advisers are appointed, including the level of access to management. External advice is used as a guide but does not serve as a substitute for Directors' consideration of the relevant matters. No remuneration recommendations, as defined by the Corporations Act 2001 (Cth), were made by external remuneration advisers during 2023.

9.4 Board discretion over remuneration decisions

The PRC and the Boards consider it important to have the ability to exercise discretion as required over remuneration decisions to ensure that remuneration outcomes reflect the performance of the Groups and the individual executives and are consistent with securityholder expectations. Examples of the circumstances where discretion can be exercised include:

Provision	STI	LTI
Variable pay outcomes	As part of the 2023 Remuneration Framework review, the guidelines that govern the use of discretion for executive remuneration were reviewed against market practice and securityholder expectations. As a result, changes were made to strengthen the guidelines. The revised guidelines provide that positive discretion will only be exercised where returns exceed securityholder expectations. The guidelines are published in the report, specifically in section 3.3.1	
Clawback/Malus	In the event of: – Material non-compliance with any financial reporting requirements or other policies and operating procedures of the Groups; – Fraudulent or dishonest behaviour; or – Misconduct. The Boards have discretion to determine that some or all deferred STI restricted security awards and unvested LTIP awards are forfeited.	
Cessation of employment	If a participant resigns or is terminated for cause (including gross misconduct), any deferred securities are forfeited, and the participant is not entitled to any further payment of cash STI. The Boards may exercise discretion such that the participant is entitled to a pro-rata payment of cash STI subject to performance and deferred securities will normally stay 'on foot' until the end of the deferred period.	If a participant resigns or is terminated for cause (including gross misconduct), unvested performance rights will automatically lapse. The Boards may exercise discretion such that a pro-rata number of unvested performance rights (reflecting the portion of performance period served) stay 'on-foot' to be tested against the performance condition at the end of the original performance period.
Change of control	Upon a change of control: – The Boards will determine in their absolute discretion the treatment for STI opportunity. – Subject to the Boards determining otherwise, cash based STI will be assessed on a pro-rata basis and paid at that time based on performance, and deferred STI will vest in full.	Where a change of control occurs or is likely to occur, the Boards have discretion to determine the treatment of unvested equity awards and the timing of such treatment. In the event the Boards do not exercise its discretion, the LTIP will vest pro-rata for time and performance.

9.5 Minimum securityholding requirements

Minimum securityholding requirements apply to support the alignment between the interests of the Directors, executive KMP and securityholders through significant exposure to the movements in securities price and distributions. Details of individual securityholdings and progress against the expected holding requirements are included at section 10.2.

Role	Minimum shareholding	Timing to meet requirement
Non-executive Directors	100% of annual Director base fees	3 years from the date of their appointment
MD & CEO	100% of fixed remuneration	5 years from appointment
Other executive KMP	50% of fixed remuneration	5 years from appointment

9.6 Atlas Arteria Securities Trading Policy

The Atlas Arteria Securities Trading (Windows) Policy applies to Directors, including Directors appointed by Atlas Arteria to investee entities and to all Atlas Arteria staff. The windows trading policy means that trading in securities can only occur at the discretion of the ATLAX and ATLIX Boards during prescribed trading windows and with appropriate approvals. All other periods are 'closed periods' for the purposes of the ASX Listing Rules. ATLAX and ATLIX Directors and staff must not enter into margin loans or other financing arrangements over their Atlas Arteria securities.

10 Statutory disclosures

10.1 Executive statutory remuneration disclosures for 2023

The following table shows the total remuneration for the MD & CEO and executive KMP for 2023.

		Short-term employee benefits			Post employment benefits	Share based payments			
Name	Financial year	Cash salary	Annual leave accrual movement	Cash STI [1]	Superannuation contributions	LTI Awards [1,2]	STI Awards [3]	Total remuneration	Performance based pay %
Graeme Bevans	2023	$1,373,654	($38,806)	$686,000	$26,346	$713,697	$747,976	$3,508,867	61.2%
	2022	$1,375,570	($20,288)	$840,000	$24,430	$615,642	$902,852	$3,738,206	63.1%
David Collins [4]	2023	$618,654	$8,781	$208,980	$26,346	$169,958	$142,504	$1,175,223	44.4%
	2022	$208,060	($5,741)	$70,950	$11,902	$30,866	$35,475	$351,512	39.1%
Vincent Portal-Barrault [5]	2023	$780,655	($9,250)	$258,030	$19,620	$259,580	$284,796	$1,593,431	50.4%
	2022	$687,687	$9,242	$269,847	$16,747	$250,412	$259,869	$1,493,804	52.2%
Nadine Lennie [6]	2023	–	–	–	–	–	–	–	–
	2022	$171,608	($8,469)	$95,424	$5,892	$74,141	–	$338,596	50.1%
Total	**2023**	**$2,772,963**	**($39,275)**	**$1,153,010**	**$72,312**	**$1,143,235**	**$1,175,276**	**$6,277,521**	**55.3%**
Total	**2022**	**$2,442,925**	**($25,256)**	**$1,276,221**	**$58,971**	**$971,061**	**$1,198,196**	**$5,922,118**	**58.2%**

1. The amounts for LTI share based expenses are included based on the fair value of equity awards. External valuation advice has been used to determine the value of performance rights awarded in the year ended 31 December 2023. The valuation has been made using a Stochastic Model which includes a Monte Carlo simulation model. Details of the fair values of equity awards granted during the year are contained in the foot notes to the table titled 'Performance Rights held during the year'.
2. The number of performance rights allocated to each participant is determined based on face value.
3. The deferred equity award for 2023 for the MD & CEO is subject to securityholder approval at the 2024 Annual General Meeting. The fair value of the 2022 STI award is based on the security price at the date of grant, 30 May 2023, and includes an amount in respect of the distribution paid on 29 March 2023.
4. Commenced 30 August 2022.
5. Converted to AUD at a rate of AUD $1 – Euro 0.6138 (2022: 0.6590).
6. N Lennie ceased to be a KMP upon termination of employment on 31 March 2022. Under the terms of her separation, Ms Lennie did not receive a severance payment, her 2021 and 2022 STI awards were payable in cash and Ms Lennie retained a pro rata number of unvested LTI awards all of which are subject to the original performance hurdles applicable to the awards.

10.2 Non-executive Director statutory remuneration disclosures for 2023

The following table shows the fees paid to Non-executive Directors of ATLAX and ATLIX for 2023.

		ATLAX fees			ATLIX fees		
		Short-term benefits	Post employment benefits		Short-term benefits	Post employment benefits	
Name	Financial year	Cash salary and fees	Superannuation	Total	Cash salary and fees[1]	Superannuation[1]	Total[1]
Debra Goodin	2023	$283,654	$26,346	$310,000	US$49,718	US$5,282	US$55,000
	2022	$305,570	$24,430	$330,000	US$50,000	US$5,000	US$55,000
David Bartholomew[2]	2023	$167,044	$17,956	$185,000	–	–	–
	2022	$203,979	$13,521	$217,500	–	–	–
Jean-Georges Malcor	2023	$185,000	–	$185,000	–	–	–
	2022	$202,500	–	$202,500	–	–	–
John Wigglesworth[3]	2023	$167,044	$17,956	$185,000	–	–	–
	2022	–	–	–	–	–	–
Ken Daley[4]	2023	$82,588	$9,021	$91,609	–	–	–
	2022	–	–	–	–	–	–
Laura Hendricks[5]	2023	$39,372	–	$39,372	–	–	–
	2022	–	–	–	–	–	–
Ariane Barker[6]	2023	–	–	–	–	–	–
	2022	$179,155	$18,345	$197,500	–	–	–
Fiona Beck[7]	2023	–	–	–	US$205,000	–	US$205,000
	2022	–	–	–	US$137,018	–	US$137,018
Andrew Cook[2]	2023	–	–	–	US$128,333	–	US$128,333
	2022	–	–	–	US$142,268	–	US$142,268
Kiernan Bell[8]	2023	–	–	–	US$40,000	–	US$40,000
	2022	–	–	–	–	–	–
Jeffrey Conyers[9]	2023	–	–	–	US$37,258	–	US$37,258
	2022	–	–	–	US$220,000	–	US$220,000
Caroline Foulger[10]	2023	–	–	–	US$65,000	–	US$65,000
	2022	–	–	–	US$137,018	–	US$137,018
Total – A$	**2023**	**$924,702**	**$71,279**	**$995,981**	**$791,405**	**$7,958**	**$799,363**
Total – A$	**2022**	**$891,204**	**$56,296**	**$947,500**	**$989,909**	**$7,212**	**$997,121**

1. Fees payable to ATLIX Non-executive Directors converted to AUD at the average 2023 exchange rate of A$1 = US$0.6638. (2022 A$1 = US$0.6933).
2. Additional fees for duties performed during 2022 as a member of the due diligence committee in respect of the Skyway Transaction and the Equity Raise – D Bartholomew $12,500 and A Cook US$5,250. No additional fees were paid during year ended 31 December 2023.
3. Appointed as a Non-executive Director 1 January 2023.
4. Appointed as a Non-executive Director 30 May 2023.
5. Appointed as a Non-executive Director 16 October 2023.
6. Retired as a Non-executive Director 31 December 2022.
7. Appointed Chair 1 March 2023.
8. Appointed as a Non-executive Director 1 September 2023.
9. Retired as a Non-executive Director 1 March 2023.
10. Retired as a Non-executive Director 1 July 2023.

Equity instrument disclosures relating to KMP

Securityholdings

The table below outlines the number of ordinary securities held by each KMP including their personally related parties, as at 31 December 2023, and the minimum securityholding requirements.

Non-executive Directors have acquired their securityholdings from their personal resources on market and in accordance with Atlas Arteria's trading policy. Executive KMP acquire their securityholdings from awards that vest under the Groups' equity plans and from purchases on market. All Directors and executives are tracking to meet their securityholding requirement in accordance with the Groups' policy.

Non-executive Directors

Name	Balance at 1 January 2023	Changes	Balance at 31 December 2023	Value at 31 December 2023[1]	Minimum securityholding requirement[2]	Date securityholding to be attained
Debra Goodin[3]	76,667	1,804	78,471	$453,562	$235,823	Nov-23
David Bartholomew	31,679	–	31,679	$183,105	$155,000	Oct-21
Jean-Georges Malcor	45,499	–	45,499	$262,984	$155,000	Nov-21
John Wigglesworth[4]	7,500	–	7,500	$43,350	$155,000	Jan-26
Ken Daley[5]	n.a.	–	–	–	$155,000	May-26
Laura Hendricks[6]	n.a.	–	–	–	$155,000	Oct-26
Fiona Beck	53,029	7,000	60,029	$346,968	$161,646	Sep-22
Andrew Cook	33,000	5,000	38,000	$219,640	$161,646	Nov-23
Kiernan Bell[7]	n.a.	–	–	–	$161,646	Sep-26
Jeffrey Conyers[8]	90,524	–	n.a.	n.a.	$161,646	n.a.
Caroline Foulger[9]	41,602	–	n.a.	n.a.	$161,646	n.a.

1. Based on the closing price of Atlas Arteria securities on 31 December 2023 of $5.78. The requirement is assessed at the higher of the purchase price or market value of the securities.
2. The minimum securityholding requirement for ATLIX Board members has been converted to AUD at the 31 December 2023 exchange rate of A$1 = US$0.6805.
3. Appointed as a Non-executive Director of ATLAX 1 september 2017, Chair of ATLAX 1 November 2020 and a Non-executive Director ATLIX 1 November 2020.
4. Appointed as a Non-executive Director 1 January 2023.
5. Appointed as a Non-executive Director 30 May 2023.
6. Appointed as a Non-executive Director 16 October 2023.
7. Appointed as a Non-executive Director 1 September 2023.
8. Retired as a Non-executive Director 1 March 2023.
9. Retired as a Non-executive Director 1 July 2023.

Executive KMP

Name	Balance at 1 January 2023	Changes during the year	Granted during the year as compensation	Received during the year exercise of a right	Balance at 31 December 2023	Value at 31 December 2023[1]	Minimum security holding requirement	Date security holding to be attained
Graeme Bevans	443,258	18,000	125,186	–	586,444	$3,389,646	$1,400,000	May-23
David Collins[2]	–	–	10,574	–	10,574	$61,118	$322,500	Sep-27
Vincent Portal-Barrault[3]	90,942	(17,650)	41,828	–	115,120	$665,394	$398,231	Dec-23

1. Based on the closing price of Atlas Arteria securities on 31 December 2023 of $5.78. The requirement is assessed at the higher of the purchase price or market value of the securities.
2. Commenced as an executive KMP on 30 August 2022.
3. The minimum securityholding requirement for the Luxembourg based executive has been converted to A$ at the 31 December 2023 exchange rate of A$1 = Euro 0.6166.

Performance rights held during the year

The terms and conditions of each grant of share rights affecting remuneration in the current or a future reporting period are as follows:

	Grant date	Number granted #	Number vested during the year #	Number lapsed during the year #	Number outstanding at the end of the year #	Financial year in which grant may vest	Value at grant date (if granted this year) $	Maximum value of grant to be expensed $	Vested %	Forfeited /lapsed %
Graeme Bevans	30 May 2023	7,788	–	–	7,788	FY2025	31,230	13,729	–	–
	30 May 2023	7,788	–	–	7,788	FY2025	32,087	7,045	–	–
	30 May 2023	208,644	–	–	208,644	FY2026	730,254	486,836	–	–
	10 May 2022	101,246	–	–	101,246	FY2025	–	155,488	–	–
	10 May 2022	101,246	–	–	101,246	FY2025	–	91,246	–	–
	28 April 2021	230,088	–	–	230,088	FY2024	–	34,733	–	–
	19 May 2020	146,434	–	146,434	–	FY2023	–	–	0%	100%
David Collins	23 March 2023	67,288	–	–	67,288	FY2026	237,527	158,423	–	–
	8 November 2022	35,164	–	–	35,164	FY2025	–	69,655	–	–
	8 November 2022	35,164	–	–	35,164	FY2025	–	36,135	–	–
Vincent Portal-Barrault	23 March 2023	75,075	–	–	75,075	FY2026	265,015	176,757	–	–
	6 April 2022	36,768	–	–	36,768	FY2025	–	48,570	–	–
	6 April 2022	36,768	–	–	36,768	FY2025	–	45,077	–	–
	28 April 2021	73,741	–	–	73,741	FY2024	–	11,122	–	–
	3 March 2020	61,332	–	61,332	–	FY2023	–	–	0%	100%

The numbers of performance rights over ordinary securities in the Groups held during the financial year by each executive KMP as well as the value of performance rights granted or exercised are set out in the table below. Vesting is subject to achieving challenging performance hurdles over the performance period.

Name	Balance at 31 December 2022 #	Granted in the year ended 31 December 2023[1] #	Exercised in the year ended 31 December 2023 #	Lapsed in the year ended 31 December 2023[2] #	Balance at 31 December 2023 #	Unvested at 31 December 2023 #	Value of performance rights granted during year[3] $
Graeme Bevans[1]	579,014	224,220	–	(146,434)	656,800	656,800	793,570
David Collins	70,328	67,288	–	–	137,616	137,616	237,527
Vincent Portal-Barrault	208,609	75,075	–	(61,332)	222,352	222,352	265,015

1. The total number of performance rights granted to the MD & CEO during the year under the 2023 Long Term Incentive Award and the number of additional awards granted under the 2022 Long Term Incentive Award which are subject to performance hurdles.
2. The number of performance rights lapsed during the year under the 2020 Long Term Incentive Award.
3. External valuation advice from Aon has been used to determine the value of the performance rights awarded during year ended 31 December 2023. The valuation was made using a Stochastic Model which includes a Monte Carlo simulation model. The value per instrument of the performance rights granted during the year in respect of the 2023 Long Term Incentive Award with relative and positive absolute TSR hurdles was $3.53 (23 March 2023) and $3.50 (30 May 2023). The value per instrument of the performance rights granted during the year in respect of the 2022 Long Term Incentive Award with relative and positive absolute TSR hurdles was $4.01 (30 May 2023) and with strategic and positive absolute TSR hurdles was $4.12 (30 May 2023).

Unvested STI Equity Awards during 2023

During 2023, awards of restricted securities equal to 50% of their awards under the Groups 2022 STI Plan were granted to the executive KMP. The securities were restricted for 12 months from the end of the 2022 STI performance period (31 December 2022). Following the end of the restriction period on 31 December 2023, the PRC has confirmed all executive KMP complied with the terms of the awards and accordingly, the awards have vested in full.

Details of the awards are as follows:

Name	Balance at 31 December 2022 #	Granted in the year ended 31 December 2023[1] #	Vested in the year ended 31 December 2023[2] #	Lapsed in the year ended 31 December 2023 #	Balance at 31 December 2023 #	Unvested at 31 December 2023 #	Value of restricted securities granted during year $
Graeme Bevans	127,570	125,186	127,570	–	125,186	125,186	799,940
David Collins[3]	n.a.	10,574	n.a.	n.a.	10,574	10,574	71,376
Vincent Portal-Barrault	37,455	41,828	37,455	–	41,828	41,828	282,340

1. Restricted Securities granted in respect of the 2022 STI Plan. These securities vested in full in February 2024.
2. Restricted Securities granted in respect of the 2021 STI Plan. These securities vested in full in January 2023.
3. Commenced on 30 August 2022.

10.3 Loans to Directors or related parties

There were no loans to Directors or related parties during 2023.

10.4 Other transactions with KMP

There were no other transactions with KMP.

FINANCIAL REPORT

for the year ended 31 December 2023

This report comprises:
Atlas Arteria International Limited and its controlled entities
Atlas Arteria Limited and its controlled entities

CONTENTS

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

	Note	ALX Year ended 31 Dec 2023 $m	ALX Year ended 31 Dec 2022* $m	ATLAX Group Year ended 31 Dec 2023 $m	ATLAX Group Year ended 31 Dec 2022* $m
Toll revenue		**133.2**	116.7	**–**	–
Other revenue**		**0.8**	1.5	**16.0**	16.1
Total revenue**		**134.0**	118.2	**16.0**	16.1
Toll road maintenance expenses		**(10.3)**	(17.1)	**–**	–
Other operating expenses		**(4.9)**	(5.2)	**(0.1)**	–
Employment costs		**(33.2)**	(29.5)	**(20.0)**	(17.4)
Consulting and administration expenses		**(8.1)**	(9.8)	**(4.1)**	(5.1)
Other expenses		**(13.4)**	(13.7)	**(7.2)**	(8.1)
Amortisation of tolling concession		**(67.4)**	(64.3)	**–**	–
Depreciation and amortisation		**(1.8)**	(1.9)	**(0.9)**	(1.1)
Share of profit/(loss) of equity accounted investments	9	**325.6**	336.4	**(51.5)**	(13.6)
Interest income on shareholder loans**		**18.1**	1.7	**–**	–
Other finance income **		**17.9**	20.4	**2.6**	14.2
Finance costs	7	**(96.5)**	(91.0)	**(2.0)**	(10.8)
Profit/(loss) before income tax		**260.0**	244.2	**(67.2)**	(25.8)
Income tax expense	8	**(3.7)**	(3.2)	**–**	(0.1)
Profit/(loss) from continuing operations		**256.3**	241.0	**(67.2)**	(25.9)
Profit/(loss) attributable to:					
Securityholders of the parent entity – ATLIX		**323.5**	266.9	**–**	–
Securityholders of other stapled entity – ATLAX (as non-controlling interest/parent entity)		**(67.2)**	(25.9)	**(67.2)**	(25.9)
Stapled securityholders		**256.3**	241.0	**(67.2)**	(25.9)

	Note	ALX Cents	ALX Cents	ATLAX Group Cents	ATLAX Group Cents
Profit/(loss) per share attributable to ATLIX/ATLAX securityholders					
Basic profit/(loss) per share attributable to:					
ATLIX (as parent entity)	6	**22.3**	24.6	**–**	–
ATLAX (as non-controlling interest/parent entity)	6	**(4.6)**	(2.4)	**(4.6)**	(2.4)
Basic profit/(loss) per ALX stapled security		**17.7**	22.2	**(4.6)**	(2.4)
Diluted profit/(loss) per share attributable to:					
ATLIX (as parent entity)	6	**22.3**	24.6	**–**	–
ATLAX (as non-controlling interest/parent entity)	6	**(4.6)**	(2.4)	**(4.6)**	(2.4)
Diluted profit/(loss) per ALX stapled security		**17.7**	22.2	**(4.6)**	(2.4)

* The Groups have revised the presentation of the Consolidated Statements of Comprehensive Income from the prior period. Refer to note 2 for further details.
** The Groups have revised the classification of interest income from the prior period. Interest income on shareholder loans relates to loans with Calumet Concession Partners Inc. ('CCPI'), the owner of the concessionaire of the Chicago Skyway. Refer to note 2 for further details.

The above Consolidated Statements of Profit and Loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	ALX		ATLAX Group	
		Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022* $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022* $m
Profit/(loss) for the year		**256.3**	241.0	**(67.2)**	(25.9)
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	15	**84.2**	60.1	**8.5**	13.4
Loss on net investment hedge	15	**(4.8)**	–	**–**	–
Share of other comprehensive (loss)/income of equity accounted investments, net of tax	9	**(12.2)**	44.4	**–**	–
Items that will not be reclassified to profit or loss:					
Gain on cash flow hedges	15	**–**	25.0	**–**	25.0
Share of other comprehensive (loss)/income of equity accounted investments, net of tax	9	**(0.4)**	(1.7)	**–**	–
Other comprehensive income		**66.8**	127.8	**8.5**	38.4
Total comprehensive income/(loss)		**323.1**	368.8	**(58.7)**	12.5
Total comprehensive income/(loss) attributable to:					
Securityholders of the parent entity – ATLIX		**381.8**	356.3	**–**	–
Securityholders of other stapled entity – ATLAX (as non-controlling interest/parent entity)		**(58.7)**	12.5	**(58.7)**	12.5
Stapled securityholders		**323.1**	368.8	**(58.7)**	12.5

* The Groups have revised the presentation of the Consolidated Statements of Comprehensive Income from the prior period. Refer to note 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

		ALX		ATLAX Group	
	Note	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Current assets					
Cash and cash equivalents	12	**305.3**	275.9	**182.9**	62.0
Financial assets at amortised cost	16	**–**	245.8	**–**	–
Other assets	17	**39.8**	11.8	**73.5**	8.9
Total current assets		**345.1**	533.5	**256.4**	70.9
Non-current assets					
Restricted cash	12	**204.9**	215.6	**–**	–
Financial assets at amortised cost	16	**244.4**	–	**–**	–
Intangible assets – Tolling concessions	10	**2,103.5**	2,167.9	**–**	–
Investments accounted for using the equity method	9	**5,097.2**	5,350.1	**2,614.7**	2,863.6
Goodwill	11	**14.3**	13.8	**–**	–
Deferred tax assets	8	**20.4**	21.8	**–**	–
Property, plant and equipment		**14.8**	15.7	**3.4**	4.3
Other assets	17	**0.1**	0.1	**–**	–
Total non-current assets		**7,699.6**	7,785.0	**2,618.1**	2,867.9
Total assets		**8,044.7**	8,318.5	**2,874.5**	2,938.8
Current liabilities					
Debt at amortised cost	13	**(101.4)**	(100.1)	**–**	–
Provisions and other liabilities	18	**(17.4)**	(23.6)	**(7.0)**	(14.0)
Total current liabilities		**(118.8)**	(123.7)	**(7.0)**	(14.0)
Non-current liabilities					
Debt at amortised cost	13	**(1,593.6)**	(1,609.4)	**–**	–
Deferred tax liabilities	8	**(34.2)**	(33.0)	**–**	–
Provisions and other liabilities	18	**(62.5)**	(61.9)	**(2.3)**	(2.9)
Total non-current liabilities		**(1,690.3)**	(1,704.3)	**(2.3)**	(2.9)
Total liabilities		**(1,809.1)**	(1,828.0)	**(9.3)**	(16.9)
Net assets		**6,235.6**	6,490.5	**2,865.2**	2,921.9
Equity					
Equity attributable to securityholders of the parent – ATLIX					
Contributed equity	14	**3,994.0**	3,994.0	**–**	–
Reserves	15	**107.9**	49.2	**–**	–
Accumulated losses		**(731.5)**	(474.6)	**–**	–
ATLIX securityholders' interest		**3,370.4**	3,568.6	**–**	–
Equity attributable to other stapled securityholders – ATLAX					
Contributed equity	14	**2,991.0**	2,991.0	**2,991.0**	2,991.0
Reserves	15	**53.3**	42.8	**53.3**	42.8
Accumulated losses		**(179.1)**	(111.9)	**(179.1)**	(111.9)
Other stapled securityholders' interest		**2,865.2**	2,921.9	**2,865.2**	2,921.9
Total equity		**6,235.6**	6,490.5	**2,865.2**	2,921.9

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 28 February 2024 and as required by Bermuda regulations was signed on its behalf by:

Fiona Beck

Fiona Beck
Atlas Arteria International Limited
Hamilton, Bermuda

Andrew Cook

Andrew Cook
Atlas Arteria International Limited
Hamilton, Bermuda

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ALX	Attributable to ATLIX securityholders: Contributed equity $m	Reserves $m	(Accumulated losses)/ Retained earnings $m	Total $m	Attributable to ATLAX securityholders $m	Total ALX equity $m
Total equity at 31 December 2022	3,994.0	49.2	(474.6)	**3,568.6**	2,921.9	**6,490.5**
Profit/(loss) for the period	–	–	323.5	**323.5**	(67.2)	**256.3**
Exchange differences on translation of foreign operations	–	75.7	–	**75.7**	8.5	**84.2**
Loss on net investment hedge	–	(4.8)	–	**(4.8)**	–	**(4.8)**
Share of other comprehensive (loss) of equity accounted investments	–	(12.6)	–	**(12.6)**	–	**(12.6)**
Total comprehensive income/(expense)	–	58.3	323.5	**381.8**	(58.7)	**323.1**
Transactions with securityholders in their capacity as equity holders:						
Employee performance rights (refer to note 15)	–	0.4	–	**0.4**	2.0	**2.4**
Dividends paid (refer to note 5)	–	–	(580.4)	**(580.4)**	–	**(580.4)**
	–	0.4	(580.4)	**(580.0)**	2.0	**(578.0)**
Total equity at 31 December 2023	3,994.0	107.9	(731.5)	**3,370.4**	2,865.2	**6,235.6**

ALX	Attributable to ATLIX securityholders: Contributed equity $m	Reserves $m	(Accumulated losses)/ Retained earnings $m	Total $m	Attributable to ATLAX securityholders $m	Total ALX equity $m
Total equity at 31 December 2021	3,747.8	(40.1)	(353.1)	**3,354.6**	143.4	**3,498.0**
Profit/(loss) for the period	–	–	266.9	**266.9**	(25.9)	**241.0**
Exchange differences on translation of foreign operations	–	46.7	–	**46.7**	13.4	**60.1**
Change in fair value of the cash flow hedges	–	–	–	**–**	25.0	**25.0**
Share of other comprehensive income of equity accounted investments	–	42.7	–	**42.7**	–	**42.7**
Total comprehensive income/(expense)	–	89.4	266.9	**356.3**	12.5	**368.8**
Transfer of hedging gains to carrying value of equity accounted investment (refer to note 15)	–	–	–	**–**	(25.0)	**(25.0)**
Transactions with securityholders in their capacity as equity holders:						
Issue of securities (refer to note 14)	251.3	–	–	**251.3**	2,847.1	**3,098.4**
Transaction costs associated with the issue of securities (refer to note 14)	(5.1)	–	–	**(5.1)**	(58.1)	**(63.2)**
Employee performance rights (refer to note 15)	–	(0.1)	–	**(0.1)**	2.0	**1.9**
Dividends paid (refer to note 5)	–	–	(388.4)	**(388.4)**	–	**(388.4)**
	246.2	(0.1)	(388.4)	**(142.3)**	2,766.0	**2,623.7**
Total equity at 31 December 2022	3,994.0	49.2	(474.6)	**3,568.6**	2,921.9	**6,490.5**

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 Contributed equity $m	Reserves $m	Accumulated losses $m	Total $m
Total equity at 31 December 2022	2,991.0	42.8	(111.9)	**2,921.9**
Loss for the period	–	–	(67.2)	**(67.2)**
Exchange differences on translation of foreign operations	–	8.5	–	**8.5**
Total comprehensive income/(expense)	–	8.5	(67.2)	**(58.7)**
Transactions with securityholders in their capacity as equity holders:				
Employee performance rights (refer to note 15)	–	2.0	–	**2.0**
Total equity at 31 December 2023	2,991.0	53.3	(179.1)	**2,865.2**

ATLAX Group	Attributable to ATLAX securityholders Contributed equity $m	Reserves $m	Accumulated losses $m	Total $m
Total equity at 31 December 2021	202.0	27.4	(86.0)	**143.4**
Loss for the period	–	–	(25.9)	**(25.9)**
Exchange differences on translation of foreign operations	–	13.4	–	**13.4**
Gain/(loss) on cash flow hedges	–	25.0	–	**25.0**
Total comprehensive income/(expense)	–	38.4	(25.9)	**12.5**
Transfer of hedging gains to carrying value of equity accounted investment (refer to note 15)	–	(25.0)	–	**(25.0)**
Transactions with securityholders in their capacity as equity holders:				
Issue of securities (refer to note 14)	2,847.1	–	–	**2,847.1**
Transaction costs associated with the issue of securities (refer to note 14)	(58.1)	–	–	**(58.1)**
Employee performance rights (refer to note 15)	–	2.0	–	**2.0**
Total equity at 31 December 2022	2,991.0	42.8	(111.9)	**2,921.9**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	ALX		ATLAX Group	
		Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Cash flows from operating activities					
Toll revenue (received net of transaction processing fees)		**135.1**	117.9	**–**	–
Other interest received		**17.5**	19.4	**2.6**	14.2
Other income received		**0.7**	1.3	**18.1**	12.7
Property taxes paid		**(2.8)**	(2.7)	**–**	–
Payments to suppliers and employees (inclusive of GST/VAT)		**(65.8)**	(62.0)	**(28.2)**	(27.3)
Net income taxes (paid)/received		**–**	(0.1)	**–**	(0.1)
Net cash inflow/(outflow) from operating activities	19	**84.7**	73.8	**(7.5)**	(0.5)
Cash flows from investing activities					
Distributions received from equity accounted investments		**619.6**	406.9	**174.7**	–
Interest received on shareholder loans with CCPI		**18.4**	–	**–**	–
Payment for purchase of the CCPI investment		**(4.0)**	(2,757.8)	**(4.0)**	(2,757.8)
Payments to suppliers associated with purchase of the CCPI investment		**(1.3)**	(25.2)	**(1.3)**	(25.2)
Proceeds from financial instruments held for investments		**–**	14.1	**–**	14.1
Payment for purchase of financial assets		**–**	(245.8)	**–**	–
Proceeds from financial instruments held for financial assets		**–**	2.9	**–**	–
Payments for capital projects		**(0.2)**	(0.3)	**–**	(0.1)
Purchase of fixed assets		**(0.8)**	(0.4)	**–**	(0.1)
Net cash inflow/(outflow) from investing activities		**631.7**	(2,605.6)	**169.4**	(2,769.1)
Cash flows from financing activities					
Repayment of debt (including transaction costs)		**(101.0)**	(95.3)	**–**	–
Interest paid		**(9.1)**	(7.1)	**–**	–
Proceeds from borrowings (net of transaction costs)		**(0.4)**	–	**–**	–
Proceeds from issue of securities (net of transaction costs)		**–**	3,043.4	**–**	2,796.5
Payments to suppliers associated with the issue of securities		**(0.2)**	(7.8)	**(0.2)**	(7.3)
Transfer from restricted cash		**10.7**	25.6	**–**	–
Loans advanced to related parties		**–**	–	**(40.0)**	–
Dividends paid		**(580.4)**	(388.4)	**–**	–
Lease principal payments		**(1.7)**	(1.8)	**(0.7)**	(0.8)
Proceeds from derivative financial instrument		**–**	4.8	**–**	–
Net cash (outflow)/inflow from financing activities		**(682.1)**	2,573.4	**(40.9)**	2,788.4
Net increase in cash and cash equivalents		**34.3**	41.6	**121.0**	18.8
Cash and cash equivalents at the beginning of the year		**275.9**	229.4	**62.0**	42.8
Effects of exchange rate movements on cash and cash equivalents		**(4.9)**	4.9	**(0.1)**	0.4
Cash and cash equivalents at the end of the year	12	**305.3**	275.9	**182.9**	62.0

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

NOTES TO THE FINANCIAL REPORTS

Information about the groups

1 Corporate information

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 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 Corporations (Financial Reporting by Stapled entities) Instrument 2023/673 and ASIC Corporations (Stapled Group Reports) Instrument 2015/838*, these reports consist of the Financial Report of ATLIX Group at the end of and during the year and separately the Financial Report of the ATLAX Group at the end of and during the year as required under the *Corporations Act 2001* (where applicable).

The Financial Report of Atlas Arteria should be read in conjunction with the separate Financial Report of the ATLAX Group presented in these reports for the year ended 31 December 2023.

2 Basis of preparation

Both ATLIX and ATLAX are for-profit entities for the purpose of preparing the Financial Reports. ATLIX is an exempted mutual fund company incorporated and domiciled in Bermuda. ATLAX is a company limited by shares incorporated and domiciled in Australia. ATLAX is therefore subject to the *Corporations Act 2001* and associated reporting requirements, requiring the separate Financial Report of the ATLAX Group to be also presented within this report.

The Financial Reports were authorised for issue by the Directors of the ATLIX Board and the ATLAX Board (together, the 'Boards') on 28 February 2024 and 29 February 2024. The Boards have the power to amend and reissue the Financial Reports.

The 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).
- 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 31 December 2023 and the results of the subsidiaries for the year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation.
- include the application of equity accounting for associates and joint ventures.
- 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 hundred thousand dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.*

Material accounting policies and significant judgements and estimates are contained in shaded text and included in the relevant note. These policies have been consistently applied to all periods presented, unless otherwise stated. Refer to note 26 for other material accounting policies which have not been presented along with their respective notes.

Income statement presentation

The Groups have revised the presentation of the Consolidated Statements of Comprehensive Income from the prior period where the Consolidated Statements of Comprehensive Income were presented by function with details included in the disclosure notes. In the current period, the Groups have presented Consolidated Statements of Profit and Loss by nature and separate Consolidated Statements of Comprehensive Income. The presentational change will enhance the use of the statements compared with the previous presentation as more detailed information is now presented on the face of the income statement, where previously users relied on note disclosures to understand financial performance. The change in presentation has no impact on the Profit/(loss) from continuing operations or the opening Consolidated Statements of Financial Position.

Reclassification of interest income

The Groups have revised the classification of interest income from the prior period where interest income was included within 'revenue and other income arising from continuing operations' on the Consolidated Statements of Comprehensive Income. In the current period, interest income has been reclassified from revenue and shown separately on the face of the income statement. Interest on cash held and interest on shareholder loans to CCPI are separated out from revenue. This enhances the users' understanding of the income statement as revenue will now reflect income from toll revenue and other revenue generated from operations. Prior period comparatives have been adjusted with interest income of $22.1 million for Atlas Arteria and $14.2 million for the ATLAX Group reclassified from total revenue to other finance income. Interest income on shareholders loans to CCPI of $1.7 million for Atlas Arteria has also been reclassified from total revenue to interest income on shareholder loans with CCPI for the year ended 31 December 2022. The reclassification has no impact on the opening Consolidated Statements of Financial Position.

New and amended standards adopted by the Groups

The Groups have applied AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates (AASB 101)* for the first time for its annual reporting period commencing 1 January 2023. The amendment did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods. There have been no other new accounting standards adopted by the Groups during the year ended 31 December 2023.

3 Critical accounting estimates and judgements

The preparation of the 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 Financial Reports are reasonable. Actual results in the future may differ from those reported.

Significant judgements 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 are discussed in the following notes:

- Deferred tax assets (note 8)
- Control assessment (note 9)
- Impairment of assets and equity accounted investments (note 9 and 10)
- Provisions for toll road maintenance (note 18)

Financial performance

4 Segment information

Operating segments are reported in a manner consistent with the internal reporting on a proportionately consolidated basis with a focus on revenue down to EBITDA and EBITDA margin provided to the chief operating decision makers. The chief operating decision makers are responsible for allocating resources and assessing performance of the operating segments.

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 business from the aspect of each of the businesses and have identified five operating segments for Atlas Arteria and two operating segments for the ATLAX Group. The segments of Atlas Arteria are the investments in APRR, ADELAC, Warnow Tunnel, Chicago Skyway and Dulles Greenway. The segments for the ATLAX Group are the investments in Chicago Skyway and Dulles Greenway.

Segment information provided to the Boards

The proportionately consolidated segment information for the reportable segments for the year ended 31 December 2023, in local currency as well as Australian Dollars, based on Atlas Arteria's economic ownership interest is as follows:

	Proportional							
ALX Year ended 31 Dec 2023	APRR €m	ADELAC €m	Warnow Tunnel €m	Chicago Skyway US$m	Dulles Greenway US$m	Total ALX Proportional	Non-consolidated investments [a]	Total ALX
Toll revenue and other revenue	940.1	21.3	14.6	82.2	73.3			
Construction services revenue	71.8	–	–	–	–			
Segment revenue	**1,011.9**	**21.3**	**14.6**	**82.2**	**73.3**			
Operating and other expenses	(242.1)	(3.3)	(4.6)	(12.2)	(15.7)			
Construction services costs	(71.8)	–	–	–	–			
Segment expenses	**(313.9)**	**(3.3)**	**(4.6)**	**(12.2)**	**(15.7)**			
Segment EBITDA	**698.0**	**18.0**	**10.0**	**70.0**	**57.6**			
EBITDA margin	**74.2%**	**84.3%**	**68.9%**	**85.1%**	**78.5%**			
	$m	$m	$m	$m	$m	$m	$m	$m
Segment revenue	**1,648.6**	**34.8**	**23.7**	**123.9**	**110.3**	**1,941.3**	**(1,807.3)**	**134.0**
Segment expenses	**(511.5)**	**(5.5)**	**(7.4)**	**(18.5)**	**(23.6)**	**(566.5)**	**535.5**	**(31.0)**
Segment EBITDA	**1,137.1**	**29.3**	**16.3**	**105.4**	**86.7**	**1,374.8**	**(1,271.8)**	**103.0**
Corporate costs								**(36.0)**
Other segment expenses [b]								**(2.9)**
Amortisation and depreciation								**(69.2)**
Interest on shareholder loans with CCPI								**18.1**
Other finance income								**17.9**
Finance costs								**(96.5)**
Share of profit from equity accounted investments								**325.6**
Profit before income tax								**260.0**

(a) Non-consolidated investments refers to the results of APRR, ADELAC and Chicago Skyway which are accounted for using the equity method.
(b) Other segment expenses include maintenance provisions for consolidated businesses.

ALX Year ended 31 Dec 2022	Proportional APRR €m	ADELAC €m	Warnow Tunnel €m	Chicago Skyway US$m	Dulles Greenway US$m	Total ALX Proportional	Non-consolidated investments [a]	Total ALX
Toll revenue and other revenue	877.7	19.1	13.3	6.1	68.0			
Construction services revenue	104.4	–	–	–	–			
Segment revenue	**982.1**	**19.1**	**13.3**	**6.1**	**68.0**			
Operating and other expenses	(228.6)	(3.6)	(4.1)	(1.1)	(14.0)			
Construction services costs	(104.4)	–	–	–	–			
Segment expenses	**(333.0)**	**(3.6)**	**(4.1)**	**(1.1)**	**(14.0)**			
Segment EBITDA	**649.1**	**15.5**	**9.2**	**5.0**	**54.0**			
EBITDA margin	74.0%	81.4%	69.0%	82.1%	79.4%			
	$m	$m	$m	$m	$m	$m	$m	$m
Segment revenue	1,490.3	29.0	20.1	8.8	98.1	1,646.3	(1,528.1)	118.2
Segment expenses	(505.3)	(5.4)	(6.2)	(1.6)	(20.2)	(538.7)	512.3	(26.4)
Segment EBITDA	985.0	23.6	13.9	7.2	77.9	1,107.6	(1,015.8)	91.8
Corporate costs								(37.3)
Other segment expenses [b]								(11.6)
Amortisation and depreciation								(66.2)
Interest on shareholder loans with CCPI								1.7
Other finance income								20.4
Finance costs								(91.0)
Share of profit from equity accounted investments								336.4
Profit before income tax								**244.2**

(a) Non-consolidated investments refers to the results of APRR, ADELAC and Chicago Skyway which are accounted for using the equity method.
(b) Other segment expenses include maintenance provisions for consolidated businesses.

ATLAX Group Year ended 31 Dec 2023	Proportional Chicago Skyway US$m	Dulles Greenway US$m	Total ATLAX Proportional	Non-consolidated investments [a]	Total ATLAX
Segment revenue	**82.2**	**9.8**			
Segment expenses	**(12.2)**	**(2.1)**			
Segment EBITDA	**70.0**	**7.7**			
EBITDA margin	**85.1%**	**78.5%**			
	$m	$m	$m	$m	$m
Segment revenue	**123.9**	**14.8**	**138.7**	**(138.7)**	**–**
Segment expenses	**(18.5)**	**(3.2)**	**(21.7)**	**21.7**	**–**
Segment EBITDA	**105.4**	**11.6**	**117.0**	**(117.0)**	**–**
Corporate costs					**(31.4)**
Advisory and administrative service fees and other reimbursements from the ATLIX Group					**16.0**
Amortisation and depreciation					**(0.9)**
Other finance income					**2.6**
Finance costs					**(2.0)**
Share of profit/(loss) from equity accounted investments					**(51.5)**
Profit/(loss) before income tax					**(67.2)**

(a) Non-consolidated investments refers to the results of Chicago Skyway and Dulles Greenway which are accounted for using the equity method.

ATLAX Group Year ended 31 Dec 2022	Proportional Chicago Skyway US$m	Proportional Dulles Greenway US$m	Total ATLAX Proportional	Non-consolidated investments [(a)]	Total ATLAX
Segment revenue	6.1	9.1			
Segment expenses	(1.1)	(1.9)			
Segment EBITDA	5.0	7.2			
EBITDA margin	82.1%	78.3%			
	$m	$m	$m	$m	$m
Segment revenue	8.8	13.2	22.0	(22.0)	–
Segment expenses	(1.6)	(2.7)	(4.3)	4.3	–
Segment EBITDA	7.2	10.5	17.7	(17.7)	–
Corporate costs					(30.6)
Advisory and administrative service fees and other reimbursements from the ATLIX Group					16.1
Amortisation and depreciation					(1.1)
Other finance income					14.2
Finance costs					(10.8)
Share of profit/(loss) from equity accounted investments					(13.6)
Profit/(loss) before income tax					**(25.8)**

(a) Non-consolidated investments refers to the results of Chicago Skyway and Dulles Greenway which are accounted for using the equity method.

The segment revenue disclosed in the tables above primarily relates to toll revenue generated by businesses from external customers. The segment expenses disclosed in the tables above relate directly to costs associated with the operation of that segment.

The Groups have revised the presentation of segment revenue in the current period to include construction services revenue under AASB Interpretation 12 *Service Concession Arrangements* (IFRIC 12), which represents revenue recognised for the construction of upgrades to the service concession infrastructure assets in line with the progress of construction services provided over time. This presentation change is a result of changes made to reports reviewed by the Boards. Prior period comparatives have been adjusted with the APRR segment revenue increased for construction services revenue by $158.5 million (€104.4 million) for the year ended 31 December 2022. The adjustment has no impact on the opening Consolidated Statements of Financial Position or the Consolidated Statements of Profit and Loss.

The Groups have revised the presentation of segment expenses in the current period to include construction services costs under IFRIC 12, which represents costs recognised for the construction of upgrades to the service concession infrastructure assets in line with the progress of construction services provided over time. This presentation change is a result of changes made to reports reviewed by the Boards. Prior period comparatives have been adjusted with the APRR segment expenses increased for construction services costs of $158.5 million (€104.4 million) for the year ended 31 December 2022. The adjustment has no impact on the opening Consolidated Statements of Financial Position or the Consolidated Statements of Profit and Loss.

During the year, the Groups determined that underlying result adjustments would be reported to the Boards in monthly reporting separately from special project costs considered for executive remuneration purposes. Underlying results is a non-IFRS measure that is used by ALX management and the Boards as a measure to assess financial performance and represents statutory profit excluding the impact of items not related to underlying operational performance such as impairments of investments, acquisition and disposal costs, and debt and equity issuance costs. There were no underlying results adjustments in the current year. The net impact of underlying results adjustments in the prior year was to reduce statutory profit of $241.0 million by $2.3 million to $238.7 million. Information on underlying results adjustments is disclosed in the Directors' Report.

The EBITDA margin disclosed in the tables above is calculated based on toll revenue and other revenue generated by the business from external customers which excludes construction services revenue accounted for under IFRIC 12.

Warnow Tunnel's assets are $242.4 million (2022: $241.5 million) and liabilities are $220.1 million (2022: $218.8 million). Dulles Greenway's assets are $2,226.6 million (2022: $2,297.9 million) and liabilities are $1,596.5 million (2022: $1,615.0 million).

5 Distributions

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Distributions paid				
Dividend paid on 5 October 2023 [a]	**290.2**	–	**–**	–
Dividend paid on 6 April 2023 [b]	**290.2**	–	**–**	–
Dividend paid on 3 October 2022 [c]	**–**	191.8	**–**	–
Dividend paid on 31 March 2022 [d]	**–**	196.6	**–**	–
Total distributions paid	**580.4**	388.4	**–**	**–**

	Cents per stapled security	Cents per stapled security	Cents per stapled security	Cents per stapled security
Distributions paid				
Dividend per stapled security paid on 5 October 2023 [a]	**20.0**	–	**–**	–
Dividend per stapled security paid on 6 April 2023 [b]	**20.0**	–	**–**	–
Dividend per stapled security paid on 3 October 2022 [c]	**–**	20.0	**–**	–
Dividend per stapled security paid on 31 March 2022 [d]	**–**	20.5	**–**	–
Total distributions paid	**40.0**	40.5	**–**	–

(a) The dividend paid on 5 October 2023 comprised an ordinary dividend of 20.0 cents per stapled security ('cps'). The dividend was paid in full by ATLIX.
(b) The dividend paid on 6 April 2023 comprised an ordinary dividend of 20.0 cps. The dividend was paid in full by ATLIX.
(c) The dividend paid on 3 October 2022 comprised an ordinary dividend of 20.0 cps. The dividend was paid in full by ATLIX.
(d) The dividend paid on 31 March 2022 comprised an ordinary dividend of 20.5 cps. The dividend was paid in full by ATLIX.

6 Earnings per stapled security

Basic earnings per stapled security

Basic earnings per stapled security is determined by dividing the profit or loss attributable to securityholders by the weighted average number of securities on issue during the year.

Diluted earnings per stapled security

Diluted earnings per stapled security is calculated by adjusting basic earnings per stapled security for the effects of all dilutive potential ordinary stapled securities.

	Attributable to ATLIX securityholders		Attributable to ATLAX securityholders	
	Year ended 31 Dec 2023 Cents	Year ended 31 Dec 2022 Cents	Year ended 31 Dec 2023 Cents	Year ended 31 Dec 2022 Cents
Basic earnings/(loss) per ATLIX/ATLAX share	**22.3**	24.6	**(4.6)**	(2.4)
Diluted earnings/(loss) per ATLIX/ATLAX share	**22.3**	24.6	**(4.6)**	(2.4)
	$m	$m	$m	$m
Earnings/(loss) used in the calculation of basic and diluted profit/(loss) per ATLIX/ATLAX share	**323.5**	266.9	**(67.2)**	(25.9)
	Number	Number	Number	Number
Weighted average number of shares used in calculation of basic earnings/(loss) per ATLIX/ATLAX share	**1,450,833,707**	1,084,244,598	**1,450,833,707**	1,084,244,598
Adjustment for employee performance rights [(a)]	**1,776,578**	1,508,641	**1,776,578**	1,508,641
Weighted average number of shares used in calculation of diluted earnings/(loss) per ATLIX/ATLAX share	**1,452,610,285**	1,085,753,239	**1,452,610,285**	1,085,753,239

(a) Diluted earnings per ALX stapled security are adjusted for employee performance rights. Refer to note 24 for details.

During the year ended 31 December 2022, the Groups undertook a $3,098.4 million Equity Raise comprising a fully underwritten 1 for 1.95 pro-rata accelerated non-renounceable entitlement offer to fund the Chicago Skyway acquisition. The Equity Raise resulted in the issuance of 491.8 million new fully paid ordinary stapled securities. The new stapled securities were issued at a price of $6.30 per security.

7 Finance costs

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Interest on debt	**92.7**	87.1	**–**	–
Mark to market gain on derivatives	**–**	(4.5)	**–**	–
Hedge ineffectiveness arising from the deal contingent premium on the swap for the Chicago Skyway acquisition	**–**	10.9	**–**	10.9
Amortisation of issue cost on borrowings from financial institutions	**0.2**	0.2	**–**	–
Mark to market gain on the Chicago Skyway short-dated outright foreign exchange forward contracts	**–**	(24.0)	**–**	–
FX impact of significant transactions during period [(a)]	**–**	21.2	**–**	–
Net foreign exchange (gains)/losses	**1.5**	(1.6)	**2.0**	(0.3)
Other interest costs	**2.1**	1.7	**–**	0.2
Finance costs	**96.5**	91.0	**2.0**	10.8

(a) On 1 December 2022, ATLAX Group acquired a 66.7% interest in CCPI which indirectly owns 100% of the concessionaire of the Chicago Skyway. The FX impacts of the foreign currency held as part of the transaction are disclosed within finance costs. For further information on the acquisition, refer to Note 9.

8 Income tax

The income tax expense or benefit for the year is the amount of income taxes payable or recoverable on the current year's taxable income or loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is determined using the balance sheet method, being the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Reports. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Under current Bermudian law, ATLIX will not be subject to any income, withholding or capital gains taxes in Bermuda. Controlled entities of ATLIX that are subject to taxes in their jurisdictions recognise income tax using the balance sheet approach of tax effect accounting.

Income tax expense

This note provides an analysis of the Groups' income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Groups' tax position.

	ALX		ATLAX Group	
(a) Income tax expense	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Income tax expense				
Current tax	**0.2**	0.2	–	0.1
Deferred tax	**3.5**	3.0	–	–
Total income tax expense	**3.7**	3.2	–	0.1

(b) Reconciliation of income tax expense to prima facie tax payable				
Profit/(loss) from operations before income tax	**260.0**	244.2	**(67.2)**	(25.8)
Prima facie income tax on profit/(loss) at the Australian tax rate of 30%	**78.0**	73.3	**(20.2)**	(7.7)
Impact of different tax rates of operations in jurisdictions other than Australia	**13.5**	21.5	**–**	–
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:				
Non-deductible expenditure	**3.7**	5.2	**2.5**	3.6
Non-deductible cost of hedging	**–**	3.3	**–**	3.3
Share of (profit)/loss of equity accounted investments	**(97.7)**	(100.9)	**15.4**	4.1
Temporary differences not brought to account	**(0.7)**	–	**(0.7)**	0.1
Deferred tax assets on taxable losses not brought to account	**6.4**	5.2	**3.3**	1.7
Temporary differences not previously recognised	**–**	0.7	**–**	–
Unused tax losses recouped to reduce current tax expense	**(0.2)**	(4.2)	**–**	(4.1)
Other items	**0.7**	(0.9)	**(0.3)**	(0.9)
Aggregate income tax expense	**3.7**	3.2	**–**	0.1

(c) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	**434.0**	408.0	**384.8**	359.8
Potential tax benefit of unused tax losses	**104.4**	96.5	**91.4**	84.1

There was no current or deferred tax recognised directly to equity.

Unrecognised tax losses include tax losses that arose in the U.S. between 1 January 2013 and 31 December 2017 of US$158.6 million which expire after 20 years and tax losses that arose in Luxembourg between 1 January 2017 and 31 December 2018 of €23.9 million which expire after 17 years.

Deferred tax assets and liabilities

The Groups exercise judgement in assessing carried forward tax losses that are highly probably to be utilised.

The movement in the balance of deferred tax assets ('DTA') and deferred tax liabilities ('DTL') is as follows:

	ALX					ATLAX Group	
	Current and prior year losses $m	Fixed assets/ intangibles $m	Provisions $m	Other $m	Total $m	Current and prior year losses $m	Total $m
Deferred tax relates to the following:							
Opening balance at 1 January 2022	35.7	(36.8)	0.6	(5.7)	**(6.2)**	–	**–**
(Charged)/credited to profit/(loss)	(4.9)	(1.4)	0.2	(1.2)	**(7.3)**	(4.1)	**(4.1)**
Foreign exchange movement	0.3	(2.1)	–	(0.1)	**(1.9)**	–	**–**
Losses recognised	4.2	–	–	–	**4.2**	4.1	**4.1**
Closing balance at 31 December 2022	**35.3**	**(40.3)**	**0.8**	**(7.0)**	**(11.2)**	**–**	**–**
(Charged)/credited to profit/(loss)	(2.4)	(1.2)	–	(0.1)	**(3.7)**	–	**–**
Foreign exchange movement	1.1	(0.1)	0.1	(0.2)	**0.9**	–	**–**
Losses recognised	0.2	–	–	–	**0.2**	–	**–**
Closing balance at 31 December 2023	**34.2**	**(41.6)**	**0.9**	**(7.3)**	**(13.8)**	**–**	**–**

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Deferred tax asset				
The balance comprises temporary differences attributable to:				
– Current and prior year losses	**34.2**	35.3	**–**	–
– Provisions	**0.9**	0.8	**–**	–
Total deferred tax asset	**35.1**	36.1	**–**	–
Set-off of deferred tax liabilities pursuant to set-off provisions	**(14.7)**	(14.3)	**–**	–
Net deferred tax assets	**20.4**	21.8	**–**	–
Deferred tax liability				
The balance comprises temporary differences attributable to:				
– Fixed assets/intangibles	**(41.6)**	(40.3)	**–**	–
– Other	**(7.3)**	(7.0)	**–**	–
Total deferred tax liability	**(48.9)**	(47.3)	**–**	–
Set-off of deferred tax liabilities pursuant to set-off provisions	**14.7**	14.3	**–**	–
Net deferred tax liabilities	**(34.2)**	(33.0)	**–**	–

Toll road businesses

9 Investments accounted for using the equity method

Associates and joint ventures

Associates are entities over which the Groups have significant influence but not control or joint control. Joint ventures are joint arrangements in which the Groups have joint control and rights to the net assets of the arrangement. The Groups' investments in associates and joint ventures are accounted for using the equity method.

The equity accounted investments are initially recognised at cost, including transaction costs. The Groups' investment in associates and joint ventures includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

Subsequent to initial recognition, the Groups' share of investees' post-acquisition profit or loss and other comprehensive income is recognised in profit or loss and other comprehensive income respectively. The post-acquisition results are adjusted against the carrying amount of the investment. Distributions received/receivable from investees reduce the carrying amount of the investment.

When the Groups' cumulative share of losses in an associate or joint venture equals or exceeds their interest in the investee, including any long-term interests that, in substance, form part of the Groups' net investment in the associate or joint venture, the Groups do not recognise their share of further losses unless they have incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Groups and their associates or joint ventures are eliminated to the extent of the Groups' interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Groups.

Impairment of assets and reversal of impairment

An investment accounted for using the equity method is assessed for impairment whenever there are indications that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of the asset is determined as the higher of the fair value less costs of disposal and the value in use. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets which generate cash inflows that are largely independent of those from other assets or groups of assets.

Discounted cash flow analysis is the methodology applied in determining the recoverable amount of the net investment in the associate or joint venture. Discounted cash flow analysis is the process of estimating future cash flows that are expected to be generated by an asset and discounting these to their present value by applying an appropriate discount rate. The discount rate applied to the cash flows of a particular asset is reflective of the uncertainty associated with the future cash flows. Periodically, independent traffic forecasting experts provide a view on the most likely level of traffic to use the toll road having regard to a wide range of factors including development of the surrounding road network and economic growth in the traffic corridor.

The net Investments in an associate or joint venture that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Impairment losses are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the estimated service potential of the asset has increased. The impairment loss is not reversed just because of the passage of time, even if the recoverable amount of the asset becomes higher than its carrying amount.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Investments in associates	**2,572.7**	2,583.6	**90.2**	97.1
Investments in joint ventures	**2,524.5**	2,766.5	**2,524.5**	2,766.5
Investments accounted for using the equity method	**5,097.2**	5,350.1	**2,614.7**	2,863.6

The shareholder loans with CCPI are held by ATLIX Group and do not form part of the equity accounted investment. The shareholder loans are presented in the Statements of Financial Position as financial assets at amortised cost.

Information relating to material associates and joint ventures is set out below:

Carrying amounts

			ALX Economic interest	ALX		ATLAX Group Economic Interest	ATLAX Group	
Name of Entity	Country of Incorporation/ Principal Place of Business	Principal Activity	As at 31 Dec 2023 and 31 Dec 2022	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 and 31 Dec 2022	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
MAF2	Luxembourg	Investment in toll road network located in the east of France (APRR and ADELAC)	**62.3%**	**2,572.7**	2,583.6	**–**	**–**	–
CCPI	USA	Investment in the Chicago Skyway toll road located south of Chicago, USA	**66.7%**	**2,524.5**	2,766.5	**66.7%**	**2,524.5**	2,766.5
TRIP II	USA	Investment in the Dulles Greenway toll road located in northern Virginia, USA	**–**	**–**	–	**13.4%**	**90.2**	97.1

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

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.

On 1 December 2022, ATLAX Group acquired a 66.7% interest in CCPI which indirectly owns 100% of the concessionaire of the Chicago Skyway. ATLAX Group's investment in CCPI is classified as a joint venture as any decision made with regard to relevant activities requires an affirmative vote of the other party to the arrangement.

The ATLAX Group has a 13.4% interest in TRIP II, the concessionaire for Dulles Greenway, which 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.

Movement in carrying amounts

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Carrying amount at the beginning of the year	**5,350.1**	2,591.8	**2,863.6**	100.0
Share of profit/(loss) after income tax	**325.6**	336.4	**(51.5)**	(13.6)
Share of other comprehensive (loss)/income after income tax	**(12.6)**	42.7	**–**	–
Distributions received/receivable	**(650.4)**	(400.0)	**(205.5)**	–
Investment in CCPI	**–**	2,736.9	**–**	2,736.9
Transaction costs	**–**	26.6	**–**	26.6
Foreign exchange movement	**84.5**	15.7	**8.1**	13.7
Carrying amount at the end of the year	**5,097.2**	5,350.1	**2,614.7**	2,863.6

Summarised financial information for material associates and joint ventures

The following tables summarise financial information for those associates and joint ventures that are material to Atlas Arteria and ATLAX Group. The information disclosed represents the underlying financial position and comprehensive income of the investee. They have been amended to reflect adjustments made by Atlas Arteria and the ATLAX Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy. MAF2 is prepared on a proportionate consolidated basis reflecting MAF2 proportionate ownership of their underlying investments. The financial information has been prepared including fair value adjustments on a gross basis.

The presentation of financial information for the year ended 31 December 2022 has been amended from the net approach to fair value adjustments to the gross approach to enhance the usefulness of the information for users. Adjustments include items recognised directly in equity of underlying businesses, impacts incurred by the Atlas Arteria and ATLAX Groups for hedges at acquisition and other adjustments including foreign exchange.

	MAF2 (a)		CCPI		TRIP II	
Summarised Statement of Financial Position	**As at 31 Dec 2023 $m**	**As at 31 Dec 2022 $m**	**As at 31 Dec 2023 $m**	**As at 31 Dec 2022 $m**	**As at 31 Dec 2023 $m**	**As at 31 Dec 2022 $m**
Current assets						
Cash and cash equivalents			**55.3**	31.1		
Other current assets			**14.5**	14.7		
Total current assets	**1,506.8**	1,567.1	**69.8**	45.8	**99.5**	95.7
Total non-current assets	**12,059.2**	12,271.2	**7,253.8**	7,393.8	**2,134.3**	2,209.6
Current liabilities						
Financial liabilities			**(858.8)**	(603.5)		
Other current liabilities			**(43.3)**	(43.6)		
Total current liabilities	**(1,445.0)**	(1,955.4)	**(902.1)**	(647.1)	**(103.7)**	(101.9)
Non current liabilities						
Financial liabilities			**(1,636.5)**	(1,623.3)		
Other non current liabilities			**(960.8)**	(982.0)		
Total non current liabilities	**(8,225.2)**	(7,975.8)	**(2,597.3)**	(2,605.3)	**(1,458.7)**	(1,480.2)
Net assets	**3,895.8**	3,907.1	**3,824.2**	4,187.2	**671.4**	723.2
Reconciliation to carrying amounts:						
Opening net assets 1 January	**3,907.1**	3,943.7	**4,187.2**	4,182.8	**723.2**	744.3
Profit/(loss) for the year	**598.4**	528.1	**(66.9)**	(6.2)	**(51.5)**	(70.6)
Other comprehensive (loss)/income for the year	**(20.2)**	79.2	**–**	–	**–**	–
Distributions paid/payable	**(714.3)**	(653.0)	**(308.2)**	–	**–**	–
Foreign exchange and other reserves	**124.8**	9.1	**12.1**	10.6	**(0.3)**	49.5
Closing net assets	**3,895.8**	3,907.1	**3,824.2**	4,187.2	**671.4**	723.2
ATLIX Group's share in %	**62.3%**	62.3%	**–**	–	**–**	–
ATLIX Group's share of net assets	**2,426.5**	2,433.5	**–**	–	**–**	–
ATLAX Group's share in %	**–**	–	**66.7%**	66.7%	**13.4%**	13.4%
ATLAX Group's share of net assets	**–**	–	**2,549.5**	2,791.5	**90.2**	97.1
Adjustments	**146.2**	150.1	**(25.0)**	(25.0)	**–**	–
Atlas Arteria's carrying amount	**2,572.7**	2,583.6	**2,524.5**	2,766.5	**–**	–
ATLAX Group's carrying amount	**–**	–	**2,524.5**	2,766.5	**90.2**	97.1

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

	MAF2 [(a)]		CCPI		TRIP II	
Summarised Statement of Comprehensive Income	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Revenue	**2,677.0**	2,416.7	**185.8**	13.2	**110.4**	98.1
Depreciation and amortisation			**(96.1)**	(6.3)		
Interest income			**3.7**	0.3		
Interest expense			**(144.0)**	(11.5)		
Income tax expense			**(11.9)**	(0.8)		
Profit/(loss) for the year	**598.4**	528.1	**(66.9)**	(6.2)	**(51.5)**	(70.6)
Other comprehensive (loss)/income for the year	**(20.2)**	79.2	**–**	–	**–**	–
ATLIX Group's share of profit	**372.7**	328.9	**–**	–	**–**	–
ATLAX Group's share of loss	**–**	–	**(44.6)**	(4.1)	**(6.9)**	(9.5)
Adjustments	**(2.5)**	11.6	**–**	–	**–**	–
Atlas Arteria's share of profit/(loss)	**370.2**	340.5	**(44.6)**	(4.1)	**–**	–
ATLAX Group's share of loss	**–**	–	**(44.6)**	(4.1)	**(6.9)**	(9.5)
Atlas Arteria's distributions received/receivable	**444.9**	400.0	**205.5**	–	**–**	–
ATLAX Group's distributions received/receivable	**–**	–	**205.5**	–	**–**	–

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

10 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 operated by subsidiaries. Tolling concessions relating to non-controlled equity accounted investments are recognised as a component of the investments accounted for using the equity method.

Tolling concessions have a finite useful life as defined by the terms of the concession arrangements and are carried at cost which represents the fair value of the consideration paid on acquisition less accumulated amortisation and any impairment losses. 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 Group	Period to November 2035 (APRR)
	Period to September 2036 (AREA)
	Period to February 2068 (A79)
ADELAC	Period to December 2060
Chicago Skyway	Period to January 2104

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

In relation to APRR, ADELAC and Chicago Skyway, the tolling concessions are not recognised as intangible assets in the statement of financial position of Atlas Arteria but instead form part of the investments accounted for using the equity method. For the ATLAX Group the tolling concessions for Dulles Greenway and Chicago Skyway are not recognised as intangible assets in the statement of financial position but instead form part of the investments accounted for using the equity method. The amortisation of tolling concessions in relation to these non-controlled investments is included in the Groups' share of the investee's profit or loss.

Impairment

Tolling concessions recognised as intangible assets with finite useful lives, including tolling concessions recognised as a component of equity accounted investments, are assessed for impairment whenever there are indications that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Refer to note 9 for additional detail on the accounting policy for the impairment of non-financial assets.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Balance at the beginning of the year	**2,167.9**	2,101.4	**–**	–
Amortisation of tolling concession	**(67.4)**	(64.3)	**–**	–
Foreign exchange movement	**3.0**	130.8	**–**	–
Balance at the end of the year	**2,103.5**	2,167.9	**–**	–

11 Goodwill

Goodwill

Goodwill represents the excess of the consideration paid over the fair value of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill arising from business combinations is included on the face of the statement of financial position. Goodwill arising from acquisitions of associates and joint ventures is included in the carrying amount of the equity accounted investments.

Impairment

Goodwill is not subject to amortisation but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of a CGU is determined based on fair value less costs of disposal calculations which require the use of assumptions. The calculations use detailed cash flow projections covering the remaining concession life of the CGU.

Goodwill relates to the Group's interest in the Warnow Tunnel. Refer to notes 9 and 10 for additional details on the accounting policy for impairment.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Balance at the beginning of the year	**13.8**	13.7	**–**	–
Foreign exchange movement	**0.5**	0.1	**–**	–
Balance at the end of the year	**14.3**	13.8	**–**	–

Capital and borrowings

12 Cash, cash equivalents and restricted cash

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term and highly liquid investments (maturity of less than 3 months) that are readily convertible to cash with insignificant risk of changes in value. Restricted cash includes funds held in escrow or amounts otherwise not available to meet short term commitments of the Groups and is classified as a non-current asset.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Current				
Cash on hand	**305.3**	275.9	**182.9**	62.0
Cash and cash equivalents	**305.3**	275.9	**182.9**	62.0
Non-current				
Restricted cash	**204.9**	215.6	**–**	–
Restricted cash	**204.9**	215.6	**–**	–

Cash and cash equivalents

During the year cash on hand was held in bank accounts earning money market rates of interest between 0.00% and 5.45% (2022: -1.26% and 4.02%) per annum.

Cash equivalents include TRIP II's money market deposits paying interest between 5.21% and 5.25% (2022: 0.01% and 4.20%) per annum.

Restricted cash

This comprises funds held in escrow pursuant to the TRIP II bond indenture agreements and Warnow Tunnel loan agreements. Discussion of the Groups' policies concerning the management of credit risk can be found in note 16.

13 Debt at amortised cost

Financial liabilities

Financial liabilities are initially recorded at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Current				
Non-recourse TRIP II bonds and accrued interest thereon	**101.4**	100.1	**–**	–
Total current debt at amortised cost	**101.4**	100.1	**–**	–
Non-current				
Non-recourse TRIP II bonds and accrued interest thereon	**1,411.5**	1,433.0	**–**	–
Non-recourse Warnow Tunnel borrowings	**182.1**	176.4	**–**	–
Total non-current debt at amortised cost	**1,593.6**	1,609.4	**–**	–

Atlas Arteria has complied with all externally imposed capital requirements that it was subject to during the year ended 31 December 2023.

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.

In May 2023 the Groups executed a $50.0 million working capital facility. The facility has a term of three years and is unsecured. The borrowers under the facility are Atlas Arteria Holdings Australia Pty Ltd, Green Bermudian Holdings Limited and MIBL Finance (Luxembourg) Sarl. Both ATLIX and ATLAX are jointly and severally liable for the facility. At 31 December 2023 the facility remained undrawn.

(a) Non-recourse TRIP II bonds

The Atlas Arteria consolidated financial statements include bonds raised by TRIP II to finance the construction of infrastructure assets. These bonds are non-recourse beyond the TRIP II assets and Atlas Arteria has no commitments to provide further debt or equity funding to TRIP II to settle these liabilities.

All of these bonds are in the form of fixed interest rate senior bonds, with US$35.0 million (2022: US$35.0 million) of interest bonds and US$1,085.3 million (2022: US$1,086.1 million) of zero coupon bonds. Tranches of the bonds have a maturity dates ranging from 2024 to 2056.

(b) Non-recourse Warnow Tunnel borrowings

The Atlas Arteria consolidated financial statements include borrowings raised by Warnow Tunnel to finance the construction of infrastructure assets. These borrowings are non-recourse beyond the Warnow Tunnel assets and Atlas Arteria has no commitments to provide further debt or equity funding to Warnow Tunnel to settle these liabilities.

Warnow Tunnel has a debt facility of €115.0 million (fixed and variable tranches of, €86.2 million and €28.8 million, respectively) maturing in December 2049.

14 Contributed equity

	Attributable to ATLIX securityholders		Attributable to ATLAX securityholders	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Ordinary shares	**3,994.0**	3,994.0	**2,991.0**	2,991.0
Contributed equity	**3,994.0**	3,994.0	**2,991.0**	2,991.0
On issue at the beginning of the year	**3,994.0**	3,747.8	**2,991.0**	202.0
Issue of securities	**–**	251.3	**–**	2,847.1
Transaction costs associated with issue of securities	**–**	(5.1)	**–**	(58.1)
On issue at the end of the year	**3,994.0**	3,994.0	**2,991.0**	2,991.0

During the year ended 31 December 2022, the Groups undertook a $3,098.4 million Equity Raise comprising a fully underwritten 1 for 1.95 pro-rata accelerated non-renounceable entitlement offer to fund the Chicago Skyway acquisition. The Equity Raise resulted in the issuance of 491.8 million new fully paid ordinary stapled securities. The new stapled securities were issued at a price of $6.30 per security.

	Attributable to ATLIX securityholders		Attributable to ATLAX securityholders	
	As at 31 Dec 2023 Number of shares	As at 31 Dec 2022 Number of shares	As at 31 Dec 2023 Number of shares	As at 31 Dec 2022 Number of shares
On issue at the beginning of the year	**1,450,833,707**	959,018,226	**1,450,833,707**	959,018,226
Issue of securities	**–**	491,815,481	**–**	491,815,481
On issue at the end of the year	**1,450,833,707**	1,450,833,707	**1,450,833,707**	1,450,833,707

Ordinary shares in ATLIX and in ATLAX

Each fully paid stapled security confers the right to vote at meetings of securityholders, subject to any voting restrictions imposed on a securityholder under the *Corporations Act 2001* in Australia, Companies Act in Bermuda and the ASX Listing Rules. On a show of hands, every securityholder present in person or by proxy has one vote.

On a poll, every securityholder who is present in person or by proxy has one vote for each fully paid share in respect of ATLIX and one vote for each fully paid share in respect of ATLAX.

The Directors of ATLIX and ATLAX may declare distributions which are appropriate given the financial position of ATLIX and ATLAX.

If ATLIX and ATLAX are wound up, the liquidator may, with the sanction of an extraordinary resolution and any other requirement of law, divide among the securityholders in specie or in kind the whole or any part of the assets of ATLIX and ATLAX.

15 Reserves

Share-based payments

Share-based compensation benefits are provided to employees via the short-term incentive (STI) Plan, the employee equity ('EE') Plan and the long-term incentive (LTI) Plan.

Securities (equal to 50% of the total value of STI awarded to Executives) are only issued under the STI Plan if performance conditions are met. Securities issued under the STI Plan are time contingent and are issued in restricted securities on terms determined by the Boards. The share-based STI Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed is determined based on the probability of the vesting conditions being met.

Securities issued under the EE Plan are subject to service conditions and are issued in non-restricted securities. The EE Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed is determined based on the probability of the vesting conditions being met.

The fair value of performance rights granted under the LTI Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed is determined by reference to the fair value of the performance rights granted including the market performance conditions, and the number of equity instruments expected to vest, based on the probability of the vesting conditions being met.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, Atlas Arteria and the ATLAX Group revise their estimates of the number of performance rights that are expected to vest based on service and non-market performance conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Associates

The associates reserve includes the share of the associates' cash flow hedge and post-employment benefit obligations reserves.

The cash flow hedge reserve is used to recognise the associates' effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently recognised by the associates as a component of borrowing costs when the hedged items affect the income statement.

The post-employment benefit obligations reserve is used to recognise the associates' actuarial gains and losses resulting from the effect of changes in actuarial assumptions and from experience adjustments. Amounts are not reclassified by the associates to profit or loss in subsequent periods.

Hedging

The hedging reserve includes the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently transferred to the initial cost of the investment or reclassified to profit or loss when the hedged transaction affects profit or loss.

Foreign currency translation reserve

Refer to note 26 for the policy regarding foreign currency translation.

	Attributable to ATLIX securityholders		Attributable to ATLAX securityholders	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Balance of reserves				
Foreign currency translation reserve	**73.5**	2.6	**49.3**	40.8
Associates reserve	**30.1**	42.7	**–**	–
Share-based payments reserve	**4.3**	3.9	**4.0**	2.0
Balance at the end of the year	**107.9**	49.2	**53.3**	42.8

	Attributable to ATLIX securityholders		Attributable to ATLAX securityholders	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Movements of reserves				
Foreign currency translation reserve				
Balance at the beginning of the year	**2.6**	(44.1)	**40.8**	27.4
Exchange differences on translation of foreign operations	**75.7**	46.7	**8.5**	13.4
Loss on net investment hedge	**(4.8)**	–	**–**	–
Balance at the end of the year	**73.5**	2.6	**49.3**	40.8
Associates reserve				
Balance at the beginning of the year	**42.7**	–	**–**	–
Share of other comprehensive (loss)/income of equity accounted investments	**(12.6)**	42.7	**–**	–
Balance at the end of the year	**30.1**	42.7	**–**	–
Hedging reserve				
Balance at the beginning of the year	**–**	–	**–**	–
Change in fair value of the cash flow hedges	**–**	–	**–**	25.0
Transfer of hedging gains to carrying value of equity accounted investment	**–**	–	**–**	(25.0)
Balance at the end of the year	**–**	–	**–**	–
Share-based payments reserve				
Balance at the beginning of the year	**3.9**	4.0	**2.0**	–
Employee equity based awards [a]	**0.4**	(0.1)	**2.0**	2.0
Balance at the end of the year	**4.3**	3.9	**4.0**	2.0

(a) Expenses arising from share-based benefits relating to STIs and LTIs attributable to ATLIX securityholders as at 31 December 2023: $0.4 million (2022: $(0.1) million). Expenses arising from share-based benefits relating to STIs and LTIs attributable to ATLAX securityholders as at 31 December 2023: $2.0 million (2022: $2.0 million).

16 Financial risk and capital management

Financial risk management

The Groups' activities expose them to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Groups' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Groups. The Groups use derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures.

The Risk Management Policy and Framework is implemented by management under policies approved by the Boards. Management identifies, quantifies and qualifies financial risks and provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Derivatives

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Further information about the derivatives used by the Groups is provided under the Market Risk section below.

Fair value measurement

From time to time, the Groups enter into forward exchange contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The accounting for subsequent changes in fair value depends on whether or not derivatives are designated as hedging instruments. If derivatives are not part of a designated hedging relationship, any changes in their fair value are recognised immediately in the Consolidated Statement of Comprehensive Income.

Hedge effectiveness

Hedge effectiveness is assessed at the inception of the hedging relationship, and on an ongoing basis, to ensure that the qualifying criteria for hedge accounting are met.

For hedges of foreign currency transactions, the Groups enter into hedging relationships where the critical terms of the hedging instrument and the hedged item match or are closely aligned. The Groups therefore perform a qualitative assessment of hedge effectiveness. In calculating the change in the value of the hedged item for the purpose of measuring hedge ineffectiveness, the Groups use the hypothetical derivative method, which matches the critical terms of the derivative and the hedged item.

In hedges of foreign currency transactions, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Groups or the derivative counterparties.

Market risk

Foreign exchange risk

Foreign exchange risk arises when recognised assets and liabilities and future commercial transactions are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Groups operate internationally and are exposed to foreign exchange risk mainly arising from currency exposures to the Euro ('EUR') and United States Dollar ('USD').

The Groups from time to time may hedge the foreign exchange exposure on overseas investments.

Financial instruments are converted to Australian Dollars ('AUD') at the rate of exchange ruling at the financial reporting date. Derivative instruments are valued with reference to forward exchange rates from the year end to settlement date, as provided by independent financial institutions.

In assessing foreign exchange risk, management has assumed the following possible movements in the AUD:

- AUD/EUR exchange rate increased/decreased by 9 Euro cents (2022: 6 Euro cents)
- AUD/USD exchange rate increased/decreased by 14 US cents (2022: 10 US cents)
- AUD/GBP exchange rate increased/decreased by 9 UK pence (2022: 5 UK pence)

The tables below show the amounts for financial instruments that would be recognised in profit or loss or directly in equity if the movements in foreign exchange rates as outlined above occurred. The Groups' management have determined the above movements in the AUD to be a reasonably possible shift following analysis of foreign exchange volatility for relevant currencies over the last five years.

ALX	Foreign exchange risk – Appreciation in Australian Dollar P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m	Foreign exchange risk – Depreciation in Australian Dollar P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m
Total financial assets [a]	**(5.5)**	(3.5)	**–**	–	**8.3**	4.4	**–**	–
Total financial liabilities [b]	**0.1**	1.0	**–**	–	**(0.1)**	(1.3)	**–**	–
Total	**(5.4)**	(2.5)	**–**	–	**8.2**	3.1	**–**	–

ATLAX Group	Foreign exchange risk – Appreciation in Australian Dollar P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m	Foreign exchange risk – Depreciation in Australian Dollar P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m
Total financial assets [a]	**(5.0)**	(1.2)	**–**	–	**7.6**	1.6	**–**	–
Total financial liabilities [b]	**0.1**	1.0	**–**	–	**(0.1)**	(1.3)	**–**	–
Total	**(4.9)**	(0.2)	**–**	–	**7.5**	0.3	**–**	–

(a) Financial assets include cash, cash equivalents, restricted cash, receivables, financial assets at amortised cost and derivative financial instruments.
(b) Financial liabilities include payables, debt at amortised cost and derivative financial instruments.

Interest rate risk

The Groups have no significant interest bearing financial instruments whose fair value is significantly impacted by changes in market interest rates.

In assessing interest rate risk, management has assumed the following movements in the identified interest rates:

- Bank bill swap reference rate (AUD BBSW 90 days) increased/decreased by 143 bps (2022: 126 bps)
- Bank bill swap reference rate (EURIBOR 90 days) increased/decreased by 83 bps (2022: 52 bps)
- Bank bill swap reference rate (USD SOFR 90 days) increased/decreased by 227 bps (2022: 158 bps)
- Bank bill swap reference rate (EURIBOR 6 months) increased/decreased by 94 bps (2022: 70 bps)
- Bank bill swap reference rate (AUD BBSW 6 months) increased/decreased by 145 bps (2022: 128 bps)

The tables below show the amounts for financial instruments that would be recognised in profit or loss or directly in equity if the above interest rate movements occurred. The Groups' management have determined the above movements in interest rates to be a reasonably possible shift following analysis of the interest spreads of comparable debt instruments over the past five years.

ALX	Interest rate risk – Increase in interest rates P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m	Interest rate risk – Decrease in interest rates P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m
Total financial assets	**9.7**	6.8	**–**	–	**(9.7)**	(6.8)	**–**	–
Total financial liabilities	**(0.4)**	(0.3)	**–**	–	**0.4**	0.3	**–**	–
Total	**9.3**	6.5	**–**	–	**(9.3)**	(6.5)	**–**	–

ATLAX Group	Interest rate risk – Increase in interest rates P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m	Interest rate risk – Decrease in interest rates P&L 2023 $m	P&L 2022 $m	Equity 2023 $m	Equity 2022 $m
Total financial assets	**2.6**	0.7	**–**	–	**(2.6)**	(0.7)	**–**	–
Total financial liabilities	**–**	–	**–**	–	**–**	–	**–**	–
Total	**2.6**	0.7	**–**	–	**(2.6)**	(0.7)	**–**	–

Credit risk

The Groups' exposure to credit risk arises from deposits with banks and financial institutions as well as receivables from associates, joint ventures and governments. The Groups limit their exposure relating to cash balances by only dealing with well-established financial institutions of high-quality credit standing. With the exception of the transactions in the normal course of business between the ATLIX and ATLAX Groups, the Groups transact with independent parties with appropriate minimum short-term credit ratings. The Boards set exposure limits to financial institutions and these are monitored on an ongoing basis.

Sound credit risk management involves prudently managing the risk and reward relationship and controlling and minimising credit risks across a variety of dimensions, such as quality, concentration, maturity and security.

The tables below show the balances within the Groups that may be subject to credit risk.

	ALX			ATLAX Group		
	Financial institutions $m	Corporates and others $m	Total $m	Financial institutions $m	Corporates and others $m	Total $m
2023						
Cash and cash equivalents	**305.3**	**–**	**305.3**	**182.9**	**–**	**182.9**
Restricted cash	**204.9**	**–**	**204.9**	**–**	**–**	**–**
Receivables – current	**–**	**36.4**	**36.4**	**–**	**72.0**	**72.0**
Financial assets at amortised cost	**–**	**244.4**	**244.4**	**–**	**–**	**–**
Tax receivables	**–**	**0.3**	**0.3**	**–**	**0.3**	**0.3**
Total	**510.2**	**281.1**	**791.3**	**182.9**	**72.3**	**255.2**

	ALX			ATLAX Group		
	Financial institutions $m	Corporates and others $m	Total $m	Financial institutions $m	Corporates and others $m	Total $m
2022						
Cash and cash equivalents	275.9	–	275.9	62.0	–	62.0
Restricted cash	215.6	–	215.6	–	–	–
Receivables – current	–	7.5	7.5	–	6.3	6.3
Financial assets at amortised cost	–	245.8	245.8	–	–	–
Tax receivables	–	1.7	1.7	–	1.7	1.7
Total	491.5	255.0	746.5	62.0	8.0	70.0

Financial institutions

The credit risk with financial institutions relates to cash held by and term deposits due from Australian and OECD banks. In line with the credit risk policies of the Groups, these counterparties must meet a minimum Standard and Poor's short-term credit rating of A-1 unless an exception is approved by the Boards.

Corporates and others

The Groups' credit risk relates primarily to receivables from related parties and governments. These counterparties have a range of credit ratings.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Groups have a liquidity management policy which manages liquidity risk by monitoring the stability of funding, surplus cash or highly liquid cash assets, anticipated cash in and outflows and exposure to connected parties.

The tables below show the forecast contractual undiscounted cash outflows for financial liabilities at the balance sheet date.

	ALX							
Financial Liabilities	Less than 1 year $m	1-2 years $m	2-3 years $m	3-5 years $m	Greater than 5 years $m	Total contractual cash flows $m	Carrying amount $m	Fair Value [a] $m
2023								
Debt at amortised cost [b]	**101.4**	**101.5**	**103.0**	**214.3**	**3,491.7**	**4,011.9**	**1,695.0**	**1,585.1**
Payables	**18.8**	**4.6**	**2.5**	**7.0**	**98.1**	**131.0**	**79.9**	**79.9**
Total	**120.2**	**106.1**	**105.5**	**221.3**	**3,589.8**	**4,142.9**	**1,774.9**	**1,665.0**
2022								
Debt at amortised cost [b]	100.1	100.2	101.7	208.1	3,598.1	4,108.2	1,709.5	1,569.0
Payables	25.0	3.5	6.0	14.3	107.7	156.5	85.5	85.5
Total	125.1	103.7	107.7	222.4	3,705.8	4,264.7	1,795.0	1,654.5

	ATLAX Group							
Financial Liabilities	Less than 1 year $m	1-2 years $m	2-3 years $m	3-5 years $m	Greater than 5 years $m	Total contractual cash flows $m	Carrying amount $m	Fair Value [a] $m
2023								
Payables	**7.0**	**0.6**	**0.7**	**1.1**	**–**	**9.4**	**9.3**	**9.3**
Total	**7.0**	**0.6**	**0.7**	**1.1**	**–**	**9.4**	**9.3**	**9.3**
2022								
Payables	14.0	0.6	0.7	1.3	0.4	17.0	17.0	17.0
Total	14.0	0.6	0.7	1.3	0.4	17.0	17.0	17.0

(a) Fair value approximates carrying amount for Payables.
(b) Includes consolidated debt held by TRIP II and Warnow Tunnel that is non-recourse to the Groups.

Fair value measurement of financial instruments

The fair value measurements of financial assets and liabilities are categorised within the following fair value hierarchy:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable valuation input).

The Groups may have derivative financial instruments that are measured at fair value on a recurring basis. These instruments are entered into to minimise potential variations in cash flows resulting from fluctuations in interest rates and foreign currency and their impact on variable-rate debt and cash payments and receipts. The Groups do not enter into derivative instruments for any purpose other than economic interest rate and foreign currency hedging. That is, the Groups do not speculate using derivative instruments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. These instruments are measured using Level 2 inputs and are revalued using externally provided dealer quotes.

The Groups' policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period.

Fair values of other financial instruments (unrecognised)

The Groups also have a number of financial instruments which are not measured at fair value in the balance sheet. With the exception to 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 and financial liabilities approximated their carrying amounts at 31 December 2023. There are no financial assets or debt at amortised cost in the ATLAX Group where the carrying value differs materially from their carrying value.

Financial assets at amortised cost	Carrying amount $m	Fair value $m
Shareholder loan with CCPI	244.4	238.4

Debt at amortised cost	Carrying amount $m	Fair value $m
Non-recourse TRIP II bonds	1,512.9	1,455.6
Non-recourse Warnow Tunnel borrowings	182.1	129.5

Capital management

The Groups' capital management objectives are to:

- Ensure sufficient capital resources to support the Groups' business, operational and growth requirements;
- Safeguard the Groups' ability to continue as a going concern; and
- Balance distribution growth with long term sustainability.

Annual reviews of the Groups' capital requirements are performed to ensure the Groups are meeting their objectives.

Capital is defined as contributed equity plus reserves. The Groups do not have any externally imposed capital requirements as at 31 December 2023 or 31 December 2022.

Financial position – other information

17 Other assets

Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost because their cash flows represent solely payments of principal and interest. Interest income from receivables is recognised on an accruals basis.

Receivables are generally received within 30 days of becoming due and receivable. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the year in which they are identified.

Impairment

Atlas Arteria and the ATLAX Group assess, on a forward-looking basis, the expected credit losses on their financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Atlas Arteria and the ATLAX Group use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Groups' past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Current				
Receivables from related parties	**2.3**	2.5	**42.5**	5.4
Prepayments	**3.1**	2.5	**1.1**	0.9
Tax receivable	**0.3**	1.7	**0.3**	1.7
Trade receivables and other assets	**5.3**	5.1	**0.8**	0.9
Distributions receivable	**28.8**	–	**28.8**	–
Total current other assets	**39.8**	11.8	**73.5**	8.9
Non-current				
Other assets	**0.1**	0.1	**–**	–
Total non-current other assets	**0.1**	0.1	**–**	–

The Groups' maximum credit exposure for receivables is the carrying amount. Discussion of the Groups' policies concerning the management of credit risk can be found in note 16. The fair value of receivables approximates their carrying amounts.

18 Provisions and other liabilities

Payables and other liabilities

Liabilities are recognised when an obligation exists to make future payments as a result of a purchase of assets or services, whether or not billed. Trade creditors are generally settled within 30 days.

Provisions

Provisions are recognised when the Groups have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligations, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

The Groups record a provision for toll road maintenance required under their obligations within the service concession arrangements for the maintenance and repair of the publicly owned roads they operate. The Groups at each period assess the estimates of their present obligations, including assessment of the condition of the road determined from routine inspections. These assessments inform the timing and extent of future maintenance activities.

Provisions included in the financial statements are measured at the present value of the best estimate of expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee benefits

Liabilities for salaries, including non-monetary benefits and leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Current				
Provision for toll road maintenance	**3.3**	3.1	**–**	–
Trade creditors and accruals	**7.8**	14.5	**2.3**	9.3
Tax payables	**0.5**	0.4	**–**	–
Employee benefits	**5.5**	5.3	**4.0**	4.1
Lease liability [a]	**0.3**	0.3	**0.7**	0.6
Total current other liabilities	**17.4**	23.6	**7.0**	14.0
Non-current				
Provision for toll road maintenance	**37.3**	36.4	**–**	–
Lease liability [a]	**25.2**	25.5	**2.3**	2.9
Total non-current other liabilities	**62.5**	61.9	**2.3**	2.9

(a) The corresponding right of use asset has been included in the property, plant and equipment balance.

The movement in the balance of provision for toll road maintenance is as follows:

	ALX		ATLAX Group	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Provision for toll road maintenance				
Balance at the beginning of the year	**39.5**	28.7	**–**	–
Additional provision recognised	**1.1**	10.2	**–**	–
Provision utilised	**(1.8)**	(1.9)	**–**	–
Unwind of discount	**1.4**	1.3	**–**	–
Foreign exchange movement	**0.4**	1.2	**–**	–
Balance at the end of the year	**40.6**	39.5	**–**	–

19 Cash flow information

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Reconciliation of profit after income tax to the net cash flows from operating activities				
Profit/(loss) after income tax	**256.3**	241.0	**(67.2)**	(25.9)
Share of (profit)/loss of equity accounted investments	**(325.6)**	(336.4)	**51.5**	13.6
Net finance costs	**96.5**	91.0	**2.0**	10.8
Depreciation and amortisation	**1.8**	1.9	**0.9**	1.1
Amortisation of tolling concession	**67.4**	64.3	**–**	–
Interest income on shareholder loans	**(18.1)**	(1.7)	**–**	–
Changes in operating assets and liabilities:				
Increase/(decrease) in deferred tax asset/(liability)	**3.7**	3.1	**–**	–
Decrease/(increase) in receivables	**2.0**	(1.6)	**4.1**	(2.4)
(Decrease)/increase in payables and other liabilities	**(0.4)**	2.2	**1.2**	2.3
Increase/(decrease) in maintenance provisions	**1.1**	10.0	**–**	–
Net cash inflow from operating activities	**84.7**	73.8	**(7.5)**	(0.5)

Net (debt)/cash reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Net (debt)/cash				
Cash and cash equivalents	**305.3**	275.9	**182.9**	62.0
Restricted cash	**204.9**	215.6	**–**	–
Lease liabilities – current	**(0.3)**	(0.3)	**(0.7)**	(0.6)
Lease liabilities – non-current	**(25.2)**	(25.5)	**(2.3)**	(2.9)
Debt at amortised cost – current	**(101.4)**	(100.1)	**–**	–
Debt at amortised cost – non-current	**(1,593.6)**	(1,609.4)	**–**	–
Net (debt)/cash	**(1,210.3)**	(1,243.8)	**179.9**	58.5

Gross debt at 31 December 2023 consisted of $1,673.9 million (2022: $1,690.1 million) at fixed interest rates and $46.6 million (2022: $45.2 million) at variable interest rates for Atlas Arteria. Gross debt at 31 December 2023 consisted of $3.0 million (2022: $3.5 million) at fixed interest rates for ATLAX Group.

	Assets		Liabilities from financing activities		
ALX	Cash and cash equivalents $m	Restricted Cash $m	Borrowings – current $m	Borrowings – non-current $m	Total $m
Net debt at 1 January 2022	**229.4**	**226.3**	**(92.7)**	**(1,556.5)**	**(1,193.5)**
Cash flows	41.6	(25.6)	–	–	16.0
Loan facilities	–	–	97.2	–	97.2
Lease principal payments	–	–	(1.8)	–	(1.8)
Other non-cash adjustments [a]	–	–	(101.8)	13.0	(88.8)
Foreign exchange adjustments	4.9	14.9	(1.3)	(91.4)	(72.9)
Net debt at 31 December 2022	**275.9**	**215.6**	**(100.4)**	**(1,634.9)**	**(1,243.8)**
Cash flows	34.3	(10.7)	–	–	23.6
Loan facilities	–	–	101.0	–	101.0
Lease principal payments	–	–	(1.7)	–	(1.7)
Other non-cash adjustments [a]	–	–	(99.3)	101.4	2.1
Foreign exchange adjustments	(4.9)	–	(1.3)	(85.3)	(91.5)
Net debt at 31 December 2023	**305.3**	**204.9**	**(101.7)**	**(1,618.8)**	**(1,210.3)**

(a) Relates to transfer of debt from non-current to current and unpaid interest that accrued during the year.

ATLAX Group	Cash and cash equivalents $m	Total $m
Net cash at 1 January 2022	**42.8**	**42.8**
Cash flows	18.8	**18.8**
Foreign exchange adjustments	0.4	**0.4**
Net cash at 31 December 2022	**62.0**	**62.0**
Cash flows	121.0	**121.0**
Foreign exchange adjustments	(0.1)	**(0.1)**
Net cash at 31 December 2023	**182.9**	**182.9**

20 Contingent liabilities and capital commitments

At 31 December 2023 the Groups had no material contingent liabilities or capital commitments. Other than the guarantees referred to at note 13 under the working capital facility, the Groups have not made any other material guarantees as of 31 December 2023.

Group structure

21 Parent entity financial information

The financial information for ATLIX and ATLAX for this disclosure has been prepared on the same basis as the Financial Reports, except as set out below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are accounted for at cost in the separate financial statements of ATLIX and ATLAX.

Tax consolidation legislation

ATLAX and its Australian-resident wholly-owned controlled entities have implemented the tax consolidation legislation as of 2 February 2010. The head entity, ATLAX and the controlled entities in the tax-consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax-consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, ATLAX also recognises current tax liabilities (or assets) and deferred tax assets arising from unused tax losses and unused tax credits assumed from its controlled entities in the tax-consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned controlled entities fully compensate ATLAX for any current tax payable assumed and are compensated by ATLAX for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to ATLAX under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned controlled entities' Financial Reports.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under the tax funding agreements are recognised as current amounts receivable from or payable to other entities in the ATLAX Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax-consolidated entities.

Summary financial information

In accordance with the *Corporations Regulations* 2001, the individual Financial Reports for ATLIX and ATLAX are shown in aggregate amounts below:

	ATLIX		ATLAX	
	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m	As at 31 Dec 2023 $m	As at 31 Dec 2022 $m
Statement of Financial Position				
Current assets	**12.5**	103.7	**222.3**	65.6
Non-current assets	**2,268.1**	2,229.4	**2,860.1**	2,860.7
Total assets	**2,280.6**	2,333.1	**3,082.4**	2,926.3
Current liabilities	**(45.1)**	(6.8)	**(7.3)**	(7.5)
Non-current liabilities	**–**	(211.1)	**–**	–
Total liabilities	**(45.1)**	(217.9)	**(7.3)**	(7.5)
Shareholder's equity				
Issued capital	**3,994.0**	3,994.0	**2,991.0**	2,991.0
Reserves	**3.4**	3.4	**0.1**	0.1
Accumulated losses	**(1,882.2)**	(1,882.2)	**(72.3)**	(72.3)
Accumulated profits – 2023 reserve	**120.3**	–	**156.3**	–
Total equity	**2,235.5**	2,115.2	**3,075.1**	2,918.8
Profit for the year	**700.6**	62.3	**156.3**	14.0
Total comprehensive income	**700.6**	62.3	**156.3**	14.0

Guarantees entered into by the parent entities

In May 2023 the Groups executed a $50.0 million working capital facility. The facility has a term of three years and is unsecured. The borrowers under the facility are Atlas Arteria Holdings Australia Pty Ltd, Green Bermudian Holdings Limited and MIBL Finance (Luxembourg) Sarl. Both ATLIX and ATLAX are jointly and severally liable for the facility. At 31 December 2023 the facility remained undrawn.

Contingent liabilities of the parent entities

ATLIX and ATLAX do not have any contingent liabilities as at 31 December 2023 or 31 December 2022.

22 Subsidiaries

Subsidiaries

Subsidiaries, other than those that ATLIX has been deemed to have directly acquired through stapling arrangements, are those entities over which the Groups are exposed to, or have the right to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Where control of an entity is obtained during a financial year, its results are included in the Statement of Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed and the subsidiary is deconsolidated from the date that control ceases.

ALX

Name of controlled entity	Country of establishment	Voting % 2023	Voting % 2022
Atlas Arteria Limited	Australia	100.0	100.0
ALX Infrastructure Australia Pty Limited	Australia	100.0	100.0
ALX Investments (Australia) Pty Limited	Australia	100.0	100.0
Atlas Arteria Holdings Australia Pty Ltd [a]	Australia	100.0	100.0
Atlas Arteria Service Co Pty Limited	Australia	100.0	100.0
ALX Investments Limited	Bermuda	100.0	100.0
Green Bermudian Holdings Limited	Bermuda	100.0	100.0
Atlas Arteria Luxembourg 1 Sarl [b]	Luxembourg	–	100.0
MIBL Finance (Luxembourg) Sarl	Luxembourg	100.0	100.0
European Transport Investments (UK) Limited	UK	100.0	100.0
Greenfinch Motorways Limited [c]	UK	–	–
Tipperhurst Limited [d]	UK	–	100.0
Tollway Holdings Limited [e]	UK	–	100.0
ALX Indiana Holdings LLC	USA	100.0	100.0
ALX Holdings (US) LLC	USA	100.0	100.0
Dulles Greenway Investments 3 (US) LLC	USA	100.0	100.0
Dulles Greenway Partnership	USA	100.0	100.0
Shenandoah Greenway Corporation	USA	100.0	100.0
Toll Road Investors Partnership II, L.P. [f]	USA	100.0	100.0
Warnowquerung GmbH & Co. KG [g]	Germany	100.0	100.0
Warnowquerung Verwaltungsgesellschaft mbH [g]	Germany	100.0	100.0

(a) Incorporated on 19 August 2022.
(b) Liquidated and deregistered on 22 December 2023.
(c) Liquidated on 11 January 2022 and deregistered on 14 April 2022.
(d) Liquidated on 2 June 2023 and deregistered on 12 September 2023.
(e) Liquidated on 7 August 2023 and deregistered on 16 November 2023.
(f) Atlas Arteria owns 100% of the general partner of Toll Road Investors Partnership II, L.P. (TRIP II) giving Atlas Arteria control over the operations and management of TRIP II, the entity that manages the Dulles Greenway concession.
(g) Warnowquerung GmbH & Co. KG and its general partner, Warnowquerung Verwaltungsgesellschaft mbH, (collectively 'Warnow Tunnel') manage the Warnow Tunnel concession.

ATLAX Group

Name of controlled entity	Country of establishment	Voting % 2023	Voting % 2022
ALX Infrastructure Australia Pty Limited	Australia	100.0	100.0
ALX Investments (Australia) Pty Limited	Australia	100.0	100.0
Atlas Arteria Holdings Australia Pty Ltd [a]	Australia	100.0	100.0
Atlas Arteria Service Co Pty Limited	Australia	100.0	100.0
ALX Holdings (US) LLC	USA	100.0	100.0
ALX Indiana Holdings LLC	USA	100.0	100.0
Dulles Greenway Investments 3 (US) LLC	USA	100.0	100.0
Dulles Greenway Partnership	USA	100.0	100.0
Shenandoah Greenway Corporation	USA	100.0	100.0

(a) Incorporated on 19 August 2022.

Other disclosures

23 Remuneration of auditors

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $
Amounts paid or payable to PricewaterhouseCoopers Australia for:				
Audit and review services	**841,650**	740,212	**420,825**	403,220
Other assurance services [a]	**100,600**	714,017	**50,300**	668,276
	942,250	1,454,229	**471,125**	1,071,496
Amounts paid or payable to Network firms of PricewaterhouseCoopers for:				
Audit and review services	**600,397**	438,808	**48,961**	44,335
Taxation services [b]	**66,123**	95,450	**–**	–
	666,520	534,258	**48,961**	44,335
Total amounts paid or payable to PricewaterhouseCoopers	**1,608,770**	1,988,487	**520,086**	1,115,831
Amounts paid or payable to non PricewaterhouseCoopers audit firms for:				
Audit services provided by Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ('Baker Tilly')	**22,108**	86,482	**–**	–
Audit services provided by Deloitte	**73,470**	44,178	**73,470**	44,178
Other non-audit services [c]	**223,908**	39,658	**204,772**	19,037
Total amounts paid or payable to non PricewaterhouseCoopers firms	**319,486**	170,318	**278,242**	63,215
Total amounts paid or payable to auditors	**1,928,256**	2,158,805	**798,328**	1,179,046

(a) In the current year, other assurance services relate to sustainability reporting reviews. In the prior period, other assurance services related to Equity Raise due diligence and sustainability reporting reviews.
(b) Taxation services provided by network firms of the auditor relates to the filing of corporate income tax returns for the Groups' entities domiciled outside of Australia.
(c) In the current year, other non-audit services relate to consulting, compliance and tax services. In the prior year, other non-audit services related to compliance and tax services.

24 Share-based payments

Each instrument below represents one performance right to an ALX stapled security which comprises one Atlas Arteria International Limited ('ATLIX') share 'stapled' to one Atlas Arteria Limited ('ATLAX') share. Set out below are summaries of performance rights granted under the plans:

ALX	Performance rights at 31 Dec 2022	Granted during the year	Vested and exercised during the year	Forfeited/lapsed during the year	Performance rights at 31 Dec 2023
LTI Plan	1,457,519	639,070	–	(480,039)	1,616,550
STI Plan	188,737	240,144	(188,737)	–	240,144
EE Plan	43,623	14,155	(8,658)	(7,405)	41,715
Total	**1,689,879**	**893,369**	**(197,395)**	**(487,444)**	**1,898,409**

ALX	Performance rights at 31 Dec 2021	Granted during the year	Vested and exercised during the year	Forfeited/lapsed during the year	Performance rights at 31 Dec 2022
LTI Plan	1,326,077	615,724	–	(484,282)	1,457,519
STI Plan	162,978	188,737	(162,978)	–	188,737
EE Plan	32,115	17,160	–	(5,652)	43,623
Total	**1,521,170**	**821,621**	**(162,978)**	**(489,934)**	**1,689,879**

Short Term Incentive Plan (STI Plan)

The STI Plan applies to all Atlas Arteria staff based on a balance of financial and non-financial performance measures aligned with Atlas Arteria's short-term goals. For the executive team, following determination of the STI amount, 50% is paid in cash and 50% is deferred for one year and vests in unrestricted securities on terms determined by Atlas Arteria.

STI restricted securities issued in 2022 vested in December 2022. STI restricted securities issued in 2023 vested in December 2023 as the service conditions were met, however remain in a holding lock until the next trading window in 2024.

Long Term Incentive Plan (LTI Plan)

The LTI Plan is designed to provide long-term incentives to key employees to deliver long-term securityholder returns. Under the plan, participants are granted performance rights which only vest if certain performance standards are met.

For the LTI Plan subject to the relative Total Securityholder Return (TSR) performance condition, the amount of performance rights that will vest depends on Atlas Arteria's relative TSR against the TSR performance of a peer group of companies approved by the Boards and in respect of awards granted after 1 January 2021 there is an additional performance condition that requires Atlas Arteria's absolute TSR to be positive for the performance period.

For the LTI Plan introduced in 2022 subject to the achievement of Atlas Arteria's strategic objectives, the amount of performance rights that will vest depends on clearly quantifiable improvements in securityholder value from the implementation of two strategic metrics; creating a clear pathway to sustainable cash flows from Dulles Greenway and improving the average concession life of the Atlas Arteria portfolio. For the executive team, this requires Atlas Arteria's absolute TSR to be positive for the performance period and the business case for the acquisition of the Chicago Skyway to be achieved.

Performance rights are granted under the plans for no consideration. These performance rights are exercisable at no consideration upon satisfaction of performance hurdles.

The performance conditions of the 2021 LTI performance rights were tested in January 2024. The performance conditions were partially satisfied resulting in a partial vesting outcome. LTI performance rights issued in 2022 that are outstanding at the end of the year will vest after the end of the performance period which ends on 31 December 2024 only if performance conditions are met. LTI performance rights issued in 2023 that are outstanding at the end of the year will vest after the end of the performance period which ends on 31 December 2025 only if performance conditions are met.

Employee Equity Incentive Plan (EE Plan)

The EE Plan provides eligible employees (excludes the executive team) with an allocation of performance rights granted for no consideration. These performance rights are exercisable at no consideration upon satisfaction of the 3 year service condition.

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted during the year ended 31 December 2023 range between $3.50 and $6.42 per performance right (2022: $3.59 to $6.90). The fair value at grant date is independently determined using an adjusted form of the Stochastic Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the performance right, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the performance right and the correlations and volatilities of the peer group companies.

The expected price volatility is based on the historic volatility (based on the remaining life of the performance rights), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share-based payment transactions

	ATLIX Group		ATLAX Group	
	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Employee performance rights – LTI Plan	**0.4**	0.3	**1.6**	1.3
Employee performance rights – EE Plan	**–**	–	**0.1**	0.1
Employee securities – STI Plan	**0.3**	0.3	**1.3**	1.1
	0.7	0.6	**3.0**	2.5

25 Related party disclosures

Directors

The following persons were Directors of ATLIX during the whole of the year and up to the date of this report:

- Jeffrey Conyers (Retired as Chair and Director on 1 March 2023)
- Fiona Beck (Appointed Chair on 1 March 2023)
- Kiernan Bell (Appointed Director on 1 September 2023)
- Andrew Cook
- Caroline Foulger (Retired as Director on 1 July 2023)
- Debra Goodin

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

- Debra Goodin (Chair)
- David Bartholomew
- Graeme Bevans
- Ken Daley (Appointed Director on 30 May 2023)
- Laura Hendricks (Appointed Director on 16 October 2023)
- Jean-Georges Malcor
- John Wigglesworth (Appointed Director on 1 January 2023)

Key management personnel

Key management personnel ('KMP') are defined in AASB 124 *Related Party Disclosures* as those having authority and responsibility for planning, directing and controlling the activities of the entity. Across the Groups, the Directors of ATLIX and ATLAX, the Managing Director and Chief Executive Officer ('MD & CEO'), Chief Financial Officer ('CFO') and Chief Operating Officer ('COO') meet the definition of KMP.

The compensation paid to non-executive Directors of ATLIX and ATLAX is determined by reference to remuneration of similar roles at similar entities. The level of compensation is not related to the performance of the Groups. The remuneration of the MD & CEO, CFO and COO includes STI and LTI components which include targets related to the performance of Atlas Arteria.

The total remuneration for the MD & CEO, CFO and COO is shown in the table below.

		Short term employee benefits		Share based payments		Long term benefits	
	Financial year	Cash salary $	Cash STI $	Value of LTI $	Value of STI $	Superannuation $	Total remuneration $
Total	**2023**	**2,772,963**	**1,153,010**	**1,143,235**	**1,175,276**	**72,312**	**6,316,796**
	2022	2,442,925	1,276,221	971,061	1,198,196	58,971	5,947,374

Compensation in the form of directors' fees that were paid to the ATLIX and ATLAX Non-Executive Directors is as follows:

	Year ended 31 Dec 2023			Year ended 31 Dec 2022		
	Short term benefit	Long term benefit		Short term benefit	Long term benefit	
	Cash salary and fees $	Superannuation $	Total director fees $	Cash salary and fees $	Superannuation $	Total director fees $
ATLIX	**791,405**	**7,958**	**799,363**	989,909	7,212	997,121
ATLAX	**924,702**	**71,279**	**995,981**	891,204	56,296	947,500

The number of ALX stapled securities held directly, indirectly or beneficially by the KMP across the Groups at 31 December 2023 is set out below:

	KMP interests in ALX stapled securities At 31 Dec 2023	KMP interests in ALX stapled securities At 31 Dec 2022
Jeffrey Conyers [(a)]	**N/A**	90,524
Ariane Barker [(b)]	**N/A**	38,124
David Bartholomew	**31,679**	31,679
Fiona Beck	**60,029**	53,029
Graeme Bevans	**586,444**	443,258
David Collins [(c)]	**10,574**	–
Andrew Cook	**38,000**	33,000
Caroline Foulger [(d)]	**N/A**	41,602
Debra Goodin	**78,471**	76,667
Jean-Georges Malcor	**45,499**	45,499
Vincent Portal-Barrault	**115,120**	90,942
Kiernan Bell [(e)]	**–**	N/A
Laura Hendricks [(f)]	**–**	N/A
John Wigglesworth [(g)]	**7,500**	N/A
Ken Daley [(h)]	**–**	N/A
Total	**973,316**	944,324

(a) Retired 1 March 2023.
(b) Retired 31 December 2022.
(c) Appointed 1 September 2022.
(d) Retired 1 July 2023.
(e) Appointed 1 September 2023.
(f) Appointed 16 October 2023.
(g) Appointed 1 January 2023.
(h) Appointed 30 May 2023.

Other balances and transactions

At 31 December 2023, entities within the Groups had the following balances with related parties:

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $
Shareholder loan with CCPI	**244,900,000**	245,766,181	**–**	–
Interest on Shareholder loans with CCPI	**1,737,624**	1,719,714	**–**	–
Distributions receivable from CCPI	**28,811,208**	–	**28,811,208**	–
Interest bearing loan receivable from ATLIX [(a)]	**–**	–	**40,682,080**	–
Other intercompany receivables from/(payables) to related parties	**606,258**	747,114	**1,830,300**	5,419,345

(a) In September 2023 ATLAX advanced ATLIX $40.0 million for a 12 month period with interest payable at a fixed rate of 5.99%. The principal and interest are payable at maturity in September 2024.

During the year, entities within the Groups had the following transactions with related parties excluding associates and joint ventures:

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $
Reimbursement of ATLIX's portion of expenses paid by ATLAX Group	**–**	–	**82,239**	1,572,662
Advisory service fees	**–**	–	**14,152,382**	14,300,330
Loan advanced from ATLAX to ATLIX	**–**	–	**40,000,000**	–
Interest charged on loan between ATLAX and ATLIX	**–**	–	**682,080**	–
Transfer of shareholder loans issued by CCPI	**–**	–	**–**	245,131,989

During the year, entities within the Groups received/(paid) the following from/(to) associates and joint ventures:

	ALX		ATLAX Group	
	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $	Year ended 31 Dec 2023 $	Year ended 31 Dec 2022 $
Distributions received from MAF2	**444,903,705**	406,888,038	**–**	–
Distributions received from CCPI	**174,680,214**	–	**174,680,214**	–
Interest received on Shareholder loans with CCPI	**18,395,750**	–	**–**	–
Cash payments from/(to) associates and joint ventures [(a)]	**2,810,294**	8,767,562	**(3,199,898)**	(2,259,007)

(a) For Atlas Arteria the cash payments reflect fees and reimbursements from MAF and MAF2 offset by reimbursement to Skyway Concession Company LLC and for the ATLAX Group the cash payments reflect reimbursements to TRIP II and Skyway Concession Company LLC.

All of the amounts represent payments on normal commercial terms made in relation to the provision of goods and services, with the exception of the short term loan advanced from ATLAX to ATLIX repayable in less than one year with interest charged at commercial rates.

26 Other material accounting policies

This note provides a list of the material accounting policies adopted in preparation of these Financial Reports to the extent they have not already been disclosed in the other notes above.

Revenue recognition

Revenue and other income is recognised as follows:

Toll revenue

A single performance obligation has been assessed as the use of the road, and the transaction price, which is calculated based on passing through toll points, is fully allocated to this performance obligation. Toll revenue is recognised at the time the customers use the road.

Other income

Other income from customers consists of revenue earned in respect of rental income from cell towers and income from advertising hoardings on the toll road. Other income is recognised over the period of the contract in accordance with the contracts governing these services as performance obligations are satisfied. Other income for the ATLAX Group comprises advisory and administrative service fees to related parties.

Transaction costs

Transaction costs related to an equity accounted investment are capitalised into the cost of the investment. Transaction costs arising on the issue of equity instruments are recognised directly in equity and those arising on borrowings are netted with the liability and included in interest expense using the effective interest method.

Goods and Services Tax (GST)

The amount of GST incurred by the Groups that is not recoverable from the Australian Taxation Office ('ATO') is recognised as an expense or as part of the cost of acquisition of an asset or adjusted from the proceeds of securities issued. These expenses have been recognised in profit or loss net of the amount of GST recoverable from the ATO. Receivables and payables are stated at amounts exclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Consolidated Statements of Financial Position. Cash flows relating to GST are included in the Consolidated Statements of Cash Flows on a net basis.

Foreign currency translation

Functional and presentation currency

Items included in the Financial Reports of each of the Groups' entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial Reports are presented in Australian Dollars, which is the functional and presentation currency of ATLIX and ATLAX.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Group companies

The results and financial position of the Groups' entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position
- Income and expenses for each Statement of Comprehensive Income are translated at exchange rates at the dates of transactions or at an average rate as appropriate
- All resulting exchange differences are recognised as a separate component of equity

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to securityholders' equity. When a foreign operation is disposed of, a proportionate share of such exchange differences are recognised in profit or loss as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Offsetting financial instruments

Financial assets and financial liabilities may be offset and the net amount reported on the Statement of Financial Position when there is a legally enforceable right to offset the amounts and either there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

Interest income

Interest income on cash and cash equivalents and financial assets at amortised costs are brought to account on an accruals basis in accordance with the effective interest method.

Acquisition of subsidiaries

The acquisition method of accounting is used to account for all business combinations other than those under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Groups. The consideration transferred also includes the estimated fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs for consolidated entities are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Contingent consideration is subsequently remeasured to its fair value with changes recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Groups' share of the net identifiable assets acquired is recorded as goodwill.

27 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 Financial 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 subsequent to the year ended 31 December 2023.

DIRECTORS' DECLARATION – ATLAS ARTERIA INTERNATIONAL LIMITED

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

a) the Financial Report of ATLIX and its controlled entities ('Atlas Arteria') and notes set out on pages 85 to 129:

   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 31 December 2023 and of its performance for the 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 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.

Fiona Beck
Chair
Atlas Arteria International Limited
Hamilton, Bermuda
28 February 2024

Andrew Cook
Director
Atlas Arteria International Limited
Hamilton, Bermuda
28 February 2024

DIRECTORS' DECLARATION – ATLAS ARTERIA LIMITED

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

a) the Financial Report of ATLAX and its controlled entities ('ATLAX Group') and notes set out on pages 85 to 129 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 31 December 2023 and of its performance for the year ended as 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 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.

Debra Goodin
Chair
Atlas Arteria Limited
Melbourne, Australia
29 February 2024

John Wigglesworth
Director
Atlas Arteria Limited
Melbourne, Australia
29 February 2024

Independent auditor's report

To the stapled security holders of Atlas Arteria International Limited and Atlas Arteria Limited

Report on the audit of the financial reports

Our opinion

In our opinion:

The accompanying 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

are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial positions of Atlas Arteria and the ATLAX Group as at 31 December 2023 and of their financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial reports of Atlas Arteria and the ATLAX Group comprise:

- the consolidated statements of financial position as at 31 December 2023
- the consolidated statements of profit and loss for the year then ended
- the consolidated statements of comprehensive income for the year then ended
- the consolidated statements of changes in equity for the year then ended
- the consolidated statements of cash flows for the year then ended
- the notes to the financial reports, including material accounting policy information and other explanatory information
- the directors' declarations.

Basis for opinion

We conducted our audits in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audits of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

We tailored the scope of our audits to ensure that we performed enough work to be able to give an opinion on the financial reports as a whole, taking into account the geographic and management structure of Atlas Arteria and the ATLAX Group, their accounting processes and controls and the industry in which they operate.

Atlas Arteria invests in an international portfolio of toll roads, which are:

- 31.14% interest in the APRR toll road group and a 31.17% interest in the ADELAC toll road network in France (together "APRR"), an equity accounted investment;
- 66.7% interest in the Chicago Skyway toll road bridge ("Chicago Skyway") in the USA, an equity accounted investment;
- 100% economic interest in the Dulles Greenway in the USA ("Dulles Greenway"), which is consolidated; and
- 100% interest in Warnowquerung GmbH & Co ("Warnow Tunnel") in Germany which is consolidated.

The ATLAX Group holds the following investments, both of which are equity accounted:

- 66.7% interest in Chicago Skyway; and
- 13.4% interest in Dulles Greenway.

We engaged with the auditors of APRR, Dulles Greenway, Chicago Skyway and Warnow Tunnel to report to us in respect of their audit procedures performed on the relevant toll road businesses.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- We decided the nature, timing and extent of work that needed to be performed by other auditors operating under our instructions ("component auditors"). For APRR, Dulles Greenway, Chicago Skyway and Warnow Tunnel, we determined the level of involvement we needed to have in the audit work performed by the component auditors to enable us to conclude whether sufficient appropriate audit evidence had been obtained. Our involvement included visiting the operations, meeting with the component audit teams, written instructions and reviewing a selection of component auditor workpapers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audits of the financial reports for the current period. The key audit matters were addressed in the context of our audits of the financial reports as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter

Carrying value of Dulles Greenway and Chicago Skyway Cash Generating Units (CGUs) *(Refer to notes 9 and 10)*
 	
Atlas Arteria has 100% economic interest in the Dulles Greenway tolling concession, which is a CGU. The tolling concession intangible asset in respect of Dulles Greenway is included in Atlas Arteria's total tolling concession intangible assets of $2.1 billion.
 	
The ATLAX Group has an equity accounted investment in the Dulles Greenway CGU of $90.2 million.
 	
Both Atlas Arteria and the ATLAX Group have an equity accounted investment of $2.5 billion in the Chicago Skyway CGU.
 	
During the year Atlas Arteria and the ATLAX Group performed an impairment indicator assessment on the Dulles Greenway and Chicago Skyway CGUs. No indicators of impairment existed.
 	
The assessments of impairment indicators for the Dulles Greenway and Chicago Skyway CGUs were a key audit matter due to the significant carrying value of these assets and the judgements involved in performing those assessments.
	We performed the following procedures, amongst others:
	
	• Assessed whether the composition of the CGUs was consistent with our knowledge of Atlas Arteria and the ATLAX Group's operations.
	
	• Evaluated management's impairment indicator assessment against the requirements of Australian Accounting Standards by performing the following procedures, amongst others:
	
	    • Assessed the ability of Atlas Arteria and the ATLAX Group to accurately forecast traffic volumes by comparing previous traffic forecasts to actual traffic volumes achieved by each CGU.
	
	    • Considered any significant changes in the market or economic environment in which each CGU operates, including third party long-term inflation projections and the latest correspondence with the relevant authorities.

Key audit matter	How our audit addressed the key audit matter
Consolidation of subsidiaries and equity accounting of associates and joint ventures *(Refer to note 9)* Atlas Arteria applies equity accounting to its investments in APRR and Chicago Skyway and consolidates its investments in Dulles Greenway and Warnow Tunnel. The ATLAX Group applies equity accounting to its investments in Dulles Greenway and Chicago Skyway. Both Atlas Arteria and the ATLAX Group exercise judgement in the application of Australian Accounting Standards in determining the basis of accounting for their investments in these assets. In the application of equity and consolidation accounting, management is required to make a number of adjustments to the underlying financial information of each business to ensure alignment to Australian Accounting Standards and to Atlas Arteria and the ATLAX Group's accounting policies. This is a key audit matter because certain of the adjustments involved in the application of equity and consolidation accounting are material and complex in nature. Such adjustments include: • adjusting the results of international subsidiaries and investments in associates and joint ventures prepared using local accounting standards and policies to reflect Australian Accounting Standards as applied through the Atlas Arteria and the ATLAX Group accounting policies; and • adjusting the results of equity accounted investees to reflect equity accounting adjustments required to arrive at Atlas Arteria and the ATLAX Group's share of profits from associates.	We considered the appropriateness of Atlas Arteria and the ATLAX Group's conclusions on the application of equity accounting and consolidation of investments in light of the requirements of Australian Accounting Standards. In doing so, we read and developed an understanding of the contractual arrangements for each investment. We gained an understanding of operational developments and local accounting policies of the subsidiaries and associates and the nature and extent of any accounting standard or accounting policy adjustments required to align with those of Atlas Arteria or the ATLAX Group. On a sample basis, we reperformed the calculation of the adjustments to assess consistency with this understanding and to check for mathematical accuracy. Upon receipt of audited financial information for APRR, Chicago Skyway, Dulles Greenway and Warnow Tunnel, we tested management's calculations of the adjustments on a sample basis, checking for mathematical accuracy and consistency with the Atlas Arteria and ATLAX Group accounting policies. These adjustments impact: • Atlas Arteria's consolidated statement of profit and loss, consolidated statement of comprehensive income and consolidated statement of financial position; • Atlas Arteria's share of net profits from equity accounted investments and the carrying value of the equity accounted investments in APRR and Chicago Skyway; and • the ATLAX Group's share of associates and joint ventures net profits or losses and the carrying values of Dulles Greenway and Chicago Skyway. We evaluated the adequacy of the disclosures made in note 9, in light of the requirements of Australian Accounting Standards.

pwc

Key audit matter	*How our audit addressed the key audit matter*
Provision for toll road maintenance *(Refer to note 9 and 18)* Atlas Arteria and the ATLAX Group have investments in toll roads. These businesses hold a contractual right under a concession agreement to toll users of the roads in return for the capital and expertise required to build, maintain and operate the roads. Atlas Arteria and the ATLAX Group are subject to a number of contractual obligations under the concession agreements. The concession agreements contain clauses that require the concession holders of Dulles Greenway, APRR, Chicago Skyway and Warnow Tunnel to maintain the toll roads to a specified standard and to return the asset to the relevant authority in a certain condition at the completion of the concession period. This results in the recognition of provisions for these contractual maintenance obligations. For Atlas Arteria the obligations for Dulles Greenway and Warnow Tunnel are included in the provision for toll road maintenance of $40.6 million per note 18. The obligations in respect of APRR and Chicago Skyway form part of the carrying value of equity accounted investments. For the ATLAX Group the obligations in respect of Chicago Skyway and Dulles Greenway form part of the carrying value of equity accounted investments. Estimating maintenance provisions requires significant judgement and assumptions, including the following: • The nature and extent of required future maintenance activities; • Forecast cash flows associated with these future maintenance activities and timing of when they will occur; • The period over which a maintenance life cycle of each asset category is deemed to be required; and • The discount rate and inflation rate applied to future cash flows to bring them to their present value. We considered this to be a key audit matter due to the judgement needed to assess the quantum of the provision for toll road maintenance.	We obtained Atlas Arteria and the ATLAX Group's assessments of maintenance obligations under each of the concession agreements. These assessments include an estimate of the cost and timing of the required maintenance activities, which forms the basis of the models used to calculate the provision. We evaluated these assessments in light of the requirements of Australian Accounting Standards. We evaluated and tested key assumptions utilised in the models by performing the following procedures, amongst others: • Considered whether the relevant obligations in the concession agreements were appropriately reflected in the provision. • Compared forecast maintenance expenditure to other information produced by Atlas Arteria and the ATLAX Group. • Assessed the ability of Atlas Arteria and the ATLAX Group to accurately forecast maintenance expenditure by comparing previous cost forecasts to actual expenditure incurred. • Assessed the appropriateness of the estimated timing of the cash outflows and asset maintenance life cycles with reference to third party reports and Atlas Arteria's maintenance policy. • Considered the appropriateness of the discount rates and inflation rates utilised by comparing them to current market consensus rates, including long term government bond yields and long-term target inflation by governments in each location. • Checked the mathematical accuracy of the models by reperforming a selection of calculations therein. We evaluated the adequacy of the disclosures made in notes 9 and 18, in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial reports and our auditor’s report thereon.

Our opinion on the financial reports does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial reports. We have issued a separate opinion on the remuneration report.

In connection with our audits of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of ATLIX and ATLAX are responsible for the preparation of the 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 financial reports that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of Atlas Arteria and the ATLAX Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Atlas Arteria or the ATLAX Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 58 to 84 of the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of ATLIX and ATLAX for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of ATLIX and ATLAX are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Gargett
Partner

Melbourne
29 February 2024

SECURITYHOLDER INFORMATION

As at 31 January 2024

Distribution of securities

Investor ranges	Holders	Total securities	% of issued securities
1 – 1,000	9,848	3,554,332	0.24
1,001 – 5,000	7,790	19,868,529	1.37
5,001 – 10,000	2,395	17,169,450	1.18
10,001 – 100,000	1,982	45,012,160	3.10
100,001 Over	98	1,365,229,236	94.10
Total	**22,113**	**1,450,833,707**	**100.00**
Investors with less than the minimum marketable parcel[1]	**2,496**	**75,461**	

1. Minimum marketable parcel is $500.00 equating to 93 shares at $5.42 per security.

Twenty largest investors

	Investor	Number of securities	% of issued securities
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	552,287,990	38.07
2	DIAMOND INFRACO 1 PTY LTD C/- THE TRUST COMPANY LTD	333,971,599	23.02
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	219,198,980	15.11
4	CITICORP NOMINEES PTY LIMITED <DOMESTIC HIN A/C>	130,427,338	8.99
5	NATIONAL NOMINEES LIMITED	28,965,333	2.00
6	BNP PARIBAS NOMS PTY LTD	22,577,149	1.56
7	DIAMOND INFRACO 1 PTY LTD	9,760,404	0.67
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	9,643,572	0.66
9	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	9,328,021	0.64
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	8,395,339	0.58
11	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	3,690,983	0.25
12	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	3,551,966	0.24
13	BNP PARIBAS NOMS (NZ) LTD	3,107,580	0.21
14	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,506,005	0.17
15	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,426,654	0.17
16	CITICORP NOMINEES PTY LIMITED <143212 NMMT LTD A/C>	2,263,219	0.16
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	1,550,825	0.11
18	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	1,456,204	0.10
19	INVIA CUSTODIAN PTY LIMITED <WEHI – INVESTMENT POOL A/C>	1,159,925	0.08
20	BOND STREET CUSTODIANS LIMITED <CAJ – D09461 A/C>	850,000	0.06
Total		**1,347,119,086**	**92.85**

Details of substantial stapled securityholders

Holder	Date of most recent substantial holder notice	Number of securities	% of issued securities
Diamond Infrac 1 Pty Ltd (IFM Group)	9 November 2023	356,055,310	24.54%
Lazard Asset Management	6 October 2022	133,882,579	9.83%
Mitsubishi UFJ Financial Group[1]	22 December 2022	91,238,237	6.29%
State Street Corporation	11 January 2024	80,401,345	5.54%

1. A substantial shareholder notice was also received by First Sentier Investors Holdings Pty Ltd (First Sentier) on 20 December 2022. Mitsubishi UFJ Financial Group (Mitsubishi) owns 100% of First Sentier (indirectly) and the Mitsubishi notice reflects First Sentier's holding.

GLOSSARY

TERM	DEFINITION
A79	Also known as the RCEA
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ACN	Australian Company Number
ADELAC	The concessionaire of the A41 north motorway
ADT	Average daily traffic. ADT is calculated by dividing the total number of trips on each asset by the number of days in the period. For new assets, the count begins at the commencement of tolling
AGM	Annual General Meeting
ALIAE	The concessionaire of the A79 motorway
ALX	Atlas Arteria
APRR Group	Includes APRR, AREA and A79 concessions
ARC	Audit and Risk Committee
ASX	Australian Securities Exchange
ATLAX	Atlas Arteria Limited
ATLIX	Atlas Arteria International Limited
ATO	Australian Taxation Office
AUD	Australian Dollars
BN	Billions
Boards	Comprises Atlas Arteria Limited (ATLAX) and Atlas Arteria International Limited (ATLIX)
CAGR	Compounded annual growth rate
Capital releases	Capital releases refer to the injection of debt into Atlas Arteria assets, thereby releasing equity
CCPI	Calumet Concession Partners Inc.
CEO	Chief Executive Officer
CET	Contribution Economique Territoriale
CFO	Chief Financial Officer
CO_2	Carbon dioxide
COO	Chief Operating Officer
CPI	Consumer Price Index
CPS	Cents per security
D&A	Depreciation and amortisation
DSCR	Debt service coverage ratio
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eiffarie	Eiffarie SAS
E&P	Earnings and Profit
ESG	Environmental, Social and Governance
EUR	Euros
EV	Electric Vehicle
Executive Committee/ Senior Executives	Members of the senior management team who together comprise the Executive Committee. The Executive Committee advises and prioritises issues for the Board's consideration
FE	Financière Eiffarie SAS
FX	Foreign Exchange
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRESB	Global Real Estate Sustainability Benchmark
H1	First half
H2	Second half
HQ	Head quarters
HV	Heavy Vehicles
IFRS	International Financial Reporting Standards

TERM	DEFINITION
ITR	Indiana Toll Road
KMP	Key Management Personnel
KPI	Key Performance Indicator
LTI	Long-Term Incentive
LTIFR	Lost-time Injury Frequency Rate. The number of work-related lost-time injuries within a 12-month period, relative to the total number of hours worked in that period. This is calculated as: Number of work-related lost time injuries in the report period, multiplied by one million and then divided by the total hours worked in the reporting period
LV	Light Vehicles
M	Millions
MIBL	MIBL Finance (Luxembourg) S.à r.l.
N.A.	Not applicable
NPAT and NPBT	Net Profit after Tax and Net Profit Before Tax
O&M	Operations and Maintenance
OTPP	Ontario Teachers' Pension Plan
PPTA	Public-Private Transportation Act
RCF	Revolving Credit Facility
RFID	Radio Frequency Identification
SANEF	Société des Autoroutes du Nord et de l'Est de la France
Senior executives	Defined as Atlas Arteria executive team members, their direct reports in senior roles and CEOs of the wholly and majority owned businesses
S&P	Standard & Poor's
SBTi	Science Based Targets initiative
SCC	Skyway Concession Company LLC
SFTRF	Société Française du Tunnel Routier du Fréjus
STI	Short Term Incentive
SWG	Sustainability Working Group
TAT	Taxe d'Aménagement du Territoire
TCFD	Task Force on Climate-related Financial Disclosures
TEILD	Long-distance Transport Infrastructure Tax
TRIP II	Toll Road Investors Partnership
TSR	Total Shareholder Return
Underlying NPAT	Excludes items that are not related to underlying operational performance
Underlying results	A non-IFRS measure that is used by ALX management and the Boards as a measure to assess financial performance and represents statutory profit excluding the impact of items not related to underlying operational performance such as impairments of investments, acquisition and disposal costs, and debt and equity issuance costs.
US	United States of America
USD	US Dollars
VDOT	Virginia Department of Transportation
VHCA	Virginia Highway Corporation Act
VKT	Vehicle kilometres travelled
Warnow Tunnel	Warnowquerung GmbH & Co., KG
Weighted average traffic	Reflects weighted average traffic growth based on portfolio revenue allocations from Atlas Arteria's current beneficial interests in its businesses, in AUD using the average foreign currency exchange rates in the period

CORPORATE DIRECTORY

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Graeme Bevans, Executive Director
David Bartholomew, Independent Non-executive Director
Jean-Georges Malcor, Independent Non-executive Director
John Wigglesworth, Independent Non-executive Director
Ken Daley, Non-executive Director
Laura Hendricks, Independent Non-executive Director

Secretaries

Clayton McCormack, General Counsel and Company Secretary
Paul Lynch, Joint Company Secretary

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Andrew Cook, Independent Non-executive Director
Kiernan Bell, Independent Non-executive Director
Debra Goodin, Independent Non-executive Director

Secretary

Sheena Dottin

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Forward-looking statements

This report may contain forward-looking statements including statements with respect to Atlas Arteria's future performance. Such forward-looking statements are not guarantees of future performance. Due care and attention has been exercised in the preparation of forward-looking statements, however actual results may vary as a result of various factors beyond the control of Atlas Arteria, its related bodies corporate or affiliates and their respective officers, employees, agents and advisors. The words, 'plan', 'will', 'expect', 'may', 'should', and similar expressions are intended to identify forward looking statements.

Investors or prospective investors should not place undue reliance on forward-looking statements. Before making an investment in Atlas Arteria, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if appropriate.

The forward-looking statements made in this report are given in good faith and derived from sources believed to be accurate as at the date of this report. However, to the maximum extent permitted by law, Atlas Arteria, its related bodies corporate and affiliates, and their respective directors, officers, employees and agents give no representation, warranty or other assurance (express or implied) as to the likelihood of any forward-looking statement being fulfilled; and accept no responsibility or liability for or in connection with the accuracy, currency, completeness or reliability of such statements (including, without limitation, any liability arising from fault or negligence). Atlas Arteria accepts no obligation to correct or update any forward-looking statement and, to the maximum extent permitted by law, disclaims any such obligation to correct or update any forward-looking statement.

Notice to investors

Investors should note that neither of the Atlas Arteria entities has been, or will be, registered under the US Investment Company Act of 1940, as amended (the 'US Investment Company Act'), in reliance on the exception in Section 3(c)(7) from the definition of 'investment company'. Accordingly, Atlas Arteria securities cannot be held at any time by, or for the account or benefit of, any 'US person' (as defined in Rule 902(k) under the US Securities Act of 1933 (the 'Securities Act')) ('US Person') that is not a 'qualified purchaser' (as defined in section 2(a)(51) of the US Investment Company Act and the rules and regulations thereunder) ('Qualified Purchaser' or 'QP') at the time of their acquisition. Any US Person that is not a Qualified Purchaser, or any investor acting for the account or benefit of any US Person that is not a Qualified Purchaser, is an 'Excluded US Person' and may not hold Atlas Arteria securities.

Each investor in Atlas Arteria securities (I) represents and agrees that it (i) is a QP; (ii) is not a broker dealer that owns and invests on a discretionary basis less than $25,000,000 in securities of unaffiliated issuers; (iii) is not a participant directed employee plan, such as a 401(k) plan; (iv) is acting for its own account, or the account of another QP; (v) in the case of a US Person, the purchaser is not formed for the purpose of investing in Atlas Arteria securities (except where each beneficial owner of the purchaser is a QP); (vi) it and each account for which it is purchasing, must hold a minimum denomination of US$250,000 in Atlas Arteria securities per account; (vii) understands that Atlas Arteria may receive a list of all securityholders positions in Atlas Arteria securities from time to time Atlas Arteria may refuse to register a transfer of securities to any Excluded US Person (as defined below) and the Excluded US Person may be requested to sell such person's securities and, if the Excluded US Person fails to do so within 30 Business Days, to be divested of such securities and to receive the proceeds of sale (net of transaction costs including any applicable brokerage, taxes and charges) as soon as practicable after the sale; and (viii) (A) notify the executing broker (and any other agent of the transferor involved in selling the Atlas Arteria securities) of the restrictions that are applicable to the securities being sold, including the foreign ownership restrictions and procedures implemented by Atlas Arteria and notified to ASX participants in the ASX Participants Bulletin FOR Notice dated July 30, 2019, and will require the broker (and such other agent) to abide by such restrictions, and (B) provide a resale letter to Atlas Arteria stating that the securities were sold in the manner required by this paragraph and substantially in the form provided by Atlas Arteria on its website (see link below) and (II) acknowledges that neither of the Atlas Arteria entities has been registered under the Investment Company Act and the offer and sale of the securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and represents to and agrees with Atlas Arteria that the securities can only be resold if such securities are reoffered and resold by the holder in regular brokered transactions on the ASX where neither the holder nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or a person that is a US Person or acting for the account or benefit of a US Person, in each case in compliance with Regulation S under the Securities Act. For further details of ownership restrictions that apply to residents of the United States and other US Persons that are not Qualified Purchasers, please see our website.
https://www.atlasarteria.com/stores/_sharedfiles/US_Ownership/AtlasArteria-USownershiprestrictions.pdf

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