

Adara Partners – Capital raise & corporate structuring (2018)

Adara Partners acted as independent advisor to Atlas Arteria (ALX, formerly Macquarie Atlas Roads) on its €440m capital raise and management internalisation process

Snapshot

- 2017-2018, Advice on Macquarie Atlas acquisition of interesting APRR toll road and consequent capital raise (\$450m equity¹ and €150m debt)
- Longer term mandate with advice covering balance sheet and capital raising issues, options for external or internalised management, strategy, execution and stakeholder negotiations
- Internalisation of management structure, significant shareholder approval and renaming of Atlas Arteria
- **Adara Partners**, led by David Gonski AC, Graham Goldsmith AO, Matthew Grounds AM and Guy Fowler, advised management and the Board



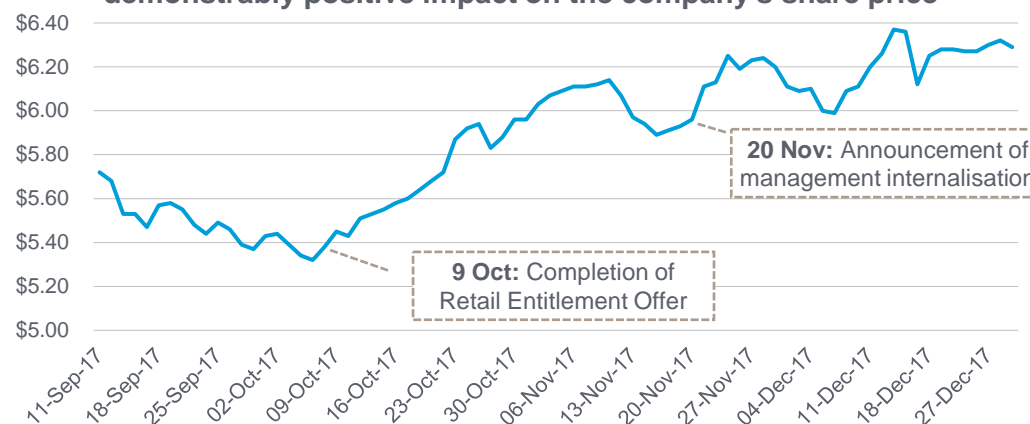
Outcome

- **Fully underwritten** entitlement offer at \$5.12 per security (5.0% discount to the theoretical ex-rights price of \$5.39, and 5.7% discount to adjusted last close price of \$5.43, on 13 September 2017). 91% take up by institutional investors
- Negotiation of fees and terms payable to external manager, Macquarie, and analysis of internal versus external management to **provide a foundation for executive decision-making**
- Strategic support on **complex negotiations with six parties** to agree final separation arrangements with Macquarie involving termination of management arrangements and extinguishment of a third-party call option
- *“The costs of running Atlas Arteria, which has tollroad investments in the US, France and Germany, after internalisation are estimated at \$15 million to \$20 million a year – far less than the cost of being managed externally by Macquarie.”* Jenny Wiggins, AFR²

Adara Partners provided the following services

- Independent advice on whether to raise equity (quantum, pricing, structure and timing)
- Board papers, Board presentations, ad hoc advice to the Board and management, investor consultations and analysis
- Analysis of management internalisation (stakeholder interviews, qualitative and quantitative analysis of costs and benefits, identification of commercial and legal implications in conjunction with legal advisers)
- Drafting and review of ASX documents and investor presentations, project management to support execution (detailed timetabling, workstream development and activities planning)

Atlas Arteria's capital raise and management internalisation had a demonstrably positive impact on the company's share price



¹ Pro-rata Accelerated Non-renounceable Entitlement Offer ² <https://www.afr.com/companies/atlas-arteria-delivers-interim-loss-after-paying-115m-in-final-macquarie-fees-20180829-h140cj>

About Adara Partners

Collectively our Panel Members have advised over 90% of the ASX100 and have worked on many of the largest and most critical transactions in Australia’s corporate history. Adara Partners services are not limited to the ASX100 – our Panel Members have worked on a range of public and private corporate engagements, providing our clients with their expertise, through wise counsel, financial and strategic advice



Ilana Atlas AO
NED, Former Executive
and Law Firm partner



Catherine Brenner
NED, Former Investment
Banker



Tim Burroughs
Former Chair of
Investment Banking at
Goldman Sachs



Guy Fowler
Former Chair of
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Head of M&A at King
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NED of Infrastructure
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Philippa Stone
Joint Global Head
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Cynthia Scott
Former Chief Strategy
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Scentre Group

Our Panel Members provide their time and expertise pro bono. All profits are donated to Adara Development, Adara’s not-for-profit arm that delivers services directly to more than 50,000 people living in poverty each year in Uganda and Nepal, and touches countless more through knowledge sharing

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