

Brisa Concessão Rodoviária, S.A.

Registered Office: Quinta da Torre da Aguilha, Edifício BRISA, São Domingos de Rana
Share capital: EUR 75 000 000; Registered with the Commercial Registry Office of Cascais,
under Commercial Registration and Corporate Tax Number 502790024

PRESS RELEASE

1st Half 2022 Results

- Traffic still 2.9% below pre-pandemic levels, despite the 31.3% recovery versus 2021;
- CAPEX increased 58% as a result of the reinforcement of investment in the maintenance and improvement of the infrastructure as well as the impact of inflation on works;
- EBITDA reached €231.9m, marginally lower than in 2019, but recovering 38.8% compared to 2021.

29 July 2022

The financial statements as of 30 June 2022 of Brisa Concessão Rodoviária, S.A. ("BCR") were prepared in accordance with the International Financial Reporting Standards (IFRS) and are not subject to an Audit Report.

1. Traffic Evolution in the BCR Network

The 1st half of 2022 was characterised by a reduction in the restrictions on the movement of people and goods imposed because of the Covid-19 pandemic. There remains, however, a high level of uncertainty associated with the conflict between Russia and Ukraine and the negative impacts this conflict is having on the global economy, namely through the increase in the prices of fuel, energy, and raw materials.

In this context, Average Daily Traffic (ADT) during the first half of 2022 continued below the levels recorded in the first six months of 2019, before the Covid-19 pandemic. Between January and June 2022, the ADT was 19 259 vehicles/day, down 2.9% compared to the same period in 2019 (19 839 vehicles/day). Compared to the first six months of 2021, ADT recorded a 31.3% growth. This comparison benefited from the low traffic volume observed last year as a result of the several restrictions on mobility that were in place at the time, namely the 2nd lockdown that was imposed in the 1st quarter or the

restrictions on travel at Easter and public holidays during the 2nd quarter of 2021. Traffic (v.km) had the same 31.3% increase than ADT, with the variation in organic traffic being 28.8%.

Demand increased on all motorways of the concession. Traffic analysis by type of vehicle reveals a more favourable evolution of light vehicles compared to heavy vehicles. The growth of ADT was 33.3% and 10.0% in light vehicles and heavy vehicles, respectively.

Traffic Evolution in the BCR Network

	H1 2022
Vehicles per KM (v.km)	31.3%
<i>Breakdown:</i>	
<i>Organic growth</i>	<i>28.8%</i>
<i>Calendar effect</i>	<i>2.5%</i>
<i>Other</i>	<i>-</i>
ADT	19 259
YoY change	31.3%

2. Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) in the network under concession amounted to €18.8m at the end of June, representing an increase of 58% year-on-year, and was mostly directed to pavement improvement and lane widening works. This amount includes €7.1m of major repairs, primarily related to i) repaving on the A6 and A1; ii) renovation of viaducts on the A1 and A2; and iii) slope stabilisation on the A1 and A2 (which are treated as a provision under IFRIC 12). Approximately €5.2m are related to lane widening on the Águas Santas (A4/A3) / Ermesinde sub-stretch of the A4, namely the reformulation of the Ermesinde junction. The increase in investment reflects not only the reinforcement of investment in the maintenance and improvement of infrastructure, but also the inflationary impacts reflected in the works' price.

3. Profit and Loss Statement

Operating Income

In the 1st half of 2022, Operating Income amounted to €302.4m, which represents a year-on-year increase of 30.4%. Toll Revenues reached €287.3m (+31.1% compared to the same period of the previous year) due to the aforesaid traffic recovery during the year. Revenues related to service areas reached €12.2m (+22.9% year-on-year).

Operating Costs

Operating Costs, excluding Amortisation, Depreciation, Adjustments and Provisions, reached €70.6m in June 2022, representing a year-on-year increase of 8.9%.

External Supplies and Services, which mainly reflect the costs of subcontracted services for the operation and maintenance of the motorways under concession and electronic toll collection costs, increased by 8.3%, compared with the same period of the previous year, having totalled €69.2m.

As of 30 June 2022, BCR had 8 employees, which accounted for Personnel Costs of €0.7m. Amortisation, Depreciation, Adjustments and Provisions, net of reversals, reached €77.2m (+14.5% compared to June 2021). It is important to note that the method to calculate the amortisation of assets associated to BCR's concession right is based on traffic evolution.

Operating Results

At the end of the 1st half of 2022, Operating Results (EBITDA) stood at €231.9m, corresponding to an increase of 38.8% in relation to the previous year. It should be noted that this figure is still lower than that recorded in the pre-pandemic period. The increase in operating income was greater than that registered in the cost items, leading to an increase in the EBITDA margin, which reached 76.7%. EBIT stood at €154.7m.

Financial Results

In the 1st half of 2022 BCR recorded negative Net Financial Results of €22.6m, which represents an improvement of €2.4m when compared to the same period of the previous year.

Financial income, which corresponds entirely to Interest received, came to zero, continuing to reflect the low rates offered on bank deposits.

Financial costs evolved favourably, having decreased by 9.7% year-on-year. This reduction is essentially explained by the decrease in interest paid, primarily reflecting the lower cost associated to the repayment of the €300m bond that matured in April 2021 (coupon of 3.875%).

Net Profit

Net Profit stood at €91.8m, calculated based on a Profit Before Tax of €132.1m and Income Tax of €40.4m.

4. Debt Profile and Financial Position

Financial Debt and Liquidity

€m	Nominal Debt			Accounting Debt		
	June	Δ vs. Dec/2021 (€m/%)		June	Δ vs. Dec/2021 (€m/%)	
Gross Debt	1 624	-146	-8.3%	1 602	-155	-8.8%
Cash and Cash Equivalent	88	-122	-58.1%	88	-122	-58.1%
Net Debt	1 536	-25	-1.6%	1 514	-33	-2.2%

Note: Nominal debt represents the contractual value whilst accounting debt corresponds, according to accounting standards, to nominal debt plus accrued interest less expenses with loan issuance and placement

As of 30 June 2022, BCR's nominal gross debt amounted to €1,624m. Repayments over the 1st half of 2022 included a €19.5m EIB loan instalment and a €120m bond. Furthermore, several Commercial Paper issues were placed with institutional investors through uncommitted programmes (at the end of the 1st half of 2022, €18m were outstanding under these programmes, which compares with €25m as of December 2021).

BCR's cash position amounted to €88m in June 2022, of which approximately €81m were deposited in reserve accounts for investment and debt repayment purposes.

At the end of the period, BCR had €250m in undrawn committed credit lines.

In May, BCR filed a consent request to amend the Terms and Conditions of the three €300m bond issues that are currently outstanding by including a "Make-Whole Call Option". This operation took place in June, following its approval by the respective bondholders' meetings.

Approximately 68% of BCR's debt was subject to fixed interest rates and 32% was subject to floating interest rates. The weighted average cost of debt during the 1st half of 2022 was 1.83%.

Financial Position

At the end of June, BCR's Assets came to €2 189.1m, comprising mostly intangible assets associated with the motorway concession right and bank deposits. Liabilities fell €133.1m in comparison with December 2021 (to €2 006.6m), as a result of the above-mentioned financial debt reduction. Equity fell by €37.7m (to €182.5m), influenced by the distribution made to the shareholder BCR SGPS, S.A., of the total value of €129.5m.

5. Covenants and Rating

Covenants

BCR continues to follow a prudent financial management policy. The four covenants, in the form of financial ratios, to which BCR is subject under the Common Terms Agreement (CTA) remained significantly within established thresholds as of 30 June 2022. The Net Debt/EBIDTA ratio stood at 3.01x, i.e., 1.74x times below the maximum threshold of 4.75x defined for the respective trigger event level. As of 31 December 2021, the Historic ICR ratio was 14.06x, far above the minimum threshold of 2.25x defined for the respective trigger event level.

Rating

The ratings assigned to BCR are "A-" (Stable Outlook) by Fitch Ratings and "Baa1" (Stable Outlook) by Moody's, having remained unchanged during the first half of 2022.

Condensed Statement of Profit and Loss and Other Comprehensive Income

€m	1H 22	1H 21	Change % (22/21)	1H 19	Change% (22/19)
Operating Revenues	302.4	231.9	30.4%	299.1	1.1%
Toll revenues	287.3	219.2	31.1%	285.8	0.5%
Service areas	12.2	9.9	22.9%	10.6	15.4%
Other operating revenues	3.0	2.8	6.3%	2.7	8.7%
Operating Costs	70.6	64.8	8.9%	66.7	5.8%
Supplies and Services	69.2	63.9	8.3%	65.2	6.1%
Personnel costs	0.7	0.6	9.2%	0.8	-12.5%
Other operating costs	0.7	0.3	178.2%	0.7	4.0%
EBITDA	231.9	167.1	38.8%	232.4	-0.2%
Amort., deprec., adjust., provisions and reversals	77.2	67.4	14.5%	81.2	-5.0%
EBIT	154.7	99.7	55.2%	151.2	2.3%
Construction revenue (IAS11)	9.5	5.6	68.7%	8.2	15.3%
Construction costs (IAS11)	9.5	5.6	68.7%	8.2	15.3%
Net Financial Results	-22.6	-25.1	-	-30.6	-
Financial expenses	22.6	25.1	-9.7%	30.6	-26.0%
Financial revenues	0.0	0.0	-	0.0	-
Profit before tax	132.1	74.7	77.0%	120.6	9.5%
Income tax	40.4	22.6	78.2%	37.4	8.0%
Net income	91.8	52.0	76.4%	83.2	10.2%

Condensed Statement of Financial Position

€m	1H 22	2021	Change % (22/21)	2019	Change % (1H 22/19)
Non-current assets	2 055.1	2 105.1	-2.4%	2 253.7	-8.8%
Intangible assets	1 952.0	2 004.7	-2.6%	2 165.6	-9.9%
Tangible assets	17.4	17.3	0.8%	13.1	33.2%
Deferred tax	85.7	83.0	-2.4%	75.0	14.3%
Current assets	133.9	254.8	-47.4%	277.2	-51.7%
Cash and Cash equivalents	87.9	209.8	-58.1%	231.9	-62.1%
Other	46.0	45.0	2.3%	45.3	1.7%
Total Assets	2 189.1	2 359.9	-7.2%	2 530.9	-13.5%
Total Equity	182.5	220.1	-17.1%	225.9	-19.2%
Non-current liabilities	1 526.1	1 834.3	-16.8%	2 023.1	-24.6%
M/Long-term financial debt	1 241.6	1 560.5	-20.4%	1 768.4	-29.8%
Other	284.5	273.9	3.9%	254.7	11.7%
Current liabilities	480.6	305.4	57.4%	281.9	70.5%
Short-term financial debt	360.5	196.9	83.1%	182.5	97.5%
Other	120.1	108.6	10.6%	99.4	20.8%
Total Liabilities	2 006.6	2 139.7	-6.2%	2 305.0	-12.9%
Total Equity and Liabilities	2 189.1	2 359.9	-7.2%	2 530.9	-13.5%