American Roads 2020

America’s only interstate transportation owner/operator/technology company
Company Overview

American Roads owns/leases and operates toll assets in Michigan and Alabama

- American Roads owns and operates U.S. toll assets including four toll bridges in Alabama, a toll bridge in New Jersey, and the international tunnel connecting Detroit, MI with Windsor, ON
- Unparalleled experience in the development, construction, and management of public-private assets
- Experienced management team with a demonstrated track-record that oversees more than 80 permanent employees
- Supported by parent company, DIF Capital Partners (DIF), which provides access to deep pools of capital and financing expertise on all existing and future projects
- DIF has developed or acquired 26 toll roads globally since 2005, covering over 2,000 miles with a combined capital value of more than USD$8 billion
Operating Assets

5 toll roads / bridges, including an international highway tunnel

- Western bypass of Tuscaloosa; Alternative route to highly congested US-82 and US-43
  - Length: 1,000 ft
  - Road Lanes: 2
  - Toll Lanes: 6
  - 2018 Traffic (MM): 2.27

- Beach Express
  - Connects mainland Alabama to Orange Beach and Gulf Shore beaches resort area
  - Length: 2,000 ft
  - Road Lanes: 2
  - Toll Lanes: 9 + expansion
  - 2018 Traffic (MM): 4.475

- BEX Bridge
  - Enhances access to Montgomery retail/commercial areas
  - Length: 1,075 ft
  - Road Lanes: 2
  - Toll Lanes: 6
  - 2018 Traffic (MM): 1.20

- Montgomery
  - Length: 5,160 ft
  - Road Lanes: 2
  - Toll Lanes: 6 USA/6 CAN
  - 2018 Traffic (MM): 3.87

- Windsor
  - Downtown to downtown crossing; Tourists visiting Windsor Casino; Commuters and sports/entertainment audiences to Detroit
  - Length: 5,160 ft
  - Road Lanes: 2
  - Toll Lanes: 6 USA/6 CAN
  - 2018 Traffic (MM): 3.87

- Montgomery
  - Commuter road from Emerald Mountain and Elmore County to downtown Montgomery
  - Length: 380 ft
  - Road Lanes: 2
  - Toll Lanes: 3
  - 2018 Traffic (MM): 1.56
American Roads Operations

Offering a full suite of services for complex transportation infrastructure

- **Complex, Multi-Jurisdictional Compliance:** Expertise coordinating a diverse and complex mix of stakeholder groups and managing regulatory and legislative requirements across multiple jurisdictions

- **Full-Service Management and Back-Office Administration:** Comprehensive management and administrative services including revenue collection, engineering, mobile and IT systems, finance, contract management, safety and security, risk management, communications and, government and community relations

- **Capital Planning and Maintenance:** Manages all aspects of capital planning, oversees all engineering, electrical, mechanical, and structural requirements of the facilities and coordinates all third party contracts on a bid proposal basis

- **Community Outreach:** American Roads supports community and business organizations throughout the regions in which it operates. American Roads commits to using local labor forces to maximize the positive benefit to the communities it operates in
Introduction to DIF Capital Partners
Long-term stable partner for infrastructure assets and companies

Global reach, local presence

- Office location
- DIF target countries

Long-term partner

- Long-term investment horizon, backed by institutional investors
- Ample capital available for expansion, replacement and development projects
- Deep industry expertise based on strong industry network and sector expertise across the DIF teams
- Dedicated asset management team including operational and financing expertise
- Collaborative and flexible approach to successfully implement business plans together with management and co-shareholders

Strong track-record in transportation, energy and telecom

- Transportation
- Energy
- Telecom
- Other

Best-in-class and expedient execution

- Proven track record in executing acquisition processes expeditiously
- Strong reputation for rapid decision-making and a pragmatic approach to due diligence and documentation
- Long-term investor with significant sector expertise
- Value creation and strategy with a focus on collaboration with management
- “We do what we say we will do”
DIF Capital Partners at a glance
Established and independent infrastructure investment manager

| Track record | • One of the fastest growing infrastructure managers globally  
• Invested in over 200 infrastructure investments in PPP, renewable energy, transportation, telecoms, energy and other infrastructure sectors in Europe, North America, Australia South America |

| Investment strategy | • Our investments exhibit one or more of following characteristics: (i) an essential service to society, (ii) robust and defensive business profile, with (quasi) monopolistic characteristics and/or high barriers to entry and, (iii) revenue streams which are partly or fully secured by contracts |

| DIF as a partner | Entrepreneurial • Flexible and agile approach in supporting management  
• Capitalising upon strong industry relationships  
• Ample capital for expansion, replacement and development |

|  | Integrity • Targeting to deliver the best results for investors, companies, local communities and the environment  
• “We do what we say we will do” |

|  | Professional • Pragmatic and disciplined approach  
• Best-in-class asset management supporting our investments throughout the holding period, including operational and financing expertise |
Core Values
American Roads and DIF partnered with a belief that U.S. transportation infrastructure could be improved through a set of shared core values

- Safety
- Security
- Customer Service
- Asset Preservation
- Fiduciary Responsibility
- Efficiency/Cost Reduction
- Community, Government, and Employee Relations
Commitment to ESG

Environmental, Social and corporate Governance are core pillars of American Roads’ and DIF’s investment underwriting when looking at new opportunities

- Effective health and safety programs
- Operational practices that reduce environmental impact
- Strong corporate governance
- Fair labor practices
- Active participation in communities where we operate

[Image of people holding snacks]

[Image of race shirt]
Situation Overview
Condition of U.S. Bridge Infrastructure

Bridge infrastructure is deteriorating rapidly on a national scale

- 614k bridges in the U.S.
  - 246k beyond 50-year design life
  - 84k rated functionally obsolete
  - 47k rated structurally deficient
- $123bn backlog needing immediate attention
- $1.1tn total investment gap

Source: ASCE 2017 U.S. Infrastructure Report Card
U.S. Infrastructure Funding

Funding sources are falling short at the local, state and federal level

- Political landscape continues to drive uncertainty
- 80/20 federal-to-municipality funding now 20/80
- Impacts of gas tax have been diminishing since early 2000s
- Technology driving increased public awareness

Gas Tax Revenue Isn’t What It Used to Be
Motor fuel tax revenue, in 2015 dollars

Sources: FHA, Tax Policy Center, Bureau of Labor Statistics
Partnership Considerations & Benefits
Structuring Considerations

American Roads and DIF have substantial experience working with communities to determine optimal project structures

• Alternative Project Delivery: Party participation in infrastructure projects where risk and responsibility shifts to the private sector. Public ownership is maintained.

• P3: Focus on private sources of funds to design-build-finance-operate-maintain to reduce project costs, improve outcomes and financing.

• Asset Divestiture: The facility is purchased/taken over by a private party that assumes ownership, risk and future responsibility/liability
Financing Considerations

Finding the optimal financing structure is essential for a project’s success

- Toll concession: Concessionaire receives compensation through obtaining the right to collect tolls.
- Availability concession: Concessionaire receives a periodic payment from the public partner based on the availability of a facility at a specified performance level.
- Shadow toll concession: Concessionaire receives a set payment (toll) for each vehicle that uses the facility.
### Financing Options

<table>
<thead>
<tr>
<th>User-Based Tolling</th>
<th>Shadow Toll</th>
<th>Availability Payment</th>
<th>Do Nothing</th>
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<tbody>
<tr>
<td>✓ No direct cost to the city – bridge users fund replacement</td>
<td>✓ Improves asset usership</td>
<td>✓ Flexible term (30-50 years) allows for lower payments</td>
<td>✓ Provides opportunity for city to receive state (MDOT LBP) or federal (BUILD) grant funds</td>
</tr>
<tr>
<td>✓ Successful, local toll operator</td>
<td>✓ Long-dated term (50-75 years) allows for lower payments compared to traditional financing mechanisms</td>
<td>✓ Limits operational risk for the city</td>
<td>✗ Bridge remains closed</td>
</tr>
<tr>
<td>✓ Ability to fund new structure in short timeline with relatively modest toll</td>
<td>✓ Substantial reduction to “toll rate” due to lower operating costs</td>
<td>✓ Reduced risk of community backlash</td>
<td>✗ Demolition burden remains with city</td>
</tr>
<tr>
<td>✗ State legislation required to allow for the collection of tolls</td>
<td>✓ Increases direct cost to the city</td>
<td>✗ Increases direct cost to city vs tolling</td>
<td></td>
</tr>
<tr>
<td>✗ Further research required regarding ability for city to sell/divest asset</td>
<td>✓ City shares toll risk with private party</td>
<td>✗ Increasingly being included as debt by rating agencies</td>
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**Key:**
- ✓ Community benefit
- ✗ Potential community risk
Benefits of a Partnership with American Roads

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<th>Benefit</th>
<th>Description</th>
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<tr>
<td>City Relieved of Capital Commitment</td>
<td>American Roads has funds available to expeditiously fund the replacement of Smith’s Bridge</td>
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<tr>
<td>City Relieved of Project Delivery Risks</td>
<td>American Roads assumes all project delivery risks – environmental clearance and permitting, ROW and easement acquisition, construction costs and project schedule delivery</td>
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<tr>
<td>Expedited Project Timeline</td>
<td>Pending findings from toll legislation and city asset divestiture requirements, project could begin as soon as approved</td>
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<td>Estimated Project Completion</td>
<td>12-18 months</td>
</tr>
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<td>Project Structure and Financing Flexibility</td>
<td>American Roads is uniquely positioned to allow for full asset ownership, P3, and concession project structures; American Roads provides partners with flexibility when it comes to financing strategies</td>
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<td>Elimination of Future Maintenance Requirements</td>
<td>American Roads funds long-term maintenance reserve accounts to ensure proactive bridge upkeep which improves asset longevity</td>
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<td>Flexible Payment Term</td>
<td>American Roads can provide long-dated payment terms to reduce the immediate annual impact on city budget</td>
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# American Roads Contact Information

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<tr>
<th>Name and Position</th>
<th>Contact Information</th>
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