

# Manchester Airports Group

FY22 Investor Report  
July 2022



## Important Notice

This investor report is prepared in accordance with the requirements of the Common Terms Agreement dated 14 February 2014 between, among others, the Issuer, the Obligors and Citicorp Trustee Company Limited ("the Common Terms Agreement"). It summarises certain information contained in the Manchester Airport Group Investments Limited and Manchester Airports Holdings Limited reports and financial statements for the year ended 31 March 2022 and the Annual Presentation and Compliance Certificate for the period then ended.

Defined terms used in this document have the same meanings as set out in the Master Definitions Agreement unless otherwise stated.

## Contents

1. Business Update
2. Regulatory Update
3. Financing
4. Changes to the Security Group Structure
5. Current Hedging Position
6. Ratios
7. Distributions
8. Other

# 1. Business Update

Further information is available at [www.magairports.com/investor-relations/](http://www.magairports.com/investor-relations/) and in the Manchester Airport Group Investments Limited and Manchester Airports Holdings Limited reports and financial statements for the year ended 31 March 2022, as well as the Annual Presentation and Compliance Certificate for the year then ended.

MAG has delivered the commercial and operational strategy first described to investors in February 2014 and then during the annual and semi-annual Investor Presentations for every financial year ending thereafter until the onset of COVID-19 in early 2020.

Last year's report was published at an unprecedented time for the aviation industry. Global restrictions on travel were in force in response to the spread of COVID-19 and had a severe impact upon the Group and the wider aviation and travel industry.

This year's report covers a period characterised by changing international travel rules as governments around the world navigated their way through vaccination programmes and new variants.

At the beginning of the financial year, overseas leisure travel was illegal. While the eventual introduction of the Government's Traffic Light System was a positive development, successive changes to the framework created uncertainty and undermined consumer confidence for large parts of the year. That was reflected in significantly suppressed passenger volumes at all airports, including those operated by MAG.

This constantly shifting landscape created unprecedented challenges, but we were pleased to play a leading role within our industry in demonstrating the case for testing and quarantine requirements being removed entirely, which was confirmed during the final quarter of the period.

Government has indicated that such restrictions are more likely than not to remain a thing of the past. This direction of travel has given consumers the confidence to kick-start aviation's recovery.

MAGIL's performance for the 12 months to 31 March 2022, therefore, remained severely impacted by the pandemic. However, decisive steps taken by MAG's management to reduce costs over the past two years, together with strong airport fundamentals, has placed the business in the strongest possible position as international travel resumed in earnest and the Group returned to growth.

## Passenger numbers

### Group

Pax	FY22	FY21	FY20	Variance (m) (FY22 to FY21)	Variance (%)
MAN	9.1	2.8	28.2	6.3	225.0%
STN	10.3	3.1	26.9	7.2	232.3%
EMA	1.1	0.4	4.5	0.7	175.0%
<b>TOTAL</b>	<b>20.5</b>	<b>6.3</b>	<b>59.6</b>	<b>14.2</b>	<b>225.4%</b>

Source: MAHL Annual Report & Accounts FY22

For the second consecutive year, the aviation sector was severely impacted by the international travel restrictions introduced in response to the coronavirus pandemic.

At the start of April 2021, all non-essential travel to and from the UK was prohibited, with many of MAG's most important markets effectively closed. MAG was joined by others in our industry in calling for a risk-based approach to restrictions, so that travel to different markets could be opened-up depending on factors such as case rates and vaccination levels.

The Government's Global Travel Taskforce responded to this with its "traffic light system". However, a succession of changes – both to the categories themselves and to the countries within each designation – continued to cause uncertainty for the industry and consumers.

The eventual relaxation of restrictions, in early October 2021, had an almost immediate positive impact on demand. Passenger levels at MAG airports rose to as high as 61% of 2019 volumes by the last week of November 2021.

The emergence and rapid spread of the Omicron variant in November hindered the sector's recovery once more, with the temporary re-introduction of complex, multi-stage testing requirements for people travelling to the UK. This change dramatically reduced passenger volumes and impacted our ability to plan ahead for a meaningful recovery.

Faced with these challenges, MAG was at the forefront of research to demonstrate the ineffectiveness of testing and quarantine requirements in preventing the spread of new variants, and highlight the significant economic impact caused by holding back the recovery of aviation.

The Government recognised these findings when it relaxed UK entry requirements in mid-February 2022 and removed all remaining UK restrictions for fully vaccinated passengers on 18

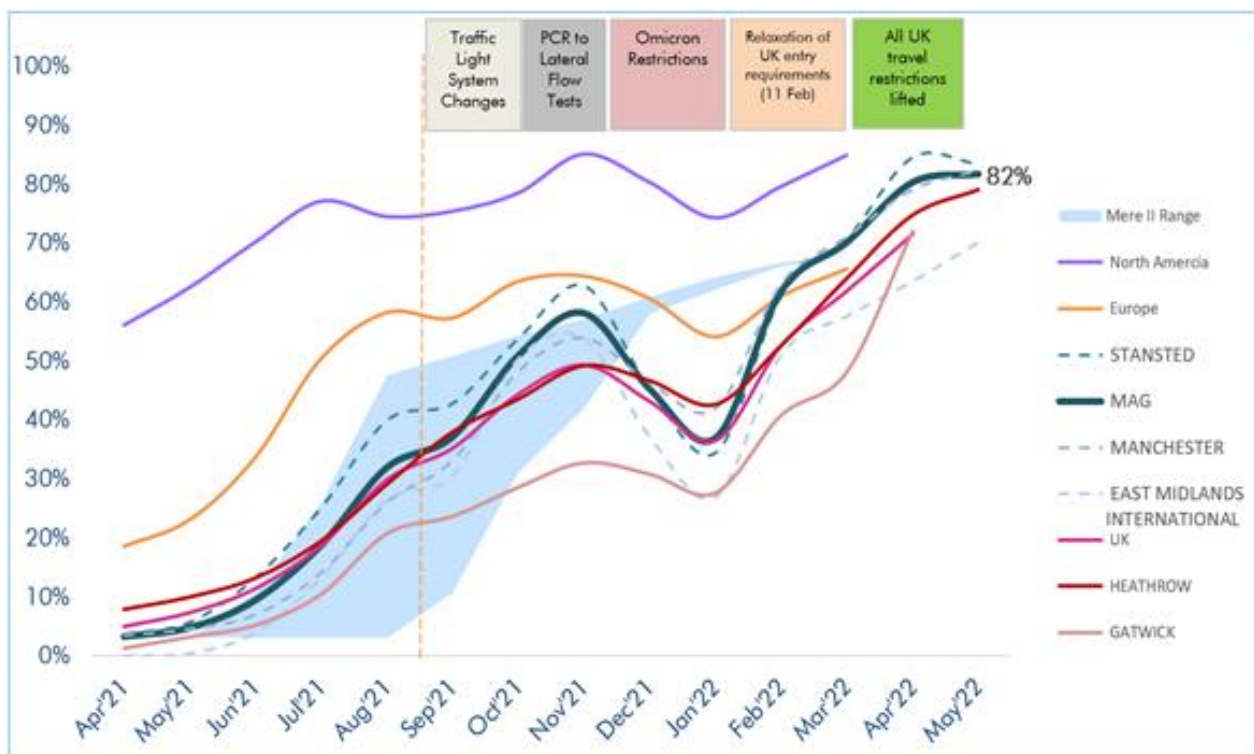
March 2022, while also indicating such controls will only be re-introduced in exceptional circumstances.

This development sparked a rapid return of demand to the market, with passenger numbers rising sharply towards the end of the financial year. That trend has continued into the new period, with traffic across MAG's airports in May 2022 reaching 82% of 2019 levels.

MAG's recovery has outstripped that of much of the UK market, underlining the strength of its proposition and the pent-up demand for travel.

Overall passenger numbers for the year increased by 225% on the prior year. Across the Group, our airports served 20.5m passengers in the year to 31 March 2022, compared to 6.3m the previous period. This equates to just 34% of the passengers passing through our airports in the year to 31 March 2020 (59.6m).

#### Monthly pax as a percentage of 2019



Source: Source: MAG management information, airport websites, CAA, ACI

#### Manchester Airport ("MAN")

MAN delivered 9.1m passengers travelling through the airport in the year to 31 March 2022, an increase of 225% over the prior year.

Passenger numbers have grown sharply at MAN since all remaining testing requirements were scrapped in England. By the start of the new financial year, volumes had returned to nearly 80% of 2019 levels, with the return of demand once again outstripping that seen by many UK airports.

Like other businesses across the sector, this demand returned so quickly that we were not able to recruit fast enough to meet rising demand. We therefore saw some periods of disruption at MAN in the spring months.

MAG launched a large-scale recruitment campaign and, working closely with local partners and our own Airport Academy, has welcomed hundreds of new colleagues into the operation.

MAN's recovery has been driven by the return of many popular routes served by our most prominent carriers from before the pandemic, such as easyJet, Jet2.com, Ryanair and TUI.

The short-haul market has seen the strongest recovery, but Manchester has also been pleased to welcome back a wide range of direct long-haul services that connect the region to the world.

In July 2021, MAN marked a major milestone in its 83-year history with the opening of its extended Terminal Two, the centrepiece of its £1bn transformation programme. The Transformation programme also included a new Aerozone education centre, marking a key milestone in our Corporate and Social Responsibility ("CSR") strategy.

All three of Manchester's terminals are now back in operation, along with both runways.

### Stansted Airport ("STN")

STN delivered 10.3m passengers in the year to 31 March 2022, an increase of 232% over the prior year. Importantly STN recovered to more than 80% of pre-pandemic levels by the year end.

The airport has also continued to attract new routes and carriers, with PLAY airline's announcement in June 2021 that it would launch a four-times weekly service to Reykjavik. In November, Ryanair announced a suite of new destinations including Stockholm, Copenhagen, Helsinki, Zagreb and Treviso.

Cargo operations at STN, as one of the main freight airports in the South East, have continued to perform strongly throughout the pandemic. At STN we are proud to support charities and the UK Government with several shipments of aid and vital medical supplies to Ukraine, in partnership with Titan Airways.

In May 2021, the Planning Inspectorate confirmed approval for the airport to increase its passenger capacity from 35 to 43 million passengers per year. This important milestone will allow the airport to continue to grow sustainably, without changes to flight limits or disruption to local communities.

Also in May 2021, STN unveiled a £70m state-of-the-art baggage system upgrade offering a more energy efficient and automated process, and in March 2022 a £12m makeover of the international departure lounge was opened to passengers.

As part of MAG's CSR initiatives, STN launched a consultation to create an on-site solar farm. The new farm will power the airport's operations and contribute to the target to be net zero carbon by 2038.

### East Midlands Airport ("EMA")

EMA has a very important dual role as the biggest airport for dedicated cargo traffic in the UK, and as a passenger airport.

Passenger levels have increased by 175% to 1.1m, returning to 58% of pre-pandemic levels in March 2022. Cargo performance over the period has supported revenue. Businesses have increased their usage of air cargo specialists based at the airport to meet growing demand from consumers for e-commerce. Cargo loads increased by 3.7% this year, with the airport handling over 455,000 tonnes of freight.

The national significance of the freight operation at EMA was recognised in March 2021 with its shortlisting for Freeport status. This year EMA has been working with the Government on the detailed proposals and delivery of the site, which will act as a key enabler for international business within the region and is expected to create 60,000 jobs.

Airlines have announced a variety of new routes. In June, easyJet launched a four-times weekly service to Belfast, and Ryanair announced in November that it would operate 31 routes this summer to popular European holiday destinations including Alicante, Barcelona, Rhodes, and Chania.

The airport is also home to the relaunch of Flybe from April 2022, with the carrier offering a daily route to Amsterdam which will connect EMA to hundreds of global destinations from the Dutch hub.



## Financial Results for FY22

£m	Group FY22	Group FY21	Group FY20	Variance (£) (FY22 to FY21)	Variance (%)
Aeronautical	179.9	74.3	361.2	+105.6	+142.1%
Retail	81.2	16.2	200.0	+65.0	+401.2%
Car Parking	126.7	39.5	234.8	+87.2	+220.8%
Property	21.1	20.5	18.7	+0.6	+2.9%
Other	53.2	28.1	78.7	+25.1	+89.3%
<b>Revenue</b>	<b>462.1</b>	<b>178.6</b>	<b>893.4</b>	<b>+283.5</b>	<b>+158.7%</b>
Employee costs	(164.7)	(145.0)	(265.4)	(19.7)	(13.6%)
Non-employee costs	(172.1)	(182.9)	(245.9)	+10.8	+5.9%
<b>Operating Costs</b>	<b>(336.8)</b>	<b>(327.9)</b>	<b>(511.3)</b>	<b>(8.9)</b>	<b>(2.7%)</b>
Disposal of fixed assets	+0.3	(0.1)		+0.4	(400.0%)
<b>EBITDA - Continuing</b>	<b>+125.6</b>	<b>(149.4)</b>	<b>+382.1</b>	<b>+275.0</b>	<b>-</b>
EBITDA - Discontinuing	-	7.9	25.4	(7.9)	-

Source: MAHL Annual Report & Accounts FY22

The Group has experienced an overall revenue increase of 158.7%, to £462.1m, in comparison to the prior period (£178.6m). The increases in the airport divisions are largely driven by passenger footfall through the airports, with car parking and retail recoveries driving revenue uplift beyond the pure impact of passenger volumes.

MAG has also benefited from the carry forward of cost mitigation measures it initiated in its strategic finance response to the pandemic. Consequently, £275.0m of the benefit from increased activity levels has flowed through to EBITDA which delivered a profit of £125.6m (in comparison to a loss in FY21 of £149.4m).

MAG has also exercised strong cash management throughout FY22 to maintain liquidity despite the residual impacts of the pandemic and ensure the long-term viability of the business. Additionally, full draw down of the available banking facilities; and the deferral of interest on the Group's shareholder loans have enabled MAG, despite the passenger led trading shortfall, to maintain a strong cash position of £462.9m (FY21: £530.2m).

## Aeronautical Revenue

Group aeronautical revenue increased by £105.6m to £179.9m (+142%) largely driven by the uplift in passenger volumes. However, the increase in passengers is not proportionate to the revenue increase due to a higher proportion of low-cost carriers within the passenger mix. Cargo continues to provide an increasing contribution to aviation revenues and cargo income has increased by £9.7m to £45.3m.

## Retail Revenue

Retail revenue increased by £65.0m (+401%) to £81.2m. Retail suffered the largest reduction in FY21 but rebounded the most significantly through: yield improvements, strong performance in the duty-free sector, the launch of T2 at MAN; and MAG's pro-active work with its retail partners through the past two years supporting the recovery.

## Car Parking Revenue

Car parking increased by £87.2m (+221%) to £126.7m in line with the uplift in passengers, supported by the full year contribution of the US distribution businesses.

## Property and Other Revenue

Property income remained relatively stable during the year at £21.1m, a 2.9% increase over the prior year.

Other income has increased by 89.3% to £53.2m with passenger related activities such as testing income, refuelling, and retail travel services providing the main year on year improvements, along with improved (non-passenger related) utilities recovery.

## Operating Costs

Operating costs increased marginally to £336.8m (+2.7%). The prudent cost management actions, initiated by the Group's strategic finance responses in 2020 and 2021, enabling MAG to achieve cost savings in the year almost offsetting the £42.4m reduction in government support provided through the Job Retention Schemes and Airport and Ground Operations Support Scheme (AGOSS) in comparison to the prior year.

Net employee costs, inclusive of £18.2m of the Coronavirus Job Retention Scheme ("CJRS") support, increased by £19.7m. However, underlying employee costs saw a reduction of £21m (10.3%).

Other operating costs, inclusive of AGOSS of £17.8m, reduced by £10.8m (6.2%) driven by savings in discretionary spend; rent rates & utilities; airfield costs, maintenance; and policing.

## Capital Expenditure

As a result of the COVID-19 pandemic, MAG focused its capital expenditure programmes to complete the phases of the transformation programmes which were in progress, with the existing phases of both MAN-TP and STN-TP practically completing in FY21. Consequently, the Group's investment of £68.7m (2021: £154.0m) in infrastructure during the year reflected the Group's strategy to ensure that capital expenditure is focused upon essential and regulatory requirements, such as maintenance and security. The extension of Terminal 2 is complete and opened in July 2021.

## Digital and International Activities

As indicated in the FY21 Investor Report, MAG completed a corporate restructure to bring MAG US into the Security Group.

MAG US performed strongly during FY22 with the integration of the acquired distribution businesses adding to the uplift in revenue and EBITDA of £7.6m (2021: (£1.3m)). This was supported by a good recovery in its Escape Lounge business which has leveraged off the increased US passengers to deliver an adjusted EBITDA at 75% of pre-COVID-19 levels.

As at 31 March 2022, all of MAG's US businesses, incorporating both the legacy lounge business and the online aggregator businesses acquired in FY21, formed part of the newly launched CAVU business segment.

CAVU was created from the union of MAGO, MAG US and our direct-to-consumer distribution brands including Airport Parking Reservations.com and ParkSleepFly. Separately, these companies have driven MAG's role as an airport innovator across three continents since 2015.

Together as CAVU, they make a global organisation with proven success, ambition, and an understanding of how to transform the modern, end-to-end airport journey.

Born within the aviation sector and backed by years of MAG expertise, CAVU has a crucial advantage over competitors. With detailed knowledge about airport operations, the new company aims to revolutionise the passenger journey.

CAVU operates as an agency serving MAG airports and external clients around the world. The organisation will help airports and others within the sector to develop solutions to enhance their

offering to travellers. CAVU will focus on delivering products including E-commerce Platforms, Digital Marketing services and the deployment of premium, passenger experiences such as lounges.

Management will regard this business as a separate reportable segment in the FY23 accounts to align with the structure of management reporting within the Group.

Further detail on this reorganization is included in section 4 below.

## Management Development

As part of our Executive management development programme we look to create opportunities for our people to enhance their skills and provide succession planning for key roles within the group.

Sir Richard Leese resigned as a non-executive director of the board in November 2021, following his stepping down as leader of Manchester City Council. Cllr Bev Craig replaced Sir Richard as leader of the Council and was appointed as a non-executive of the MAG board in December 2021.

Paul Venables was appointed as Audit Chair designate, and a non-executive director in March 2022 and assumed the role and responsibilities of the Audit Chair following Robert Napier's retirement in June 2022.

There were some changes to the composition of roles making up the Executive Committee. The positions of Chief People Officer and Chief Operating Officers of each airport were removed from the Committee following a change to reporting responsibilities, now reporting into the Deputy Group Chief Executive Officer.

There have been no other changes to the Board of Directors and Executive Committee for Manchester Airports Holdings Limited during the year or to the date of this report. The full lists of the Board of Directors and Executive Committee that were in position during the year ended 31 March 2022 is shown below.

Name	Role	Board of Directors	Executive Committee
Charlie Cornish	Group Chief Executive Officer	✓	✓
Jan Bramall	Chief Financial Officer	✓	✓
Ken O'Toole	Deputy Group Chief Executive Officer	✓	✓
Jenny Cochrane	General Counsel & Company Secretary	✓	✓
Sir Adrian Montague	Chairman	✓	
Sir Richard Leese	Voting shareholder-appointed Non-Executive Director	Resigned Nov-21	
Cllr Bev Craig	Voting shareholder-appointed Non-Executive Director	Appointed Dec-21	
Cllr John Blundell	Voting shareholder-appointed Non-Executive Director	✓	
Manoj Mehta	Voting shareholder-appointed Non-Executive Director	✓	
Christian Seymour	Voting shareholder-appointed Non-Executive Director	✓	
Vanda Murray OBE	Independent Non-Executive Director	✓	
Robert Napier	Independent Non-Executive Director	Resigned Jun-22	
Paul Venables	Independent Non-Executive Director	Appointed Mar-22	
Catherine Schefer	Independent Non-Executive Director	✓	
Jonathan Wragg	Independent Non-Executive Director	✓	
Tim Hawkins	Chief of Staff		✓
Nicholas Woods	Chief Information Officer		✓
Martin Jones	Chief Executive Officer, MAG USA		✓

There have been no changes to the Board of Directors for Manchester Airport Group Investments Limited. Charlie Cornish, Jan Bramall and Ken O'Toole continue in their roles as directors.

## 2. Regulatory Update

### Economic Regulation

The three airports in the MAG portfolio are not licenced by the CAA for the purposes of economic regulation.

MAN and STN were deregulated by the CAA in April 2009 and April 2014 respectively.

In January 2020 MAG was notified by the CAA that it would be carrying out a Market Power Determination at MAN later in the calendar year. Following the impact of COVID-19 the CAA has confirmed its intention to keep the timing of the process under review.

### Consent Solicitation Process

As part of its continued strategic response to COVID-19, on 29 April 2021 the Group announced a second consent solicitation process seeking the consent of the Obligor Security Trustee to the detailed requested consents as set out in detail in the STID Proposal.

The Group requested that the Obligor Security Trustee agree to a 12 month extension of the amendments agreed as part of the 2020 consent solicitation, namely that (i) the Default Ratios will not be tested in respect of any Relevant Historic Period ending during the Waiver Period; (ii) the Default Ratios will be tested on 30 September 2022 by reference to the EBITDA for the 6 months ended 30 September, annualised on a seasonal basis; and (iii) the Security Group Agent is not required to confirm in the Compliance Certificate, for the duration of the Waiver Period, whether the Distribution Ratios in respect of the Relevant Forward Looking Period are or are not satisfied.

On 3 June 2021 the Group announced the successful passing of the STID Proposal. Qualifying Obligor Secured Creditors holding 98.9% of Qualifying Obligor Senior Debt cast a vote in the process, of which, 99.9% voted in favour of the proposal. Accordingly, the requested consents have been approved and these changes to the STID are now in effect.

### 3. Financing

#### Revolving Credit and Liquidity Facilities

As at 31 March 2022 MAG had a £500 million revolving credit facility and a £90 million liquidity facility, maturing June 2023<sup>1</sup>.

On 27 May 2022 MAG completed a refinancing of these existing facilities through an amendment and restatement process. The total facility sizes and lenders remained unchanged. The new facilities mature in May 2027 with options to extend by up to two years, subject to lenders' agreement.

These facilities, together with the long-term capital markets issuances, strong historical trading performance, and strong liquidity as part of MAG's financial response to COVID-19 and an appropriate financing policy underpin stable underlying financial leverage which will enable MAG to continue to invest in the asset base and fund future growth as passenger levels return to historical levels.

MAG remains committed to sustaining strong investment grade credit ratings with dividend levels guided by the appropriate financial risk profile.

#### Capital Markets Transactions

Since the Initial Issue Date on 14 February 2014, Manchester Airport Group Funding Plc has issued four capital markets instrument. MAG's listed bonds comprise:

- MAGAIR £450 million 4.750% 2034 – issued February 2014, London Stock Exchange
- MAGAIR £360 million 4.125% 2024 – issued April 2014, London Stock Exchange
- MAGAIR £300 million 2.875% 2039 – issued November 2017, London Stock Exchange

---

<sup>1</sup> The original facilities had a maturity of June 2021. Following exercise of the First Extension Option in June 2017 and the Second Extension Option in May 2018 these facilities had a maturity of June 2023 prior to their refinancing.

- MAGAIR £350 million 2.875% 2044 – issued May 2019, London Stock Exchange

## Credit Rating Agencies

All MAGAIR bonds are rated BBB (negative) and Baa1 (negative) by Fitch and Moody's respectively.

In response to the continued impacts of the global pandemic, in October 2021 Fitch Ratings revised its rating on the Group from BBB+ to BBB. The outlook remains 'negative'.

In December 2021, Moody's reaffirmed its Baa1 (negative).

Since Fitch and Moody's last rating updates all UK travel restrictions have been lifted and passenger numbers have recovered at a greater rate, across the UK airport sector and specifically at MAG, than either rating agency had forecast in their rating cases.

## Liquidity

There is sufficient liquidity to fund MAG's operations over the short and medium-term. In March 2020 MAG drew down its £500m RCF in full in order to provide liquidity protection, as the impacts of COVID-19 were seen. The £484m balance at March 2022 reflected this drawdown, less amounts which have been carved-out in respect of £10m of overdrafts and £6m of performance bonds.

The Group had £463m of cash on deposit at March 2022, supported by £300m of new capital injected by Shareholders in July 2020 and the £400m disposal of its non-core property in August and October 2020.

The £90m Liquidity Facility provides further liquidity to pay more than 12 months of debt service obligations as they fall due.



## 4. Changes to the Security Group Structure

### CAVU

As set out in the FY20 and FY21 Investor Reports, MAG established, and incorporated into the Security Group, a digital division (MAGO Holdings Limited, and its subsidiaries) and a US business (MAG US (Apollo) Limited, and its subsidiaries) providing airport services including airport parking and distribution and airport lounges.

On 31 March 2022 MAG launched its new digital business, CAVU. CAVU comprises the legacy MAGO and MAG US businesses. These businesses have a track record of developing and delivering products for airport hospitality and car-parking. CAVU will continue to work with both MAG companies and external clients to develop and provide services to aviation customers across the whole customer journey.

MAG see this innovative area, where the Group has a proven track record, as an area where the Group can provide service to the wider travel sector as well as MAG's core airport businesses.

Following the launch of CAVU a number of existing entities were legally renamed. These changes are set out below.

Original Name	Company Number
Manchester Airport Group Finance Limited	8338561
Manchester Airport Group Investments Limited	8338555
MAG Airport Limited	11748654
Manchester Airport Plc	1960988
East Midlands Airport Nottingham Derby Leicester Limited	4129556
East Midlands International Airport Limited	2078271

### Obligors

The table below summarises the Security Group Obligors as at 31 March 2022.

Original Name	Company Number
Manchester Airport Group Finance Limited	8338561
Manchester Airport Group Investments Limited	8338555
MAG Airport Limited	11748654
Manchester Airport Plc	1960988
East Midlands Airport Nottingham Derby Leicester Limited	4129556
East Midlands International Airport Limited	2078271
Stansted Airport Limited	1990920
CAVU Group Limited	12504680
Skyparksecure Limited	5602720
CAVU eCommerce (EMEA) Limited	7107772
MAG US (Apollo) Limited	12485692
MAG Investments US Limited	9436342
CAVU Holdings (AMER) Inc	5694969
MAG US Terminal Management LLC	5694978
CAVU eCommerce (AMER) LLC	5694956
MAG US (Apollo) Inc	7873475

There have been no acquisitions or disposals of Subsidiaries or interests in any Permitted Joint Venture by any member of the Security Group or joint ventures related to any member of the Security Group during the financial year and to the date of this report.

## 5. Current Hedging Position

### Interest Rate Risk

The Company and the Issuer will (taken together) hedge the interest rate risk in relation to the total outstanding Relevant Debt to ensure that at any time a minimum of 60% of the total outstanding Relevant Debt:

- Is fixed rate;
- Is index-linked; or
- Effectively bears a fixed rate (or a maximum fixed rate) or an index-linked rate (or a maximum index-linked rate) pursuant to one or more Hedging Agreements.

As at 31 March 2022 fixed rate debt represented 75% of the Company's outstanding Relevant Debt.

During the financial year and to the date of this report, MAG held no derivative financial instruments in connection with interest rates.

## Currency Risk

As at 31 March 2022 there was no currency risk in respect of the interest payable to expected maturity and the repayment of principal under any foreign currency denominated debt instruments.

In relation to the acquisition of AirportParkingReservations.com LLC, ParkSleepFly.com LLC and its subsidiary ShuttleFinder.net LLC in June 2020 the Group entered into a forward purchase contract for both the upfront payment (\$31.3m) and the deferred consideration (\$25m). The upfront element was settled during the last financial year with the remaining deferred element settled on 2 April 2021. A final contingent payment of \$10.3m was made on 26 April 2022.

## 6. Ratios

### Financial Ratios

We confirm that pursuant to clause 4.1 of the Amendment and Waiver Deed dated 3 June 2021 between the Obligors and the Obligor Security Trustee (the “Amendment and Waiver Deed”), the Interest Coverage Ratio and the Leverage Ratio (which shall not be tested during the Waiver Period (as defined in the Amendment and Waiver Deed)), has not been calculated for the Compliance Certificate in respect of the period ended 31 March 2021 in respect of the Relevant Historic Period and on the Calculation Date

Pursuant to clause 2.2 of the Amendment and Waiver Deed dated 3 June 2021 no member of the Security Group, including the Parent, may make a distribution during the Waiver Period, unless it is a Permitted Share or a Distribution made to an Obligor. We confirm that the Parent did not make any distribution in respect of any interim or final dividend following provision of this Compliance Certificate and did not make a payment in March 2020, September 2020, March 2021, September 2021 and March 2022 in respect of Interest on the Shareholders’ Loans.

## 7. Distributions

### Distribution Ratios

In line with the Common Terms Agreement dated 14 February 2014 between, among others, Manchester Airport Group Investments Limited as Security Group Agent and Citicorp Trustee Company Limited as the Obligor Security Trustee as amended on 3 June 2021 (the CTA) the Distribution Ratios in respect of the Relevant Forward Looking Period are not relevant to this report as a result of the waivers in place.

### Distributions

We confirm that no Distributions have been made since the Investor Report dated July 2021.

In response to the ongoing financial impacts of the COVID-19 pandemic, £221.7 million of Interest due on Shareholders' Loans in March 2020, September 2020, March 2021, September 2021 and March 2022, including accrued deferred interest, by Manchester Airport Finance Holdings Limited was rolled-up and not paid. Further, the Directors have recommended that there is no payment of a Dividend for Financial Year 2022.

### Proposed distributions

There are no distributions proposed subsequent to the date of this report.

## 8. Other

### Confirmation

We confirm that:

- no Obligor Default has occurred and is continuing;
- the Security Group is in compliance with the Hedging Policy; and
- the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Jan Bramall', followed by a period.

Jan Bramall, Chief Financial Officer

Signing without personal liability, for and on behalf of Manchester Airport Group Investments Limited as Security Group Agent.

## MANCHESTER AIRPORTS GROUP (April 2022)



# Disclaimer

The terms and conditions below set out important legal and regulatory information about the information contained in this report and all documents and materials in relation to this report (the "materials") by Manchester Airport Group Investments Limited and its shareholders, affiliates or subsidiaries (the "MAG Group Companies"). No other third party has been involved in the preparation of, or takes responsibility for, the contents of the materials.

The materials are confidential and are being provided to you solely for your information and may not be copied, reproduced, forwarded or published in any electronic or physical form or distributed, communicated or disclosed in whole or in part except strictly in accordance with the terms and conditions set out below, including any modifications to them from time to time. The information contained in the materials has been obtained from sources believed to be reliable but none of the MAG Group Companies guarantees its accuracy or completeness.

EACH RECIPIENT AGREES TO BE BOUND BY THE TERMS AND CONDITIONS BELOW.

The materials are intended for authorised use only and may not be published, reproduced, transmitted, copied or distributed to any other person or otherwise to be made publicly available. The information contained in the materials may not be disclosed or distributed to anyone. Any forwarding, redistribution or reproduction of any material in whole or in part is unauthorised. Failure to comply with this notice may result in a violation of the applicable laws of the relevant jurisdictions. Any of the MAG Group Companies has the right to suspend or withdraw any recipient's use of the materials without prior notice at any time.

The information contained in the materials has not been independently verified. The MAG Group Companies are under no obligation to update or keep current the information contained herein. Accordingly, no representation or warranty or undertaking, express or implied, is given by or on behalf of the MAG Group Companies or any of their respective members, directors, officers, agents or employees or any other person as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained herein. None of the MAG Group Companies, nor any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of the materials or their contents or otherwise arising in connection with the materials.

The information and opinions contained herein are provided as at the date of this report and are subject to change without notice.

Where the materials have been made available in an electronic form, such materials may be altered or changed during the process of electronic transmission. Consequently none of the MAG Group Companies accepts any liability or responsibility whatsoever in respect of any difference between the materials distributed in electronic format and the hard copy versions. Each recipient consents to receiving the materials in electronic form.

Each recipient is reminded that it has received the materials on the basis that it is a person into whose possession the materials may be lawfully delivered in accordance with the laws of the jurisdiction in which the recipient is located and the recipient may not nor is the recipient authorised to deliver the materials, electronically or otherwise, to any other person.

The materials do not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the MAG Group Companies in relation to any offering in any jurisdiction or an inducement to enter into investment activity. No part of the materials, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Any investment decision in any offering should be made solely on the basis of the information contained in the prospectus relating to any transaction in final form prepared by the MAG Group Companies.

Neither the materials nor any copy of them may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. The materials are not an offer of securities for sale in the United States. The MAG Group Companies do not intend to conduct a public offering of any securities in the United States. The securities issued under any offering may not be offered or sold in the United States except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act.

This report is made to and is directed only at, and the materials are only to be used by, persons in the United Kingdom having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order"), and to those persons to whom it can otherwise lawfully be distributed (such persons being referred to as "relevant persons").



In respect of any material, none of the MAG Group Companies makes any representation as to the accuracy of forecast information. These forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forecasts. No other persons should act on or rely on it.

The materials may include forward-looking statements. These forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors.

The materials may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the MAG Group Companies' actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No person should rely on such statements and the MAG Group Companies do not assume any obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

The forward-looking statements in the materials are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in the MAG Group Companies' records and other data available from third parties. Although the MAG Group Companies believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, and the MAG Group Companies may not achieve or accomplish these expectations, beliefs or projections. Neither the MAG Group Companies, nor any of their members, directors, officers, agents, employees or advisers intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in the materials.