ABPA Holdings Limited

Investor Report – 31 December 2023

Important Notice

This Investor Report is distributed by Associated British Ports Holdings Limited ("ABPH") (as New Holdco Group Agent) pursuant to the Common Terms Agreement dated 14 December 2011 and as amended from time to time (the "CTA").

This Investor Report contains forward looking statements that reflect the current judgment of the management of the Covenantors regarding conditions that it expects to exist in the future. Forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may occur in the future and, accordingly, are not guarantees of future performance. Management's assumptions rely on its operational analysis and expectations for the operating performance of each of the Covenantors' assets based on their historical operating performance and management expectations as described herein. Factors beyond management's control could cause events to differ from such assumptions and actual results to vary materially from the expectations discussed herein. Investors are cautioned that the assumptions and forecast information included herein are not fact and should not be relied upon as being necessarily indicative of future results and are cautioned not to place undue reliance on such assumptions and forecast information. It should also be noted that the information in this Investor Report has not been reviewed by the Covenantors' auditors.

Basis of preparation

This Investor Report is being distributed pursuant to the terms of the CTA, Schedule 2, Part 1. Unless otherwise specified this Investor Report comments on the historic financial performance of ABPA Holdings Limited and its subsidiaries ("New Holdco Group" or "Group") for the year ending 31 December 2023. Defined terms used in this document have the same meanings as set out in the Master Definitions Agreement (the "MDA") dated 14 December 2011 and as amended from time to time unless otherwise stated.

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1. ABPA Holdings Group Highlights

Year ended 31 December	2023 £m	2022 £m	Change from 2022
Revenue	**729.5**	678.2	+7.6%
Operating costs[1]	**(447.6)**	(443.8)	-0.8%
Other Income	**5.2**	7.2	-28.5%
Underlying operating profit[2]	**287.1**	241.6	+18.8%
Consolidated EBITDA[3]	**387.6**	349.5	+10.9%
Consolidated EBITDA[3] margin	**53.1%**	51.5%	+1.6%
Cash generated by operations	**384.5**	349.8	+9.9%
Bulk cargo tonnage (mt)[4]	**48.5**	52.4	-7.4%
Unitised cargo (millions)[4]	**3.1**	3.0	+2.9%
Passenger volumes (000s)	**3,609.5**	2,592.2	+39.2%
Consolidated Net Borrowings[5]	**2,436.8**	2,282.1	+6.8%

[1] Operating costs include exceptional items and profit/loss on sale of fixed assets and exclude the movement in fair value of investment properties, depreciation/amortisation/write off of fair value uplift of assets acquired in a business combination, impairment of fixed assets and net unrealised gain/loss on fuel derivatives.

[2] Underlying operating profit is defined as operating profit before movement in fair value of investment properties, depreciation/amortisation/write off of fair value uplift of assets acquired in a business combination, impairment of fixed assets and net unrealised gain/loss on fuel derivatives.

[3] Consolidated EBITDA (earnings before interest, tax, depreciation and amortisation and after excluding certain items) is calculated in accordance with the definitions set out in the MDA. New adjustments made for Solent Gateway Limited (SGL) acquisition and treatment of the Concession Agreement in accordance with the STID proposal are excluded from the figure reported in the Year End Financial Statements (details set out in section 2.4.5).

[4] Excluding volumes where the group generates conservancy income only. Volume presentation aligns to ABP's management reporting. Unitised cargo is shown as units rather than using a conversion to tonnes.

[5] Consolidated Net Borrowings (the nominal net debt for covenant purposes, excluding subordinated loans, accrued interest, deferred borrowing costs, foreign exchange gains and losses, cash deposits that are not held with an Acceptable Bank, restricted cash and the value of letters of credit for which ABP is held liable) is calculated in accordance with the definitions set out in the MDA (details set out in section 2.4.6).

Historic Covenanted Financial Ratios

At 31 December	2023	2022
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	**2.55x**	2.39x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	**6.29x**	6.53x

2. Business Update

2.1. Recent Performance and Business Developments

Inflationary pressures continued to impact the UK economy in 2023 with overall activity across ABP's ports broadly consistent with 2022. Despite these external pressures ABP's financial performance in 2023 was strong which reflected disciplined cost management and resilience due to the group's diverse sector portfolio in the challenging environment.

EBITDA growth was underpinned by contract price escalation where a significant proportion of customer contracts are linked to either CPI or RPI. The strong financial performance was driven by a higher number of cruise calls and passengers in Southampton reflecting the strong recovery of this sector following COVID and ABP's investment in the new Horizon Cruise terminal which completed in 2021. ABP also saw an increase in ferry passengers in 2023 and a higher number of vehicle units through our Humber ports offset by lower vehicle units in Southampton.

Revenues from lower volumes in dry bulk sectors are largely protected by minimum volume guarantees. Reduced coal volumes reflect a normalisation following the surge in electricity generation coal imports in 2022. Lower handling of dry bulks also led to reduced labour and energy costs.

ABP has continued to deliver on our investment programme to progress the group's strategic objectives with a particular focus on growth areas that support the UK's clean energy transition. The investments not only benefit the UK's plans for a low-carbon economy but will provide significant growth and benefits to the local regions including the provision of jobs for supply chains and local businesses.

ABP continues to make significant investment in our infrastructure, equipment and people to ensure our ports are well placed to provide reliable and efficient customer service and deliver on our mission of 'Keeping Britain Trading'.

In addition to investment in capital expenditure to grow the business, the Group also acquired Solent Gateway Limited which was brought within the debt-ring fence in October 2023. ABP also completed a number of strategic land purchases, acquiring land located close to our ports in Immingham, Southampton and Lowestoft.

As a result of Brexit and the end of the free movement of goods and people within the EU, the UK Government announced the operating model that they would use to control the flow of goods across UK borders. In August 2023, the UK government announced the final draft of its new Border Target Operating Model which sets outs how the UK will introduce full controls on imports from the EU. The objective is to establish a new regime of border controls and create a new seamless "digital border". The new model also includes plans for some controls to be carried out away from borders and for minimal routine border controls to be applied to 'low risk' consignment. Checks from this model will be phased in during 2024. ABP is expecting minimal disruption at our ports following implementation.

Following the Freeports policy announcement by the UK Government, ABP's ports on the Humber and in Solent-Southampton and Plymouth were successful in their bids for Freeport status with Garston benefiting from the Freeport status in the Liverpool City Region. In 2023 it was announced that the Celtic Freeport (where ABP is a leading partner) has been awarded Freeport status. This presents an opportunity to grow trade and exports in these locations by attracting further investment, helping to create jobs and boost manufacturing and ABP continues to collaborate with all private and public stakeholders.

2.2. ABP's Sustainability Strategy

In February 2023, ABP launched its first sustainability strategy, *Ready for Tomorrow*. The strategy is centred around two areas; Sustainable Ports focuses on ABP's own environmental footprint at our ports; the second strategic area is on how ABP can support and enable the UK's clean energy transition.

In formulating the strategy, a number of consultations were held with ABP's directors, shareholders and employee representatives to gather feedback and ideas, many of which were included as part of the climate transition roadmap. Feedback from discussions with large customers on their energy transition plans was also taken into account.

Sustainable ports covers 5 key themes; reducing GHG emissions, improving air quality, protecting and enhancing biodiversity in the UK, waste management and water management. The strategy includes a target for ABP to become Net Zero from our own operations by 2040 (Scope 1 and Scope 2 emissions). ABP will continue to invest to decarbonise our own infrastructure and equipment between now and 2040.

ABP's ports will also play a pivotal role in accelerating the decarbonisation of UK industrial clusters and enabling the growth of new strategic industries. ABP's sustainability strategy included £1.4bn of identified investment in infrastructure and facilities supporting customers involved in the UK clean energy transition. ABP's ports are an essential partner in the delivery of the UK 's objectives of reaching Net Zero emissions by 2050.

For more details, visit the website: https://readyfortomorrow.abports.co.uk/

2.3. ABP's Major Projects

The group continues to make new investments which have the potential to contribute significant growth in the years ahead. The following sets out ABP's major projects under development and transformative regional projects that are in the pipeline alongside acquisitions completed in 2023.

Immingham Eastern RoRo Terminal

ABP and Stena Line entered into a long-term agreement to jointly develop a new freight terminal at the Port of Immingham. Stena Line runs four daily freight services between the Humber and the Netherlands and at the start of 2022, Stena Line relocated their Rotterdam freight service to the Port of Immingham utilising existing infrastructure and facilities at the port. The next stage is a joint investment which will see the relocation of Stena Line's remaining freight operations to the Port of Immingham.

Immingham Green Energy Facility

The Port of Immingham will be home to the first large scale, green hydrogen production facility in the UK. The partnership between ABP and Air Products will see the facility import green ammonia from production locations operated by Air Products and its partners around the world. This will be used to produce green hydrogen which is then used to decarbonise hard-to-abate sectors such as transport and industry.

ABP will invest in a new jetty to service the import and export handling of liquid bulk products. The jetty is being designed so it can accommodate other cargoes connected to the energy transition, including the import of liquified CO2 from carbon capture and storage projects for sequestration in the North Sea – thereby playing a further role in the UK's energy transition.

Stallingborough Interchange

In November 2023, ABP completed the purchase of a 227.5-acre freehold site known as Stallingborough Interchange which is in a prime strategic location next to major roads and located two miles from the Port of Immingham and six miles from the Port of Grimsby. The site is earmarked for commercial port opportunities including automotive, bulk warehousing, distribution and logistics uses, advanced manufacturing, as well as green energy initiatives. The designated employment site is one of the largest of the original Enterprise Zones in the area and is key for the continued growth of ABP's commercial business on the Humber.

Acquisition of Solent Gateway Limited

On 1 February 2023, the ABP Group announced the acquisition of Solent Gateway Limited which operates Marchwood Port under a long-term concession agreement with the Ministry of Defence. With existing berths capable of supporting a range of vessels, 95 acres of space zoned for port-centric logistics and excellent rail connectivity, Marchwood Port has significant potential to support further growth in the Southampton region. Marchwood Port also forms part of the Solent Freeport area.

On 25 April 2023, ABPA Holdings Group announced that a STID proposal amendment was approved by lenders. This enabled Solent Gateway Limited to be brought into the debt ring-fence as a subsidiary of Associated British Ports Holdings Limited and form part of our lender security package. The transfer into the debt ring-fence completed in October 2023.

Future ports: Wales Vision

In 2021, ABP published its strategy "Future ports: Wales vision", a firm commitment that by 2030, ABP's South Wales ports will have helped put Wales on a new pathway to a dramatically reduced carbon footprint whilst creating thousands of high skilled and globally competitive jobs.

At the centre of this vision is an ambitious initiative to create tangible economic benefit with a manufacturing and construction support hub to support the Floating Offshore Wind opportunity in the Celtic Sea. With its deep waters, excellent road and rail links, access to a readily available, skilled workforce and abundant neighbouring land, ABP's port of Port Talbot is an optimal location. As part of the scheme ABP is planning to invest in the region of £500m to develop new and repurposed infrastructure in the port. In March 2024, the Department of Energy Security and Net Zero announced that ABP's Future Port Talbot project would be on the Primary List phase of the Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS). FLOWMIS is a £160m grant funding scheme to support the delivery of port infrastructure to facilitate floating offshore wind.

In February 2024, ABP announced ambitious plans for the Port of Newport that centre around energy and includes a focus on harnessing wind and solar sources, which will ultimately be linked to hydrogen electrolysis and e-fuels manufacturing plants. These facilities, along with carbon capture and heat networks, will underpin next-generation manufacturing and logistics, attracting a new cluster of businesses looking to future-proof their operations. The development will also be connected to low-carbon rail and marine logistics and will expect to see hundreds of highly productive jobs created at the resulting Newport clean growth hub. This will create benefits that spill right across the city and beyond.

Future ports: Decarbonising the Humber

As the region producing the largest amount of the UK's carbon emissions, the Humber has a unique opportunity to support the de-carbonisation of the UK economy as well as build on the area's recent growth in green energy and the strength the region has in the offshore wind sector is already well established.

In February the Government published its Levelling Up White Paper which contained commitments to help the communities across the North of England to match the economic performance of the South. One of those commitments was to help create a new Opportunity Humber initiative, backed by the private sector.

ABP has been involved in discussions for the forming of the new Opportunity Humber group, an extension of the work we have been leading to put together a new Humber Freeport. The project, under the guidance of the Government's Freeport prospectus, will take the lead in the region for driving an improvement in the area's skills base, fostering an environment of innovation and promoting the area to potential future investors.

Zero Carbon Humber is a partnership between ABP and many of our customers in the Humber, including British Steel, Drax, Equinor, PX Group, Centrica and Uniper who have come together with a shared vision to transform the Humber into a net zero carbon cluster by 2040. Zero Carbon Humber has joined forces with Net Zero Teesside and the Northern Endurance Partnership to form the East Coast Cluster which aims to capture and store an average of around 23 million tonnes of CO2 per year by 2035.

ABP is also working with the Viking Carbon Capture and Storage scheme which will reuse existing infrastructure to capture and transport high volumes of CO2 to be stored beneath the seabed in the Southern North Sea. The UK Government provided initial support for the Viking CCS project in 2023. In December 2023, the UK Government published its CCUS Vision and Cluster Sequencing Updates which included the fast tracking of anchor emitter projects for Viking CCS in early 2024 providing positive momentum. Projects involving the shipping of CO2 will be eligible to bid to connect to Track 2 projects from 2025.

2.4. Financial Performance

The table below summarises the consolidated results for the period ended 31 December 2023:

Income statement	2023 £m	2022 £m	Change from 2022
Revenue	**729.5**	678.2	+7.6%
Operating costs (underlying)	**(447.6)**	(443.8)	-0.8%
Other income	**5.2**	7.2	-28.5%
Underlying operating profit	**287.1**	241.6	+18.8%
Depreciation and amortisation of fair value uplift of assets acquired in a business combination	**(4.5)**	(10.3)	+56.3%
Increase in fair value of investment properties	**92.8**	143.4	-35.3%
Net unrealised (loss)/gain on fuel derivatives	**(2.4)**	0.8	-400.0%
Group operating profit	**373.0**	375.5	-0.7%
Finance costs	**(499.6)**	(467.0)	-7.0%
Finance income	**8.5**	13.6	-37.5%
Loss after realised finance costs	**(118.1)**	(77.9)	-52.0%
Net unrealised (loss)/gain on derivatives at fair value through profit and loss and foreign exchange	**(2.5)**	641.2	-100.4%
(Loss)/profit before taxation	**(120.6)**	563.3	-121.5%
Taxation charge	**(40.2)**	(201.1)	+80.0%
(Loss)/profit for the period	**(160.8)**	362.2	-144.4%

2.4.1. Volumes and Revenues

Bulk volumes handled by the group's ports decreased by 7.4% to 48.5m tonnes (2022: 52.4m tonnes), unitised volumes were up 2.9% to 3.1m units (2022: 3.0m units) and passenger numbers increased by 39.2% to 3,609.5k (2022: 2,592.2k). The decrease in bulk volumes was primarily due to lower coal, biomass, forest products and metals. The increase in unitised volumes reflects the upturn in the automotive sector, partially offset by lower container volumes. The increase in passenger numbers is due to better occupancy rates for cruise and the introduction of new customers (MSC & Disney) at Southampton and increased P&O ferry activities.

Group revenue increased by 7.6% to £729.5m (2022: £678.2m) due to increased passenger revenues, impact of inflationary price increases, along with positive revenue for liquid bulk and unitised volumes. This was partially offset by lower revenue from coal and forest products with minimum volume guarantees protecting ABP from the impact of volume decreases in other sectors.

2.4.2. Operating Costs

Operating costs (including exceptional costs) saw a slight increase to £447.6m (2022: £443.8m). Operational expenditure increased slightly, driven by inflationary increases in staff costs and higher utility costs resulting from increased wholesale prices, this was offset by lower expenditure across other cost items, due to disciplined cost management.

2.4.3. Other Income

Other income decreased by 28.5% to £5.2m (2022: £7.2m), reflecting lower grant income in the year.

2.4.4. Other Profit and Loss Items

- **Depreciation and amortisation of fair value uplift of assets acquired in a business combination** relates to amortisation and depreciation of the fair value uplifts recorded in 2006 when Associated British Ports Holdings Limited was acquired by ABP Acquisitions UK Limited. These totalled £4.5m in 2023 (2022: £10.3m).

- **Net unrealised gain on fuel derivatives** relates to where the group has entered into fuel derivatives to hedge the cost of fuel used principally to power its fleet of dredgers and support vessels. The group recorded an unrealised loss on the valuation, due to the continued changes in oil prices, of its fuel hedges of £2.4m (2022: gain of £0.8m).

- **Finance costs and income** increased by £37.7m to net costs of £491.1m for 2023 (2022: net costs of £453.4m). Finance costs have increased by £32.6m to £499.6m (2022: £467.0m) including interest costs of £337.1m (2022: £306.9m) on amounts due to parent undertaking, £138.4m (2022: £99.9m) in relation to the group's external senior secured debt, and other interest costs of £24.1m (2022: £60.2m) including interest costs on derivatives of £19.2m (2022: 57.1m). Finance income has decreased by £5.1m to £8.5m (2022: £13.6m) including interest income of £1.5m (2022: £11.3m) on derivatives.

- **Net unrealised gain/loss on derivatives at fair value through profit and loss and foreign exchange** recorded a loss of £2.5m (2022: gain of £641.2m). The loss is driven by a reduction in the mark to market of the group's derivative portfolio which includes cross currency and interest rate swaps, resulting in a net loss of £57.7m (2022: net gain of £679.2m). There was an unrealised foreign currency exchange gain on the fair value of loans of £55.2m (2022: loss of £38.0m).

The net unrealised gain on interest rate swaps, the net foreign currency loss, and interest on amounts due to parent undertaking mentioned above are excluded from net interest payable for covenant purposes.

The table below summarises the reconciliation between net finance costs and net interest payable as defined for covenant purposes:

Net Interest Payable	**2023 £m**	**2022 £m**
Net finance costs/(income)	**493.6**	(187.8)
Adjusted for:		
Amortised costs	**(2.3)**	(2.8)
Net interest payable on loans from parent undertaking	**(337.1)**	(306.9)
Net unrealised loss on derivatives at fair value through profit and loss	**(57.7)**	679.2
Non-cash finance (costs)/income in relation to pension scheme assets and liabilities	**0.2**	0.5
Non-cash finance costs in relation to discounted assets and liabilities	**(0.6)**	(0.3)
Net foreign exchange gain/(loss)	**55.2**	(38.0)
SGL Adjustment: Lease Interest	**(1.6)**	-
Net Interest Payable	**149.7**	143.9

Net Taxation charge for the period ended 31 December 2023 amounted to £40.2m (2022: net tax charge of £201.1m). This reflected a deferred tax charge of £33.7m (2022: charge of £195.8m) and a current tax charge of £6.5m (2022: charge of £5.2m). The decrease in the deferred tax charge from 2022 is mainly due to timing differences relating to fair value gains on derivatives.

2.4.5. Reconciliation between Operating Profit and Consolidated EBITDA

Consolidated EBITDA	**2023 £m**	**2022 £m**
Operating Profit	**373.0**	375.5
Amortisation	**13.5**	16.4
Depreciation	**102.1**	95.1
Increase in fair value of investment properties	**(92.8)**	(143.4)
Net unrealised gain on fuel derivatives	**2.4**	(0.8)
(Profit)/loss on write off of intangibles and disposal of property, plant and equipment and investment property	**(9.0)**	6.7
	389.2[1]	349.5
SGL Adjustments	**(1.6)**	-
Consolidated EBITDA	**387.6**	349.5

[1] Consolidated EBITDA excluding SGL adjustments for Concession Agreement and annualised 2023 EBITDA.

2.4.6. Consolidated Net Borrowings

Consolidated Net Borrowings as defined for covenant purposes increased by £154.7m to £2,436.8m (2022: £2,282.1m). The increase in net debt reflects new borrowings, financing ABP's recent growth. Debt which has matured during the period has been refinanced with new debt which has been raised in the private placement market.

Consolidated EBITDA		**2023 £m**	**2022 £m**
Term and revolving facilities	2023 – 2029	**254.0**	279.0
Private placements – GBP floating rate	2030 – 2037	**583.3**	583.3
Private placements – GBP fixed rate	2023 – 2040	**671.7**	365.0
Private placements – USD & JPY fixed rate	2024 – 2032	**373.2**	346.9
Public loans – GBP & USD floating rate	2033	**70.0**	70.0
Public loans – GBP & EUR fixed rate	2026 – 2042	**530.2**	668.6
Finance leases		**38.1**	7.2
Net cash (including restricted cash)		**(71.8)**	(50.4)
Net Borrowings		**2,448.7**	2,269.6
Restricted cash		**19.6**	11.0
Letters of credit		**1.3**	1.4
SGL Adjustment: Concession Agreement		**(32.8)**	-
Consolidated Net Borrowings		**2,436.8**	2,282.1

2.5 Significant Announcements/Publications

Details of the group's ultimate controlling parties can be found in note 29 of the 2023 Annual Report and Accounts of ABPA Holdings Limited.

On 20 February 2024, ABP announced that Marina Wyatt had informed the Board of her intention to retire from her position as Chief Financial Officer of the ABP Group. Marina will step down as CFO on 30 September 2024 and will leave ABP on 31 December 2024 after almost six years in post. Marina will be succeeded by Munroop ('Mani') Atwal, ABP's Deputy CFO, with effect from 1 October 2024. Mani is a Chartered Management Accountant who has been in his role at ABP since May 2022.

Other than as disclosed above and on the Investor Relations section of the group's corporate website (www.abports.co.uk), there have been no other significant announcements or publications by or relating to the ABPAH Group.

2.6 Significant Board and Management Changes

The following Board changes took place during the year and up to 21 March 2024:

(i) Associated British Ports Holdings Limited:

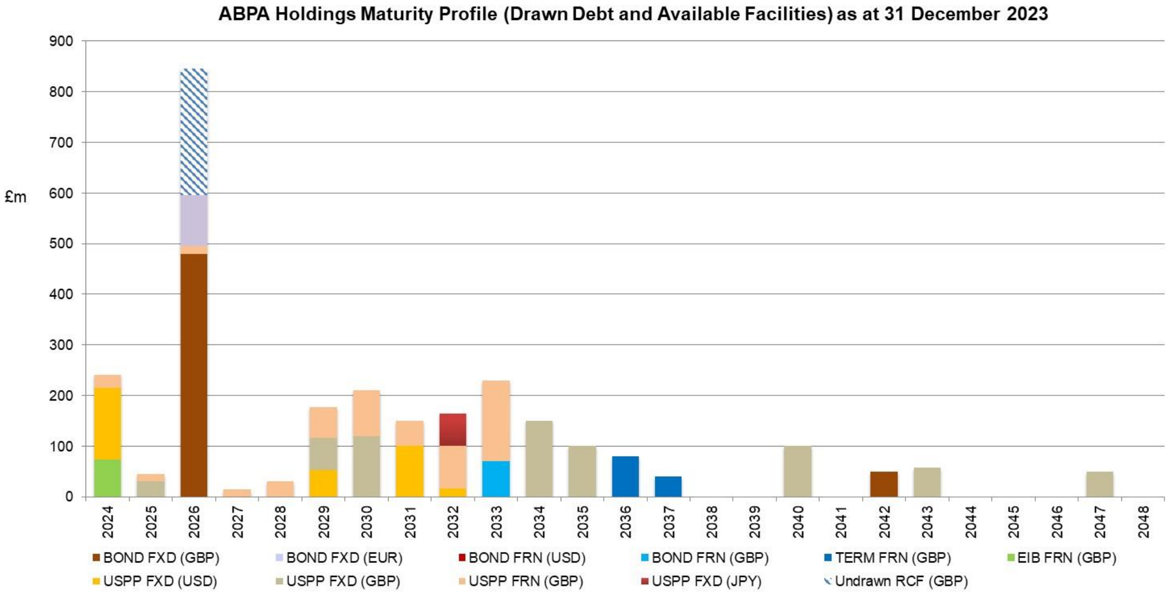
Lupo, L	(appointed 23 January 2023)	
Maheshwari, P	(resigned 23 January 2023)	
Onarheim, HO	(alternate to RN Barr, EPM Machiels, P Maheshwari and L Lupo)	(Appointment as alternate to P Maheshwari ceased on resignation of P Maheshwari on 23 January 2023. Appointed as alternate to L Lupo on 23 January 2023)
R J Phillip	(alternate to Kamil Burganov)	(Appointed as alternate to Kamil Burganov on 28 April 2023)
Butcher, PG	(resigned 21 March 2024)	
Rosati, V	(appointed 21 March 2024)	
Williams, CI	(alternate to PG Butcher)	(appointment as alternate to P Butcher ceased on resignation of P Butcher on 21 March 2024)

(ii) ABPA Holdings Limited:

Lupo, L	(appointed 23 January 2023)	
Maheshwari, P	(resigned 23 January 2023)	
Onarheim, HO	(alternate to RN Barr, EPM Machiels, P Maheshwari and L Lupo)	(appointed 22 September 2022. Appointment as alternate to P Maheshwari ceased on resignation of P Maheshwari on 23 January 2023. Appointed as alternate to L Lupo on 23 January 2023)
R J Phillip	(alternate to Kamil Burganov)	(Appointed as alternate to Kamil Burganov on 28 April 2023)
Butcher, PG	(resigned 21 March 2024)	
Rosati, V	(appointed 21 March 2024)	
Williams, CI	(alternate to PG Butcher)	(appointment as alternate to P Butcher ceased on resignation of P Butcher on 21 March 2024)

3. **Financing and Interest Rate Hedging**

The chart below shows the profile of the ABPAH Group's externally sourced debt (excluding the debt service Liquidity Facilities but including the Group's undrawn revolving loan facilities).



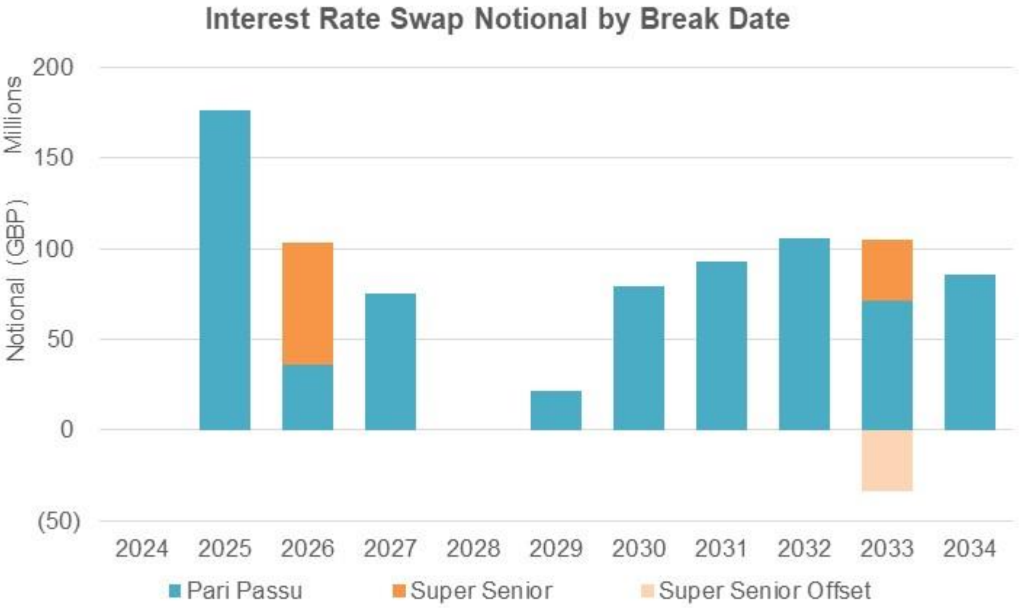
As at 31 December 2023, the ABPAH Group had cash and cash equivalents of GBP71.8m in addition to GBP250m of committed and available undrawn revolving loan facilities. Since the reporting date of 31 December 2023, a further GBP350.4m of new long-term financing has been raised.

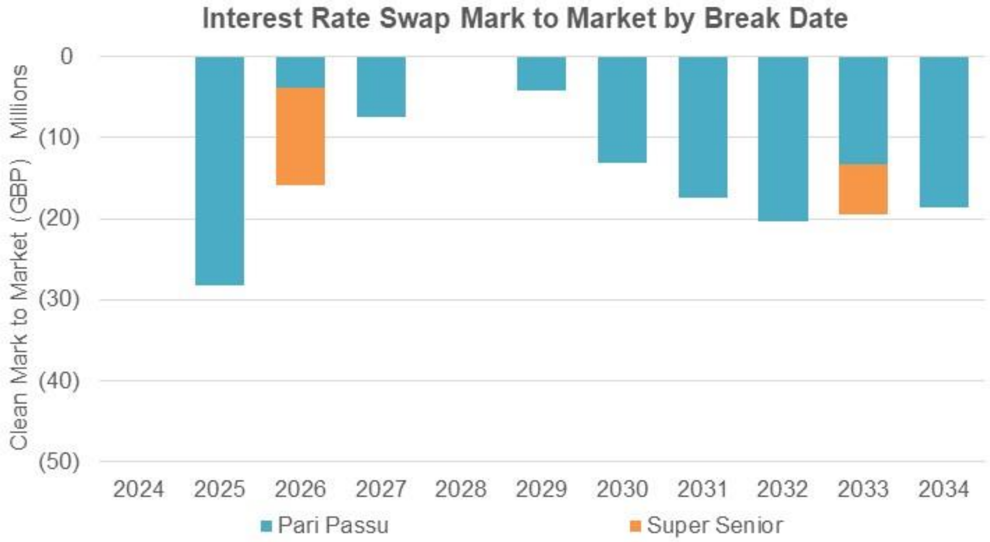
The ABPAH group's Relevant Debt hedging ratio was 91%. The hedging position continues to be compliant with the Hedging Policy of maintaining between 75% and 110% of senior debt which is fixed rate or effectively bears a fixed rate through hedging transactions for a period of at least seven years.

Derivative Mark to Market and Interest Rate Swap Mandatory Breaks

As at 31 December 2023, the fair value of the ABPA Holdings debt hedging derivative portfolio was a liability of GBP 219.7m (2022: GBP162.2m). Although an increase on the end of 2024, this represents a smaller cross currency swap fair value with the interest rate swap position fair value broadly unchanged versus the end of 2022. The derivative portfolio consists of cross currency swaps hedging foreign currency debt which are an asset of GBP39.5m and interest rate swaps which are a liability of GBP259.2m.

ABP has mandatory breaks in place on part of the interest rate swap portfolio. ABP actively manages these mandatory breaks and in 2023 undertook long-term extensions as well as cancelling some of the interest rate swaps. The total clean mark to market liability of swaps which continue to have mandatory breaks is GBP144.8m (2022: GBP147.8m), which is 50% of the total mark to market of the interest rate swap portfolio. This represents a gross swap notional of GBP879.3m (2022: GBP1,080.0m). The charts that follow display the mandatory break profile of the relevant interest rate swaps by swap notional amount and mark to market value.





4. Restricted Payments

Since the date of the last Investor Report, GBP169.1m of Restricted Payments have been made from the ring-fenced group. This represents GBP154.7m for the ABP Group's shareholders and GBP14.4m in relation to tax due from the intermediate parent companies above the ring-fenced group.

5. Covenant Ratios and Compliance

At 31 December	2023 £m	2024* £m	2025* £m	2026* £m
Adjusted Consolidated EBITDA	381.1	381.2	410.1	438.2
Net Interest Payable	(149.7)	(162.5)	(177.5)	(196.7)
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	2.55x	2.35x	2.31x	2.23x
Consolidated Net Borrowings	2,436.8	2,674.3	2,965.9	3,149
Consolidated EBITDA	387.6	411.4	439.4	466.5
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	6.29x	6.50x	6.75x	6.75x

* Forward-looking ratio calculations and projections are based on the most recent ITA Information provided to and certified by the Independent Technical Advisor.

We confirm that in respect of this investor report dated 31 December 2023, by reference to the most recent Financial Statements that we are obliged to deliver to you in accordance with Paragraph 1 (Financial Statements) of Part 1, (Information Covenants) of Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement:

(a) the Historic Adjusted Consolidated EBITDA is or is estimated to be equal to or more than 1.75 times Historic Net Interest Payable for the Relevant Calculation Period;

(b) the Projected Adjusted Consolidated EBITDA is or is estimated to be equal to or more than 1.75 times Projected Net Interest Payable for the Relevant Calculation Period;

(c) the ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA is or is estimated to be equal to or less than 7.50 as at the Relevant Calculation Date; and

(d) the ratio of Projected Consolidated Net Borrowings to Projected Consolidated EBITDA is or is estimated to be equal to or less than 7.50 as at the Relevant Calculation Date, (together the "Ratios").

We confirm that each of the above Ratios has been calculated in respect of the Relevant Calculation Period or as at the Relevant Calculation Date for which it is required to be calculated under the Common Terms Agreement. We confirm that historic ratios have been calculated using, are consistent, and have been updated by reference to the most recently available financial information required to be provided by the Covenantors under Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement.

We confirm that all forward looking financial ratio calculations and projections:

(i) have been made on the basis of assumptions made in good faith and arrived at after due and careful consideration;

(ii) are consistent and updated by reference to the most recently available financial information required to be produced by the Covenantors under Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement;

(iii) are consistent with the Accounting Standards (insofar as such Accounting Standards reasonably apply to such calculations and projections); and

(iv) are based on the most recent ITA Information provided to and certified by the Independent Technical Advisor in accordance with Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement.

We also confirm that:

(a) no Default or Trigger Event has occurred and is continuing, or if a Default or Trigger Event has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Default or Trigger Event;

(b) the New Holdco Group is in compliance with the Hedging Policy; and

(c) this Investor Report is accurate in all material respects.

Yours faithfully,

Marina Wyatt

Marina Wyatt
Chief Financial Officer
For and on behalf of
ABPH as New Holdco Group Agent