ABPA Holdings Limited

Investor Report – 31 December 2022

Important Notice

This Investor Report is distributed by Associated British Ports Holdings Limited ("ABPH") (as New Holdco Group Agent) on behalf of ABPA Holdings Limited ("ABPAH"), ABP Acquisitions UK Limited ("ABPA") and Associated British Ports ("ABP") (together the "Covenantors") 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 ABPAH and its subsidiaries ("New Holdco Group" or "Group") for the year ending 31 December 2022. 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.

Contents

1. ABPA Holdings Group Highlights

Year ended 31 December	**2022 £m**	2021 £m	**Change from 2021**
Revenue	**678.2**	592.5	+14.5%
Operating costs[1]	**(442.2)**	(381.2)	-16.0%
Other Income	**7.2**	2.0	+260.0%
Underlying operating profit[2]	**243.2**	213.3	+14.0%
Consolidated EBITDA[3] pre exceptional costs	**351.1**	312.7	+12.3%
Consolidated EBITDA[3]	**349.5**	310.2	+12.7%
Consolidated EBITDA[3] margin pre exceptional costs	**51.8%**	52.8%	-1.0%
Cash generated by operations	**349.8**	304.7	+14.8%
Bulk cargo tonnage (mt)[4]	**52.4**	56.3	-6.9%
Unitised cargo (000s)[4]	**3.0**	3.0	-1.1%
Passenger volumes (000s)	**2,592.2**	761.5	+240.4%
Consolidated Net Borrowings[5]	**2,282.1**	2,100.3	+8.7%

[1] Operating costs include 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 net unrealised gain/loss on fuel derivatives and exceptional items.

[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 net unrealised gain/loss on fuel derivatives and exceptional items.

[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 (details set out in section 2.5.5).

[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 2.5.6).

Historic Covenanted Financial Ratios

At 31 December	2022	2021
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	**2.39x**	2.18x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	**6.53x**	6.77x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA pre exceptional costs[1]	**6.50x**	6.72x

[1] Not a lender covenant ratio

The above ratios are calculated on a 12-month rolling basis at each year end.

2. Business Update

2.1. Recent Performance and Outlook

Following strong economic growth in 2021 as Covid-19 related restrictions eased and economies started to recover and adapt to the post pandemic reality, activity across the ports increased. However, post pandemic supply chain challenges, the invasion of Ukraine by Russia and inflationary pressures have impacted the UK economy in 2022.

Inflation is expected to decrease in 2023 but remain high and this results in an impact on ABP's current and future performance through inflationary pressure on ABP's costs but also increasing revenues, where a significant proportion of customer contracts are linked to either CPI or RPI.

ABP's favourable financial performance during 2022 reflected disciplined cost management and resilience due to the group's diverse sector portfolio in the challenging environment. Energy prices in particular saw steep rises that placed significant cost pressures on ABP, its customers and suppliers in 2022. Energy prices are expected to remain high compared to historic levels into 2023.

The EU-UK Trade and Cooperation Agreement came into effect on 1 January 2021. The set of new rules to control imports from the EU were due to commence on 1 July 2022 but have been deferred by the UK Government until the end of 2023. ABP continues to engage with all stakeholders with regards to any future changes.

ABP continues to deliver an ambitious 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 Government'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.

2.2. ABP’s Sustainability Strategy – Ready for Tomorrow

In February 2023, ABP launched its first sustainability strategy, *Ready for Tomorrow*. The sustainability strategy is built around five key areas for sustainable ports; 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 invest £600m to decarbonise our own infrastructure and equipment between now and 2040.

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

2.3. Business Developments

ABP’s significant investment in our infrastructure, equipment and people ensures that our ports are well placed to provide the most reliable and efficient customer service and deliver on our mission of ‘Keeping Britain Trading’.

ABP’s ports are well positioned to support the UK’s cleaner energy transition and our investments in innovation and sustainability measures are central to our commercial strategy.

Following the success of Green Port Hull, and the announcement of Lowestoft Eastern Energy Facility (LEEF) in November 2021, ABP launched its plans for South Wales in its “Future Ports: Wales Vision”, with Floating Offshore Wind (FLOW) at its core. ABP will continue to play an important role in the ongoing growth and transformation of the Offshore Wind sector.

The group’s ports are also essential to plans to deliver at-scale hydrogen generation, storage, and distribution, by providing the development sites for production and storage facilities, through proximity to potential demand resulting in transit and distribution benefits and through critical infrastructure. The group is working with Toyota, Uniper and Siemens Energy on real world applications of green hydrogen in the Port of Immingham.

Following the Freeports policy announcement by the UK Government, ABP’s ports on the Humber and in Southampton and Plymouth were successful in their bids for Freeport status with Garston benefiting from the Freeport status in the Liverpool City Region. More recently was the announcement that the Celtic Freeport (where ABP is a leading partner) has been award 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.

The group is also a partner in Zero Carbon Humber and Viking CCS, two carbon and capture projects which have brought together international energy companies, heavy industry, leading infrastructure and logistics operators, engineering firms and academic institutions, with a vision to establish Net Zero industrial clusters. This will be achieved through low carbon hydrogen, carbon capture and negative emissions, known as carbon removal technology. We're continuing to invest in our customers' future, ensuring our extensive freehold landbank and ports are best able to sustain increasing demands on the supply chain, to continue to Keep Britain Trading and lead the way in sustainability and innovation.

2.4. Major Investments

The group continues to make new investments which have the potential to contribute significant growth in the years ahead. Further information on recently completed investments, new major investments under development and acquisitions are set out below.

Southampton Horizon Cruise Terminal and shore power

In July 2021, ABP welcomed the first passengers to the brand-new Horizon Cruise Terminal in Southampton. Harnessing energy from its rooftop solar array, Horizon generates more power than it consumes, and uses daylight harvesting for maximum efficiency and minimum emissions. A UK first was marked in April 2022, when the group announced that the country's first shore power facility for cruise ships was activated at the Port of Southampton's Horizon and Mayflower Cruise Terminals. Shore power means that cruise ships are now able to plug in for zero emissions at berth. Southampton's shore power puts ABP at the forefront of a sustainable cruise sector in the UK.

Hull Agri-bulk Warehouse

The group has invested £8.0m in a new 40k tonne shed in Hull. This project supports the growth of ABP's customer Frontier by investing in new facilities to increase throughput. The shed was substantially completed in the first half of 2022.

Port-centric Manufacturing

ABP continued the preparation and expansion of its port-centric manufacturing offering during 2022 representing a total commitment of £5 million. This development initiative has opened more than 1,000 acres of land, available for business uses, port-centric manufacturing and logistics. With the benefits of strong road and rail connectivity, plus on-site renewable energy generation, the initial tranche of 14 sites across the group's ports are ideal for businesses that are looking to leverage prime locations and meet the increased demands from online retailing, whilst continuing to reduce carbon emissions.

Border Control Posts

As a direct result of Brexit and the consequent end of free movement of goods and people from the European Union (EU), the UK Government announced the operating model they were going to use to control the flow of goods across UK borders – known as the Border Operating Model (BOM). To support these controls the government required a number of ports to provide Border Control Posts (BCPs). The BCPs were due to be in operation by 1 July 2022, however on 28 April 2022 the UK Government announced that they were abandoning the previously announced BOM and replacing it with a new target operating model (TOM). On 5 April 2023, the UK Government published a draft Border Target Operating Model for stakeholders to provide feedback on before a final version is published in June.

ABP has constructed BCPs at its principal Ro/Ro and Lo/Lo ports in the group being Immingham, Hull and Plymouth, and a fourth BCP in Southampton was built by our customer DP World Southampton. Discussions are underway with UK Government as to the future requirement for these facilities under the TOM, together with proposals for BCPs that may not be used to their full capacity.

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 £100m investment which will see the relocation of Stena Line's remaining freight operations to the Port of Immingham in 2025. ABP is constructing a new purpose-built terminal facility and jetty.

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.

Sustainable Investment

ABP's ports play a pivotal role in accelerating the decarbonisation of industrial clusters and enabling the growth of new strategic industries. ABP's recently announced sustainability strategy includes £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.

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 taking part 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.

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. The strength the region has in the offshore wind sector is well established.

In addition, the Zero Carbon Humber project is a partnership of many of ABP's 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 the UK's first net zero carbon cluster by 2040. The project will develop a shared trans-regional pipeline out to the North Sea for low carbon hydrogen and for capturing and storing carbon emissions.

When taken together, the Humber is central to the decarbonisation agenda in the UK and whether it is through the Freeport or Opportunity Humber, the group has a pivotal role to play in helping to realise these exciting ambitions.

Associated British Ports Holdings Limited. Registered in England and Wales with Registered Office at 25 Bedford Street, London WC2E 9ES and Registered Number 1612178.

Future ports: Wales vision

In October 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

In March 2023, the Celtic Freeport (a public-private consortium including Associated British Ports, Neath Port Talbot Council, Pembrokeshire County Council and the Port of Milford Haven) was shortlisted by the UK and Welsh Governments for freeport status.

The Celtic Freeport will deliver an accelerated pathway for Wales’ net zero economy generating over 16,000 new, green jobs and up to £5.5 billion of new investment. The transformational bid covers ABP’s Port Talbot and the Port of Milford Haven and spans clean energy developments and innovation assets, fuel terminals, a power station, heavy engineering and the steel industry across south-west Wales.

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 enables 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.

2.5. Financial Performance 2022

The following section should be read in conjunction with the consolidated audited Annual Report and Accounts of ABPA Holdings Limited which are available from the Investor Relations section of the group’s corporate website (www.abports.co.uk/investor-relations).

The table below summarises the consolidated results for the period ended 31 December 2022:

Income statement	**2022 £m**	**2021 £m**	**Change from 2021**
Revenue	**678.2**	592.5	+14.5%
Operating costs (underlying)	**(442.2)**	(381.2)	-16.0%
Other income	**7.2**	2.0	+260.0%
Underlying operating profit	**243.2**	213.3	+14.0%
Depreciation and amortisation of fair value uplift of assets acquired in a business combination	**(10.3)**	(12.1)	-14.9%
Increase in fair value of investment properties	**143.4**	43.4	+230.4%
Net unrealised gain on fuel derivatives	**0.8**	2.7	-70.4%
Exceptional costs	**(1.6)**	(2.5)	+36.0%
Group operating profit	**375.5**	244.8	+53.4%
Finance costs	**(467.0)**	(447.9)	-4.3%
Finance income	**13.6**	19.6	-30.6%
Loss after realised finance costs	**(77.9)**	(183.5)	+57.5%
Net unrealised gain on derivatives at fair value through profit and loss and foreign exchange	**641.2**	102.6	+525.0%
Profit/(loss) before taxation	**563.3**	(80.9)	+796.3%
Taxation charge	**(201.1)**	(56.6)	-255.3%
Profit/(loss) for the period	**362.2**	(137.5)	+363.4%

2.5.1. Volumes and Revenues

Bulk volumes handled by the group's ports decreased by 6.9% to 52.4m tonnes (2021: 56.3m tonnes), unitised volumes were down 1.1% to 3.0m units (2021: 3.0m units) and passenger numbers increased by 240.4% to 2,592.2k (2021: 761.5k). The decrease in bulk volumes was due to lower liquid bulk (oil and petroleum products) and break bulk volumes (forest products and metals). The decrease in unitised volumes reflected the global economic downturn during 2022, particularly in the automotive sector, offset by growth in RoRo volumes. The notable increase in cruise and ferry activity in 2022 was due to the lifting of Covid-19 restrictions, leading to better occupancy and higher vessel calls. The UK's shortfall in imported gas for electricity generation also created a sizable increase in demand for coal during 2022. Group revenue increased by 14.5% to £678.2m (2021: £592.5m) due to the higher coal volumes, increased passenger revenues, along with higher utilities revenue due to the increase in electricity prices. This was partially offset by lower revenue from forest products with minimum volume guarantees protecting ABP from the impact of volume decreases in other sectors.

2.5.2. Operating Costs

Ports and transport operating costs saw an increase to £442.2m (2021: £381.2m). Operational expenditure increases were driven by higher handled volumes for coal activities resulting in increased staff cost and higher utilities cost due to higher market rates.

2.5.3. Other Income

Other income increased by 260% to £7.2m (2021: £2m), reflecting higher grants received from the UK government.

2.5.4. 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 £10.3m in 2022 (2021: £12.1m).

- **Net unrealised gain on fuel derivatives** 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 gain on the valuation, due to the significant changes in oil prices, of its fuel hedges of £0.8m (2021: £2.7m).

- **Exceptional costs** of £1.6m (2021: £2.5m) within operating profit resulting from the costs of one-off strategic projects.

- **Finance costs and income** has increased by £25.1m to net costs of £453.4m for 2022 (2021: costs of £428.3m).

  Finance costs have increased by £19.1m to £467.0m (2021: £447.9m) including interest costs of £306.9m (2021: £280.5m) on amounts due to parent undertaking, £99.9m (2021: £87.3m) in relation to the group's external senior secured debt, and other interest costs of £57.1m (2021: £76.2m).

  Finance income has decreased by £6.0m to £13.6m (2021: £19.6m) including interest income of £11.2m (2021: £19.1m) on derivatives.

- **Net unrealised gains and loses** have recorded a gain of £641.2m (2021: gain of £102.6m). The increase is driven by a decrease in the mark to market of the group's derivative portfolio which includes cross currency and interest rate swaps, resulting in a net gain of £679.2m (2021: net gain of £91.6m). There was an unrealised foreign currency exchange loss on the fair value of loans of £38m (2021: gain of £11m).

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	**2022 £m**	**2021 £m**
Net finance (income)/costs	**(187.8)**	325.7
Adjusted for:		
Amortised costs	**(2.8)**	(3.6)
Net interest payable on loans from parent undertaking	**(306.9)**	(280.5)
Net unrealised gain on derivatives at fair value through profit and loss	**679.2**	91.6
Non-cash finance costs in relation to pension scheme assets and liabilities	**0.5**	(0.7)
Non-cash finance costs in relation to discounted assets and liabilities	**(0.3)**	(0.2)
Net foreign exchange (loss)/gain	**(38.0)**	11.0
Net Interest Payable	**143.9**	143.3

Taxation, the overall net tax charge for the period ended 31 December 2022 amounted to £201.1m (2021: net tax credit of £56.6m). This reflected a deferred tax charge of £195.8m (2021: credit of £58.3m) and a current tax charge of £5.2m (2021: credit of £1.7m). The increase in the deferred tax charge from 2021 is mainly due to disallowable items for tax relating to fair value gains on derivatives and the change in investment property valuation.

2.5.5. Reconciliation between Operating Profit and Consolidated EBITDA

Consolidated EBITDA	**2022 £m**	**2021 £m**
Operating Profit	**375.5**	244.8
Amortisation	**16.4**	17.1
Depreciation	**95.1**	91.3
Increase in fair value of investment properties	**(143.4)**	(43.4)
Net unrealised gain on fuel derivatives	**(0.8)**	(2.7)
Loss on write off of intangibles and disposal of property, plant and equipment and investment property	**6.7**	3.1
Consolidated EBITDA	**349.5**	310.2
Exceptional items	**1.6**	2.5
Consolidated EBITDA pre exceptional costs	**351.1**	312.7

2.5.6. Consolidated Net Borrowings

Consolidated Net Borrowings as defined for covenant purposes increased by £181.8m to £2,282.1m (December 2021: £2,100.3m)

Consolidated Net Borrowings	**Due date**	**2022 £m**	**2021 £m**
Term and revolving facilities	2023 – 2029	**279.0**	209.0
Private placements – GBP floating rate	2024 – 2033	**583.3**	460.0
Private placements – GBP fixed rate	2023 – 2035	**365.0**	365.0
Private placements – USD & JPY fixed rate	2023 – 2032	**346.9**	349.4
Public loans – GBP & USD floating rate	2033	**70.0**	134.9
Public loans – GBP & EUR fixed rate	2023 – 2042	**668.6**	668.6
Finance leases		**7.2**	8.4
Net cash (including restricted cash)		**(50.4)**	(105.9)
Net Borrowings		**2,269.6**	2,089.4
Restricted cash		**11.0**	9.5
Letters of credit		**1.4**	1.4
Consolidated Net Borrowings		**2,282.1**	2,100.3

2.6 Significant Announcements/Publications

Details of the group’s ultimate controlling parties can be found in note 28 of the 2022 Annual Report and Accounts of ABPA Holdings Limited.

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.

2.7 Significant Board/Management Changes

The following Board changes took place during the year and up to 27 April 2023:

(i) Associated British Ports Holdings Limited:

Burganov, K[1]	(appointed 15 March 2022)	
Castelein, AS	(appointed 23 June 2022)	
Lupo, L	(appointed 23 January 2023)	
Maheshwari, P	(resigned 23 January 2023)	
Newell, HM	(resigned 15 March 2022)	
Pugh, SN	(resigned 23 June 2022)	
Butcher, PG	(alternate to SN Pugh)	(appointment as alternate to SN Pugh ceased on resignation of SN Pugh on 23 June 2022))
Gawron, AA	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(resigned 15 March 2022)
Jabbour, M	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(appointed 15 March 2022 and resigned 22 September 2022)
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)
Pugh, SN	(alternate to AS Castelein)	(appointed 23 June 2022)
Williams, CI	(alternate to PG Butcher)	(appointed 22 September 2022)

[1] K Burganov was also alternate to HM Newell until her resignation on 15 March 2022.

(ii) ABPA Holdings Limited:

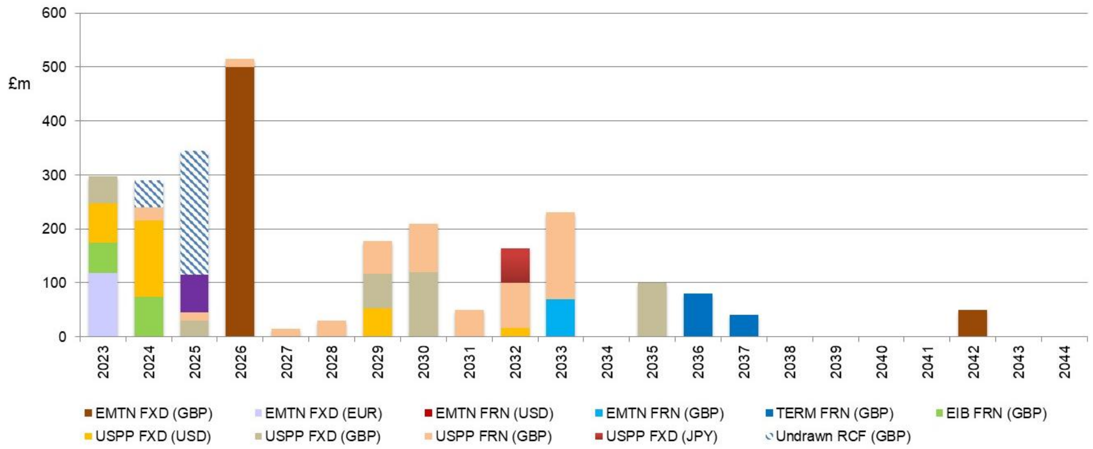
Burganov, K[1]	(appointed 15 March 2022)
Castelein, AS	(appointed 23 June 2022)
Lupo, L	(appointed 23 January 2023)
Maheshwari, P	(resigned 23 January 2023)
Newell, HM	(resigned 15 March 2022)
Pugh, SN	(resigned 23 June 2022)

Butcher, PG	(alternate to SN Pugh)	(appointment as alternate to SN Pugh ceased on resignation of SN Pugh on 23 June 2022))
Gawron, AA	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(resigned 15 March 2022)
Jabbour, M	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(appointed 15 March 2022 and resigned 22 September 2022)
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)
Pugh, SN	(alternate to AS Castelein)	(appointed 23 June 2022)
Williams, CI	(alternate to PG Butcher)	(appointed 22 September 2022)

[1] K Burganov was also alternate to HM Newell until her resignation on 15 March 2022.

3. Financing and Interest Rate Hedging

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



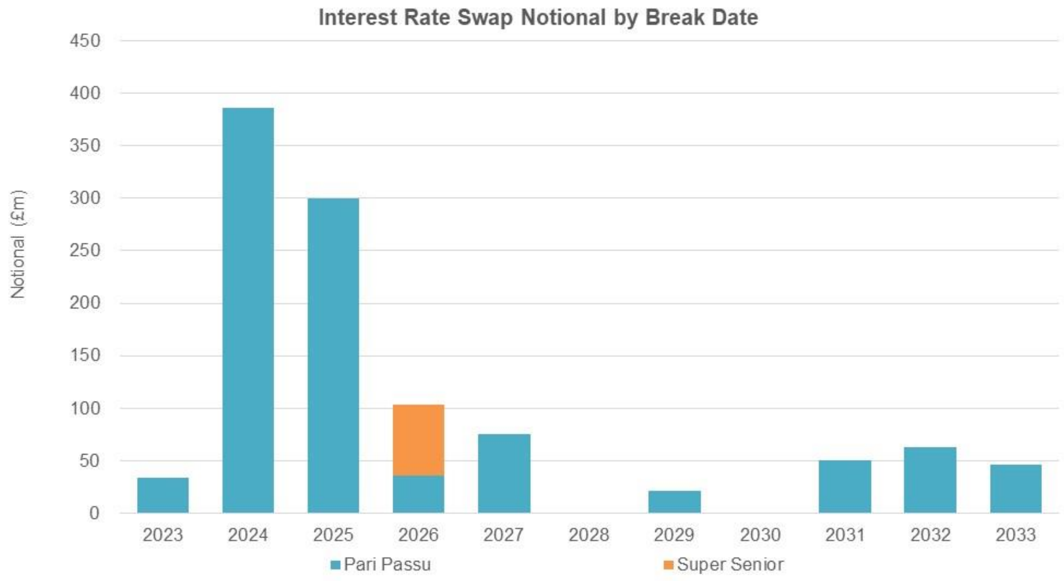
As at 31 December 2022, the ABPAH Group has cash and cash equivalents of £39.2m in addition to £280m of committed and available undrawn revolving credit facilities.

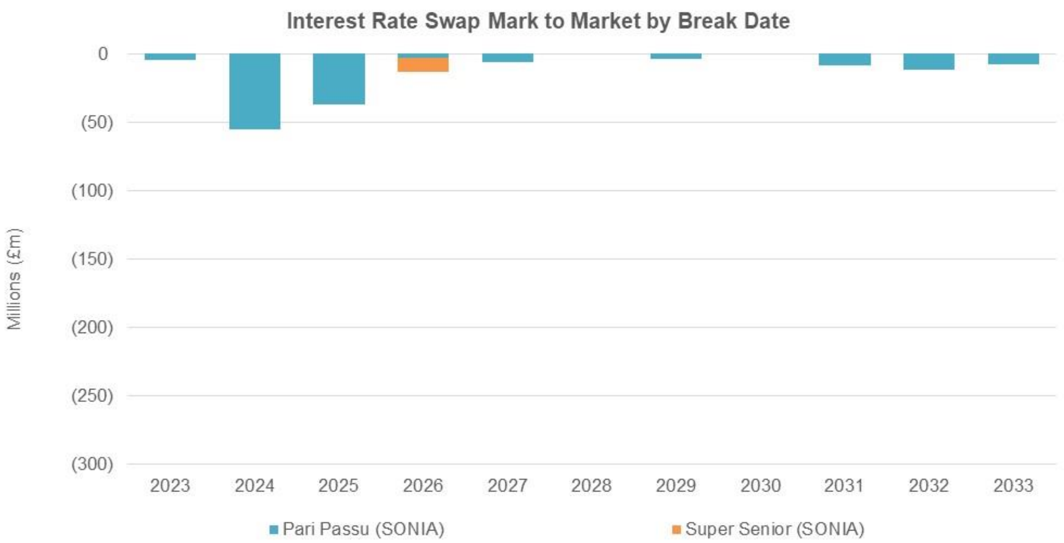
As at 31 December 2022, the ABPAH group's Relevant Debt hedging ratio was 96.4%. The hedging position continues to be compliant with the Hedging Policy of maintaining between 75% and 110% of senior debt which is fixed rate or effectively bears a fixed rate through hedging transactions for a period of at least seven years.

Interest Rate Swap Mark to Market and Mandatory Breaks

ABP continues to actively manage the interest rate swap portfolio with mandatory breaks with a focus on removing mandatory breaks entirely on some transactions, reducing the mark to market exposure that needs to be restructured at each break date.

As at 31 December 2022, mandatory breaks have been removed from £905.8 million of interest rate swap notional representing a mark to market of £144 million, 49.4% of the total mark to market of the interest rate swap portfolio. The charts that follow set out the mandatory break profile for the remaining interest rate swaps shown by notional amount and mark to market value. The scale on the chart has been left as per the previous Investor Report to show the significant decrease in the mark to market following the increase in long-term swap rates.





4. Restricted Payments

Since the date of the last Investor Report, a £165m Restricted Payment was made in cash from the ring-fenced group in 2022. £110m was paid on as distributions to the Group's ultimate shareholders, the first since 2018. £55m was retained in ABP MidCo UK Limited to fund the acquisition of Solent Gateway Limited.

5. Covenant Ratios and Compliance

At 31 December	2022 £m	2023* £m	2024* £m	2025* £m
Adjusted Consolidated EBITDA	344.2	344.2	362.2	384.3
Net Interest Payable	(143.9)	(152.0)	(158.4)	(161.7)
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	2.39x	2.26x	2.29x	2.38x
Consolidated Net Borrowings	2,282.1	2,441.6	2,605.9	2,782.1
Consolidated EBITDA	349.5	367.9	388.2	412.2
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	6.53x	6.64x	6.71x	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.

Ratio of Consolidated Net Borrowings to Consolidated EBITDA pre exceptional costs	6.50x	6.58x	6.66x	6.70x

We confirm that in respect of this investor report dated 31 December 2022, 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