ABP
ASSOCIATED BRITISH PORTS

ABPA Holdings Limited

Investor Report – 30 June 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 six months ending 30 June 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. Group Highlights

Six months ended 30 June (unaudited)	2022 H1 £m	2021 H1* £m	Change from 2021
Revenue	**328.6**	290.2	+13.2%
Operating costs[1]	**(201.0)**	(181.0)	-11.0%
Other Income	**1.7**	0.4	+325.0%
Underlying operating profit[2]	**129.3**	109.6	+18.0%
Loss after finance costs[3]	**(96.0)**	(101.5)	+5.4%
Consolidated EBITDA[4]	**180.4**	157.2	+14.8%
Consolidated EBITDA[4] margin	**54.9%**	54.2%	+0.7pp
Cash generated by operations	**145.7**	143.8	+1.3%
Bulk cargo tonnage (mt)[5]	**26.5**	27.2	-2.6%
Unitised cargo (000s)[5]	**1,503.3**	1,601.6	-6.1%
Passenger volumes (000s)	**923.5**	30.9	+2,888.7%
Consolidated Net Borrowings[6]	**2,157.9**	2,100.3	-2.7%

[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] Loss after finance costs is defined as profit before tax before net unrealised gain/loss on derivatives at fair value through profit and loss and foreign exchange gain/loss

[4] 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 2.3.5).

[5] Excluding volumes where the group generates conservancy income only.

[6] 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 2.3.7).

*Comparatives have been restated to conform to current presentation.

Historic Covenanted Financial Ratios

At 30 June (unaudited)	2022	2021
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	**2.33x**	2.09x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	**6.48x**	6.54x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA pre exceptional costs[1]	**6.46x**	6.45x

[1] Not a covenanted ratio

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

2. Business Update

2.1. 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, certain volumes and activities across the ports also increased. However as a consequence of post pandemic supply chain restrictions and the invasion of Ukraine by Russia the global economy has seen significant inflationary pressures which has dampened economic expectations for 2022. Energy prices in particular are seeing increasingly steep rises that, in the absense of state action, will place significant cost pressures on ABP, its customers and suppliers into the fourth quarter of 2022 and into 2023.

The inflation indicators (CPI and RPI) have seen an exceptionally steep increase in the first half of 2022 to levels not experienced since 1982, with rates expected to increase further and remain high into 2023. Inflation has a double impact on ABP's performance: on the cost base, where increased inflation will put pressure on costs (both internal and from external providers); and on revenues, where a significant proportion of the contracts with our customers are linked to CPI and RPI. ABP's favourable financial performance to date reflects the challenging environment, disciplined cost management and resilience due to the group's diverse portfolio.

The EU-UK Trade and Cooperation Agreement came into effect on 1 January 2021. The new rules to control imports from the EU were due to commence on 1 July 2022, but have been deferred by the government until the end of 2023. ABP continues to engage with stakeholders to seek clarity on the requirements.

Following the territorial invasion of Ukraine by Russian armed forces, most governments, including that of the UK, have imposed economic sanctions on Russia. The group is continuously monitoring its exposure to suppliers and customers impacted by the current sanctions and the impact any such contracts would have on the financial results and headroom against its loan covenants. Based on initial findings of suppliers and customers impacted by the current restrictions in place and the information presently available, the group does not expect the impact of the sanctions to cause it to default on its covenants or to otherwise threaten the viability of the group.

2.2. Business Developments

Significant investment in our ports' infrastructure, equipment and people demonstrates our confidence in the industry to grow, as well as ensuring that our ports are future-proofed to provide the most reliable and efficient customer service and achieve our mission of 'Keeping Britain Trading'.

Our ports are primed and ready to support the UK in its transition to alternative and low carbon energy production. Our investments in innovation and sustainability measures are central to our strategy.

Following the success of Green Port Hull, and successful launch of Lowestoft Eastern Energy Facility (LEEF) in November 2021, the group launched its plans for South Wales in its "Future Ports: Wales Vision", with Floating Offshore Wind (FLOW) at its core. The group will play an important role in the coming transformation of logistics, energy generation and manufacturing towards a low carbon economy.

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 Project Mayflower, a study looking at the application 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. 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, which has brought together international energy companies, heavy industry, leading infrastructure and logistics operators, engineering firms and academic institutions, with a vision to establish the world's first Net Zero industrial cluster. 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.

2.3. Performance of the Business

The table below summarises the consolidated results for the six month period ended 30 June 2022.

Income statement (six months ended 30 June)	**2022 H1 £m**	2021 H1 £m	**Change from 2021**
Revenue	**328.6**	290.2	+13.2%
Operating costs	**(201.0)**	(181.0)	-11.0%
Other income	**1.7**	0.4	+325.0%
Underlying operating profit	**129.3**	109.6	+18.0%
Depreciation and amortisation of fair value uplift of assets acquired in a business combination	**(5.2)**	(6.1)	+14.8%
Net unrealised gain/(loss) on fuel derivatives	**3.2**	1.9	+68.4%
Exceptional costs	**(0.1)**	(1.9)	+94.7%
Group operating profit	**127.2**	103.5	+22.9%
Finance costs	**(231.8)**	(214.7)	-8.0%
Finance income	**8.6**	9.7	-11.3%
Loss after finance costs	**(96.0)**	(101.5)	+5.4%
Net unrealised gain on derivatives at fair value through profit and loss	**397.3**	70.3	+465.1%
Foreign exchange (loss)/gain	**(38.5)**	12.1	-418.2%
Profit/(loss) before taxation	**262.8**	(19.1)	+1,475.9%
Taxation (charge)/credit	**(71.4)**	(42.1)	-69.6%
Profit/(loss) for the period	**191.4**	(61.2)	+412.7%

2.3.1. Volumes and Revenues

Bulk volumes handled by the group's ports decreased by 2.6% to 26.5m tonnes (2020: 27.2m tonnes), unitised volumes decreased by 6.1% to 1,503.3k units (2021: 1,601.6k units) and passenger numbers increased by 2,888.7% to 923.5k (2021: 30.9k). The reduction in volumes is due to the slow down in trading conditions in 2022 as a consequence of post pandemic supply chain restrictions and the invasion of Ukraine by Russia, with the notable exception of passenger cruise services which have begun to recover from the impact of COVID-19.

Group revenue increased by 13.2% to £328.6m (2020: £290.2m) primarily as a consequence of the recovery of cruise passenger revenues, strong revenue for energy supply industry coal, metal, biomass and pilotage and conservancy revenue.

2.3.2. Operating Costs

Operating costs increased by 11.0% to £201.0m (2021: £181.0m). Operational expenditure increases were driven mainly by higher labour, equipment and overhead costs resulting from increased port activities and higher market price for energy.

2.3.3. Other Income

Other income increased by 325.0% to £1.7m (2021: £0.4m) as a result of an increase in capital grants received in the prior year.

2.3.4. 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 £5.2m in 2022 (2021: £6.1m).

- **Net unrealised gain/(loss) on fuel derivatives** where the group has entered into fuel derivatives to hedge the cost of its 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 £3.2m (2021: gain of £1.9m).

- **Exceptional costs** of £0.1m (2021: £1.9m) within operating profit resulting from the costs of one-off strategic projects.

- **Finance costs and income** has increased by £18.2m to £223.2m (2021: £205.0m).

  Finance costs have increased by £17.1m to £231.8m (2021: £214.7m) including interest costs of £150.7m (2021: £132.5m) on amounts due to parent undertaking, £45.5m (2021: £43.4m) in relation to the group's external senior secured debt, and other interest costs of £34.4m (2021: £37.7m)

  Finance income has decreased by £1.1m to £8.6m (2021: £9.7m) including income of £8.0m (2021: £9.5m) on derivatives.

- **Net unrealised gains and loses** have recorded a gain of £358.8m (2021: gain of £82.4m). The increase has mostly been driven by a decrease in the mark to market liability of the group's derivative portfolio which includes cross currency and interest rate swaps, resulting in a net gain of £397.3m (2021: net gain of £70.3m), partly offset by an unrealised foreign currency exchange loss on the fair value of loans of £38.5m (2021: gain of £12.1m).

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:

Six months ended 30 June	2022 H1 £m	2021 H1 £m
Finance costs	**231.8**	214.7
Finance income	**(8.6)**	(9.7)
Net unrealised gain on derivatives at fair value through profit and loss	**(397.3)**	(70.3)
Foreign exchange loss/(gain)	**38.5**	(12.1)
Net finance (income)/costs	**(135.6)**	122.6
Adjusted for:		
Amortised costs	**(1.5)**	(1.0)
Net interest payable on loans from parent undertaking	**(150.7)**	(132.5)
Net unrealised gain / (loss) on derivatives at fair value through profit and loss	**397.3**	70.3
Non-cash finance costs in relation to pension scheme assets and liabilities	**0.2**	(0.3)
Non-cash finance costs in relation to discounted assets and liabilities	**-**	(0.1)
Net foreign exchange gain / (loss)	**(38.5)**	12.1
Net Interest Payable	**71.2**	71.1

- **Taxation,** the overall net tax charge for the six months ended 30 June 2022 amounted to £71.4m (2021: charge of £42.1m). This reflected a deferred tax charge of £68.2m (2021: charge of £40.4m) and a current tax charge of £3.2m (2021: charge of £1.7m). The increase in the deferred tax charge from 2021 is mainly due to the change in the fair value of derivatives and the impact of a change in the rate expected on the realisation of the deferred tax.

2.3.5. Reconciliation between Operating Profit and Consolidated EBITDA

Six months ended 30 June	2022 H1 £m	2021 H1 £m
Operating Profit	**127.2**	103.5
Amortisation	**8.0**	8.6
Depreciation	**46.1**	45.2
Net unrealised foreign exchange (gain)	**0.1**	-
Net unrealised (gain) on fuel derivatives	**(3.2)**	(1.9)
Loss / (profit) on write off of intangibles and disposal of property, plant and equipment and investment property	**2.2**	1.8
Consolidated EBITDA	**180.4**	157.2
Exceptional items	**0.1**	1.9
Consolidated EBITDA pre exceptional costs	**180.5**	159.1

2.3.6. Completed and Ongoing Major Investments

The group continues to make new investments which have the potential to contribute significant growth during the coming years. Further information on recent major investments are set out below.

Immingham Green Hydrogen 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 would be used to produce green hydrogen, which would decarbonise hard-to-abate sectors such as transport and industry.

ABP will invest in the infrastructure with 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 significant role in the UK's energy transition.

Immingham connection to Europoort

Our ambition to grow the Ro-Ro segment on the Humber is a key part of our Strategy. In 2021, C.Ro Ports served notice to Stena Line Holding BV ("STENA") to terminate the Europoort connection service from their Humber based port of Killingholme by the end of 2021. ABP and STENA quickly established an interim commercial agreement for ABP to handle the Europoort service at Immingham starting in January 2022. STENA's remaining contract with C.Ro Ports to service the Hook of Holland service terminates in May 2025. The Hook of Holland vessels are too large to handle in-dock which necessitates the development of a new terminal and river berths. The £100m agreement will see STENA operate the new terminal at Immingham for the next 50 years. The scheme requires a full Development Consent Order (DCO), the process for which has commenced.

Hull sheds

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 work has been substantially completed in the first half of 2022.

Immingham Renewable Fuels Terminal

A new facility with additional storage was built for Drax, costing £21m, to develop blending and storage capacity, allowing Drax to utilise alternative viable fuels that can be blended with wood pellets. The investment involved conversion of an existing shed from agribulks to biomass, expansion of the lorry load-in facility and adding additional operational equipment, as well as replacement warehousing to maintain current and forecast volume growth. The facility was fully operational in December 2021.

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 uses, and uses daylight harvesting for maximum efficiency and minimum emissions. A UK first for shore power was marked in April 2022, when the group announced that the country's first shore power facility for cruise ships was live at the port. In great news for cruise and government-backed maritime decarbonisation goals, cruise ships are now able to plug in at Horizon Cruise Terminal and Mayflower Cruise Terminal for zero emissions at berth. The group's investment in this facility means that new vessels like AIDAcosma and Celebrity Beyond, as well as iconic ships like Queen Mary 2, have a UK shore power base for their connectivity needs. Southampton's shore power puts the group in the vanguard for the cruise sector in the UK, which it hopes will encourage other ports to invest and help make the sector more sustainable.

Port-centric Manufacturing

In late 2021, the group brought its port-centric manufacturing offer to the market. Representing a 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 the prime locations and meet the increased demands from online retailing, whilst continuing to reduce carbon emissions. The first of these sites, the Humber International Enterprise Park (HIEP) was launched in January 2022.

Sustainable Investment

As the UK Government raises its ambitions for renewable energy generation, the group has sought to ensure that its 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.

One of the key opportunities both enterprises will be looking to capitalise on is the Zero Carbon agenda. There are some hugely exciting prospects for the Humber area at present.

As the region producing the largest amount of the UK's carbon, the Humber has a unique opportunity to support the de-carbonisation of our 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, which is 10 years earlier than the Government's published goal. 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.

Within the Port of Immingham, we are exploring possibilities to create new terminals to import Liquified Natural Gas (LNG) and ammonia, both for turning into green hydrogen, and a new terminal to import captured carbon. 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.

Early in 2022 the Marine Management Organisation awarded consent for the group's £25m development of its Lowestoft Eastern Energy Facility (LEEF). This will enable the Port of Lowestoft to support the future needs of the growing offshore energy industry. The group welcomed the consent granted for East Anglia One North and East Anglian Two Offshore Wind Farms, as well as Norfolk Boreas and Vanguard.

In October 2021, the group published its strategy "Future ports: Wales vision". It is a firm commitment that by 2030, the group'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 the optimum location and ABP has partnered with RWE, Wales's biggest power producer, to investigate the scaling-up of its port facilities.

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 certain 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), the details of which will not be announced until later this year, at earliest.

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 has already been built by our customer DP World Southampton. Discussions are underway with HM 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.

2.3.7. Consolidated Net Borrowings

Consolidated Net Borrowings as defined for covenant purposes increased by £57.6m to £2,157.9m (December 2021: £2,100.3m)

Consolidated Net Borrowings	**Due date**	**30 June 2022 £m**	**31 December 2021 £m**
Term and revolving facilities	2022 – 2029	**219.0**	209.0
Private placements – GBP floating rate	2024 – 2033	**460.0**	460.0
Private placements – GBP fixed rate	2023 – 2035	**365.0**	365.0
Private placements – USD & JPY fixed rate	2022 – 2032	**349.5**	349.4
Public loans – GBP floating rate	2022 – 2033	**134.9**	134.9
Public loans – GBP & EUR fixed rate	2023 – 2042	**668.6**	668.6
Finance leases		**7.5**	8.4
Net cash (including restricted cash)		**(59.0)**	(105.9)
Net Borrowings		**2,145.5**	2,089.4
Restricted cash		**11.0**	9.5
Letters of credit		**1.4**	1.4
Consolidated Net Borrowings		**2,157.9**	2,100.3

2.4. Significant Announcements/Publications

Details of the group's ultimate controlling parties can be found in note 30 of the 2021 Annual Report and Accounts of ABPA Holdings Limited as updated in note 13 of the 2022 Interim Report.

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 significant announcements or publications by or relating to the ABPAH Group.

2.5. Significant Board/Management Changes

The following Board changes took place during the year and up to 22 September 2022:

(i) Associated British Ports Holdings Limited:

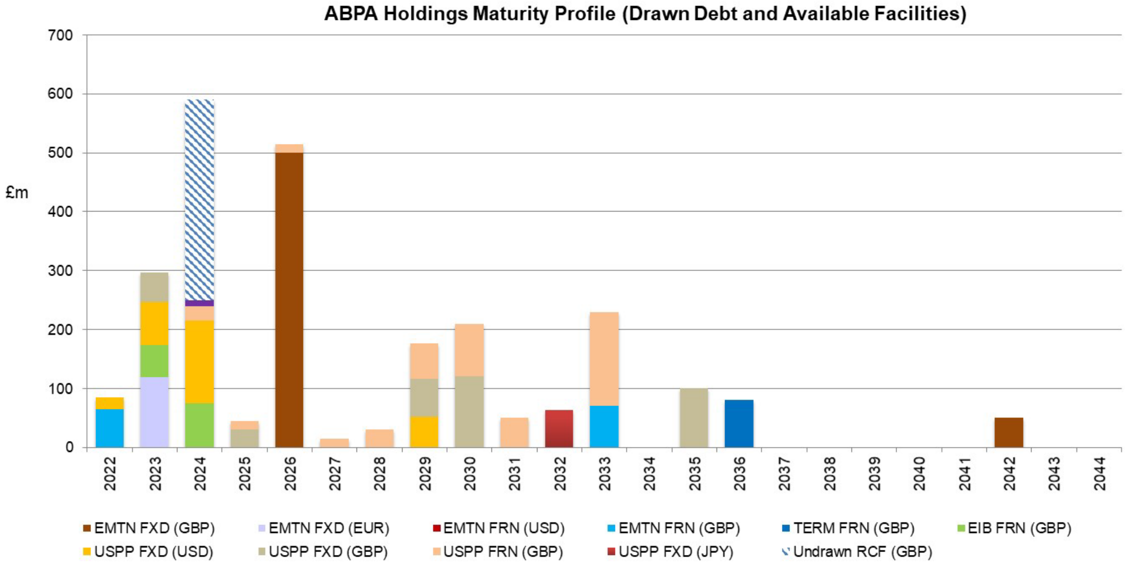
Burganov K	(appointed 15 March 2022)	
Castelein AS	(appointed 23 June 2022)	
Newell, HM	(resigned 15 March 2022)	
Pugh, SN	(resigned 23 June 2022)	
Burganov K	(alternate to HM Newell)	(appointment as alternate to HM Newell ceased on resignation of HM Newell on 15 March 2022)
Butcher, PG	(alternate to 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 as alternate to RN Barr, EPM Machiels and P Maheshwari on 15 March 2022, resigned 22 September 2022)
Onarheim, H	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(appointed as alternate to RN Barr, EPM Machiels and P Maheshwari on 22 September 2022)
Pugh, SN	(alternate to AS Castelein)	(appointed 23 June 2022)
Williams, C	(alternate to PG Butcher)	(appointed 22 September 2022)

(ii) ABPA Holdings Limited:

Burganov, K	(appointed 15 March 2022)	
Castelein, AS	(appointed 23 June 2022)	
Newell, HM	(resigned 15 March 2022)	
Pugh, SN	(resigned 23 June 2022)	
Burganov K	(alternate to HM Newell)	(appointment as alternate to HM Newell ceased on resignation of HM Newell on 15 March 2022)
Butcher, PG	(alternate to SN Pugh)	(appointed 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 as alternate to RN Barr, EPM Machiels and P Maheshwari on 15 March 2022, resigned 22 September 2022)
Onarheim, H	(alternate to RN Barr, EPM Machiels and P Maheshwari)	(appointed as alternate to RN Barr, EPM Machiels and P Maheshwari on 22 September 2022)
Pugh, SN	(alternate to AS Castelein)	(appointed 23 June 2022)
Williams, C	(alternate to PG Butcher)	(appointed 22 September 2022)

3. Financing and Hedging Position

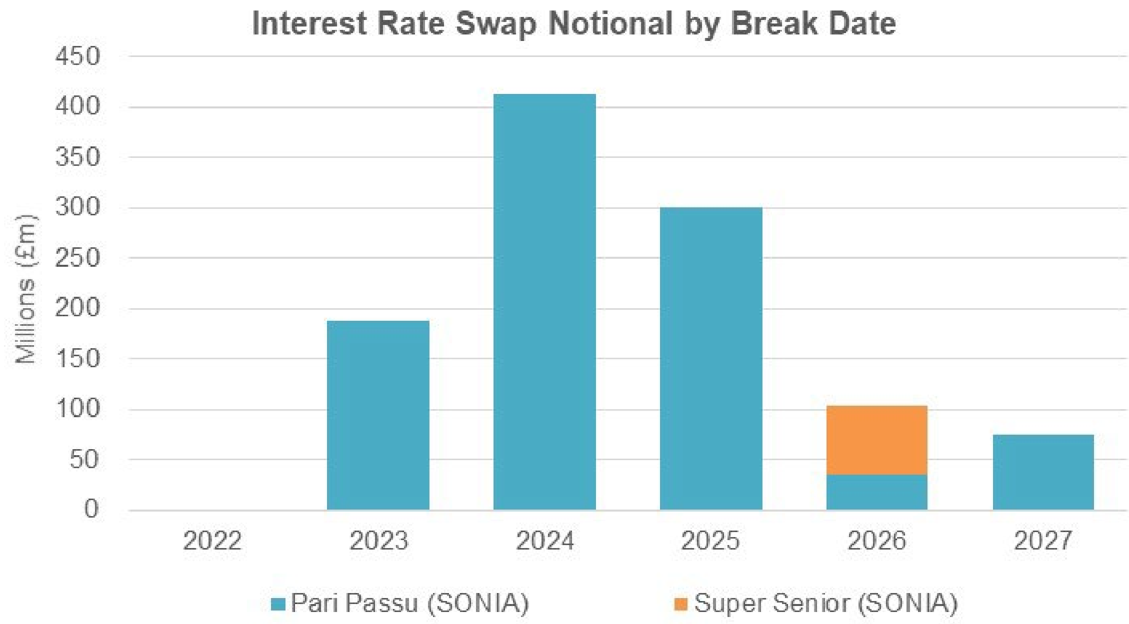
The chart below shows the profile of the ABPAH Group's externally sourced facilities (excluding the debt service Liquidity Facilities but including the Group's undrawn revolving loan facilities). This is the position as at 30 June 2022. In August 2022, the option to extend the £300m syndicated revolving credit facility was exercised and extended to 2025.

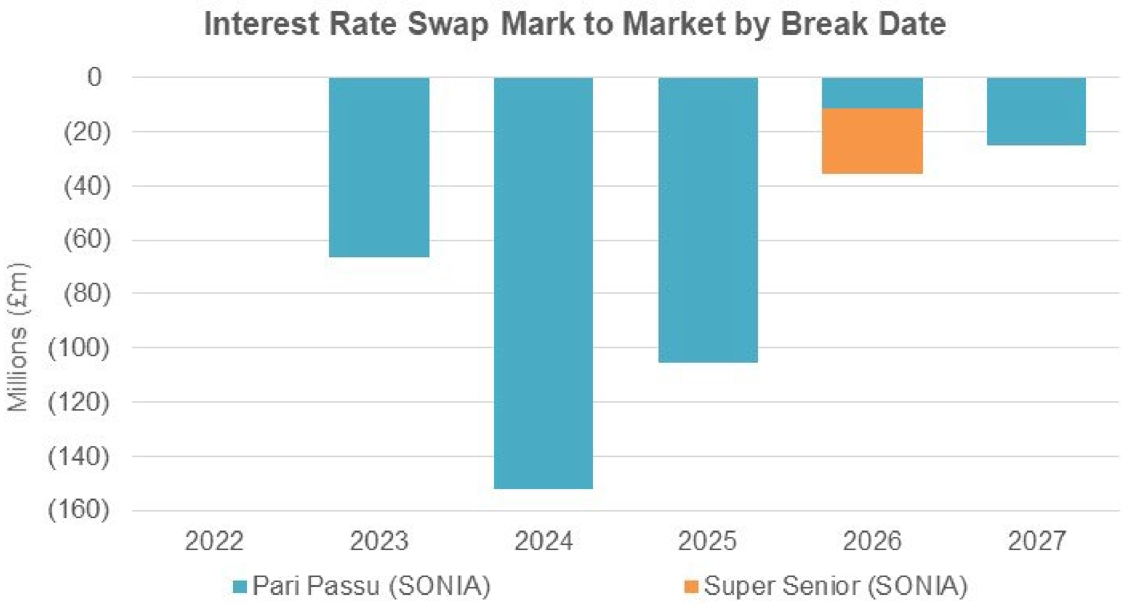


As at the 30 June 2022, the ABPAH Group has cash and cash equivalents of £59.0m in addition to £340m of committed and available undrawn revolving credit facilities.

As at 30 June 2022, the ABPAH group's Relevant Debt hedging ratio was 101.5%, which includes a net position of £1.31bn of floating to fixed interest rate swaps hedging £1.28bn of floating rate debt exposure. The hedging position continues to be compliant with the Hedging Policy of maintaining between 75% and 110% of senior debt which effectively bears a fixed rate for a minimum of at least seven years.

The following charts show the profile of the interest rate swaps that contain mandatory breaks; split by both notional amount and clean mark to market as at 30 June 2022. There has been a significant decrease in the mark to market liability of the interest rate swap portfolio as long-term interest rates have increased. The total clean mark to market liability of the swap portfolio with mandatory breaks as at 30 June 2022 was £384.2 million.





In addition, the ABPAH Group has continued the strategy to reduce the number of interest rate swaps that contain mandatory breaks in the portfolio. These interest rate swaps no longer appear on the charts above as a result. As at 30 June 2022 the notional value of interest rate swaps with no mandatory breaks was £905.8m with a clean mark to market liability of £226.2 million.

4. Restricted Payments

Since the date of the last Investor Report, a £62.8m Restricted Payment was made in cash from the ring-fenced group to the immediate parent, ABP MidCo UK Limited. This was used to repay in full the MidCo loan that had provided additional capacity to enable ABP to continue to invest in new growth projects during the Covid pandemic.

This Restricted Payment did not result in any distributions (e.g. loan interest, principal or dividends) or any other payment in cash or in kind to the ABP Group's ultimate shareholders.

5. Permitted Disposals

On 3 July 2022, ABP granted to Maritime Group Limited a 30-year full repairing and insuring lease of the Hams Hall Rail Freight Terminal. ABP retains the freehold interest in Hams Hall Rail Freight Terminal. The granting of the lease is considered a Permitted Disposal under the Master Definitions Agreement and the Common Terms Agreement.

On 9 August 2022, ABP sold a freehold property known as the Food Processing Park, Dock Avenue, Port of Fleetwood to Wyre Borough Council. This constituted a Permitted Disposal under the Master Definitions Agreement and the Common Terms Agreement.

6. Covenant Ratios and Compliance

At 30 June	2022 £m	2023* £m	2024* £m	2025* £m
Adjusted Consolidated EBITDA	333.4	334.6	346.7	364.0
Net Interest Payable	(143.3)	(146.2)	(147.1)	(146.4)
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	2.33x	2.29x	2.36x	2.49x
Consolidated Net Borrowings	2,157.9	2,360.4	2,509.1	2,657.2
Consolidated EBITDA	333.2	349.7	371.7	393.7
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	6.48x	6.75x	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.

N.B. Ratio of Consolidated Net Borrowings to Consolidated EBITDA pre exceptional costs	6.46x	6.69x	6.70x	6.70x

We confirm that in respect of this investor report dated 30 June 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
Chief Financial Officer
For and on behalf of
ABPH as New Holdco Group Agent