

Manchester Airport Group Funding PLC

(incorporated with limited liability in England and Wales with registered number 08826541)

Legal Entity Identifier (LEI): 2138006NA5VAMMBK3892

£5,000,000,000 Multicurrency programme for the issuance of Bonds

This supplement (the “**Supplement**”) to the prospectus dated 11 September 2023 (the “**Prospectus**”) (which comprises a base prospectus) constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) (the “**UK Prospectus Regulation**”) and is prepared in connection with the £5,000,000,000 Multicurrency Programme for the issuance of bonds (the “**Programme**”) established by Manchester Airport Group Funding PLC (the “**Issuer**”). This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus subsequently issued by the Issuer.

The purpose of this Supplement is to:

- (I) incorporate by reference into the Prospectus the unaudited consolidated interim report of Manchester Airport Group Investments Limited for the 6 months ended 30 September 2023;
- (II) provide an update in relation to HS2 and Manchester Airport; and
- (III) provide an update in relation to the Manchester Airport Transformation Programme and the Stansted Transformation Programme,

each as described further below. Unless otherwise defined in this Supplement, terms defined in the Prospectus have the same meaning when used in this Supplement.

The Issuer and the Obligors accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Obligors, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. Financial Statements

The unaudited consolidated interim report of Manchester Airport Group Investments Limited for the 6 months ended 30 September 2023 (available at: https://www.magairports.com/media/1869/mahl_interim-report_accessible-pdf.pdf) shall, by virtue of this Supplement, be incorporated in, and form part of the Prospectus.

2. HS2

As announced on 4 October 2023, the Government has decided not to continue with the second phase of HS2 beyond Birmingham and, as such, Manchester Airport will not be a stop on the line. MAG is now working with Government and regional stakeholders to develop proposals for Northern Powerhouse Rail that will provide better connectivity across the North of England and ensure the whole of the North of England benefits from good access to the region’s global gateway at Manchester Airport and the economic opportunities this unlocks.

3. MAN Transformation Programme

As set out in more detail in the Prospectus, Phase 2 of MANTP commenced in 2023 and aims to complete the transformation of the MAN campus into a world class operation, with significant further enhancements to current facilities and major improvements to the customer experience. The Prospectus included an estimate of the capital cost of £440m, calculated using 2022 prices.

Rising energy costs and raw material supply chain issues due to international conflict have contributed to double digit inflationary pressures on the construction sector. Construction inflation was further exacerbated by market conditions in the Northwest of England, as post COVID major industries reignited capital investment programmes leading to competitive market conditions with excess demand and constrained supply. Capital costs are now estimated to total £560 million (in 2024 prices). As at April 2024, MAG had awarded contracts for 95 per cent. (£529 million) of the total programme budget and 39 per cent. (£209 million) of that total programme budget was spent. (Source: *MAG Business Information*)

MANTP Phase 2 is expected to be brought into use in 2025.

4. Stansted Transformation Programme

MAG commenced the Stansted Transformation Programme in 2023. This will be conducted in two main phases, as set out in more detail in the Prospectus.

The planned replacement of the track transit system with sky links will be brought forward and delivered in 2025 (from the original assumption of 2026) to improve operational resilience and de-risk the remainder of the modular programme. Capital costs for STP Phase 1 are expected to cost a between £500 to £600 million (2024 prices) and is expected to be completed and brought into use in Summer 2028.

5. Airspace Modernisation

Changes to airspace are regulated by the CAA, under the CAP1616 process. This requires the submission of a 'Statement of Need', followed by an iterative design process, which is informed by stakeholder engagement and consultation. At each stage of the design process a gateway approval from the CAA is required before a change project can proceed to the next stage. All of MAG's airports have passed the Stage 2 Gateway of the CAP1616 process. Stage 3 requires the preparation and evaluation of a comprehensive list of flight paths options. These options are then subject to detailed evaluation and public consultation.

MAG expects to introduce revised flight path arrangements at Manchester Airport and East Midlands Airports in 2028. Changes at Stansted Airport will be introduced as part of a coordinated plan with other airports in the London area, with implementation planned for the early 2030s.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail. Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

An investor should be aware of its rights arising pursuant to Article 23 of the UK Prospectus Regulation.

This Supplement has been approved by the FCA, which is the United Kingdom competent authority for the purposes the UK Prospectus Regulation and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the UK Prospectus Regulation and relevant implementing measures in the United Kingdom.

If documents which are incorporated by reference to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference or where this Supplement is specifically defined as including such information.