MAG

2026
Annual Report and Accounts



Manchester Airports Holdings Limited
Company number:
08353309

Introduction

MAG is an international travel services and infrastructure company. It runs Manchester, London Stansted and East Midlands Airports and global travel services business CAVU.

Our Purpose

At MAG, our role is to connect our customers to the world with great airport experiences and innovative travel services.

Our Vision

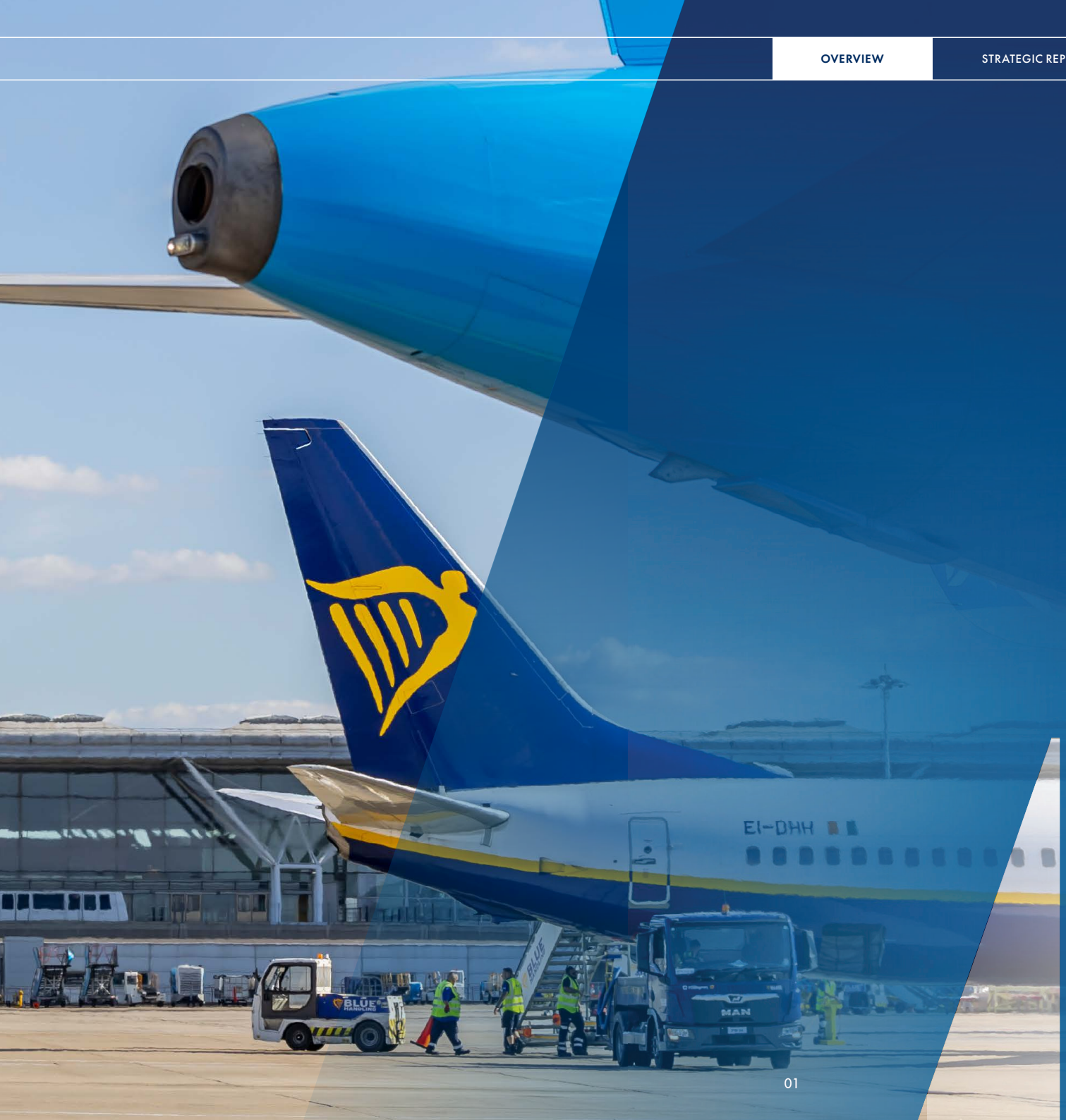
To be a world leader in the provision of airport facilities and travel services, delivering value for all stakeholders.

Our Mission

We are on a mission to make our airports and travel services the number one choice for travellers and airlines.



The term 'MAG' (Manchester Airports Group) refers to the consolidated group of entities controlled by Manchester Airports Holdings Limited (MAHL).



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COMPANY FINANCIAL STATEMENTS

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A year in review



April 2025

CAVU opened a new Escape Lounge in Brisbane Airport – its first in Australia



April 2025

East Midlands Airport celebrated its 60th anniversary



May 2025

East Midlands unveiled its CargoMAX vision – it supports up to £3.4bn additional GVA and 21,000 new jobs by 2043



June 2025

East Midlands Airport began using biodiesel in its operational vehicles



October 2025

East Midlands Airport received the award for Best Accessible Travel Initiative in the Every Body Awards as it welcomed its 100,000th PRM customer



October 2025

Manchester Airport's interactive Aerozone celebrated its fifth anniversary



October 2025

Pier 2 opened at Manchester Airport as part of MAN-TP



November 2025

Hong Kong Air Cargo became the seventh cargo airline to choose East Midlands in FY26



July 2025

London Stansted opened its new domestic arrivals building



July 2025

Manchester Airport becomes the UK's only airport outside London with direct flights to Bangkok



July 2025

The new section of Manchester Airport's Terminal 2 departure lounge opened as part of its £1.5bn MAN-TP transformation



December 2025

London Stansted Airport secured planning approval to increase its passenger cap to 51m per annum



February 2026

The Government of the Bahamas appointed MAG to manage and operate the redevelopment of Grand Bahama International Airport



March 2026

London Stansted announced Turkish Airlines' new service to Istanbul



March 2026

Careers Festivals took place across all three MAG airports welcoming more than 1,500 young people

2026 performance highlights

Year in review



OPERATIONAL HIGHLIGHTS

PASSENGER NUMBERS

66.3m +1.9%

FEMALE REPRESENTATION AT LEADERSHIP LEVEL

38.7% +3.6%

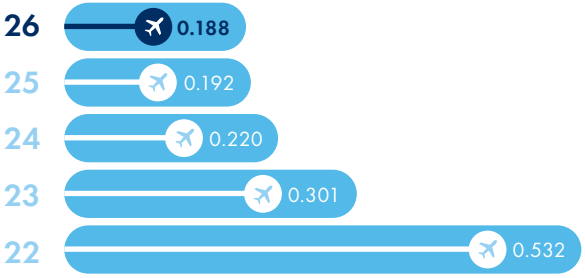


HEALTH AND SAFETY **RIDDOR** – REPORTABLE ACCIDENTS

14 -41.7%

CARBON REDUCTION – CO_2 EMISSIONS[1,2]

0.188 -2.1%



1 'SECR' Scope 1, 2 and 3 greenhouse gas emissions (market-based) per traffic unit (tonnes CO_2e).

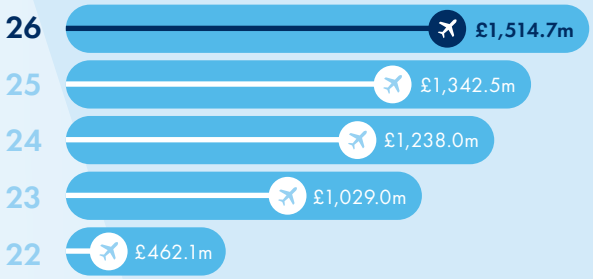
2 The scope of this metric has expanded to include fugitive emissions from airfield de-icer and refrigerant losses, aligning with MAG's near-term and net zero carbon emissions target. Previous years have been restated in accordance with best practice.

FINANCIAL HIGHLIGHTS

- A 1.9% increase in passenger numbers year-on-year, exceeding 66m for the first time in MAG's history.
- Strong operational performance with more than 99% of passengers across the Group passing through security in 15 minutes or less in FY26.
- Continued development of route networks across the Group, with additional capacity across short-haul services. A number of key new routes launched across the Group, including direct services to Bangkok at Manchester and Istanbul at London Stansted.
- Neared completion of the £1.5bn Manchester Airport Transformation Programme, significantly enhancing the passenger experience through new terminal facilities.
- Planning permission approved for London Stansted to increase its annual passenger limit from 43m to 51m.
- Further significant investment planned across all three MAG airports, totalling c£2.5bn over the next five years.
- A growth in CAVU's global operations, expanding its network to three continents and 10 countries.
- Achieved a 27% reduction in market-based Scope 1 and Scope 2 emissions compared with the FY20 baseline. Figures from the Department for Transport showed that Sustainable Aviation Fuel (SAF) made up 2.4% of UK aviation fuel in 2025, exceeding the Government mandate of 2%.

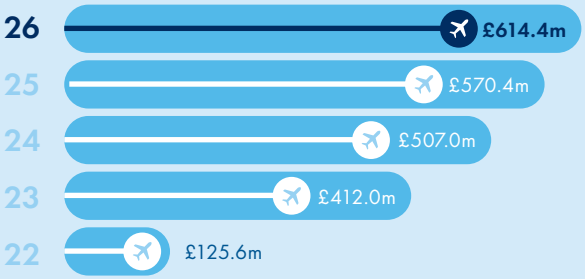
REVENUE

£1,514.7m +12.8%



ADJUSTED EBITDA*

£614.4m +7.7%



* As explained in Other Information to the financial statements on page 171.

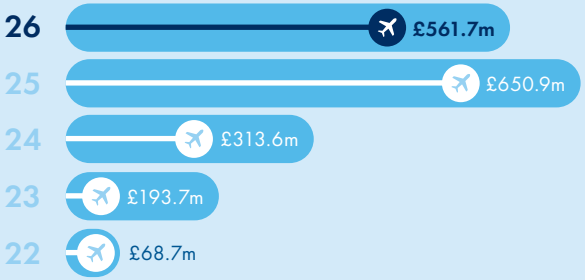
OPERATING PROFIT

£303.9m +15.5%



CAPITAL INVESTMENT

£561.7m -13.7%



At a glance

Who we are

Headquartered in the North of England, MAG is an international travel services and infrastructure company. Our airports serve one in five UK air passengers every year.

Through its unique public-private ownership model, MAG has a positive impact on communities and regions across the UK: creating jobs, enabling trade, tourism and investment and boosting supply chains through large-scale capital programmes. It is the largest private investor in transport infrastructure outside London.

Having amassed more than 80 years of aviation expertise, MAG is exporting its knowledge globally, through travel services business CAVU and by exploring opportunities to operate airports in overseas markets.



£14.0bn

CONTRIBUTION TO THE UK ECONOMY

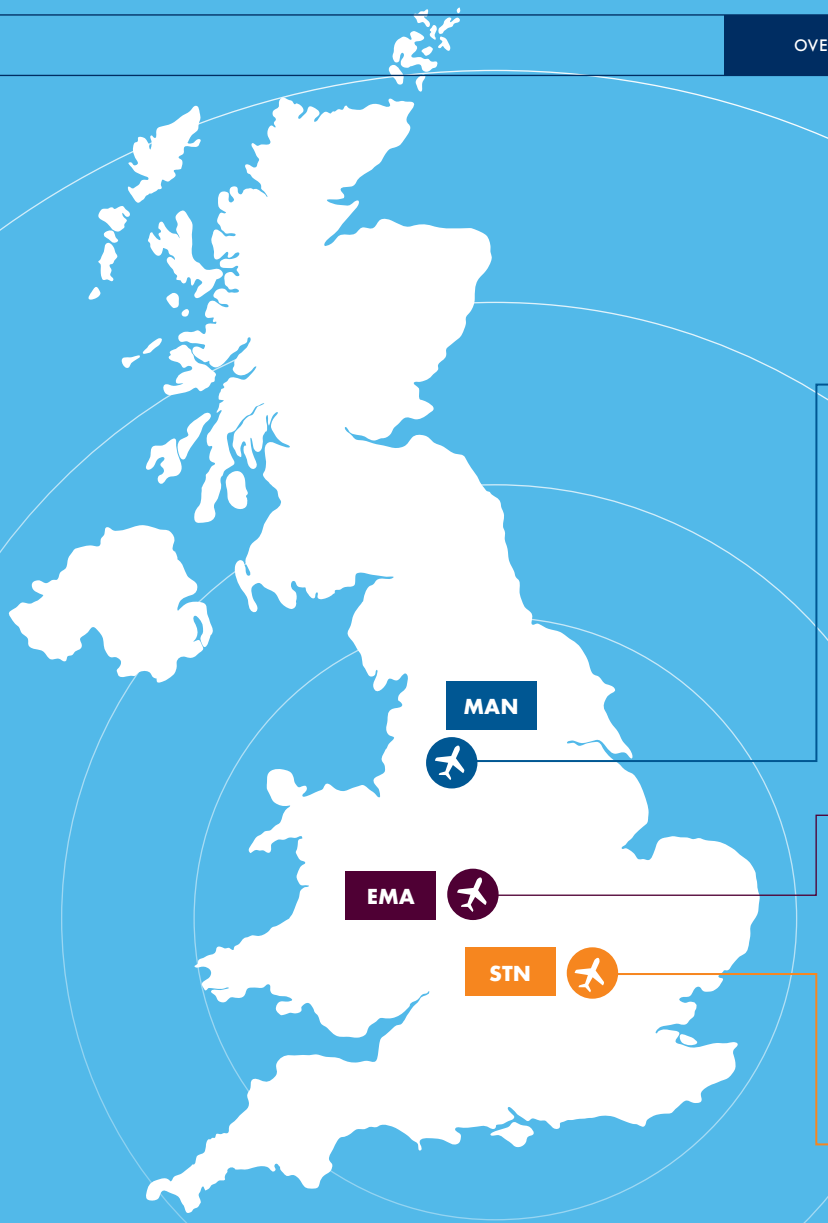
280+

DESTINATIONS SERVED

45k+

JOBS SUPPORTED AT OUR AIRPORTS





Manchester Airport

PASSENGERS
32.3m

DESTINATIONS SERVED
211

CARGO HANDLED
96,759t

GROSS VALUE ADDED
£6.5bn

JOBS SUPPORTED ON SITE
21,000+

Read more on page 28

East Midlands Airport

PASSENGERS
4.0m

DESTINATIONS SERVED
61

CARGO HANDLED
413,664t

GROSS VALUE ADDED
£2.7bn

JOBS SUPPORTED ON SITE
7,000+

Read more on page 36

London Stansted Airport

PASSENGERS
30.0m

DESTINATIONS SERVED
202

CARGO HANDLED
292,716t

GROSS VALUE ADDED
£4.4bn

JOBS SUPPORTED ON SITE
14,900+

Read more on page 32

CAVU

Read more on page 40

LOUNGES
32

COUNTRIES OPERATING IN
58

PRESENCE AT AIRPORTS
399

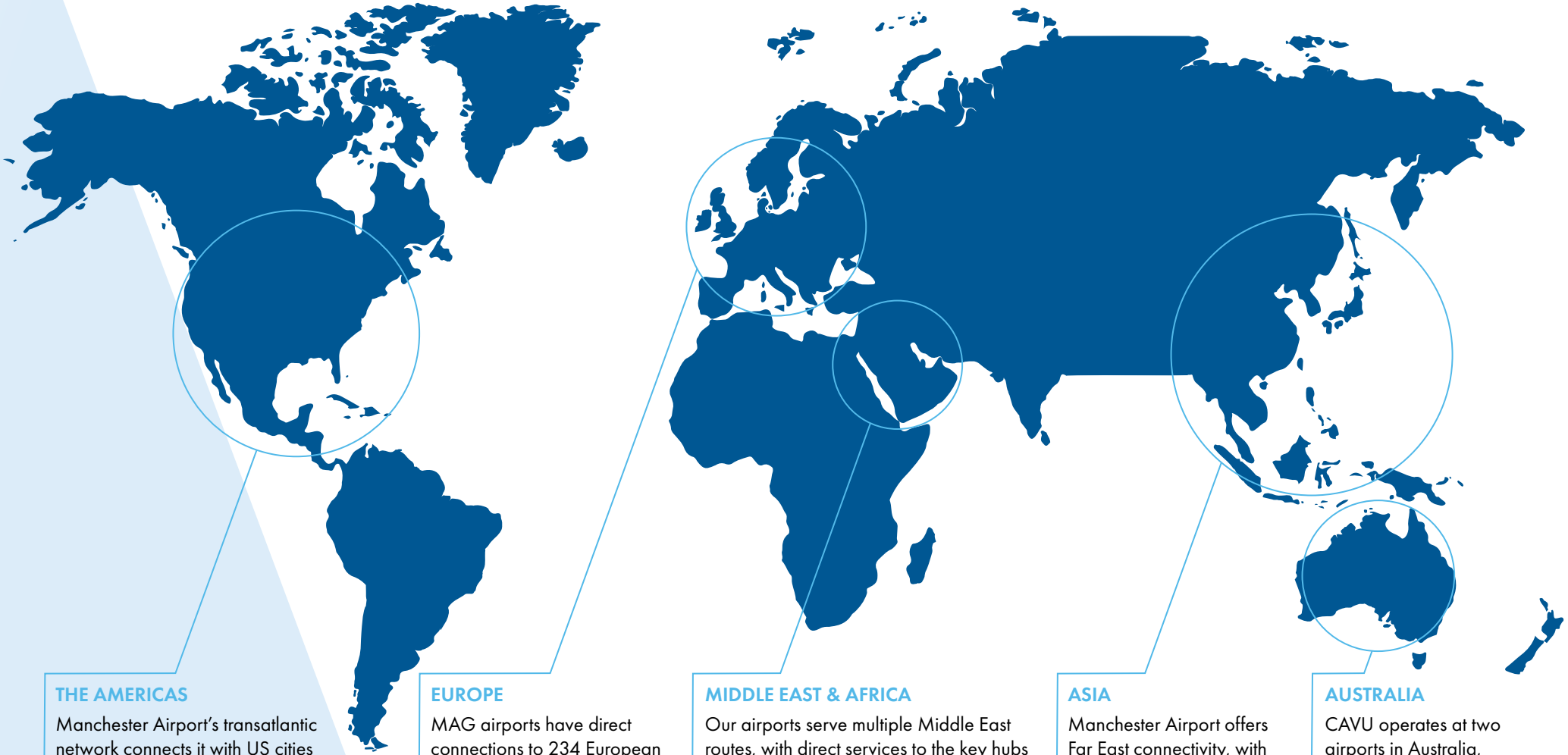
At a glance continued

Where we operate

With a route network spanning four continents, MAG connects passengers and businesses to key destinations across the globe.

Through CAVU, we are developing a global footprint of both physical and digital travel services.





THE AMERICAS

Manchester Airport's transatlantic network connects it with US cities alongside destinations in Canada, the Caribbean and Mexico.

CAVU operates in major international airports and extends across 18 airport markets in the US.

EUROPE

MAG airports have direct connections to 234 European destinations.

London Stansted has the largest network of European destinations of any UK airport.

CAVU operates both in the UK and the Netherlands, following the acquisition of parking comparison site, Parkos.

MIDDLE EAST & AFRICA

Our airports serve multiple Middle East routes, with direct services to the key hubs of Dubai, Abu Dhabi and Qatar, alongside Saudi Arabia, Kuwait and Bahrain.

London Stansted's double daily service to Dubai continues to be popular with passengers.

Popular North African destinations are served from Manchester, as well as a critical route into Addis Ababa, Ethiopia, which provides access to a key central African hub.

ASIA

Manchester Airport offers Far East connectivity, with direct routes to Beijing, Shanghai, Hong Kong, Singapore and Bangkok.

East Midlands and London Stansted Airports serve direct routes to key Asian markets.

AUSTRALIA

CAVU operates at two airports in Australia, offering a range of car parking products to passengers, as well as operating airport lounges in Brisbane and Cairns.

Strategic Report

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Chair's foreword

Investing to unlock the power of connectivity

It is my privilege to introduce you to MAG's FY26 Annual Report and Accounts. Not for the first time, we release our results amid significant international events that directly and indirectly impact our sector.

This time last year, I was reflecting on the ongoing Ukraine conflict, general elections in a number of major economies and growing global trade tensions.

The ongoing conflict between the US and Iran is having wide-ranging impacts on the world economy – and aviation specifically.

Travel to affected regions has been impacted, while uncertainty surrounding jet fuel supply and pricing has been well-publicised.

While supplies have been well-maintained and the industry has navigated the crisis positively to date, there remains some uncertainty among consumers, businesses and international governments.

It is important to acknowledge there is a tragic human toll associated with such conflicts – one that will have impacted many of our colleagues and customers, who will always be our priority.

It is also important to reflect on the underlying resilience of the aviation sector, which has not only recovered from many crises over the years – from the global financial crisis to the Icelandic volcanic ash cloud and Covid-19 – but consistently built back stronger.

That is illustrated by these results, which report record passenger numbers for MAG, with volumes having grown steadily every year since 2020. Both Manchester and Stansted are now welcoming more than 30m travellers a year, with capacity and service provision unlocked through record levels of infrastructure investment from MAG.

The passenger growth we have seen, much like the overall resilience of our sector, reflects the fundamental desire people have to travel and the resulting growth it creates for individuals, businesses, regions and nations.

> **"Investing in our business for growth is part of the MAG DNA. It is what makes our airports powerful engines of economic activity in the regions they serve."**

Charlie Cornish
Chair





But these results also reflect our steadfast focus on meeting that demand with an excellent variety of routes, provided at great value and in facilities that are easy to use and enable people to personalise their experiences to suit their needs. As a business, we will respond to the effects of the global turbulence we began to see at the end of the FY with cost and capital discipline and a renewed focus on product innovation.

Delivering the airport experience our customers expect has been underpinned by sustained investment, most notably the Manchester Airport Transformation Programme, which is nearing completion.

It is only right I pay tribute to everyone who has been involved in that historic, £1.5bn investment, from its inception in 2015 through to final delivery this year. The programme required vision, ambition and a laser focus on detail to be delivered in a way that represented maximum value for all stakeholders.

Investing in our business for growth is part of the MAG DNA. It is what makes our airports powerful engines of economic activity in the regions they serve. Together, they make MAG a nationally significant infrastructure and travel services business, with an economic impact of more than £14bn across the UK.

Our investments not only create jobs and boost supply chains, they unlock the capacity of our runways so that new routes to key global destinations can be secured. New routes enable increased trade, tourism and investment, acting as major contributors to the growth of our regions and the success of strategic growth corridors, such as the Oxford-Cambridge Arc and the Northern Growth Corridor.

Realising this potential requires a stable policy environment, including a more predictable and proportionate approach to business rates, which remain a significant and disproportionate cost for UK airports.

Without reform, this risks constraining the very investment needed to support national growth and connectivity.

Engagement with Government on this issue will therefore remain a key priority in the early part of the new financial year.

I would also like to reflect on the continued growth of MAG internationally, with CAVU trading strongly in a number of international territories. Additionally, we secured MAG's first contract to operate an overseas airport – in Grand Bahama – which is a small but significant step into a new but familiar market for us.

MAG's status as a skills leader within aviation also shines through when reviewing the year. Our Aerozones, Academies and Stansted Airport College do excellent work all year round to inspire the next generation of aviation professionals. Our work in this space was taken to the next level during the year, through a series of high-profile Careers Festivals, delivered in partnership with the Department for Transport and Civil Aviation Authority.

This work will help create a pipeline of talent for MAG – and the industry as a whole – emphasising how our sector is a powerful vehicle of social mobility offering an abundance of opportunity for those who choose to work in it.

That is one of the many reasons our colleagues are drawn to MAG and what fuels their dedication to deliver a great service to the tens of millions of customers we serve every year.

I would like to place on record my thanks to all of them for their hard work, dedication and contribution to delivering this positive performance for MAG.

Charlie Cornish
Chair

Chief Executive Officer's statement

Powering growth in the regions that we serve

> **MAG is an engine of regional growth. The connectivity our airports provide and the investments that we are making generate significant economic value for the UK."**
>
> **Ken O'Toole**
> Chief Executive Officer



Welcome to MAG's FY26 Annual Report and Accounts.

I am pleased to report on a period that saw MAG make significant progress towards all its strategic objectives, as well as further enhancing the role we play in driving growth in the regions we serve.

We delivered a positive financial performance, driven by both passenger and cargo growth across our core airports business enabled by continued investment in our infrastructure. We also grew our travel services business CAVU, both organically and inorganically through the realisation of benefits from prior acquisitions. The launch of a new employee value proposition and Equity, Diversity and Inclusion strategy were positive steps forward in the delivery of our People Strategy, while the first full year of our renewed five-year Sustainability Strategy saw us achieve a number of key milestones. Across the year, our airports delivered a high-quality service to passengers, underpinned by consistently positive customer satisfaction scores and strong performance against all operational indicators.



It was a year in which MAG's role as an engine of regional growth in the North, South and Midlands came into further focus.

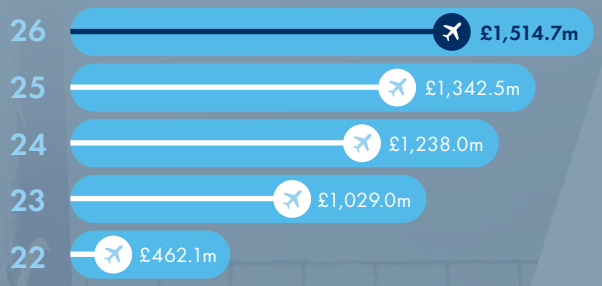
The power of our airports' connectivity and the investments we are making in our infrastructure generate significant economic value for the UK, annually contributing £14bn gross value added (GVA) and supporting more than 45,000 jobs.

We welcomed a record 66.3m passengers through our airports to 31 March 2026, up 1.9% on the previous year.

Despite a market-wide softening of overall passenger growth in the UK, our focus on choice, value and ease for passengers resulted in revenues up 12.8% year-on-year at £1,514.7m. Operating profit rose 15.5% to £303.9m and adjusted EBITDA grew 7.7% to £614.4m. A large part of this growth was generated through our £1.5bn investment into Manchester Airport, culminating this year in the full opening of our world-class Terminal 2, complete with enhanced security, retail and surface access.

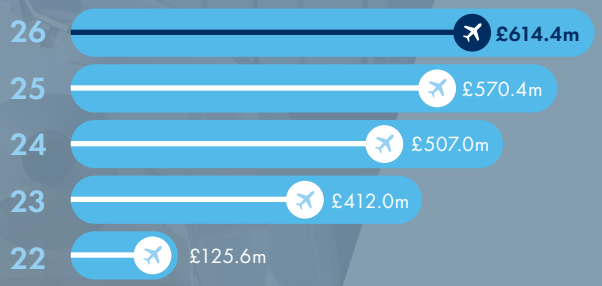
REVENUE

£1,514.7m +12.8%



ADJUSTED EBITDA*

£614.4m +7.7%



* As explained in Other Information to the financial statements on page 171.

It was also a year characterised by significant fiscal, geopolitical and economic headwinds that have directly and indirectly impacted the aviation industry.

During the period, these were largely navigated by MAG, resulting in the positive performance we report. That is thanks to the hard work and dedication of our team of more than 8,000 colleagues who we are immensely proud of.

However, we enter the new financial year with many of these issues persisting. They range from conflicts in the Middle East and Ukraine – which not only affect flight paths but also significantly influence fuel supplies and prices – to consumer confidence, price inflation and the overall business tax environment. We will respond to these ongoing challenges with a focus on cost and capital discipline.

BUILDING OUR CORE

MAG is the UK's largest group of airports and continuing to grow our core business remains a fundamental priority.

We serve one in five UK air passengers every year. More than 90% of them would recommend our airports to others.

This performance has been delivered by leveraging the specific strengths each of our airports has in the market.

Growth was strongest at Manchester Airport. This time last year, we reported it breaking through the 30m passenger barrier for the first time in its history. It is pleasing to see further growth of 3.6%, with volumes ending the period at 32.3mppa (million passengers per annum).

London Stansted also served 30mppa for the first time, ending the year at 30.0m – up 0.4% on FY25.

The performances of Manchester and London Stansted reflect their roles as the UK's third and fourth largest UK airports by passenger volume respectively, both with spare runway capacity and long-term, growth-orientated airline partnerships.

Both saw substantial increases in capacity from their largest airlines, such as Ryanair, Jet2.com, easyJet and TUI. These airlines not only added new destinations but extra frequencies on routes popular with passengers using our airports.

Another highlight of the period was undoubtedly the attraction of new carriers to both Manchester and London Stansted. Norse at Manchester, which launched a Bangkok route, and Turkish Airlines at Stansted, which not only connects to Istanbul but opens up more than 350 onward destinations.

This is further evidence of the increasing importance of MAG's role in connecting the UK to strategic growth markets in an environment where runway capacity in large sections of the UK market is constrained and will remain so for years to come, as well as the strength of both airports' catchment areas, which combine high volumes of leisure passengers with demand from globally focused businesses.

Across the group, both car park and retail income grew (11.6% and 14.3% respectively), driven both by increased passenger volumes and by our focus on maximising choice for customers. The delivery of Terminal 2 at Manchester drove that in particular.

Cargo grew 12.5%, driven by market-leading growth at East Midlands Airport, reflecting its status as the UK's busiest pure freight airport. It welcomed seven brand-new cargo carriers during the period and saw overall tonnage increase from 367,627 to 413,664. That represented one-third of the overall growth in cargo volumes across the UK, underlying its critical role in supporting global trade flows for the country.

MAG's positive passenger and cargo performance was central to the strong financial outturn the Group achieved.

Chief Executive Officer's statement continued



INVESTING FOR GROWTH

In the year that marked 25 years since Manchester Airport's second runway opened, it is timely to reflect on MAG's long-term commitment to investing in infrastructure to unlock long-term growth. That is a strategy that has been supported by our public-private shareholders, who recognise the wide-ranging benefits these investments enable.

Unlocking the capacity of Manchester's two runways underpinned the case for the £1.5bn Manchester Airport Transformation Programme (MAN-TP), which is close to completion.

Representing the largest investment ever made by MAG, it has more than doubled the size of Terminal 2 and created a world-class airport in the North, with award-winning facilities that are consistently delivering high levels of customer satisfaction. The investment not only increases the overall footprint of the Terminal, it has led to the introduction of more than 40 new retail and food and beverage units, new security equipment and other technology. Together, these features have driven improvements in security waiting times and customer satisfaction scores.

Manchester is now a top 20 airport (by passenger volumes) in Europe with immediately available terminal and runway capacity. This emphasises the critical role Manchester has to play in driving UK economic growth by helping create a Northern Growth Corridor that is home to fast-growing, internationally competitive sectors like advanced manufacturing, life sciences and creative and digital.

Manchester's economic contribution will be enhanced by it sitting at the heart of the high-speed Northern Powerhouse Rail network, which was confirmed by the Government earlier this year. This long-overdue scheme will transform journey times between Manchester Airport and other Northern cities, expanding the airport's catchment area and helping attract more long-haul routes to key global markets.

Improving the speed and ease with which all Northern cities can access the region's global gateway will ensure they benefit to the fullest extent from the value its connectivity unlocks. More firms will be encouraged to export, inward investment levels will increase and productivity and living standards will grow as a consequence.

As MAN-TP concludes, we are embarking on a new period of significant investment at London Stansted, as part of our continued strategy to invest in our airports for growth, to unlock their long-term potential. Early investments have included the installation of new security equipment and a new domestic arrivals building.

Having completed detailed design and enabling works, we are now poised to start construction in earnest to extend the airport's terminal and critical infrastructure to unlock the potential of Stansted's runway.

Forming part of a five-year, £1.1bn investment programme, our plans will deliver significant capacity into the South East aviation market at a time when other airports are constrained.

This will see Stansted playing an increasingly important role in supporting trade, tourism and investment for the capital, as well as contributing to the success of the emerging Oxford-Cambridge growth corridor.

This investment gets underway in the context of Stansted securing permission to increase its annual passenger limit from 43m to 51m – representing significant potential to further enhance its economic contribution.

The Government's recognition of the role aviation has to play in delivering its economic mission is welcome.

Our ability to continue investing in growth requires an appropriate long-term settlement on the business rates paid by UK airports, to ensure our investment in UK connectivity is sustainable.

A SUSTAINABLE FUTURE

At MAG we believe in the power of travel to unlock growth – for people, as they experience new places or pursue careers within the industry – and for places, where international businesses are nurtured and tourists and investors are welcomed. For that power to be harnessed long into the future, we must make sure our growth is sustainable – in every sense.

That is the guiding principle of our renewed five-year Sustainability Strategy: Creating a sustainable future for all.

It was launched last year and it is pleasing to reflect on positive progress – both at an industry level and within our own business.

Decarbonisation is imperative for aviation and there is a clear industry roadmap to hit net zero by 2050.

We must be clear this is one of the biggest challenges facing our sector, but it has been pleasing to note good progress towards the adoption of Sustainable Aviation Fuels (SAF) in the UK in 2025.

The UK aviation industry was compliant with the SAF Mandate across 2025, supplying more than 2% of jet fuel in the overall fuel mix with SAF.

We also took a number of positive steps towards the decarbonisation of our own operations by 2038. This includes the construction of a 12.8 megawatt solar farm at Stansted, which will make a major contribution towards the airport's annual power needs.

We believe our operations should be a force for good in the communities they serve, creating opportunities that inspire and support people into careers. Through our industry-leading education and employment programme this year more than 19,000 people visited our Aerozones and Academies.

Supported by the Department for Transport and CAA's 'Reach for the Sky Fund' we held first-of-a-kind Careers Festivals at each of our airports. In total, more than 1,500 students from schools and colleges across the North, Midlands and South attended the events, where they had the opportunity to speak to more than 60 exhibitors – including Virgin Atlantic, Airbus, the Civil Aviation Authority and Dnata – as well as a number of departments from across MAG – about the careers paths they could follow in their fields.



POWERED BY OUR PEOPLE

Our commitment to building a talent pipeline in our surrounding communities flows through into the way we retain and develop our people.

MAG's 'Our Journey Makers' employee value proposition sits at the heart of our strategy to foster a positive, collaborative and inclusive culture at MAG, where every colleague feels supported and encouraged to thrive in long and fulfilling careers.

This year, we remained committed to communicating and engaging with colleagues across the Group, and to creating new training opportunities that promote skills development.

I was particularly proud to launch our new Equity, Diversity and Inclusion Strategy 'Every Journey Matters' which sets out our ambition to set a new standard of inclusive excellence in our sector. We demonstrated our commitment to leading our industry by founding 'Aviation for All' – the industry's first cross-sector inclusion forum.

NEW HORIZONS

CAVU, our digital travel services business, delivered another solid year. In its Experiences division, a number of new lounges were opened worldwide, meaning it now has a presence in 25 airports internationally. A new 'Executive by Escape' elevated product offer was launched in Manchester's Terminal 2 on 29 June 2026.

In the Marketplace digital travel services division, growth was delivered primarily through the full integration of the Parkos business, which we acquired last year. While costs were impacted by higher pay-per-click online advertising rates, the business unit is well positioned for further growth in the year ahead.

Overall, CAVU delivered strong revenue growth, up from £228.5m last year to £288.7m. That reflected a full year of income from Parkos, the parking aggregator we acquired during FY25.

This strong revenue growth was balanced by an increase in costs, associated with both the integration of Parkos and higher pay-per-click fees in the digital marketing space.

Outside our core UK airports business, we reached a number of other key milestones.

In January, it was confirmed MAG had secured a long-term contract to operate and maintain Grand Bahama International Airport in the Caribbean.

The deal will see us deliver an infrastructure investment programme on behalf of the Bahamian government, using our expertise to improve the airport, expand its route network and support the wider tourism industry of the island.

While this initial contract will make a limited contribution to MAG's overall financial performance, it is an important first step into a new and interesting marketplace for the Group.

OUTLOOK

Looking forward, I am confident we have the foundations in place on which to deliver a strong period of growth for MAG.

With spare capacity at our airports, ongoing investment projects and a government focus on growing the regions we serve, we are well placed.

It will remain important to monitor consumer confidence and ensure our airports are as competitive as possible, with demand softening slightly across our sector.

Ongoing geopolitical tensions and conflicts are likely to continue to impact travel flows, alongside volatility in energy prices, both of which require close monitoring.

Navigating these issues will be front of mind but I am confident in the underlying health of our business and our prospects for growth heading into the new financial year.

Finally, I would like to thank all our customers, colleagues and partners for their support and dedication throughout the period covered by this report.

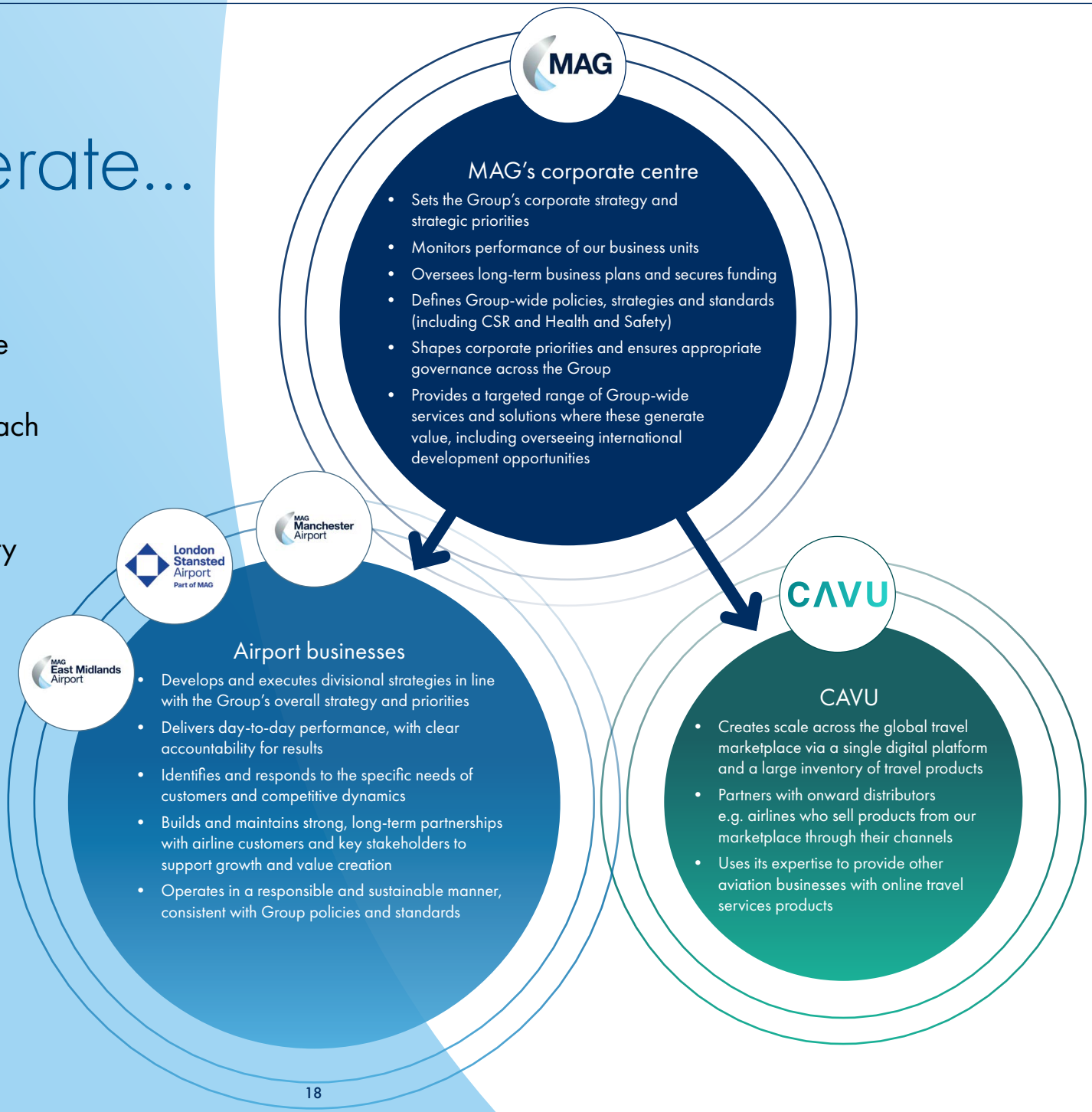
Ken O'Toole
Chief Executive Officer

Our business model

How we operate...

We are building a stronger and growing business by putting the needs of our customers at the centre of everything we do. By taking a responsible and sustainable approach to managing and developing our business, we will create value for customers, colleagues, wider society and our shareholders.

MAG's business model delivers the Group's strategy by empowering our four business units to meet the needs of their particular customers. This is supported by a corporate centre that provides strategic direction and governance, and Group-wide services where these generate value.



...creates value for our stakeholders

We create value by managing and developing our business in a responsible and sustainable way that recognises the needs of all our stakeholders and maintains the highest standards of safety and security.

Passengers

We provide travellers with airport services and travel services that offer the right mix of choice, quality and value to meet their different needs.

Airlines

Our airline customers include passenger airlines, cargo airlines and general aviation operators. We compete with other airports to attract airlines and look to develop long-term agreements to support their growth.

Suppliers and other airport partners

We work closely with a wide range of organisations to deliver a high-quality airport experience to our customers, including National Air Traffic Service, UK Border Force, ground handling companies, providers of services to passengers with reduced mobility, retailers and food and beverage providers, and public transport operators.

Government, regulators and agencies

The Government takes a strong interest in our airports because of their role as pieces of critical national infrastructure, vital to delivering wider policy objectives, including economic growth, strategic connectivity and regional development.

Aviation is a highly regulated industry, and we work closely with the Government, the Civil Aviation Authority (CAA) and other agencies to ensure we comply with their requirements and help shape development of new policy.

Employees

MAG employees play a vital role in delivering services for our customers and they are critical to the successful delivery of our strategy.

We value positive engagement with trade unions who provide collective representation for unionised colleagues. We also recognise that the Group's performance is important to former colleagues who are members of the MAG pension scheme.

Shareholders and debt investors

Our shareholders and debt investors provide the capital needed to operate and develop the Group. We work closely with them to ensure they understand business unit performance, and the strategic opportunities and risks for the Group.

Local communities and regions

People who live and work in the communities and regions around our airports are key stakeholders. We engage with local communities to understand their concerns and work to minimise our impacts as far as possible.

We also work with local schools to enhance the education of young people and provide training and skills to people looking for work. Our airports also support the work of local charities and organisations through volunteering and funding.

Our strategy

Connecting to the world

At MAG our purpose is to connect our customers to the world with great travel experiences and innovative travel services.



Deliver great customer service and operational excellence

WHAT IT MEANS TO MAG:
We are committed to providing an experience customers can trust will be efficient, reliable and friendly. We will use technology to drive high levels of productivity and predictability. By doing these things, we are ensuring passengers can focus on the excitement of their trips starting as soon as they arrive at the airport. When that combines with excellent choice and value, we are creating a formula that makes our airports ones that people want to choose.

PROGRESS IN FY26:
We delivered a strong level of service across all our airports. In the areas we control directly – most notably security – we provided a positive experience for our passengers with more than 99% passing through security in under 15 minutes across our airports during the period. We have worked closely with partners, including airlines and ground handlers to ensure they have the resources they need to deliver stable operations. The CAA awarded all of our airports a positive rating for their services for those with assisted travel needs.

PRIORITIES FOR FY27 AND BEYOND:
Continue to optimise the operational efficiency of our airports through the roll-out of technology-driven solutions to deliver an improved experience for passengers. Examples include technology to support aircraft stand utilisation, passenger flow and operational decision-making, in addition to introducing technology that uses AI to optimise airport operations.



Grow our core airports business

WHAT IT MEANS TO MAG:
Maximise the commercial potential of our airports by offering value and choice to our customers, making the best use of our airports' capacity. Long-term commercial partnerships with our airlines will drive growth by ensuring our airports remain highly competitive and offer strong opportunities for network development.

PROGRESS IN FY26:
Passenger numbers grew, with record-breaking performances at both Manchester and London Stansted. There was also a significant milestone for Stansted Airport as it served more than 30m passengers in a 12-month period for the first time in its history. Growth was driven by the expansion of our route networks, welcoming new carriers across our airports, as existing airline partners also added new capacity to their schedules. We achieved higher passenger volumes, revenue and adjusted EBITDA in comparison to prior year.

PRIORITIES FOR FY27 AND BEYOND:
Continue to deliver our growth ambitions through significant investment in our airport infrastructure, and by realising the full potential of our existing runway capacity through strong airline partnerships and the expansion of our passenger and cargo route networks. Work with external partners to demonstrate the growth potential of our airports, while leveraging data and insight to better understand passenger needs and develop products and services that meet them.



Invest in our airports

WHAT IT MEANS TO MAG:
Develop new facilities and infrastructure to meet long-term growth in demand and make optimal use of current runway capacity.

PROGRESS IN FY26:
We delivered the final stages of the Manchester Airport Transformation Programme (MAN-TP) during the year. The redevelopment of Terminal 3 also began during the period. London Stansted secured planning permission to increase its annual passenger numbers limit from 43m to 51m, unlocking sustainable growth opportunities together with the Stansted Transformation Programme (STN-TP). East Midlands Airport set out its vision for the development of its cargo facilities, which would meet the estimated 54% increase in demand for express air freight from the airport.

PRIORITIES FOR FY27 AND BEYOND:
Continue with the redevelopment of Manchester Airport's Terminal 3 to enhance customer experience. Progress with the terminal extension works at London Stansted.



Develop and scale CAVU

WHAT IT MEANS TO MAG:
Use CAVU's single platform, commercial expertise and expansive distribution network to help airports and other related businesses across the globe unlock value from the end-to-end passenger journey, making airport travel seamless and enjoyable for everybody.

PROGRESS IN FY26:
We continued to grow the global footprint of CAVU's operations, with new products and services launched across the business. The Experiences division exceeded its financial targets primarily through expansion in key international markets. Marketplace results were more impacted by cost pressures, principally in cost-per-click online advertising rates as a result of stronger competition across digital channels. Overall, CAVU now has a presence at almost 400 airports across 58 countries.

PRIORITIES FOR FY27 AND BEYOND:
Focus on cost management to ensure we remain as efficient as possible. Continue to invest in premium product offerings, including our premium lounges and digital travel products, and the roll-out of the Propel platform. Seek further international expansion opportunities as a catalyst for long-term growth.



Decarbonise aviation

WHAT IT MEANS TO MAG:
Collaborate with industry partners and governments to decarbonise air travel over the period to 2050 so that future growth in demand is sustainable and achievable. We will progress our Net Zero Transition Plan to deliver net zero airport operations by 2038 through the implementation of a range of programmes to reduce emissions by 2030.

PROGRESS IN FY26:
We welcomed the creation of a Sustainable Aviation Fuel (SAF) Revenue Certainty Mechanism (RCM) alongside the creation of the Advanced Fuel Fund, to aid the development of a domestic SAF industry. We retained an independent five-star GRESB rating and were awarded a bronze award from EcoVadis.

PRIORITIES FOR FY27 AND BEYOND:
Continue progress towards making MAG's airport operations net zero by 2038 through the delivery of our net zero roadmap. Continue cross sector work to ensure the right conditions are in place across the aviation industry to reach net zero by 2050.



Achieve sustainable growth in shareholder value

WHAT IT MEANS TO MAG:
Grow shareholder value by taking a responsible and sustainable approach to managing and developing our business, balancing the needs of our customers, passengers, colleagues and the communities in which we operate.

PROGRESS IN FY26:
We achieved continued growth in revenue and EBITDA versus FY25. We continued to invest in our airports to unlock their potential and deliver widespread benefits to local communities and the wider UK economy.

PRIORITIES FOR FY27 AND BEYOND:
Continue to drive forward investment programmes to unlock value for all colleagues, shareholders, customers and stakeholders, which in turn create opportunity and prosperity for people living in communities surrounding our airports.



Develop a brilliant, diverse and inclusive team of people who share our values

WHAT IT MEANS TO MAG:
Create and retain a high-performing team with the culture and capabilities that we need to deliver our strategic objectives and achieve our mission.

PROGRESS IN FY26:
We launched our new Journey Makers identity across the Group and enhanced our engagement with colleagues through improved YourVoice surveys. More information on our people can be found on page 50.

Continued to support and grow our Colleague Communities to support diversity and representation across our business.

PRIORITIES FOR FY27 AND BEYOND:
Continue investment in colleague experience and focus on providing strong career pathways for all MAG colleagues through enhanced internal development initiatives. Make ongoing progress on our Equity, Diversity and Inclusion (ED&I) agenda.

Our strategy in action

Investing in our airport infrastructure

Over the past decade, Manchester Airport has delivered the most ambitious transformation in its 88-year history: a £1.5bn investment creating a world-class gateway connecting the North to the world.

The Manchester Airport Transformation Programme (MAN-TP) has more than doubled the size of Terminal 2 (T2), modernised road and airfield infrastructure, introduced state-of-the-art technology, and significantly improved the passenger and colleague experience.



2015
Manchester Airport's £1.5bn Transformation Programme announced

2017
Phase One construction works commenced

2019
Pier 1 and T2 Multi-Storey Car Park West opened

2020
AeroZone on-site educational facility launch

2021
Terminal 2 extension opened

2023
Phase Two construction works commenced

Manchester Airport is committed to a sustainable future and providing benefits to our communities whilst minimising our impact on the environment.

A key element of Manchester Airport's Transformation Programme is leaving a lasting legacy and ensuring that people and businesses from the region benefit from the development.

£650m
INVESTED IN THE LOCAL ECONOMY (WITHIN 35 MILES)

73%
LOCAL EMPLOYMENT

118
SUSTAINABLE JOBS CREATED DURING PHASE TWO

300
APPRENTICES

13k
STUDENTS ENGAGED

10k
AEROZONE VISITS

£167k
RAISED FOR LOCAL CHARITIES

50
COMMUNITY PROJECTS SUPPORTED

2024

T2 state-of-the-art baggage system goes live

2025

(May) – Sydney Avenue and T2 Security Hall opened

(July) – Original T2 building refurbishment complete

2026

Airfield works and dual taxiway completed

MAN-TP complete

Case study

Re-imagining the iconic chandeliers

As part of the transformation programme, Manchester Airport embarked on an exciting project to create a breathtaking sculpture to sit at the heart of the brand-new Terminal 2.

This unique piece of art repurposed the original glass pieces from the chandeliers that once illuminated Terminal 1, blending history with innovation.

Manchester Airport partnered with Liam Hopkins from Lazerian – a local artist committed to sustainable design – and students from the Manchester School of Architecture to transform these historic glass pieces into a striking centrepiece for Terminal 2.

The design – Atmospheric Reflection of the North – is a celebration of Northern England's industrial heritage and weather, and reflects the airport's own history as a parachute regiment training centre.



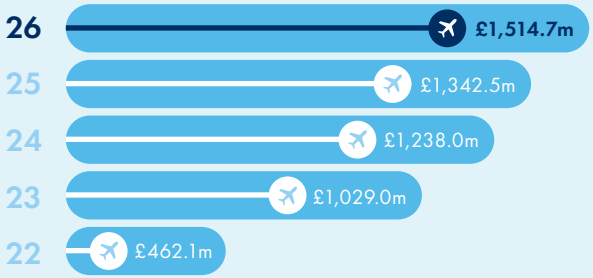
Key performance indicators

Financial measures

We focus on a number of key performance measures to ensure we build value for our shareholders on a consistent basis over the long term.

REVENUE

£1,514.7m +12.8%



Definition

Revenue consists of aviation income, retail income, car parking income, property and other income.

Aim and context

We aim to achieve long-term sustainable growth in revenue across all areas of our business.

OPERATING PROFIT

£303.9m +15.5%



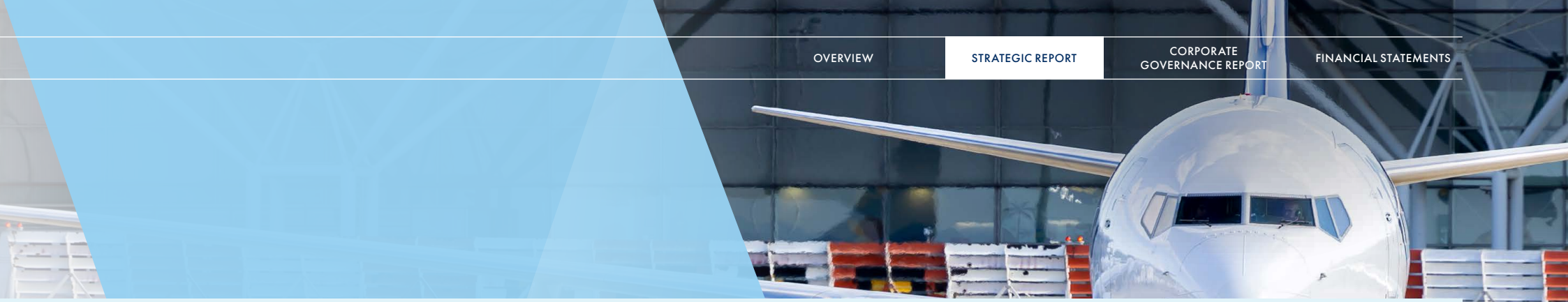
Definition

Operating profit is a measure of profit from trading operations and is before finance costs, taxation, the revaluation of investment properties and our share of results in associates.

Due to the high levels of investment in our airport infrastructure, leading to higher levels of finance costs, we consider a profit metric that excludes finance costs to be of more value to our key stakeholders.

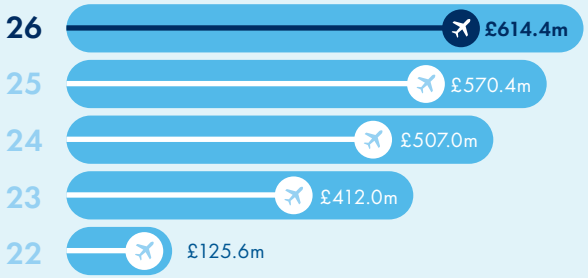
Aim and context

We aim to generate a level of profit that allows re-investment in our infrastructure and maximises returns to shareholders.



ADJUSTED EBITDA[1]

£614.4m +7.7%



Definition

Adjusted EBITDA is an indicator of how we are delivering top-line revenue growth while remaining efficient and controlling our cost base (comprised of employee costs and other operating costs).

Aim and context

We aim to generate a level of profit that allows re-investment in our infrastructure.

NET SENIOR DEBT/ADJUSTED FROZEN EBITDA[1, 2]

3.9 +8.3%



Definition

The ratio of net senior debt to adjusted frozen EBITDA is a measure of indebtedness used by our financiers, and indicates the level of debt relative to the Group's financial performance.

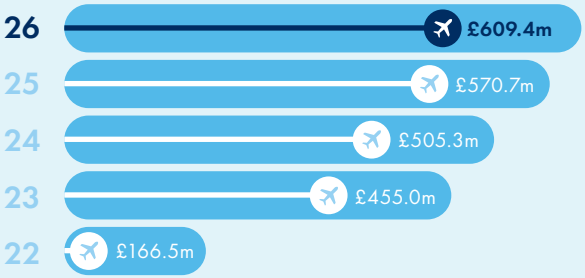
Adjusted frozen EBITDA, which is used in our covenant calculations, excludes the impact of adjusted items and IFRS 16 *Leases*.

Aim and context

The Group seeks to grow EBITDA, whilst maintaining appropriate levels of net debt and leverage to invest in the asset base.

ADJUSTED CASH FROM OPERATIONS[1]

£609.4m +6.8%



Definition

Adjusted cash from operations is the cash generated in the year from operations excluding adjusted items.

Aim and context

We focus on converting our operating profits into cash to fund further investment and returns to shareholders.

1 As explained in Other Information to the financial statements on page 171.

2 The ratio, including comparative figures, has been re-presented this year to more closely align to the figure used for covenant compliance reporting. See the Other information on page 172 for further details.

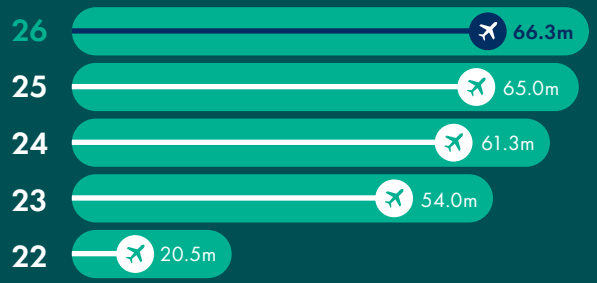
Key performance indicators continued

Operational measures

Operational measures help us understand how our business is performing in a number of key areas including Equity, Diversity and Inclusion, and Sustainability.

PASSENGERS

66.3m +1.9%



Definition

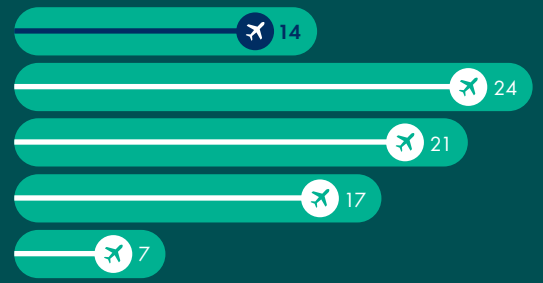
Passengers being the total of all arriving, connecting and departing passengers.

Aim and context

Maximise passenger volumes through our airports, which will contribute to growth in our aviation and commercial revenue streams.

HEALTH AND SAFETY **RIDDOR** – REPORTABLE ACCIDENTS

14 -41.7%



Definition

We measure the number of reportable accidents over the 12-month period.

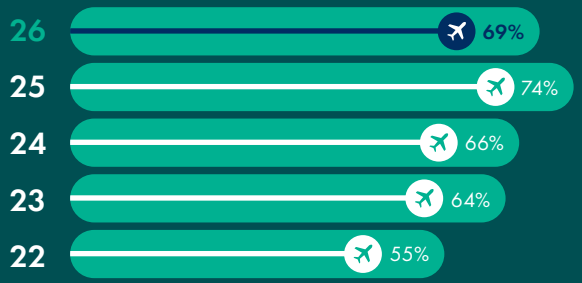
Aim and context

Maintain robust health and safety standards for both our customers and colleagues, contributing to a safe working and operating environment for all.



EMPLOYEE ENGAGEMENT SCORE

69.0% -5.0%



Definition

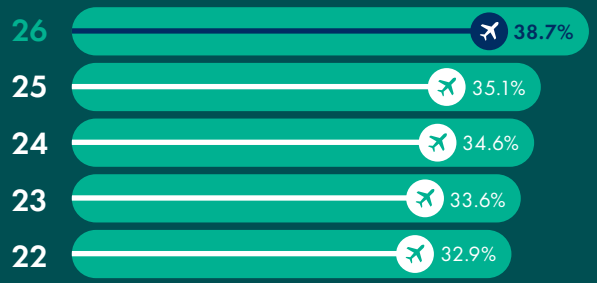
We survey all of our colleagues to understand their engagement levels over the past 12 months; the score is denominated out of 100.

Aim and context

Achieve the highest level of employee engagement, through developing a brilliant, diverse and inclusive team of people who deliver outstanding customer service.

FEMALE REPRESENTATION AT LEADERSHIP LEVEL

38.7% +3.6%



Definition

We report on female leadership (Grades 4a and above) diversity quarterly and review progress at the ExCo-sponsored ED&I Forum and the CSR Committee quarterly.

Aim and context

Create an equitable and inclusive culture that increases colleague engagement and productivity, allowing us to increase gender and ethnic representation at leadership levels.

CARBON REDUCTION – CO_2 EMISSIONS[1]

0.188 -2.1%



Definition

'SECR' Scope 1, 2 and 3 greenhouse gas emissions market-based emissions per traffic unit (tonnes CO_2e).

Aim and context

To minimise the environmental impact of our airports.

1 The scope of this metric has expanded to include fugitive emissions from airfield de-icer and refrigerant losses, aligning with MAG's near-term and net zero carbon emissions target. Previous years have been restated in accordance with best practice.

Divisional reviews

Manchester Airport

FY26 marked a significant year for Manchester Airport, serving record passenger numbers and taking the final steps to complete the decade-long Manchester Airport Transformation Programme (MAN-TP) – unlocking significant capacity for both passenger growth and the addition of new routes and airline partners. That increased the economic contribution it makes to the UK to nearly £6.5bn, supporting more than 21,000 jobs on site.

Following a decade-long period of investment, we are now nearing completion of our £1.5bn transformation programme. Set against the backdrop of record passenger numbers in FY26 and our growing global route network, Manchester Airport is well positioned to meet its growth ambitions, continuing to proudly serve the North and deliver economic and social benefits for its local communities."

Chris Woodroofe
Managing Director



PERFORMANCE

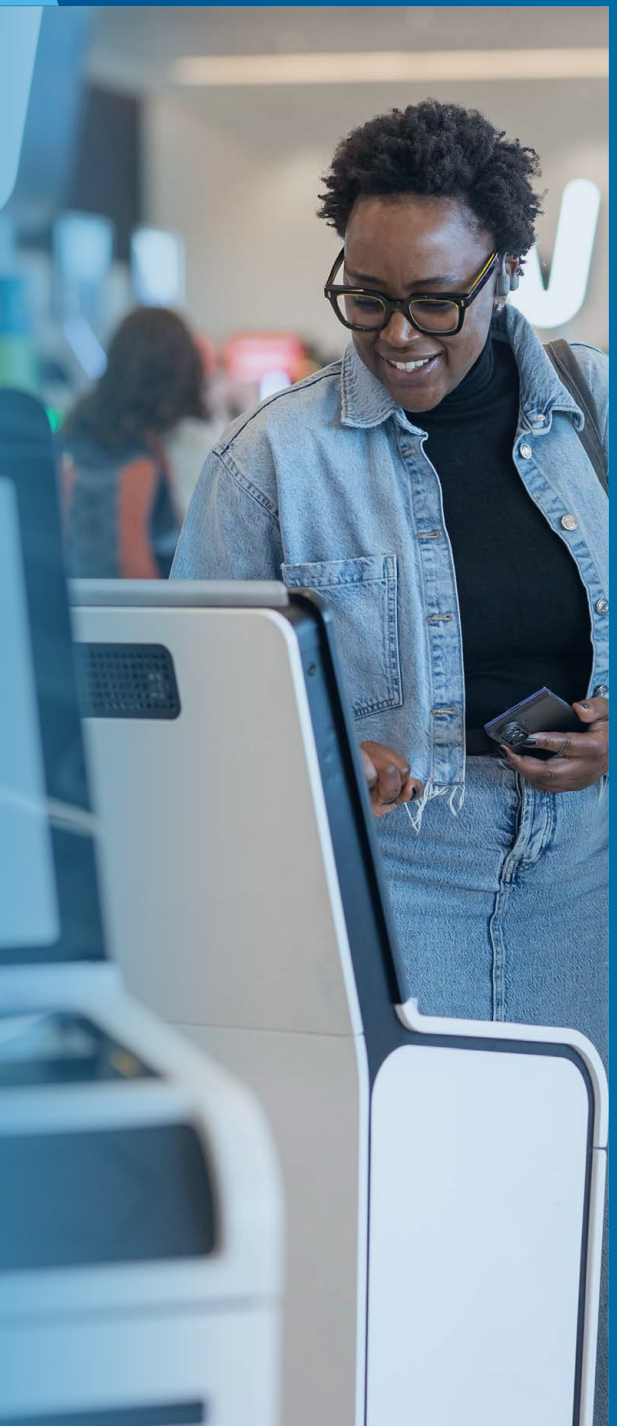
Across FY26, Manchester Airport served a record-breaking 32.3m passengers, an increase of 3.6% year-on-year. Growth was attributed to increased capacity that was unlocked by the airport's transformation programme, and the addition of new airlines and services across the airport's route network.

As passenger numbers increased, operational performance remained strong across the reporting period.

During the peak summer period between June and August, 98% of passengers passed through security in 15 minutes or less. Performance has also been enhanced following the successful installation of Next Generation Security (NGS) equipment across its terminals, with the state-of-the-art technology offering a smoother experience when passing through security.

The airport continued to achieve high levels of customer satisfaction, with 91% stating they would recommend it to others.

The Civil Aviation Authority (CAA) rated Manchester's performance as 'Good' in its Annual Accessibility Report in 2025.



ROUTES

As the UK's global gateway in the North, Manchester Airport's growing route network connects passengers to more than 200 destinations around the world.

Adding to its network of long-haul destinations, in July 2025 IndiGo commenced its first and only UK route to India's financial capital, Mumbai, swiftly followed by its introduction of a direct route to Delhi in November 2025. In less than one year, more than 130,000 passengers used the service. Unfortunately, due to the increased costs faced by IndiGo as a result of airspace restrictions caused by the Middle East conflict and other issues, the airline said it was pausing the routes from September 2026, intending to restart them at the earliest opportunity.

Norse Atlantic Airways announced its route to Bangkok – making Manchester the only airport outside of London with a direct connection to the Thai capital – and Pakistan International Airlines announced the resumption of its twice-weekly service to Islamabad.

In February 2026, the airport welcomed the introduction of Air Canada's new four-weekly service direct to Toronto, leaving Manchester with more connections to Canada than ever before. It was, however, disappointing to see Aer Lingus close its transatlantic Manchester base, ceasing all long haul routes from Manchester.

The airport's short-haul network also continued to grow with easyJet announcing new routes to Strasbourg, Ljubljana, Montpellier and Preveza. Jet2.com also announced routes to Pula, Samos, Tallinn, Palma and Palermo. Loganair meanwhile, announced two domestic routes to Southampton and Exeter.

Ryanair introduced a new route to Castellon, with SunExpress also commencing flights to Bodrum.

INVESTING IN REGIONAL GROWTH

Following a decade-long investment, Manchester Airport's transformation programme is nearing completion. The £1.5bn investment programme delivered an extension and refurbishment of Terminal 2 – doubling its capacity and creating a world-class facility for passengers. The scheme included the extension of the terminal's check-in and security halls, alongside the construction of two new piers and airfield works to maximise operational capacity and efficiency between the airport's two full length runways.

The programme also saw the arrival of several new retailers – many of which were founded and based in the North, such as Se7en Brothers, Pot Kettle Black and Archies.

Across FY26, the airport completed a number of final stage developments. In October, Pier Two officially opened, allowing a number of airlines, including Emirates, to move their operations to Terminal 2 in November. The new Pier delivered an additional 13 aircraft stands, including those with capability to handle large Airbus A380 aircraft.

A new section of Terminal 2's departure lounge also opened, welcoming several new retailers including Pandora and Lego, alongside the innovative Great Northern Market food hall, offering passengers a range of global cuisine. To read more about the programme go to page 22.

TERMINAL 3 REDEVELOPMENT

In May 2025, the airport announced a multi-million-pound investment in Terminal 3 to enhance passenger experience and create additional space for new retailers. As a result of the improvements, the entrance to the terminal will be remodelled, alongside its security hall and departure lounge.

In March, one of the first developments was delivered in the form of a new sports-themed bar, Sporting Chance, that sits at the centre of the terminal's retail offering for passengers. The new unit hosts more than 450 seats with panoramic views of the airfield.

32.3m
PASSENGERS

211
DESTINATIONS SERVED

96,759t
CARGO HANDLED

Divisional reviews – Manchester Airport continued



NORTHERN POWERHOUSE RAIL

In January, Manchester Airport welcomed the news that the Government was committing to the delivery of Northern Powerhouse Rail (NPR), and that a new station at Manchester Airport would be included in the scheme.

Creating the new direct rail link across the North is critical to driving growth for the region and unlocking its full economic potential. The station at Manchester Airport will act as a central enabler – helping to unlock the full potential of the airport's two runways, double the number of people who can access the airport by public transport within 90 minutes, and consequently double the airport's economic contribution to the region to £16.3bn per year by attracting new routes that stimulate jobs, trade, investment and tourism in all parts of the North.

Manchester Airport will continue to serve as an active member of the Liverpool-Manchester Rail Board, working with central and regional Government to ensure that NPR is delivered effectively and at the earliest opportunity.

CREATING A SUSTAINABLE FUTURE FOR ALL

In the first year reporting against MAG's new Sustainability Strategy: Creating a sustainable future for all, Manchester Airport made progress against its two strategic priorities – Protecting the Environment and Community at our Core. Sustainability sits as a core strategic priority for Manchester Airport. This is demonstrated through its commitment to transition to net zero carbon operations by 2038 and support the wider aviation industry to reach net zero aviation in the UK by 2050.

The airport is committed to increasing its use of Sustainable Aviation Fuel (SAF), and in July 2025, the airport welcomed the Government's support for SAF projects through the creation of the Advanced Fuel Fund. Through the fund, SAF producers Essar and NorthPointe Energy received a total of £4.5m of funding, enabling the development of SAF production at Stanlow, which already has an existing direct fuel pipeline to Manchester Airport.

As part of its commitment to creating opportunities for the communities surrounding the airport, Manchester Airport continued to deliver its programme of education and employment initiatives throughout FY26.

As a mark of its success, in October Manchester Airport's Aerozone welcomed its 10,000th visitor since it opened in 2020. The Aerozone – which is a free, interactive education facility for young people aged 4 to 18 – inspires young people about future careers in the aviation sector, showcasing the range of exciting opportunities on offer.

Across FY26, more than 2,800 young people visited the Aerozone, and more than 6,000 job seekers from local communities were supported by the airport's onsite Academy, where they received interview and CV support alongside access to upskilling and training programmes.

The airport also held its annual schedule of careers fairs, welcoming thousands of job seekers to explore hundreds of current vacancies on the airport site.

Each event saw more than 25 employers attend – including Jet2.com, Jet2holidays, Boots, Costa Coffee and airport service providers such as Swissport and ABM, alongside Manchester Airport itself.

Following a successful application to the Department for Transport and CAA's 'Reach for the Sky Fund', MAG received funding to hold first-of-a-kind airport Careers Festivals across the Group. Manchester Airport held its event in February – welcoming more than 500 young people from schools and colleges across the region. More than 40 exhibitors were present showcasing a range of interactive activities including a 360-degree flight simulator and an AI careers photobooth.

Grounded in the belief that Manchester Airport should be a force for good in the communities it serves, across this period it continued to demonstrate its support through its Community Trust Fund. In FY26, more than £128,500 was donated to 75 local causes. Beneficiaries included the Benchill Community Centre in Wythenshawe, which received a grant to create a sensory room to support its activities as a central hub for local people.



Divisional reviews continued

London Stansted Airport

FY26 saw London Stansted welcome record passenger numbers, and its licence was approved to grow volumes up to 51m passengers per year, supported by national and local Government. With an ever-expanding route network and a live £1.1bn investment programme now underway, the airport demonstrated its ability – as the only London airport with spare capacity – to drive aviation growth in the UK. Its contribution to the UK economy increased to £4.4bn, supporting more than 14,900 jobs on site.

By serving record passenger numbers and securing our licence to grow, FY26 marked a pivotal year in demonstrating London Stansted's long-term sustainable growth potential. With a £1.1bn investment programme now underway, I am confident that, alongside a growing route network, this potential will be realised."

Gareth Powell
Managing Director



PERFORMANCE

London Stansted served a record-breaking 30.0m passengers across the reporting year, an increase of 0.4% on FY25. The airport's operations are now likened to those of La Guardia in New York and Melbourne in Australia.

Alongside this positive backdrop, the airport delivered strong operational performance for passengers throughout the year. More than 99% of passengers passed through security in 15 minutes or less, and during the peak summer period between June and August, more than 99% of passengers waited an average time of just three minutes. The successful installation of Next Generation Security (NGS) equipment has enhanced this performance, with the state-of-the-art technology offering a smoother experience when passing through security.

The airport continued to achieve high levels of customer satisfaction, with 90% stating they would recommend it to others.

In the Civil Aviation Authority's (CAA) Annual Accessibility Report for 2025, the airport was awarded 'Good' recognising its services for passengers with reduced mobility.



ROUTES

London Stansted boasts more than 200 European destinations, the most extensive network of any UK airport, offering passengers a breadth of choice with multiple carriers.

Reflecting the strength of its catchment area, which covers London, the East of England and large parts of Cambridgeshire and Bedfordshire, this year the airport welcomed a number of new carriers. In July 2025, Turkish Airlines announced it would begin operations at London Stansted with a twice-daily service to Istanbul.

Air Algerie also commenced direct flights to Algiers, while Transavia launched a new route to Rotterdam.

Among existing carriers, Ryanair announced a new route to Lubeck in Germany, with easyJet launching a brand-new service to Paris Charles de Gaulle, operating twice a week. British Airways also added to their portfolio at London Stansted, with a twice-weekly summer route to Sardinia.



30.0m
PASSENGERS

202
DESTINATIONS SERVED

292,716t
CARGO HANDLED

Case study

Stansted Airport College – creating a pipeline of aviation talent

Stansted Airport College is a pioneering partnership between London Stansted Airport and Harlow College. It is the UK's only further education facility based at an airport.

Established in 2018, it was created to provide young people with direct access to aviation-focused education and clear pathways into employment.

The College is helping to address skills shortages across the sector, support social mobility and develop the next generation of aviation talent.

Today, around 600 students each year study vocational courses ranging from aviation operations and engineering to aircraft maintenance and cabin crew. The College's unique location enables students to learn in a live airport environment, giving them valuable industry exposure and connections with employers.

Its impact to date has been significant. In 2024/25, 98% of students progressed directly into employment or further education, with 91% moving directly into aviation careers. 100% of students on the Aircraft Maintenance apprenticeship secured jobs in the industry upon graduation.

With demand for the College increasing, London Stansted recently outlined its plans to expand. The proposed expansion has the support of Essex County Council, MAG and Harlow College. With the planned expansion, the College would unlock the potential of thousands of young people who want to access training linked directly to employment opportunities in the aviation sector.



Divisional reviews – London Stansted Airport continued



Jet2.com announced an expansion to its summer programme with routes to Jerez in Spain, Samos in Greece and La Palma in the Canary Islands, with TUI also announcing flights to Kos.

Emirates twice-daily service to Dubai continues to prove popular with passengers, offering direct and global connections for London Stansted passengers.

INVESTING IN REGIONAL GROWTH

In recognition of the increasing demand for international travel and the critical role London Stansted plays as a driver of jobs, trade and economic prosperity, in December, the airport secured planning approval to increase its annual passenger limit from 43m to 51m. The growth in passenger numbers will unlock the airport's ability to make best use of its existing spare runway capacity without the need to increase the number of flights it is permitted to operate.

This decision supports Stansted's live £1.1bn investment programme announced in 2024, which includes a £700m extension to the existing terminal building. The proposed facility will include a range of new retailers alongside improved passenger facilities. It is estimated that the airport's transformation will create up to 5,000 new onsite jobs and double its economic contribution annually. Work on the new terminal is set to begin during the course of the new financial year. During the year, other elements of the wider £1.1bn programme were delivered, including the full installation of new security equipment and the opening of a new domestic arrivals building.

CREATING A SUSTAINABLE FUTURE FOR ALL

In our first year reporting against MAG's new Sustainability Strategy: Creating a sustainable future for all, London Stansted made progress against its two strategic priorities – Protecting the Environment and Community at our Core.

The airport has a commitment to transition to net zero carbon operations by 2038. As a mark of progress towards this target, in August the airport began construction on its 12.8MW on-site solar farm – which will be the first of its kind at any London airport. The farm has been designed to meet Stansted's current and increasing electricity needs, including the increased use of electric vehicles on site. Since construction began more than 24,000 solar panels have been installed, with the project producing its first renewable energy later this year.

As a major employer in London and the East of England, London Stansted is committed to creating education and employment opportunities, and across this financial year continued to deliver initiatives that inspire and attract new talent.

Following a successful application to the Department for Transport and CAA's 'Reach for the Sky Fund', MAG received funding to hold first-of-a-kind airport Careers Festivals across the Group. London Stansted held the first of the Group's three festivals in January – welcoming more than 500 young people from schools and colleges from neighbouring communities.

From grassroots engagement with primary schools, to supporting adult job seekers into new careers, Stansted's education and employment programme continued to have a wide-reaching positive effect.

In June, London Stansted celebrated ten years of its on-site Aerozone, which offers free interactive sessions for students aged 4 to18. Over the decade, more than 25,000 young people have visited the facility, with 2,100 over FY26.

The airport's programme of jobs fairs this year welcomed more than 5,900 attendees to learn more about the hundreds of live job opportunities on offer with business partners across the airport campus. Stansted Airport Academy, which supported job seekers into new careers in aviation, supported more than 3,500 people across FY26.

At the core of Stansted's commitment to a sustainable future is the belief that its communities should feel the benefits of living close to it. One way in which it does that is through its Community Fund. In June, the airport hit a significant milestone – marking more than £500,000 in donations since the Fund was relaunched in 2023. Across FY26 more than £244,000 was donated to local causes, including Essex Wildlife Trust who used grant money towards protecting local wildlife at Aubrey Buxton Nature Reserve.



Divisional reviews continued

East Midlands Airport

East Midlands Airport served 4.0m passengers across the year with the airport welcoming new routes and offering an effortless travel experience for all. Cargo operations continued to grow significantly, cementing the airport's role as the UK's largest dedicated air cargo operation offering new routes and cargo carriers.

The investment in our growing cargo operations across FY26 bolsters East Midlands Airport's position as a central driver of UK international trade, while our passenger operation provides travellers from across our region with a range of popular European destinations all year round. It was a pleasure to mark our 60th anniversary year celebrating the impact we have had on our communities, colleagues and wider region."

Steve Griffiths
Managing Director



PERFORMANCE

East Midlands Airport served 4.0m passengers across the financial year, in line with performance in FY25.

Operational performance was consistently strong across the reporting period, with 99% of passengers passing through security in 15 minutes or less, even during the peak summer holiday period. The airport continued to achieve high levels of customer satisfaction, with 90% stating they would recommend it to others.

For the sixth consecutive year, East Midlands Airport was awarded the highest possible 'Very Good' rating in the Civil Aviation Authority's (CAA) Annual Accessibility Report, reflecting the standard of service the airport provides to passengers with additional travel needs. This performance was also recognised in October with an award for 'Best Accessible Travel Initiative' at the Travel for Every Body Awards.



CARGO OPERATION

Home to the UK's largest pure freight operation, East Midlands Airport sits at the heart of the UK, offering one-stop access to 185 of the world's major cities.

In FY26 the airport handled more than 413,000 tonnes of cargo, up 12.5% year-on-year. The significant growth of the operation sat alongside the introduction of seven new carriers – further expanding the reach of global trade from the East Midlands.

In May, Chinese logistics firm YunExpress launched its first UK route with a twice-weekly service operated by Central Airlines to China. Alongside that, Atlas Air, Saudia Cargo and Ethiopian Cargo all commenced services to Asia and the United Arab Emirates. Etihad Cargo launched its twice-weekly service to Abu Dhabi in October, joined by Hong Kong Air Cargo, and China's largest integrated service provider, SF Express in November.

Research by York Aviation estimated a 54% increase in demand for express air freight from East Midlands Airport over the next two decades. In May, the airport unveiled its vision to meet that demand by unlocking the full potential of its operation. The plans include four plots of land, totalling close to 50 hectares of cargo development, increasing volumes to 583,000 tonnes per annum.

The study also said that the investment could support up to £3.4bn additional Gross Value Added and 21,000 new jobs by 2043.

In anticipation of the increased cargo operations, in July 2025 the airport announced the introduction of extra aircraft stands. Overall, four new wide body aircraft stands have been added to the airport's East Apron.

PASSENGER ROUTES

Over the course of FY26, the airport welcomed a number of new passenger routes to add to its already popular European network which will strengthen its offering to passengers in the near future. In April, TUI announced two new routes to Boa Vista, and Burgas in Bulgaria. Jet2.com, celebrating its 15th year operating out of the airport, announced two new routes to Berlin and Budapest in addition to extra capacity to Corfu, Malaga, Alicante, Faro, Malta, Paphos and Tenerife. The carrier also announced five new routes to Preveza, Thessaloniki, Chania and Pula for the summer, while Agadir will be new for the winter.

Additionally, TUI announced the reintroduction of its service to Sharm El Sheikh. In December, Jet2.com also announced the addition of two new routes to Egypt – Hurghada and Sharm El Sheikh – which will start operating in February 2027. As these routes become established, this extra capacity should flow through into growing passenger volumes in the new financial year.

4.0m
PASSENGERS

61
DESTINATIONS SERVED

413,664t
CARGO HANDLED

Divisional reviews – East Midlands Airport continued

AIRPORT INVESTMENT

As part of the ongoing £120m investment programme, the airport marked various milestones across the reporting period. In addition to the expansion of the security hall, Next Generation Security (NGS) has been installed throughout the terminal building, offering passengers a more efficient experience through the airport.

Improvements have also been made to the airport's departure lounge, including the refurbishment of the Escape Lounge and food and beverage units. Aesthetic enhancements were also made in the immigration hall alongside new toilet facilities throughout the terminal. A new Quiet Room and Sensory Pod for travellers with neurodivergent conditions was also opened in March.

A series of runway closures enabled upgrade works to take place in early 2026, while a new fleet of snowploughs improved winter resilience at the airport when Storm Goretti hit in January.

CREATING A SUSTAINABLE FUTURE FOR ALL

As MAG reported on its new Sustainability Strategy: Creating a sustainable future for all, for the first time, East Midlands Airport demonstrated the progress it made against the Strategy's two core strategic priorities: Protecting the Environment and Community at our Core.

East Midlands Airport has a target to transition to net zero carbon operations by 2038, and across FY26 delivered initiatives that took positive steps towards this goal. In June 2025, the airport announced that 100% of its operational vehicles were now running on renewable fuel. Working with biodiesel supplier YourNRG, vehicles including fire trucks and snow vehicles began using the new fuel, which is estimated to reduce their emissions by up to 90%.



The airport continued to work in collaboration with the Environment Agency (EA) in relation to historic surface water permit breaches identified in 2023.

Following a legal process, in May 2024, the airport pleaded guilty to three charges brought by the EA of contravening the requirements of our environmental permit in 2022. In July 2025, the airport was given a fine of £892,500. As part of the sentencing, the airport outlined £11m of improvements it has undertaken to address issues that led to the breach. This includes introducing new water quality monitoring equipment, clearing and desilting all reservoirs and ponds and other initiatives to fully address the issues that led to the breach. Since the completion of the improvements, the airport has continued to liaise positively with the EA and is satisfied that it is continuously achieving high levels of compliance with its environmental permit.

As part of its commitment to providing fulfilling education and employment opportunities for all members of its local communities, East Midlands Airport continued to deliver its programme of initiatives across FY26.

More than 1,300 young people visited the airport's onsite Aerozone across the reporting year. The dedicated education centre provides free, interactive sessions for young people ages 4 to 18 to learn more about the careers they could pursue within the aviation sector. For adults seeking employment or a new career path, the East Midlands Airport Academy supported more than 3,100 people across FY26 – offering services from interview preparation to upskilling programmes.

Supported by the Department for Transport and CAA's 'Reach for the Sky Fund', East Midlands Airport hosted MAG's final Aviation Careers Festival event in March.

The event attracted more than 500 young people from schools and colleges across the region. 17 employers attended the event with interactive exhibits including virtual reality tours, STEM workshops and career speed networking. During the event, Lauren Turner, the airport's Operations Director and an Aviation Ambassador for the Department for Transport (DfT) spoke to the students about her role and the diverse opportunities available in the aviation industry.

The impact of the airport's role in driving careers in aviation was recognised in January when East Midlands Airport Operations Director Lauren Turner was named a DfT Aviation Ambassador. In her role, Lauren will draw on her wealth of experience within the sector to inspire the next generation of aviation professionals across the UK.

East Midlands Airport operates with a commitment to be a good neighbour to the communities living closest to it. One way in which it demonstrated this across the reporting year was through its Community Fund – which in total donated £122,600 to more than 120 causes, one beneficiary included Orchard Primary School, who used grant money to build a new playground for its students.

As part of its 60th anniversary celebrations, it held a family fun weekend at the Aeropark in July including a highly popular fly-past by the Red Arrows. It also launched a new online portal to provide accurate up-to-date information about airport operations and the efforts taken to minimise impacts on surrounding communities.


KV
swissport

Divisional reviews continued

CAVU

In FY26, CAVU expanded its presence in airports across the globe, adding to its portfolio of products and customers as it continued to deliver its strategy for growth.

As we continue to grow our global footprint across our range of products and lounges, CAVU remains well positioned for long-term growth as we continue to invest in our digital platforms."

Nick Woods
Managing Director – CAVU

OVERVIEW

CAVU continued to execute its strategy to build a global travel marketplace and experiences platform in FY26. It expanded its international footprint and enhanced its premium product offering for passengers. While the business delivered operational progress and customer growth, financial performance during the year was impacted by external macroeconomic and cost pressures.

Despite these conditions, CAVU remains well positioned for long-term growth, with planned continued investment in premium experiences, digital platforms and international expansion supporting a positive outlook.

TRADING PERFORMANCE

Performance across FY26 reflected a challenging external environment, with CAVU reporting revenues of £288.7m, up 26.3% compared to FY25.

Increased competition across digital channels led to a significant rise in marketing cost of acquisition, while broader inflationary pressures drove higher labour costs across key markets.



These factors placed pressure on margins despite continued revenue growth and operational expansion.

The division will continue to focus on cost management and efficiency alongside plans to enhance its customer proposition and partner value, positioning CAVU as a leader in the provision of global travel services.

EXPERIENCES

CAVU's Experiences division delivered progress across this reporting period, expanding both its geographic reach and product offering. During the year, seven new purpose-built Escape Lounges were opened across key international markets, including Northwest Arkansas, Portland, San Juan and Tulsa in the United States; Bristol and Edinburgh in the UK; and Brisbane in Australia. The Brisbane opening marked CAVU's first lounge in Australia.

In parallel, refurbishment programmes were completed across a number of existing sites, including East Midlands Airport, supporting continued improvement in passenger experience and operational standards.

As a result of this investment, CAVU now operates 32 lounges across 25 airports globally, reinforcing its position as a leading independent lounge operator. This position – along with further openings – will drive revenue and profit in the long run. During FY26, the opening of new lounges and refurbishment programmes impacted CAVU's cost position adversely.

THE EXECUTIVE BY ESCAPE LOUNGES

Most recently, CAVU launched The Executive by Escape Lounges in Terminal 2 at Manchester Airport. The new product offers a lounge experience that pairs a premium setting with the comfort and quality guests expect from Escape Lounges.

This new product was developed following extensive customer research and aims to operate as one of the highest-specification airport lounges globally. The 1,200 sqm space can accommodate up to 300 guests and includes a full table-service dining experience for the first time within CAVU's portfolio, significantly enhancing both capacity and customer proposition.

MARKETPLACE

CAVU's Marketplace platform continued to scale during the year, with ongoing progress in expanding its product range, geographic coverage and client base. The platform now offers a broad inventory of travel products, including car parking, lounges and fast-track services, across 58 international markets.

A £6.5m increase in year-on-year EBITDA reflected the full integration of Parkos, following its acquisition last year. Increases to the cost of pay-per-click advertising to drive Marketplace sales increased CAVU's overall cost base.

The business also continued to develop its digital capabilities, including enhancements to its app offering. Further progress was also made in the rollout of the Propel platform, with a growing number of clients adopting the solution to enhance their digital retail capabilities.

58
COUNTRIES

399
AIRPORTS

3,939
PRODUCTS

32
AIRPORT LOUNGES (INCLUDING EIGHT AT MAG AIRPORTS)



Financial review

Driving growth, building resilience, delivering value

Despite heightened geopolitical and economic uncertainty, our business has demonstrated resilience and momentum, delivering strong results while continuing to invest for long-term growth and value creation for our stakeholders."

Marie Joyce
Chief Financial Officer





PERFORMANCE

We welcomed 66.3m passengers through our airports during FY26, a record for MAG. As part of our long-term strategy, we continued to invest in our infrastructure, enhancing the passenger journey and enabling future growth.

All amounts in £m unless otherwise stated	**Year ended 31 March 2026**	Year ended 31 March 2025	Change	Change %
Passenger numbers (millions)	**66.3**	65.0	1.3	1.9%
Revenue	**1,514.7**	1,342.5	172.2	12.8%
Adjusted EBITDA[1]	**614.4**	570.4	44.0	7.7%
Operating profit	**303.9**	263.2	40.7	15.5%
Profit before taxation	**90.2**	60.7	29.5	48.6%
Profit for the year	**62.7**	11.5	51.2	445.2%
Adjusted cash generated from operations[1]	**609.4**	570.7	38.7	6.8%
Cash generated from operations	**588.6**	544.8	43.8	8.0%
Capital investment	**561.7**	650.9	(89.2)	(13.7)%
Net cash and cash equivalents[1]	**268.4**	264.6	3.8	1.4%
Net debt – including IFRS 16	**(3,887.9)**	(3,582.9)	(305.0)	8.5%
Net debt – excluding IFRS 16[1]	**(3,354.3)**	(3,059.2)	(295.1)	9.6%
Equity shareholders' funds (exc. NCI)	**775.0**	724.1	50.9	7.0%

MEASURES USED TO ASSESS PERFORMANCE

MAG achieved strong growth in FY26, with passenger levels reaching a record-breaking 66.3m, a 1.9% increase over FY25. This increase in volume, coupled with yield improvements and new services across all of MAG's principal revenue streams, increased revenue by £172.2m (12.8%) to £1,514.7m.

Adjusted EBITDA[1] for the Group increased by 7.7% to £614.4m, with all divisions contributing to growth despite headwinds of rising costs, notably employee-related costs. The escalation of the conflict in the Middle East impacted passenger numbers and EBITDA in March 2026. Notwithstanding this, our strong performance across the year has allowed MAG to maintain significant levels of investment in our airport infrastructure. The reduction in capital investment to £561.7m this year reflects a tail-off of capital expenditure as we near completion of the Manchester Airport Transformation Programme (MAN-TP), as well as the Next Generation Security (NGS) roll-out across all of our airports. Investment will increase again in the year ahead as activity on the Stansted Transformation Programme (STN-TP) accelerates.

MAG successfully issued a £300.0m bond in January 2026, taking advantage of favourable market conditions to strengthen cash reserves ahead of STN-TP. This has enhanced liquidity headroom and supported the maintenance of a positive net cash position of £268.4m (2025: £264.6m).

The Group uses a number of performance measures not defined under IFRS, commonly referred to as Alternative Performance Measures (APMs), which are defined by management and explained on pages 171 to 175. The APMs described as 'Adjusted' exclude items which, due to their size, nature or infrequency, are presented separately to aid understanding of underlying trading performance.

Our APMs may not be directly comparable with similarly titled measures used by other companies. While not considered superior to IFRS measures, they provide additional insight into the Group's underlying financial performance.

PRIMARY PERFORMANCE MEASURE

While the Directors refer to a number of APMs to review the performance of the Group, the primary measure is Adjusted EBITDA[1]. This is the Group's main performance metric, is widely used across the sector, and forms a key component of MAG's financial covenants.

The following table shows the reconciliation of Adjusted EBITDA[1] to operating profit, which is the nearest permitted sub-total under IFRS:

	Year ended 31 March 2026			Year ended 31 March 2025		
	Before adjusted items £m	**Adjusted items £m**	**After adjusted items £m**	Before adjusted items £m	Adjusted items £m	After adjusted items £m
EBITDA	**614.4**	**(23.9)**	**590.5**	570.4	(32.4)	538.0
Depreciation, amortisation and impairment	**(286.6)**	**–**	**(286.6)**	(271.0)	(3.8)	(274.8)
Operating profit	**327.8**	**(23.9)**	**303.9**	299.4	(36.2)	263.2

Operating profit increased by £40.7m to £303.9m. The increase is lower than the improvement in Adjusted EBITDA due to the increased depreciation and amortisation charges, which reflect the significant ongoing capital investment made by the Group. This was partially offset by a lower level of adjusted items in FY26, which are described in further detail later in this report.

1 As explained in Other Information on page 171.

Financial review continued

SUMMARY TRADING PERFORMANCE

Summary by revenue stream	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Aviation income	**516.1**	469.7	46.4	9.9%
Retail concessions	**374.7**	327.9	46.8	14.3%
Car parking	**453.3**	406.1	47.2	11.6%
Property & property related income	**23.1**	19.4	3.7	19.1%
Other	**147.5**	119.4	28.1	23.5%
Total revenue	**1,514.7**	1,342.5	172.2	12.8%

Summary of revenue by Division	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Manchester Airport	**630.1**	562.2	67.9	12.1%
London Stansted Airport	**480.0**	452.0	28.0	6.2%
East Midlands Airport	**111.8**	96.9	14.9	15.4%
CAVU	**288.7**	228.5	60.2	26.3%
Group, consolidation and other	**4.1**	2.9	1.2	41.4%
Total revenue	**1,514.7**	1,342.5	172.2	12.8%

MAG welcomed 66.3m passengers across our three airports, a 1.9% increase on the prior year, primarily in Manchester, as the benefits of additional capacity from MAN-TP begin to be realised. Load factors improved to 86.4% (2025: 85.5%). Our operational teams continued to enhance the customer journey and, despite higher volumes, improved performance to over 99.0% (2025: 98.8%) of customers clearing security within 15 minutes across all airports.

Total revenue increased by 12.8% compared to the prior year. Aviation income yields improved across all three airports, supported by higher passenger volumes at Manchester and Stansted. Stansted also reached a milestone, welcoming 30 million passengers for the first time. At East Midlands Airport, passenger numbers remained stable year-on-year, while cargo volumes increased by 12.5%, from 368KTe to 414KTe. Overall, Aviation income increased by £46.4m, or 9.9%, compared to the prior year.

While the Group saw continued growth during the year, Dublin, the Iberian Peninsula (including the Canary and Balearic Islands), Turkey, Dubai and Amsterdam remained MAG's most popular destinations. We also expanded customer choice, adding a net nine new destinations and two new airline partners.

Car parking revenue benefitted from improved yields, new services, increased passenger volumes at our airports and a full year of Parkos income, which was acquired during FY25.

Retail income increased as a result of improved retail yields across all our airports and growth in CAVU, driven by the opening of new lounges in key international markets, including the US, UK and, for the first time, Australia.

CAVU revenue increased by £60.2m, or 26.3%, to £288.7m, primarily reflecting a full year contribution from Parkos and continued expansion within the Experiences division.

Property income increased by £3.7m, or 19.1%, driven by higher rental income, while other income increased by £28.1m, or 23.5%.

Operating costs	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Employment costs	**429.0**	385.3	43.7	11.3%
Other operating charges	**471.3**	386.8	84.5	21.8%
Net overall operating costs	**900.3**	772.1	128.2	16.6%
Depreciation and amortisation	**286.6**	271.0	15.6	5.8%
Net total costs	**1,186.9**	1,043.1	143.8	13.8%
Adjusted items – Impairment of assets, asset write-downs and depreciation	**–**	3.8	(3.8)	n/a[1]
Adjusted items – Major reorganisation of businesses, transformation and acquisitions	**24.7**	28.0	(3.3)	n/a[1]
Adjusted items – Legal and other items	**(0.8)**	4.4	(5.2)	n/a[1]
Adjusted items – Total	**23.9**	36.2	(12.3)	n/a[1]
Total operating costs	**1,210.8**	1,079.3	131.5	12.2%

1 The percentage change has not been included for adjusted items as these amounts are not comparable year-over-year. As explained in Other Information on page 171.

Depreciation and amortisation costs before adjusted items increased by £15.6m, reflecting continued high levels of capital investment at Manchester and Stansted, together with a full year of amortisation of intangible assets arising from the prior year's acquisitions.

Excluding depreciation and amortisation, total operating costs increased by £128.2m, or 16.6%, to £900.3m. This increase was driven by an 11.3% rise in employee costs, primarily due to pay awards, higher headcount and the impact of the increase in employers' NI rates in April 2025, and a 21.8% increase in non-employee costs. The latter reflects the inclusion of a full year of Parkos and higher pay-per-click marketing costs within the CAVU Marketplace.

ADJUSTED ITEMS

Charges to operating costs of £23.9m (2025: £36.2m) have been presented as Adjusted items.

Multi-year transformation programme costs totalling £25.1m (2025: £22.8m) include £13.4m in our airports (£5.8m relating to the finalisation of MAN-TP, £0.6m for STN-TP and £7.0m relating to the roll-out of Next Generation Security) and £11.7m relating to various initiatives in our Group-level programmes.

Acquisition-related costs of £2.5m (2025: £8.9m) relate to the remaining earnout period for the Parkos acquisition.

Finally, net income of £3.7m (2025: costs of £4.4m) has been presented as Adjusted and includes £1.5m costs relating to ongoing legal and professional matters, as well as net income of £5.2m from two legal matters which were settled during the year.

The summary of adjusted items is given in note 3 to the financial statements on page 132 and the definition of the Group's APMs are explained in the Other Information section of the financial statements on page 171.

Adjusted EBITDA[1] by Division	**Year ended 31 March 2026 £m**	Year ended 31 March 2025 £m	Change £m	Change %
Manchester Airport	**266.2**	251.5	14.7	5.8%
London Stansted Airport	**194.9**	188.3	6.6	3.5%
East Midlands Airport	**50.9**	41.1	9.8	23.8%
CAVU	**77.1**	70.6	6.5	9.2%
Group, consolidation and other	**25.3**	18.9	6.4	33.9%
Total adjusted EBITDA[1]	**614.4**	570.4	44.0	7.7%

1 As explained in Other Information on page 171.

Operating profit by division	**Year ended 31 March 2026 £m**	Year ended 31 March 2025 £m	Change £m	Change %
Manchester Airport	**108.5**	90.6	17.9	19.8%
London Stansted Airport	**105.5**	103.6	1.9	1.8%
East Midlands Airport	**28.5**	23.5	5.0	21.3%
CAVU	**50.4**	38.4	12.0	31.3%
Group, consolidation and other	**11.0**	7.1	3.9	54.9%
Total operating profit	**303.9**	263.2	40.7	15.5%

TRADING UNITS

Manchester Airport

32.3m passengers travelled through Manchester Airport in the year ended 31 March 2026, an increase of 3.6% over the prior year.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Passengers (million)	**32.3**	31.1	1.2	3.6%
Revenue (£m)	**630.1**	562.2	67.9	12.1%
Adjusted EBITDA[1] (£m)	**266.2**	251.5	14.7	5.8%
Operating profit (£m)	**108.5**	90.6	17.9	19.8%

1 As explained in Other Information on page 171.

£ per passenger	**Year ended 31 March 2026**	Year ended 31 March 2025
Aviation revenue	**8.2**	7.7
Commercial revenue[1]	**11.3**	10.3
Operating costs (before adjusted items, depreciation and amortisation)	**11.3**	10.0
Operating costs (including adjusted items, depreciation and amortisation)	**16.1**	15.2

1 All revenue streams excluding aviation.

The 3.6% improvement in passenger numbers, alongside increases in yield across all revenue streams, contributed to a £67.9m increase in revenue at Manchester to £630.1m. Both trends are attributed to the benefits of the newly transformed Terminal 2 being realised as MAN-TP is nearing completion this year.

The airport's cost base (before adjusted items and depreciation) increased by £53.2m (17.1%) to £363.9m. The largest contributing increase was employee costs, partly due to a new pay deal. Other increases in cleaning, utilities and maintenance costs contributed to the rise resulting in cost per passenger increasing to £11.30.

Improvements in revenue per passenger across both aviation and commercial activities were partly offset by these cost increases, resulting in Manchester's Adjusted EBITDA increasing by £14.7m to £266.2m, an increase of 5.8%.

Manchester's depreciation and amortisation was £143.2m (2025: £146.6m), a decrease of £3.4m, reflecting the roll-off of higher depreciation on assets replaced as part of MAN-TP.

Adjusted items attributable to Manchester were £14.5m, resulting in total operating costs of £521.6m (2025: £471.6m). This 10.6% increase was primarily driven by higher employee and non-employee costs, as outlined above. As a result, Manchester delivered an operating profit of £108.5m (2025: £90.6m), an increase of 19.8%.

Financial review continued

TRADING UNITS CONTINUED

London Stansted Airport

London Stansted Airport marked a significant milestone during the year, welcoming over 30 million passengers for the first time.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Passengers (million)	**30.0**	29.9	0.1	0.4%
Revenue (£m)	**480.0**	452.0	28.0	6.2%
Adjusted EBITDA[1] (£m)	**194.9**	188.3	6.6	3.5%
Operating profit (£m)	**105.5**	103.6	1.9	1.8%

1 As explained in Other Information on page 171.

£ per passenger	Year ended 31 March 2026	Year ended 31 March 2025
Aviation revenue	**6.4**	6.1
Commercial revenue[1]	**9.6**	9.0
Operating costs (before adjusted items and depreciation)	**9.5**	8.8
Operating costs (including adjusted items and depreciation)	**12.5**	11.7

1 All revenue streams excluding aviation.

There were four net route gains for the airport during the year. Dublin, Istanbul and Edinburgh remain the most popular destinations. Revenues were primarily lifted by improved yields per passenger in both aviation and commercial, resulting in a £28.0m, or 6.2%, increase to £480.0m.

Stansted's operating cost base (before adjusted items and depreciation) increased by £21.4m, or 8.1%, to £285.1m. Around half of the increase was driven by higher employee costs, reflecting growth in headcount and pay awards, with the remainder attributable to increases in non-employee costs, including information security, business rates, utilities and car park operations. As a result, Adjusted EBITDA increased by £6.6m to £194.9m.

The airport's depreciation charge increased by £3.5m, from £75.9m to £79.4m, while Adjusted items rose from £8.8m to £10.0m, reflecting the commencement of the Stansted Transformation Programme. As a result, total operating costs increased by £26.1m to £374.5m, with London Stansted delivering an operating profit of £105.5m (2025: £103.6m).

East Midlands Airport

East Midlands Airport has a vital dual role as the biggest airport for dedicated cargo traffic in the UK and servicing the East Midlands region for leisure and business travel.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Passengers (million)	**4.0**	4.0	–	(1.3)%
Revenue (£m)	**111.8**	96.9	14.9	15.4%
Adjusted EBITDA[1] (£m)	**50.9**	41.1	9.8	23.8%
Operating profit (£m)	**28.5**	23.5	5.0	21.3%

1 As explained in Other Information on page 171.

£ per passenger	Year ended 31 March 2026	Year ended 31 March 2025
Aviation revenue[1]	**15.0**	11.7
Commercial revenue[2]	**13.0**	12.5
Operating costs (before adjusted items and depreciation)	**15.2**	14.0
Operating costs (including adjusted items and depreciation)	**20.8**	18.4

1 £ per passenger for aviation includes cargo, for which there are no passenger numbers.
2 All revenue streams excluding aviation.

Passenger numbers remained stable at 4.0 million compared with FY25. Aviation yield improved, supported by a one-off benefit arising from a new contract with a major carrier, which accounted for just over half of the increase.

Cargo revenues performed strongly, increasing by £2.8m to £34.2m, driven by growth in Far East flows and the addition of seven new cargo carriers. The airport handled 413,664 tonnes in FY26, the first time since the Covid-19 pandemic that freight volumes have exceeded 400,000 tonnes.

Commercial yields also improved, contributing to a £14.9m increase in total revenue to £111.8m. Operating costs (before adjusted items and depreciation) increased by £5.1m, or 9.1%, to £60.9m, primarily reflecting higher employee costs due to wage inflation, alongside increases in utilities and maintenance. As a result, East Midlands improved Adjusted EBITDA by £9.8m to £50.9m (2025: £41.1m).

Including depreciation and amortisation of £21.3m and adjusted items of £1.1m, total operating costs increased by £9.9m to £83.3m. Consequently, East Midlands delivered an operating profit of £28.5m (2025: £23.5m).

TRADING UNITS CONTINUED

CAVU

CAVU's notable growth has continued during the year, with our businesses driving performance across the North American and EMEA markets and entering the Asia-Pacific (APAC) market for the first time this year.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change £m	Change %
Revenue (£m)	**288.7**	228.5	60.2	26.3%
Adjusted EBITDA[1] (£m)	**77.1**	70.6	6.5	9.2%
Operating profit (£m)	**50.4**	38.4	12.0	31.3%

1 As explained in Other Information on page 171.

Revenue growth of £60.2m was due to increases across both the Marketplace and Experiences businesses within CAVU, with Marketplace primarily benefitting from consolidating a full year of revenues from the Netherlands-based Parkos, which was acquired part way through the prior year. Revenues in the Experiences business grew strongly following continued expansion of its locations across the world and innovation of its product offerings. It now operates 32 lounges across 25 airports both at MAG's own airports and third-party airports in the United States, UK, and Australia.

Operating costs increased by £53.7m, or 34.0%, to £211.6m, driven primarily by higher customer acquisition costs within the Marketplace business, alongside inflationary pressures on employee and utility costs across both divisions.

Despite this, CAVU delivered growth in profitability, with Adjusted EBITDA increasing by £6.5m to £77.1m. Operating profit increased by £12.0m to £50.4m reflecting the reduction in Parkos acquisition costs by £6.0m, presented in Adjusted items.

PROPERTY

Investment properties are revalued to fair value at each reporting date by independent property valuers. The total value of the Group's investment properties decreased by £1.9m to £174.0m, comprising additions of £3.8m partially offset by a reduction in the fair value of the existing portfolio by £3.2m and a transfer to property, plant and equipment of £2.5m.

MAG continues to retain a 20% interest in the Airport City (rebranded to MIX Manchester) development and accounts for its investment on an equity basis as an associate. The Group has recognised its share of the loss of the associate for the year, resulting in a decrease in the carrying value of its investment by £0.2m to £6.1m.

CASHFLOW

For the year ended 31 March 2026, the Group maintained a broadly stable net cash position of £268.4m, in line with the prior year. Cash generated from operations of £588.6m was used to fund tax and interest payments of £269.8m and to partially support £582.4m of investment in property, plant and equipment and intangible assets.

Adjusted cash generated from operations increased to an inflow of £609.4m, up 6.8% from £570.7m in the prior year. This represented 99.2% of Adjusted EBITDA, reflecting strong cash conversion and effective working capital management.

During the year, MAG strengthened its liquidity position through the issuance of a £300.0m bond in January 2026. After payments of lease liabilities and dividends, this resulted in a net financing inflow of £271.8m.

The Group continues to manage liquidity prudently, maintaining sufficient funding ahead of planned capital investment. In addition to cash reserves, MAG has access to a £500m Revolving Credit Facility, which remained undrawn at the year end.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Change %
Adjusted cash generated from operations[1]	**609.4**	570.7	6.8%
Adjusted items	**(20.8)**	(25.9)	19.7%
Cash generated from operations	**588.6**	544.8	8.0%
Net interest paid	**(256.7)**	(209.1)	22.8%
Tax paid	**(13.1)**	(61.4)	78.7%
Net cash used in investing activities	**(586.2)**	(675.6)	13.2%
Net cash generated from financing activities	**271.8**	320.8	(15.3)%
Net increase/(decrease) in cash and cash equivalents	**4.4**	(80.5)	n/a
Effect of foreign exchange rate changes	**(0.6)**	–	n/a
Year end position:			
Net cash and cash equivalents[1]	**268.4**	264.6	1.4%

1 As explained in Other Information on page 171.

Financial review continued

FINANCING AND INTEREST

MAG continues to maintain strong investment grade credit ratings, which are central to our long-term financing strategy and support continued investment in future growth. The Group is rated BBB+ by Fitch and Baa1 by Moody's, both with stable outlooks. Supported by our strong liquidity position and shareholder backing, MAG remains well positioned in the debt markets, as demonstrated by the successful issuance of a £300.0m bond in January 2026 to support the Group's transformation initiatives.

Group net debt, excluding accounting for leases under IFRS 16, increased by £295.1m to £3,354.3m. Net cash from operating activities of £318.8m was offset by capital investment of £593.0m, primarily for MAN-TP, NGS, and STN-TP.

After the impact of IFRS 16, Group net debt at year end was £3,887.9m, comprising fixed rate bonds of £2,468.2m, shareholder loans of £1,154.5m and lease liabilities of £533.6m, offset by net cash of £268.4m.

Net finance costs before adjusted items were £224.4m (2025: £197.5m), reflecting the higher level of bonds in issue following the £300m issuance in January 2026 and the €500.0m issuance in March 2025.

Net finance costs also include a £14.1m gain (2025: £3.8m loss) presented within adjusted items. This relates to the IFRS 9 modification gain or loss on shareholder loans, with the current year gain driven primarily by lower forecast interest rates on the deferred interest element of the liability.

CAPITAL EXPENDITURE

Capital investment in FY26 reduced following peak expenditure on MAN-TP in FY25. This reduction was partially offset by increased spend on STN-TP and completion of NGS during the year, with these programmes together accounting for almost half of total capital spend. In addition, MAG continued to invest in the renewal and enhancement of core infrastructure, including terminal facilities at Manchester and Stansted, stand capacity works at Manchester and cargo infrastructure at East Midlands, alongside growth investment through the fit out of new CAVU lounges. Overall, Group investment in property, plant and equipment totalled £561.7m. While lower than prior year, this remains significantly above historical levels. As a result, the Group's property, plant and equipment balance increased to £3,951.5m (2025: £3,634.5m) with the investment more than offsetting the depreciation charge of £241.1m.

LEASES (IFRS 16)

The Group's right of use assets and lease liabilities increased by £7.4m and £9.9m respectively, to £505.9m and £533.6m. This movement was primarily driven by the remeasurement of the electricity distribution agreement with UK Power Networks, within airport infrastructure, following an increase in expected future lease payments.

PENSIONS

The pension position is determined by the Directors, supported by independent actuaries, PwC, who draw on a range of data sources in assessing the year-end position of the Group's defined benefit schemes. The net surplus recognised under IAS 19 decreased slightly from £84.6m at 31 March 2025 to £82.9m at 31 March 2026.

Summary of changes in aggregate pension scheme surplus	£m
Net surplus as at 31 March 2025	**84.6**
Administration expenses	**(0.7)**
Other financial income	**4.9**
Contributions	**0.4**
Actuarial loss	**(6.3)**
Net surplus as at 31 March 2026	**82.9**

The net surplus of £82.9m in the accounts reflects a net liability of £2.9m in The Greater Manchester Pension Fund (GMPF) and a net surplus of £85.8m in the E.M.I.A. Pension Scheme (EMIA) and M.A.G (STAL) Pension Scheme (STAL) schemes. The net surplus in the EMIA and STAL schemes cannot be offset against the net liability attributable to the GMPF scheme, so these are presented separately in the financial statements.

The STAL and EMIA scheme surpluses decreased from a combined £87.7m to £85.8m over the period, primarily reflecting updated member experience assumptions. Based on the Group's interpretation of the scheme rules, MAG considers it holds an unconditional right to a refund of any surplus. Accordingly, the surplus has been recognised in the financial statements.

MAG's obligations to GMPF ceased in FY23, other than the ongoing commitment of unfunded liabilities at the end of FY26 of £2.9m (2025: £3.1m).

TAXATION

The total tax charge in the consolidated income statement is £27.5m compared to £49.2m in the prior year and continues to be influenced by non-deductible items that result in the underlying effective current tax rate remaining higher than the standard rate of corporation tax, with differences explained in note 9 to the financial statements. The net tax paid in the year was £13.1m, comprising payments on account of £50.1m relating to FY26 profits and a refund of £36.8m received upon finalisation of the Group's FY25 tax returns.

EQUITY SHAREHOLDERS' FUNDS AND DIVIDENDS

Equity attributable to shareholders increased to £775.0m (2025: £724.1m). This movement reflects profit after tax and adjusted items of £61.8m together with a £0.1m net gain on cash flow hedges. These increases were partially offset by a £4.8m reduction from the remeasurement of pension liabilities (net of tax), a £1.7m loss on foreign exchange translation of overseas operations, and a £4.5m dividend payment.

Total payments to shareholders increased to £134.4m (2025: £124.3m), including £129.9m of shareholder loan interest (2025: £105.2m) and a £4.5m final dividend to C shareholders (2025: £4.1m). No dividends were paid to ordinary shareholders during the year (2025: £19.1m).

POST-BALANCE SHEET EVENTS

None to disclose.

BUSINESS OUTLOOK

Ongoing geopolitical tensions and conflict in the Middle East, and their knock-on effects on flight paths, input costs and the wider economy, will continue to shape our operating environment. In response, we remain focused on maintaining financial resilience while navigating this increased uncertainty.

At the same time, MAG continues to invest in the future, enhancing the range of products and services we offer to customers and supporting sustainable long-term value creation.

By aligning our commercial strategy with customer affordability, we are driving revenue growth and reinvesting to improve the passenger experience. With MAN-TP nearing completion, attention turns to the successful delivery of STN-TP, alongside our broader transformation initiatives to drive further returns across the Group.

We remain disciplined in managing global uncertainties through active risk management, operational flexibility and prudent financial planning, ensuring continuity of service delivery.

As we grow, we remain firmly aligned with our net zero ambitions, embedding sustainability into our decision-making. Through this balanced approach, MAG is positioned to deliver value, enable growth and generate returns, with an airport business fit for the future.

The Group has delivered a strong performance in the year, underpinned by resilient demand and disciplined execution, while continuing to invest significantly in its infrastructure to support future growth. Importantly, this has been achieved while maintaining a competitive and efficient cost base, with cost per passenger remaining at attractive levels relative to the sector.

The level of capital investment has resulted in a net cash outflow after capex, reflecting a deliberate and strategic deployment of capital into long-term value-creating projects. Looking ahead, maintaining financial resilience remains a priority, particularly in the context of geopolitical tensions and potential increases in business rates, which risk placing additional pressure on the sector. Notwithstanding these challenges, the Group remains well positioned to balance investment, growth and returns over the long term.

Marie Joyce
Chief Financial Officer

1 July 2026

Our people

Our people

MAG's colleagues are central to its ability to deliver strategic aims and positive experiences for passengers. Their passion and dedication, alongside a commitment to living MAG's values every day, create a positive culture across the organisation, underpinned by pride and positivity.

Centred around the 'Our Journey Makers' employee value proposition, the Group works hard to embed MAG's culture and values both internally and externally, helping to attract and retain the best talent.

CONSULTATION, COMMUNICATION AND ENGAGEMENT

MAG is focused on delivering effective communication to colleagues, as a way to drive engagement and give colleagues the opportunity to express their views. In FY26 the Group was pleased to launch its refreshed 'Our Journey Makers' Employee Value Proposition (EVP).

Across MAG, colleagues are empowered to provide feedback to the business with their thoughts, and the Group is committed to providing regular updates on actions taken to address matters raised. Through an ongoing partnership with leading survey platform Qualtrics and leading insight consultancy Ipsos Karian and Box, MAG generates impactful employee insights, which are used to shape the experience of our colleagues.

69%

EMPLOYEE ENGAGEMENT

170+

ALL-COLLEAGUE BRIEFING SESSIONS ACROSS MAG



The Group's annual 'Your Voice' engagement survey provides a consistent and effective approach to gathering feedback. Following completion of the survey, clear action plans are circulated across the Group, followed by dedicated communications regarding progress and next steps.

Alongside the annual survey, MAG has trialled targeted listening groups as a new way of giving colleagues the opportunity to share their thoughts on specific topics, with a plan to extend these further over the coming months.

With a significant proportion of MAG's colleagues based within airport operations, the Group consciously deploys a variety of different ways to keep colleagues informed and engaged – including face-to-face briefings sessions like Townhalls and leader-led briefings. Across the reporting year, MAG completed more than 170 All Colleague Briefings with the opportunity to reflect on successes, focus on priorities and recognise the efforts of colleagues and the role they play in MAG's success. Going forward, the Group will continue to review its communication approach to ensure it is working as effectively as possible across the organisation.

MAG is committed to fostering positive Trade Union (TU) partnerships with a focus on early engagement when it comes to issues that may affect TU partners and their members. As part of the Trade Union Recognition Agreements, a range of information and consultation forums exist for each business area to facilitate these discussions.

Recognising and celebrating the efforts of those who demonstrate behaviours aligned with MAG values continues to be an important engagement tool. In FY26, close to 8,000 e-cards were issued to colleagues as a result of a peer-to-peer recognition scheme. More than 1,000 colleagues were also nominated under the Group's High Flyers award scheme, with more than 60 colleagues celebrated during an annual winners ceremony.

TRAINING AND DEVELOPMENT

MAG is committed to creating a culture of continuous learning that helps colleagues build the most meaningful careers, while strengthening the capabilities the business needs to deliver for passengers and communities. Over the past year, the Group has continued to move from ambition to action, strengthening the foundations that support development, performance and progression across the business.

Leadership Expectations continue to guide working behaviours across MAG, helping people leaders to create clarity, encourage connection and deliver consistently strong performance. Alongside this, the Group has enhanced its approach to talent and development through clear and transparent career conversations, targeted learning and development opportunities. Combined with a refreshed, dynamic EVP this brings consistency and energy to the candidate and colleague experience.

MAG is proud of the approach it takes to early careers, and has continued to invest in apprenticeships and graduate pathways, helping to build future talent pipelines. Alongside this, the Group is committed to delivering coaching, mentoring and focused development programmes to support colleagues across all career stages.

With a focus on the future, MAG will continue to strengthen its understanding of the skills and capabilities needed across the organisation. This will be driven by better data and insight to inform workforce decisions. By continuing to invest in colleagues and building a future-ready business, MAG is committed to ensuring the business remains a place to grow, develop and thrive.

EQUITY, DIVERSITY AND INCLUSION

MAG is committed to building a workplace that reflects the society it serves, where every colleague has the opportunity to belong, contribute and thrive.

Over FY26, the Group marked a major milestone with the launch of 'Every Journey Matters', MAG's first fully integrated Equity, Diversity and Inclusion (ED&I) Strategy. The Strategy demonstrated the Group's commitment to transparency and industry leadership – reinforcing MAG's ambition to set a new standard for inclusive excellence across the aviation sector. To demonstrate this, in September MAG launched the UK aviation industry's first cross-sector inclusion forum – 'Aviation for All'. This event brought together more than 200 participants across airports, airlines, regulators, charities, and industry partners operating in the UK.

The event delivered positive feedback including

100%
OF ATTENDEES SAID AVIATION FOR ALL FELT LIKE A POSITIVE STEP FORWARD FOR INCLUSION IN THE AVIATION SECTOR

100%
SAID THEY WOULD LIKE TO SEE AVIATION FOR ALL RETURN NEXT YEAR AS PART OF NATIONAL INCLUSION WEEK

100%
AGREED IT SET A NEW STANDARD FOR CROSS-SECTOR COLLABORATION IN AVIATION

73.7%
SAID THEY WOULD ATTEND AGAIN

In a significant moment, in January, MAG launched its Neurodiversity Hub as part of its commitment to enhance disability inclusion and foster belonging for underrepresented groups as part of the Every Journey Matters ED&I Strategy.

In March, MAG won the award for outstanding ability network at the British Diversity Awards and was also named a finalist in the Large Organisation category for the Northern Power Women Awards. These achievements recognised the Group's ongoing commitment to equity and inclusivity across its operations.

Inclusive leadership is a core component of MAG's leadership development programme. This is focused on strengthening leaders' ability to be role models for inclusive workplace practices and create equitable experiences for colleagues across the business.

Over this reporting period, MAG evolved its Colleague Resource Groups into Colleague Communities – utilising them as strategic business partners who represent issues that disproportionately affect underrepresented groups. Each Community works to a shared maturity framework, ensuring they are aligned, focused, and progressing in a consistent, strategic direction for the business. MAG's Colleague Communities have combined membership of more than 2,400 people, which was a 30% increase year-on-year.

OUR COLLEAGUE COMMUNITIES:

- **EmbRACE (Race & Ethnicity)** – reinforcing MAG's commitment to accelerating positive outcomes for ethnic minority colleagues, communities, and partners.
- **MAG Women's Network** – showcasing female talent and championing progression for women across the business.
- **MAG Mental Health Network** – sharing elearning, resources, and practical tools to strengthen mental health awareness and support across MAG's workplaces.
- **RespectAbility (Disability)** – creating improved access and inclusion for both colleagues and customers.
- **P.A.C.T (Parents & Carers Together)** – supporting confidence and safety for colleagues with caring responsibilities.
- **Fly with Pride (LGBTQIA+)** – providing dedicated space for members to share experiences, raise concerns and feel supported during periods of organisational change.

In March, three Colleague Communities were shortlisted for the British Diversity Awards 2026, with RespectAbility winning one of these awards, showcasing the strength of our colleague-led inclusion movement and the impact these networks are having across MAG.

Sustainability report

Creating a sustainable future for all

MAG is proud of the wide-ranging economic and societal benefits its airports deliver. To continue delivering, and grow, these benefits MAG, and more broadly UK aviation must forge a more sustainable future. Accordingly, MAG is proactively embedding sustainability across its strategy, investment decisions, and day-to-day operations.

For more than two decades, MAG has curated an industry-leading approach to sustainability, delivering initiatives which have reduced its impact on the environment, created life enhancing career opportunities for thousands of people alongside meaningful and positive connections with communities surrounding its airports.

MAG recognises that the continued delivery of the UK aviation sector's wide-ranging economic and societal benefits is contingent on building a sustainable future. This principle sits at the heart of how MAG operates – embedded as a strategic priority linked to the success of the business and embraced as a value for colleagues to live by in their day-to-day work.

At the beginning of FY26, MAG published its new Sustainability Strategy: Creating a sustainable future for all. Building on the foundations of the Group's work to date, the Strategy seeks to shape the future of sustainable travel – minimising the impacts of airport operations on the natural environment and acting as a positive force in communities.

Grounded in a double materiality assessment, the Strategy ensures that the Group's approach to sustainability continues to respond to the issues that matter most to its wide range of stakeholders.

Across the reporting year, MAG has continued to demonstrate leadership through the initiatives it has delivered against the two pillars of its Sustainability Strategy: Protecting the Environment and Community at our Core. This progress ensures that the MAG can continue to grow sustainably into the future, bringing benefits to those who live close to, work at and use its airports and contributing to the long-term success of the regions they serve.

PROTECTING THE ENVIRONMENT

Minimising the environmental impacts of aviation is central to MAG's vision for the sustainable future for air travel. The Group is maximising the opportunity of its transition to net zero operations – focused on energy efficiency, renewable resources and the conservation of the natural environment.

The Group has ambitious and credible targets to make this vision a reality:

Net Zero
CARBON OPERATIONS (SCOPE 1 AND 2 MARKET-BASED EMISSIONS) BY 2038

30%
OF ELECTRICITY SUPPLIED FROM RENEWABLE SOURCES DIRECTLY CONNECTED TO MAG'S AIRPORTS BY 2035

48%
REDUCTION IN MAG SCOPE 1 AND 2 MARKET-BASED EMISSIONS BY 2030, ALIGNING WITH MAG'S SCIENCE-BASED CLIMATE COMMITMENT

15%
REDUCTION IN ENERGY USED PER PASSENGER BY 2030 COMPARED TO 2024

GRESB INFRASTRUCTURE ★★★★★ 2025



This year, the Group was pleased to retain its five-star GRESB Environmental, Social and Governance (ESG) rating.



PROGRESS TOWARDS NET ZERO AIRPORT OPERATIONS

Over this reporting period, MAG has demonstrated progress against its target to reach net zero operations by 2038. This year, our decarbonisation programme reduced MAG's Scope 1 and 2 market-based emissions by 27% compared to our FY20 baseline.

The Group has committed to transitioning all compatible airport vehicles to biodiesel as a near-term decarbonisation measure. During FY26 MAG introduced biodiesel in its airfield vehicle fleets at East Midlands and London Stansted airports, and in vehicles across the landside operations including bus services connecting the car parks to the airport at Manchester Airport. Biodiesel is a renewable alternative to diesel that reduces up to 90% of lifecycle greenhouse gas emissions compared to conventional diesel and enables early reduction in emissions, as we continue fleet renewal plans to introduce more electric vehicles.

Across the year, London Stansted saw the introduction of rapid EV-chargers in one of the main customer car parks and staff car park.

As the only airport in London with plans for an onsite solar farm, in August, London Stansted began construction on its 12.8 megawatt project. The farm has been designed to meet a major part of Stansted's current and increasing electricity needs, including the increased use of electric vehicles on site. Since construction began more than 24,000 solar panels have been installed,with the project expected to start generating its first renewable power later this year.

WORKING WITH PARTNERS TO ACHIEVE A SUSTAINABLE FUTURE

Recognising that reaching the industry's global target of net zero aviation by 2050 is a collective endeavour, for more than two decades MAG has led UK collaboration to drive decarbonisation:

- MAG is the current Chair of Sustainable Aviation – the UK industry's coalition on aviation sustainability, working closely with industry partners to drive decarbonisation and deliver progress towards aviation's net zero target of 2050.
- MAG was a founding member of the Government's Jet Zero Taskforce, and is a leading partner to support the transition to net zero.

In July 2025, MAG welcomed the Government's announcement of Advanced Fuel Fund support for the creation of a domestic industry for Sustainable Aviation Fuel (SAF). As part of the Fund, the Government provided support worth £4.5m to Essar and NorthPointe Energy who are developing SAF projects at Stanlow, close to Manchester Airport. Provisional figures from the Department for Transport show that SAF made up 2.4% of UK aviation fuel in 2025, exceeding the Government mandate of 2%. The development of SAF production facilities at Stanlow, which is connected to Manchester Airport by an existing fuel pipeline, will support plans to increase SAF use over the coming years.

In March, Sustainable Aviation (SA) announced a carbon removals Advanced Market Signal, to stimulate the supply of carbon removals. MAG representatives led this workstream on behalf of SA members, bringing together seven aviation industry partners to provide a £2m boost to the market for carbon removals. This initiative was launched at the Sustainable Skies summit in March as a clear indicator of what the sector must do next to achieve its goals. The initiative complements MAG's Sustainability Strategy target to scale carbon removals to cover 50% of its own residual emissions by 2030 and 100% by 2038.

In another MAG-led initiative, the SA coalition published a position paper exploring climate impacts from aviation's non-CO_2 emissions. The non-CO_2 paper provides an overview of scientific research and industry projects highlighting the activity SA members are undertaking to address the climate warming impacts of non-CO_2 emissions.

Sustainability report continued

CIRCULARITY IN PRACTICE

As part of its commitment to using resources more responsibly to protect the environment, in March MAG signed up to the new Circularity in Practice initiative, inspired by His Majesty King Charles III.

The scheme encourages businesses to collaborate to reduce waste and promote re-use, driving economic growth as a result. As a signatory, MAG will work with partners to identify opportunities to make greater use of circularity across its supply chain – extending the life cycle of products and materials from its airport, and integrating reuse practices in its procurement, construction and operational processes.

Having already achieved 100% diversion of waste away from landfill, this initiative builds on MAG's long-standing commitment to reuse – with the Group already delivering circularity initiatives. Any child buggies in left luggage at Manchester and London Stansted are donated to baby banks and charities – ensuring luggage does not end up in landfill and gives back to local communities.

PROTECTING NATURE

MAG's commitment to protecting the environment includes measures to safeguard the natural environment.

Testament to the positive work on-going across its airport sites, in November 2025 Manchester Airport received a Green Apple award – recognised internationally for best practice in conservation. The airport was recognised for its woodland biodiversity project, which saw ancient woodland species relocated from the airfield to other woodland environments, improving and protecting the diversity of the woodland.

COMMUNITY AT OUR CORE

MAG believes that its airports should be a force for good in the communities they serve, creating opportunities and meaningful connections for everyone who comes into contact with them.

With airports spanning along the length of the country, MAG's airports act as major employers in the North, Midlands and South. With that role comes the responsibility to create and provide opportunities that inspire and support people into careers, creating a sustainable pipeline of talent for the aviation sector.

MAG has an industry-leading education and employment programme and is committed to inspiring and upskilling the next generation of aviation professionals while working with people from all backgrounds to help them secure jobs across the Group's airports and wider industry. Through targeted and pioneering initiatives, MAG works with local businesses and organisations supporting underrepresented groups to break down barriers and open up opportunities – helping make the aviation industry more inclusive.

MAG'S EDUCATION AND SKILLS PROGRAMME

MAG Aerozones

Onsite education facilities for young people aged 4 to18, offering free, interactive sessions to inspire them about careers in aviation

MAG Airport Academies

Onsite employment hubs offering aviation-specific courses in partnership with local colleges and the Department for Work and Pensions, supporting people into fulfilling jobs in the aviation industry

Stansted Airport College

The UK's only on-airport further education facility dedicated to aviation, offering vocational training in roles such as aeronautical engineering, customer service and cabin crew



Across this reporting period:

+6,300
YOUNG PEOPLE VISITED MAG'S AEROZONES

+12,700
JOB SEEKERS SUPPORTED BY MAG'S AIRPORT ACADEMIES

580
STUDENTS ATTENDED STANSTED AIRPORT COLLEGE

MAG CAREERS FESTIVALS

As part of its pioneering approach to career development, between January and March, MAG held first-of-a-kind Aviation Careers Festivals at each of its airports. The festivals were supported by the Department for Transport and Civil Aviation Authority's 'Reach for the Sky Fund' – which recognised the positive impact these events would have to inspire young people across the country about careers in aviation.

In total, more than 1,500 students from schools and colleges across the North, Midlands and South attended the events. During the events, students had the opportunity to learn more about the careers available to them by speaking directly with more than 40 exhibitors – including Virgin Atlantic, Airbus, the Civil Aviation Authority, Dnata as well as departments from across MAG.



Key to the success of the events was their interactive nature, with young people encouraged to get involved in hands-on activities including a flight simulator, an AI careers photobooth, interactive activities such as a themed escape room made exclusively for MAG and live demonstrations of fire and airfield operations vehicles.

Demonstrating MAG's commitment to being an inclusive employer, during the festival at Manchester Airport an all-female panel of aviation professionals – from pilots to engineers and air traffic controllers – hosted a Q&A session for students to learn more about careers in aviation, challenging gender stereotypes and reinforcing the breadth of opportunity aviation offers to everyone.

PURE INNOVATIONS PARTNERSHIP MILESTONE

Inclusive opportunities are a core principle of MAG's employment programme. This year, Manchester Airport celebrated ten years of its partnership with Pure Innovations – an organisation which provides a supported internship programme for young people with special educational needs and disabilities. Over the past decade, more than 60 interns have been supported into paid employment, with 82% of graduates still in their roles 12 months later.

- Meet the Buyer events, held at each airport, created opportunities for small and medium-sized enterprises across the North, Midlands and South to engage with and secure business within MAG's supply chain.

JOBS FAIRS

As a key employer in the regions it serves, MAG understands the value employment opportunities at its airports offer local communities. In FY26, MAG organised or attended over 220 employment events, meeting jobseekers to introduce them to a variety of roles ranging from airfield, retail, security and dispatcher roles.

Across the reporting period, Manchester Airport hosted two free local jobs fairs with a total of 3,400 jobseekers attending. The events showcased opportunities from more than 25 employers, with 900 live vacancies available, including roles available at the airport with Jet2.com, Boots, World Duty Free, Swissport, ABM and many more partners attending. Additionally, the jobs fairs were attended by the Airport Academy, which is run in partnership with Trafford & Stockport College Group and provides free pre-employment support programmes.

London Stansted's two jobs fairs saw a total of 3,500 jobseekers attend with more than 1,000 live vacancies available.

Events were supported by a range of on-site employers, including Ryanair, Border Force, Jet2.com, World Duty Free and DHL with Stansted Airport College, the UK's only airport-based further education provider, showcasing career pathways for young people.

LOCAL VOICES

MAG's commitment to putting community at its core is grounded in the belief that its airports should be forces for good in the regions they serve. The Group has forged constructive relationships with its neighbours over several decades, and creates a programme of in-person and virtual engagement opportunities each year.

In this reporting period, MAG hosted or attended 270 community engagement events. This included 39 meetings of its airport consultative committees, forums which bring together each airport with representatives of communities, airport users and other key stakeholder groups to discuss the issues which matter most to people and organisations with an airport interest. The Group's wider engagement programme includes regular engagement with Airport Community Fund Committees, Parish Councils, local Youth Forums and in-person attendance at local outreach events.

Each of MAG's airports offers support to local community groups through its Community Fund. Through grant awards of up to £3,000, MAG's Community Funds provide long-lasting impact, nurturing grassroots organisations in the regions our airports serve.

- Across this reporting period, MAG supported over 280 local community organisations with grant funding worth more than £495,400.

Among the recipients this year were:

- **The Grafton Centre** – a community hub in Hyde near to Manchester Airport which works to combat social isolation by providing a warm welcoming space for local residents. They received a grant of £2,697 towards the purchase of a new indoor bowling mat to encourage more attendees.
- **Essex Wildlife Trust** – who work to protect and improve access to local wildlife – received a grant of £25,000 to refurbish a path at Aubrey Buxton Nature Reserve to enhance access for local people.
- **Nottingham Casuals Rugby Football Club** – who received £10,000 towards solar panels – providing the Club with renewable energy and expected to reduce energy costs by more than £106,000 over 20 years.

Volunteering in the communities around MAG's airports provides a meaningful and impactful interaction, which delivers mutual benefits for local people, colleagues and MAG. Colleagues across the Group are encouraged to volunteer, with MAG offering two days of paid volunteering time each year – recognition of the benefits volunteering offers. Across FY26, 13% of colleagues volunteered, with 94% of those at leadership level taking part in activities to benefit local communities.

- In total MAG colleagues logged more than 21,300 hours of volunteering.

In addition to maximising the benefits MAG's airports offer, its approach to sustainability also minimises the impacts thriving airports can have on those who live closest to them. By delivering airport Noise Action Plans, which were developed with local stakeholders and adopted by the Government in 2025, this year the proportion of latest-generation aircraft operating at MAG airports reached 29%. In addition to operational measures to incentivise quieter aircraft and operations, MAG has also developed and implemented an online Community Noise Portal for each airport to better inform local communities about airport operations, agreed a new noise complaint handling policy with each Airport Consultative Committee and implemented changes to jet training flights at East Midlands to address community concerns.

Sustainability report continued



MAG has a long-established commitment to transparent reporting of the climate impacts associated with our airport operations. In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, this section presents our energy consumption and greenhouse gas emissions arising from activities under our operational control.

The data reported includes MAG's energy use and emissions in both absolute terms and relative to passenger and cargo activity. Performance intensity is measured using Traffic Units, as defined by the International Civil Aviation Organization (ICAO), where one Traffic Unit is equivalent to 1,000 passengers or 100 tonnes of freight.

Our reporting approach follows UK Government environmental reporting guidance and is aligned with the Greenhouse Gas Protocol developed by the World Resources Institute. Wherever possible, reported figures are based on primary data sources. In circumstances where direct data is unavailable, consumption has been estimated using appropriate methodologies informed by historical energy usage patterns.

We recognise the importance of providing stakeholders with robust and transparent information on greenhouse gas emissions and climate-related performance. This report sets out MAG's energy and emissions data, while our annual Sustainability Report, published each autumn, provides additional detail on emissions associated with our operations and wider value chain activities.

SECR Table	2025–26	2024–25[1]	2019–20 (baseline)[2]
Energy consumption used to calculate emissions (kWh)[3]	**225,312,779**	211,996,993	215,607,233
Emissions from stationary combustion (scope 1, location-based, tCO_2e)[3, 4]	**12,765**	10,873	9,917
Emissions from stationary combustion (scope 1, market-based, tCO_2e)[4]	**7,289**	6,562	9,917
Emissions from mobile combustion (scope 1, location-based, tCO_2e)	**5,840**	6,596	6,622
Emissions from fugitive sources (airfield de-icing and refrigerants) (scope 1, location-based tCO_2e)[5]	**532**	618	1,573
Emissions from purchased electricity (scope 2, location-based, tCO_2e)[4]	**23,622**	25,755	34,552
Emissions from purchased electricity (scope 2, market-based, tCO_2e)[4, 6]	**48**	48	74
Emissions from business travel in rental cars or employee-owned vehicles where MAG is responsible for purchasing the fuel (Scope 3, location-based, tCO_2e)	**182**	173	119
Total gross emissions based on the above (location-based, tCO_2e)[4]	**42,941**	43,835	52,857
Total gross emissions based on the above (market-based, tCO_2e)[4]	**13,981**	13,997	18,305
Intensity measure (traffic units)[7]	**74,342**	72,898	66,899
Intensity ratio (location-based emissions, tCO_2e /traffic unit)[4, 7]	**0.575**	0.601	0.790
Intensity ratio (market-based emissions, tCO_2e /traffic unit)[4, 7]	**0.188**	0.192	0.274
Carbon offsets (purchased and retired, tCO_2e)[8]	**13,890**	13,997	18,305

1 Energy and emission performance has been restated for 2024/25 to make use of the most recent and complete dataset. This approach follows best practice outlined in the World Resources Institute GHGP and guidance issued by the UK Government.

2 During the reporting year, MAG expanded the scope of its SECR disclosure aligning with the boundary of its Scope 1 and 2 near term and net zero emissions. In addition, a new carbon accounting tool was implemented to enhance data capture and management. These improvements have strengthened the robustness and completeness of emissions reporting and have been subject to independent assurance. In line with best practice, prior year emissions have been restated to ensure consistency and comparability across reporting periods.

3 Year-on-year increase in energy consumption is primarily driven by higher stationary combustion emissions at Manchester Airport following the completion of the Manchester Airport Transformation Programme.

4 Location-based emissions are based on the average emission intensity of UK energy networks. MAG proactively chooses to purchase renewable electricity and biomethane which are backed by Renewable Energy Guarantees of Origin certificates (REGOs) and Renewable Gas Guarantees of Origin certificates (RGGOs). To demonstrate the carbon saving of our procurement decisions we dual report our location- and market-based GHG emissions in accordance with the UK Government's Environmental Reporting Guidelines.

5 The scope of MAG's SECR reporting has expanded to include fugitive emissions from airfield de-icer and refrigerant losses, aligning with MAG's near-term and net zero carbon emissions target. Previous years have been restated in accordance with best practice.

6 MAG receives feed in tariff payments for its wind generated electricity, it does not own the renewable energy attribute and must therefore report emissions using the 'Electricity: UK' emission factor for both location- and market-based emissions.

7 MAG measures carbon intensity against traffic units, which are defined by the International Civil Aviation Organization (ICAO) as equivalent to 1,000 passengers or 100 tonnes of freight.

8 MAG purchases carbon (reduction) offsets to compensate for remaining market-based scope 1 and 2 emissions as well as business travel, in alignment with Airport Carbon Accreditation Level 3+.

Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act

Over the last year, we have continued to strengthen our approach to understanding, managing and disclosing climate-related risks and opportunities. This work builds on the progress we have made since we began reporting against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021.

In 2022, the UK Government introduced mandatory climate-related financial disclosure (CFD) requirements for certain large UK companies. These requirements are based on the 11 recommended disclosures of the TCFD, covering governance, strategy, risk management, and metrics and targets. This report aligns with both the recommendations of the TCFD and the UK's CFD framework, ensuring transparency and consistency in our climate-related reporting.

Disclosure recommendation	Section reference
GOVERNANCE	
A Describe the Board's oversight of climate-related risks and opportunities	2025/26 Annual Report – TCFD section (this section)
B Describe management's role in assessing and managing climate-related risks and opportunities	2025/26 Annual Report – TCFD section (this section)
STRATEGY	
A Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	2025/26 Annual Report – TCFD section (this section)
B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	2025/26 Annual Report – TCFD section (this section)
C Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario	2025/26 Annual Report – TCFD section (this section)
RISK MANAGEMENT	
A Describe the organisation's processes for identifying and assessing climate-related risks	2025/26 Annual Report – TCFD section (this section) 2025/26 Annual Report – Internal Controls and Risk Management (page 76)
B Describe the organisation's processes for managing climate-related risks	2025/26 Annual Report – TCFD section (this section) 2025/26 Annual Report – Internal Controls and Risk Management (page 76)
C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	2025/26 Annual Report – TCFD section (this section) 2025/26 Annual Report – Internal Controls and Risk Management (page 76)
METRICS AND TARGETS	
A Disclose the metrics used by the organisation to assess climate-related risks and opportunities	2025/26 Annual Report – TCFD section (this section)
B Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 – greenhouse gas emissions and the related risks	Scope 1 & 2: 2024/25 Annual Report – Emissions Report Scope 1, 2 and 3: Annual Sustainability Report, to be published later in 2025–26
C Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	2025/26 Annual Report – TCFD section (this section)

INTRODUCTION

Climate-related risks and opportunities remain a key area of focus for MAG, reflecting both the evolving regulatory landscape and the increasing financial relevance of climate to the aviation sector. Over the reporting period, MAG has further refined how these risks are understood, assessed and incorporated into its disclosures and decision-making, building on the approach established since it first aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2021.

MAG's disclosures continue to align with both the TCFD framework and the UK Government's mandatory climate-related financial disclosure (CFD) requirements. Together, these provide a structured basis for reporting across governance, strategy, risk management, and metrics and targets, supporting consistency and transparency in how climate-related matters are communicated. Additionally, this work also informs the Group's approach to emerging nature-related disclosures, including the introduction of Task Force Nature-related Financial Disclosures (TNFD) aligned reporting within this Annual Report (see page 69).

During the year, MAG introduced its refreshed Sustainability Strategy 2025–2030, *Creating a sustainable future for all,* marking an important step in strengthening the integration of climate considerations into the Group's wider strategy. Grounded in a double materiality assessment, the Strategy builds on existing commitments and supports delivery of MAG's Group strategic priority of "Decarbonising Aviation", one of the Group's seven strategic priorities, and includes MAG's CAVU business, reflecting the integration of sustainability across both airport operations and travel services.

Within the Sustainability Strategy, climate change is addressed through the Protecting our Environment pillar, which sets out how decarbonisation activities are delivered in practice.

This includes targets and action plans designed to reduce greenhouse gas (GHG) emissions and enhance the resilience of airport infrastructure across its three locations, as well as airport service functions from CAVU. It also includes initiatives such as the rollout of lower carbon fuels across operations, continued development of renewable energy and energy infrastructure, and the introduction of emission-related fees and charges to support delivery of MAG's target to reduce the emissions intensity of flights at its airports. Across the wider Group, this approach also extends to MAG's CAVU business, where sustainability actions focus on areas such as energy use, supply chain emissions and the delivery of lower-impact customer-facing operations.

Progress over the period reflects continued delivery of decarbonisation initiatives, alongside the expansion of activities that broaden how climate-related risks and opportunities are managed. MAG has also expanded its focus on value chain emissions through supply chain mapping and taken initial steps to scale the use of carbon removals, reflecting a broader and more integrated approach to decarbonisation.

MAG recognises that decarbonising aviation requires coordinated action across the sector. The Group remains actively engaged with Government and industry partners, playing a role in enabling the delivery of national policy objectives, including the UK's Jet Zero ambitions and the development of Sustainable Aviation Fuel (SAF). This alignment supports both the transition to net zero aviation and the long-term resilience of the business.

Overall, the year reflects continued progression towards embedding climate considerations within core business activities, with greater emphasis on implementation, integration into decision-making, and alignment with the wider transition of the aviation sector.

GOVERNANCE

The Board retains overall accountability for the oversight of climate-related risks and opportunities. These are considered alongside broader strategic priorities and principal risks, ensuring that climate-related matters are integrated into the Group's wider decision-making processes.

The Audit Committee supports this oversight through its review of climate-related risks within the Group's Strategic Risk Register, ensuring that climate risks are embedded within MAG's enterprise risk management framework and considered alongside financial and operational risks.

The CSR Committee provides dedicated oversight of sustainability and climate-related matters. The Committee meets three times per year. Further detail on its role, membership and activities is provided in the CSR Committee Report within this Annual Report. During the year, the Committee's climate-related focus included:

- review of progress in decarbonising operations and delivering the Sustainability Strategy;
- consideration of MAG's role in enabling the decarbonisation of aviation, including sustainable aviation fuel and emissions-related commercial mechanisms;
- review of climate-related risks, including outputs from climate adaptation activity and climate-related financial disclosures; and
- monitoring of performance against sustainability targets and key programme delivery.

These activities supported the ongoing alignment and progression of climate-related priorities with MAG's and CAVU's strategy, its decarbonisation activities and the development of initiatives to support the wider transition of the aviation sector.

The Committee is supported by MAG's Decarbonisation & ESG team, which provides regular updates on performance, policy developments and emerging climate-related risks. The team also leads a programme of climate-related activities across the Group and the escalation of key issues to senior leadership and the Board.

In addition, Decarbonisation Programme and Project Boards, chaired by the Decarbonisation & ESG Director and supported by Executive Committee (ExCo) members and subject matter experts, have continued to oversee delivery of key decarbonisation workstreams. During the year, these Project and Programme Boards focused on progress against our planned net zero trajectory, supporting the progression of initiatives relating to biofuels, alternative heating sources, electrification, supply chain and carbon removals, and ensuring alignment between strategic objectives, operational delivery and investment planning.

The Audit Committee considers that climate-related risks are being effectively managed within the existing governance framework, while recognising that these risks remain material and subject to ongoing monitoring and review.

Management

Management is supported by the CSR Policy and Environment and Energy policies, which set out commitments on emissions reduction, energy performance and resource efficiency.

Overall accountability for climate-related matters sits with the Chief Executive Officer, Ken O'Toole. Responsibility for the development and delivery of MAG's sustainability strategy and approach to decarbonisation is led by the Chief Sustainability Officer, Neil Robinson, supported by the Executive Committee (ExCo) and Senior Leadership Team (SLT).

Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act continued

The Chief Sustainability Officer provides regular updates to the ExCo on progress against the Strategy, including performance against targets and emerging risks and opportunities. This enables the ExCo to oversee implementation and ensure alignment with the Group's wider strategic and operational priorities. Each sustainability commitment is assigned an ExCo sponsor and SLT lead, supported by defined work programmes and regular performance monitoring.

The central Decarbonisation & ESG team coordinates delivery across the Group, including monitoring emissions and performance, reporting and supporting the identification, assessment and escalation of climate-related risks. Climate-related initiatives are delivered through operational and strategic programmes, integrated into day-to-day operations and business planning.

Climate-related risks are assessed through established management processes and escalated to senior leadership and relevant Board Committees where appropriate, ensuring alignment with the Group's governance framework and supporting timely decision-making.

STRATEGY

As an airport operator and provider of travel services through its CAVU business, MAG plays a direct role in reducing emissions from its own operations and an important enabling role in the wider decarbonisation of aviation. At the same time, the Group is responsible for operating and developing critical national infrastructure across its three airports, while also delivering both physical and digital customer experiences that support connectivity, economic growth and regional prosperity. Climate change is therefore both a material risk to the business and a strategic priority for MAG.

MAG's Sustainability Strategy, *Creating a sustainable future for all* sets out how the Group's strategic priority of "Decarbonising Aviation" is delivered in practice. This includes a commitment to achieve net zero carbon operations by 2038. To deliver on this Group strategic priority, the strategy combines action within its own operations with action across the wider industry.

Within MAG's own control, this includes improving energy efficiency, increasing renewable energy use, progressing lower carbon fuels such as biodiesel within airside ground equipment, and supporting the development of electric vehicle infrastructure. It also includes working with Government and industry partners on measures such as sustainable aviation fuel, carbon removals and emissions-related aircraft landing charges. MAG plays an active role in shaping sector-wide decarbonisation through its leadership and participation in key industry and policy forums, including its Chief Sustainability Officer serving as Chair of Sustainable Aviation. This reflects the role airport operators can play in enabling lower carbon air travel and influencing the pace of transition, even where emissions sit outside their direct control.

MAG's approach is aligned with national policy objectives, including the UK's net zero commitment and the decarbonisation of aviation. Specifically, the Group plays a prominent role in the Government's Jet Zero Taskforce, with its CEO sitting on the Plenary Group and MAG actively contributing to multiple Task and Finish Groups, helping to shape the direction and delivery of the UK's aviation decarbonisation strategy. In this way, the Group aims to support sector transition while continuing to operate safe, efficient and resilient airport infrastructure, with investment and operational planning increasingly reflecting long-term decarbonisation and adaptation requirements.

Climate scenario analysis

MAG identifies climate change as a strategic risk to both its business and the wider aviation industry. Its climate-related risk assessment is aligned with the UK Government's National Infrastructure Adaptation Plan, and its most recent Climate Change Adaptation Progress Report was submitted to Defra in January 2025.

MAG assesses climate-related risks and opportunities across three time horizons:

- **Short-term (Present to 2030):** focused on immediate operational and transition challenges, including delivery of decarbonisation commitments and response to evolving regulation and market expectations.
- **Medium-term (2031 to 2050):** increasing emphasis on physical climate risks and the delivery period for emissions reduction commitments.
- **Long-term (2051 to 2070):** consideration of longer-term climate trends and potential systemic impacts on infrastructure, operations and market conditions.

MAG uses scenario analysis to assess the range of physical and transition risks it may face under different climate futures. First conducted in FY22, this analysis provides a directional view of both acute and chronic physical risks, alongside transition risks linked to regulation, technology, customer behaviour and financing. Climate-related risks are also identified through Climate Adaptation reporting and the annual risk review. These are consolidated within the Group's corporate risk management system, ensuring that climate risks are assessed and monitored alongside other principal business risks, in line with the recommendations of the TCFD.

MAG uses Representative Concentration Pathways (RCPs), a consistent set of well-established climate scenarios first published by the Intergovernmental Panel on Climate Change (IPCC), to assess both physical and transition risks. While RCPs primarily describe different global warming outcomes, they also provide a useful basis for understanding the level of policy, market and technological change required to achieve those outcomes, enabling a single, coherent analytical framework. In addition, MAG draws on scenarios developed by the Network for Greening the Financial System (NGFS) as supplementary guidance to support its assessment of transition risks.

CLIMATE SCENARIOS

Physical scenarios

- **RCP2.6:** Low emissions scenario, representing approximately 1.5°C of warming by 2100. This scenario reflects a pathway with strong mitigation action, resulting in more limited physical climate impacts, although some increase in extreme weather events and gradual changes in climate conditions are still expected.
- **RCP8.5:** High emissions scenario, representing up to 4°C of warming by 2100. This scenario highlights more frequent and intense extreme weather events, including increased rainfall, flooding, temperature extremes and compound events that could pose systemic risks to airport infrastructure and operations.

Transition scenarios

- **RCP2.6:** High ambition, low emissions scenario. This reflects a rapid and coordinated transition to a low-carbon economy, with significant policy intervention, technological change and shifts in market behaviour.
- **RCP4.5:** Intermediate scenario. This reflects a more gradual transition, with moderate policy action and a slower pace of decarbonisation across sectors.
- **RCP8.5:** High emissions scenario with no transition. This reflects limited policy intervention and continued reliance on high-carbon activities, resulting in minimal transition risk but significantly higher physical climate risks over time.

MAG's scenario analysis indicates that transition risks represent the most significant pressures in the short term, particularly those associated with policy development, access to capital and changes in passenger demand across the aviation sector. While these dynamics may influence overall market growth, including potential shifts in consumer behaviour and the pace of aviation decarbonisation, demand impacts are expected to be moderated at MAG's airports. This is because growth at these airports is typically constrained by infrastructure capacity, planning limits and operational considerations. Passenger volumes are therefore more often driven by available capacity than underlying demand. As a result, while sector-wide demand trends remain an important consideration, their direct impact on MAG's financial performance is expected to be less pronounced than for less capacity-constrained parts of the aviation value chain.

Over the medium to long term, physical risks become increasingly relevant. These risks vary across MAG's airports, reflecting geographic differences in exposure to climate impacts. For example, London Stansted is likely to face greater exposure to increasing temperatures and heat stress, while Manchester and East Midlands face relatively greater exposure to storm events and high winds.

While the underlying scenario analysis has not been updated during the year, it continues to reflect the current state of climate science and remains appropriate for assessing the Group's risk profile. It also incorporates insights from the 2025 physical risk assessment, with the overall risk profile remaining broadly unchanged. This has resulted in a more granular articulation of risks, with previously high-level themes now defined through more specific risk statements, reflecting a maturing understanding of transition risk rather than a change in overall exposure.

This includes greater clarity around evolving policy and market risks, particularly changes in carbon accounting standards, emerging non-CO_2 considerations and continued the development of sustainable aviation fuel markets.

MAG assesses the financial materiality of climate-related risks using a scoring approach aligned with its corporate risk framework as found in the Risk Management section of this Report. This considers potential impacts on operating costs, revenues and capital expenditure, and is informed by a 1.5°C-aligned scenario, which underpins the Group's business strategy and is incorporated into passenger projections and capital planning. While this supports alignment between climate risk assessment and financial decision-making, the Group's approach to quantifying financial impacts continues to develop. MAG is also expanding its understanding of financial impacts under a 2°C scenario, reflecting the increased likelihood of physical climate impacts under that pathway.



Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act continued

Resiliency of our strategy

The outputs of scenario analysis and the annual risk review indicate that MAG's strategy remains resilient across the range of scenarios assessed, with the overall risk profile broadly unchanged and the same core drivers of materiality continuing to shape exposure[1].

In the short term, resilience is driven by MAG's ability to manage transition risks associated with policy development, market expectations and financing conditions. This is reflected through progress implementing decarbonisation initiatives, alignment with UK policy and industry initiatives, and increasing integration of climate considerations into business planning and decision-making. MAG also plays an active role in shaping the transition through engagement with the UK Government and regulators. With MAG's Chief Sustainability Officer as Chair of Sustainable Aviation, the Group actively contributes to policy discussions, supporting the development of frameworks such as sustainable aviation fuel and carbon removals, and helping coordinate industry-wide decarbonisation efforts.

These actions contribute to reducing exposure to transition risk by positioning MAG to respond to evolving regulatory requirements and market expectations. For example, early engagement in areas such as sustainable aviation fuel and carbon removals, alongside the development of emissions-related commercial mechanisms and enhanced climate-related disclosures, supports access to capital and reduces the risk of adverse impacts from policy change or investor scrutiny.

While the annual review has highlighted evolving pressures, including increased scrutiny of carbon accounting approaches such as REGOs and RGGOs, and emerging non-CO_2 considerations, these are being addressed through ongoing policy engagement, monitoring of emerging standards and the continued development of MAG's decarbonisation approach. However, the extent to which these actions translate into quantified reductions in financial exposure continues to develop.

Over the medium to long term, resilience is increasingly influenced by physical climate risks. MAG's ability to manage these risks is supported by established asset management, maintenance and capital investment processes, alongside ongoing climate adaptation activity. This includes incorporating climate considerations into infrastructure planning and investment decisions, supporting the long-term resilience of airport operations and reducing the risk of disruption or unplanned capital expenditure.

Additional analysis undertaken during the year to assess severe weather events has validated MAG's existing understanding of physical risk exposure, reinforcing that snow remains the most significant risk to operational resilience based on historic performance. The increased granularity of the risk assessment provides greater clarity on how specific risks may impact the business, enabling more targeted mitigation and adaptation planning over time.

Specific to the most significant risk of snow, MAG actively manages this risk through the implementation of MAG's Winter Operations Plan, which focuses on reducing disruption through proactive de-icing, effective snow and ice clearance, resilient staffing and resource planning, and coordinated communication across airport operations and stakeholders.

From a financial perspective, climate-related risks may impact operating costs, revenues and capital expenditure, but remain manageable within MAG's current strategic framework. This is supported by the incorporation of climate assumptions into passenger projections and capital planning, alongside the ability to adapt investment and operational decisions over time. While the approach to quantifying financial impacts continues to develop, the focus on early planning, flexible infrastructure development and proactive engagement with policy and market developments supports the management of long-term cost exposure and reduces the risk of reactive or higher-cost interventions in the future.

RISK MANAGEMENT

Risk and opportunity evaluation

MAG's approach to climate-related risk management is integrated within its enterprise risk management framework. This framework remains appropriate, and there have been no material changes during the year to how risks are identified, assessed or managed. Climate-related risks are assessed using MAG's corporate risk methodology, including a scoring approach to evaluate likelihood and impact.

This approach supports a consistent assessment of financial materiality and enables climate-related risks to be considered alongside other principal business risks.

During the year, the focus has been on refining the articulation of climate-related risks, with greater granularity in how risks are defined and assessed. This reflects a maturing understanding of transition and physical climate risks, rather than a change in overall risk exposure. As part of this development, the scope of climate-related risk assessment has been extended to include CAVU. Though not material, transition risks have been updated to reflect CAVU activities within the Group's overall risk profile, and physical risks have been assessed and scored across CAVU's operating locations.

Climate-related risks are informed by scenario analysis, climate adaptation reporting and the annual risk review process, and are incorporated into MAG's corporate risk management systems, in line with the recommendations of the TCFD, and in turn the regulatory requirement of the UK Climate-related financial disclosures regulations (UK CFD). This ensures that climate risks are monitored, reviewed and escalated in line with the Group's broader risk management processes.

Further detail on the specific climate-related risks and opportunities, including their financial impacts and associated mitigation actions, is provided in the following section.

1 Note, our TCFD assessment was concluded in 2026, modelling and resilience assessment does not reflect conflict in the Middle East ongoing at the time of publication.

Material risks and opportunities

The following section outlines the key transition and physical climate-related risks identified by MAG, selected based on available data and expected timeframe, and reflecting a more granular articulation of risk compared to previous years.

FINANCIAL QUANTIFIED CLIMATE-RELATED PHYSICAL AND TRANSITION RISKS

The most significant climate-related risks and associated business impacts, including financial impacts, for MAG are outlined below, covering both transition and physical risks across its operations. These risks have been selected based on their relevance to the Group's business model, expected timeframe and the availability of supporting data. Where appropriate, similar risks have been grouped to reflect shared characteristics and enable a clearer view of their potential impacts and management actions.

Risk description	Expected materialisation	Business impact to MAG	Current and future actions	Financial materiality
Reduced demand for travel due to the rise of travel alternatives, increased cost of flying and the unpredictable occurrence of climate-induced geopolitical events	**Long term** RCP8.5	• Reduced revenue due to lower passenger demand, including passengers choosing alternative modes of transport or reduced flying • Loss of customers impacting long-term growth and investment capacity • Reduced competitive positioning compared to alternative modes of transport and ways of working (e.g. increased use of virtual meetings)	• Working with Government and industry partners to support aviation decarbonisation, including through the Jet Zero Taskforce and Sustainable Aviation • Integration of climate assumptions into passenger demand modelling and long-term planning • Delivery of MAG's net zero carbon operations target, supporting sector transition and demand resilience	£ £ £ £ to £ £ £ £ £
Increased heat risk for staff and customers due to warmer temperatures leading to the need to upgrade cooling systems in our airports due to increased temperatures and heat waves and to use preconditioned air (PCA) for aircraft cooling whilst on stand	**Medium term** RCP8.5	• Requirement for additional or upgraded infrastructure (e.g. increased use of pre-conditioned air) • Operational disruption affecting passenger experience and throughput • Reputational impacts associated with customer comfort, safety and wellbeing • Increased operating costs driven by higher cooling and energy demand • Potential increase in staff absence and passenger health impacts	• Active management and maintenance of heating, ventilation and air-conditioning (HVAC) systems • Capital and operational planning for increased cooling demand, including both capex and opex impacts • Asset renewal programmes to ensure infrastructure remains fit for higher temperature conditions	£ £ £

Impact score	1	2	3	4	5
Financial impact	£	£ £	£ £ £	£ £ £ £	£ £ £ £ £

Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act continued

FINANCIAL QUANTIFIED CLIMATE-RELATED PHYSICAL AND TRANSITION RISKS CONTINUED

Risk description	Expected materialisation	Business impact to MAG	Current and future actions	Financial materiality
Damage to buildings through thermal expansion or subsidence due to extreme weather and the impact on ground conditions	**Medium-term** RCP8.5	• Financial costs associated with repair or replacement of damaged assets • Operational disruption, including temporary loss of asset availability or airport capacity • Reputational impacts arising from service disruption or reduced infrastructure resilience	• Planned asset inspection, monitoring and preventative maintenance programmes, increasing ongoing operational expenditure to identify deterioration early • Lifecycle asset management approaches, balancing increased maintenance costs (opex) with long-term capital renewal and replacement (capex) • Integration of climate resilience considerations into capital investment planning • Conformance with asset standards and building regulations reflecting evolving climate conditions	£
The impact of the emergence of new climate regulations such as increased carbon pricing and taxation for the aviation sector	**Short-term** RCP2.6	• Increased operating and financing costs driven by carbon pricing and taxation • Reduced revenue due to higher costs passed through to passengers, affecting demand • Reduced access to capital where policy uncertainty increases investor risk perception • Increased exposure to SAF supply constraints, driving higher costs and risking the delivery of our Scope 3 aircraft emissions target	• Incorporation of carbon-related costs into pricing, revenue and business planning assumptions • Engagement with Government and industry partners on aviation decarbonisation policy, including through the Jet Zero Taskforce • Alignment with ISO14001-certified environmental management systems • Active participation in Sustainable Aviation and the Jet Zero Taskforce, alongside market engagement with SAF suppliers, partners and airlines to support scale-up and early-access	£
Provision of low-carbon energy and associated infrastructure at the airport to enable the decarbonisation of aircraft and airport operations	**Medium-term** RCP2.6	• Operational disruption where energy or fuel markets are unable to scale at pace • Increased operating costs due to higher prices or constrained availability of alternative fuels • Reputational impacts if airports are perceived as insufficiently prepared for decarbonisation	• Engagement with Government and industry partners on enabling airport and aviation energy transition • Long-term infrastructure and energy planning through Sustainable Development Plans • Integration of low-carbon heat, fleet transition and energy resilience into five-year business planning • Funded PhD studies to investigate the provision of low-carbon energy and alternative fuels at our airports	£
Investor movement towards net zero aligned options may lead to higher borrowing costs and challenges when refinancing	**Short-term** RCP2.6	• Reduced availability of capital and financing as investors shift towards net zero aligned assets • Increased borrowing costs and refinancing challenges • Indirect revenue impacts where capital constraints delay growth or capacity expansion	• Proactive engagement with investors and lenders on climate strategy and delivery • Transparent, consistent climate-related reporting and disclosures • Continued participation in industry bodies to demonstrate credible transition pathways	£

Impact score	1	2	3	4	5
Financial impact	£	£ £	£ £ £	£ £ £ £	£ £ £ £ £

CLIMATE-RELATED TRANSITION RISKS

The following section outlines a broader range of transition risks across market, policy and legal, technology and reputational categories, in line with the recommendations of the TCFD. These reflect MAG's evolving understanding of transition-related exposures across both its airport operations and CAVU business, including policy uncertainty, technology development, market dynamics and stakeholder expectations.

Risk description	Expected materialisation	Business impact to MAG	Current and future actions
MARKET			
Risk of declining access to capital as investors and lenders increasingly prioritise organisations with robust low carbon strategies	**Short- to Medium-term** RCP2.6	• Reduced access to capital and increased cost of financing as investors favour lower-carbon assets • Increased borrowing costs and refinancing risk, particularly under 1.5°C-aligned finance expectations • Indirect revenue and growth impacts if capital constraints delay capacity expansion or infrastructure investment	• Proactive engagement with investors and lenders on MAG's climate strategy, targets and delivery • TCFD / UK CFD-aligned disclosures to maintain credibility and transparency • Delivery of the Group-wide decarbonisation programme aligned to emissions reduction targets • ESG ratings (e.g. GRESB) as external validation of performance
Risk of insufficient market availability of high-integrity carbon removals (competition, policy uncertainty, market immaturity)	**Medium-term** RCP4.5	• Increased decarbonisation costs due to limited supply and price escalation for high-integrity removals • Risk to delivery of 2030 and 2038 decarbonisation commitments if removals cannot be secured at required scale • Reduced investor confidence if MAG's long-term transition plan appears constrained by removals availability	• Early market engagement through removals Request for Information (RFIs) and supplier dialogues • Development of a long-term removals strategy aligned to 2030 and 2038 milestones • Participation in industry initiatives (e.g. Sustainable Aviation) to support market scaling • Diversification across engineered and nature-based removals • Ongoing monitoring of policy frameworks and market mechanisms
POLICY AND LEGAL			
Risk of misalignment between aviation decarbonisation policy and wider UK energy, transport and industrial policy frameworks	**Medium-term** RCP2.6	• Risk of stranded or duplicative infrastructure investment due to uncertainty over technology pathways (e.g. hydrogen vs SAF vs electrification) • Delays to long-term infrastructure planning and airport readiness, impacting delivery of decarbonisation commitments • Reduced stakeholder and investor confidence in the credibility of aviation's transition pathway	• Direct engagement with Government departments (DfT, DESNZ) on cross-sector policy alignment • Active participation in Sustainable Aviation, Jet Zero Taskforce/Council, Airports UK and ACI Europe • Participation in regional hydrogen and energy clusters to align airport planning with wider system development • Long-term scenario-based infrastructure master planning to maintain flexibility
Risk of inadequate government policy support for airport ground-based energy transition (e.g. grid upgrades, EV infrastructure, low-carbon heat)	**Medium-term** RCP4.5	• Increased capital and operating costs where insufficient policy support delays or constrains delivery of electrification, low-carbon heat and renewable energy infrastructure • Operational disruption if grid capacity, charging infrastructure or hydrogen networks do not scale in line with airport requirements • Reduced credibility with Government, investors and local stakeholders if progress on ground-based decarbonisation is slower than expected due to external dependencies	• Active participation in Government and industry forums (e.g. Sustainable Aviation, Airports UK, Jet Zero Taskforce/Council) to advocate for enabling policy and investment • Long-term infrastructure masterplanning for electrification, grid upgrades, renewables and hydrogen readiness • Proactive climate disclosures and reporting to maintain transparency with policymakers, investors and stakeholders

Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act continued

CLIMATE-RELATED TRANSITION RISKS CONTINUED

Risk description	Expected materialisation	Business impact to MAG	Current and future actions
TECHNOLOGY			
Risk of disorganised and inefficient transition due to different airlines and partners adopting different decarbonisation technologies at different times	**Short-term** RCP4.5	• Increased capital expenditure due to inefficient or duplicated investment in infrastructure to support multiple technologies and aircraft types • Operational disruption where airport infrastructure is misaligned with airline fleet transition pathways • Long-term risk of stranded or under-utilised assets arising from technology uncertainty	• Long-term infrastructure master planning to maintain flexibility across SAF, hydrogen and electrification pathways • Scenario planning across future fuel and technology options • Regular engagement with airline partners to track fleet transition timelines and technology choices • Cross-airport coordination within MAG to ensure consistent readiness and avoid duplication
Risk of carbon removals innovation gap, where technologies required to deliver long-term decarbonisation are not sufficiently mature, scalable or available when needed	**Short-term** RCP8.5	• Increased costs if removals technologies are not scalable, available or affordable when required to meet 2030 and 2038 commitments • Disruption to long-term decarbonisation pathways where removals cannot be secured at scale • Reduced investor confidence if MAG is perceived as exposed to long-term technology uncertainty	• Early market engagement to assess removals technology pipelines and supplier maturity • Development of a progressive transition plan from offsets to high-integrity removals • Monitoring of UK and international policy developments on engineered removals • Participation in industry initiatives (e.g. Sustainable Aviation) to support market development
REPUTATION			
Risk of increasing community noise exposure and sensitivity driven by warmer temperatures and behavioural change (e.g. windows open more frequently), leading to heightened complaints and reputational impact	**Medium-term** RCP8.5	• Increased community complaints and reputational impact as warmer temperatures and more frequent hot nights increase sensitivity to aircraft noise • Heightened regulatory and stakeholder scrutiny, potentially leading to additional mitigation requirements or operational constraints • Increased costs associated with noise mitigation measures (e.g. insulation schemes, monitoring, engagement activity)	• Delivery of Noise Action Plan measures, including monitoring, noise contours and community engagement • Review and expansion of insulation schemes to reflect climate-related changes in exposure and sensitivity • Application of Balanced Approach measures, including incentives for quieter aircraft and operational procedures • Transparent communication with communities on noise impacts, climate change and mitigation actions
Risk of reputational challenge to certificate-backed renewable electricity, fuels and energy claims (e.g. REGOs, RGGOs, biodiesel sustainability)	**Medium-term** RCP2.6	• Reputational risk if certificates are perceived as lacking transparency or credibility, leading to allegations of greenwashing • Reduced confidence in MAG's carbon reporting and decarbonisation progress • Potential requirement to adopt higher-cost mitigation alternatives	• Competitive procurement of renewable electricity certificates to maintain flexibility • Guidance on Scope 1 and Scope 2 accounting treatment • Due diligence on renewable energy and biodiesel suppliers • Exploration of PPAs and on-site renewables to reduce reliance on certificates

CLIMATE-RELATED OPPORTUNITIES

Alongside managing climate-related risks, MAG identifies and evaluates a range of opportunities that support the delivery of its strategic priority of "Decarbonising Aviation" and the long-term resilience of the business. These opportunities are informed by climate scenario analysis, strategy development processes and stakeholder engagement, and reflect areas where early action, investment and collaboration can support both operational performance and long-term value creation.

Opportunity description	Business impact to MAG	Current and future actions
Investment in energy efficiency, renewable energy and low-emission infrastructure to support decarbonisation of airport operations	• Reduced operating costs through improved energy efficiency • Reduced exposure to energy price and carbon cost volatility • Improved asset resilience and operational performance • Avoidance of higher-cost retrofits through early investment	• Delivery of energy efficiency and operational improvement initiatives • Investment in on-site renewable energy and low-emission heat solutions • Transition of fleet and ground operations to lower-emission alternatives • Integration of climate considerations into infrastructure and capital planning
Active participation in the development of low-carbon aviation solutions, including sustainable aviation fuel and carbon removals	• Potential preferential access to emerging SAF and carbon removal markets • Reduced exposure to late-stage cost increases and supply constraints • Strengthened competitive positioning within the aviation sector • Enhanced ability to influence policy and market development	• Leadership role in Sustainable Aviation and engagement with the Jet Zero Taskforce • Early-stage engagement with SAF and carbon removal markets (e.g. RFIs and supplier engagement) • Development of emissions-related commercial mechanisms • Collaboration with industry partners to support scaling of low-carbon solutions
Proactive planning for low-carbon infrastructure and future aviation technologies	• Reduced stranded asset risk • Avoidance of reactive or high-cost infrastructure upgrades • Improved flexibility in responding to future fuel and technology pathways • Reduced long-term capital expenditure uncertainty	• Integration of climate considerations into master planning and capital investment • Feasibility studies and pilot projects for electrification and alternative fuels • Development of flexible infrastructure to accommodate evolving technologies • Long-term planning for SAF and future fuel infrastructure
Integration of climate adaptation into asset management and infrastructure design to enhance resilience to physical risks	• Reduced disruption from extreme weather events • Protection of asset value and operational continuity • Lower long-term maintenance and repair costs • Improved long-term resilience of airport operations	• Climate adaptation planning and integration into asset management processes • Incorporation of physical risk assessments into infrastructure design • Ongoing monitoring of climate-related risks and resilience performance • Implementation of targeted resilience measures across airport operations
Strengthening stakeholder trust and licence to operate through transparent climate action and engagement	• Enhanced stakeholder confidence (passengers, communities, regulators and investors) • Improved licence to operate in a context of increasing scrutiny • Reduced reputational risk and stronger long-term market positioning • Support for long-term demand stability	• Transparent climate-related reporting and disclosures • Engagement with local communities and stakeholders on sustainability issues • Implementation of noise, air quality and climate resilience measures • Strengthening supplier due diligence and value chain engagement
Access to climate-aligned finance and investment mechanisms to support decarbonisation and infrastructure development	• Improved access to sustainable finance and investment • Potential reduction in cost of capital • Enhanced attractiveness to investors and lenders • Increased flexibility in funding infrastructure investment	• Engagement with financial institutions on climate-aligned financing mechanisms • Strengthening climate-related disclosures and governance • Alignment with investor expectations and ESG requirements • Integration of climate considerations into financial planning

Task Force on Climate-related Financial Disclosures and the UK Climate-related Financial Disclosure Act continued

METRICS AND TARGETS

MAG's approach to climate-related metrics is designed to support both performance and risk management, ensuring that climate considerations are reflected in how the Group monitors delivery of its strategy, tracks exposure to climate-related risks and identifies opportunities associated with the transition to a lower-carbon aviation system.

In addition to tracking performance, metrics are used to monitor and manage MAG's exposure to specific climate-related risks and opportunities. For example, progress against Scope 1 and 2 emissions and energy-related metrics supports mitigation of transition risks linked to carbon pricing, regulatory change and access to capital. Similarly, aircraft emissions intensity and SAF-related metrics provide insight into exposure to aviation sector transition risks, including changes in policy, technology availability and potential impacts on passenger demand. Operational metrics, including weather-related disruption and resilience indicators, also support the monitoring of physical climate risks, helping to identify emerging pressures from extreme weather and inform adaptation planning. Together, these metrics provide a structured link between performance, risk management and strategic decision-making.

MAG continues to report greenhouse gas emissions across Scope 1, Scope 2 and Scope 3, covering both its direct operations and emissions across its value chain.

During the year, this approach has been strengthened to align with MAG's Sustainability Strategy, with an increased focus on emissions sources that sit outside its direct operational control, alongside metrics that support the identification and assessment of emerging decarbonisation opportunities.

Core operational targets remain unchanged, as detailed on page 52 in the Sustainability section of this Annual Report and Accounts. These targets continue to be supported by a broader set of performance indicators relating to energy use, renewable energy and operational efficiency, as set out in the Sustainability Strategy, as well as indicators that support tracking of progress in areas such as sustainable fuels, infrastructure development and operational innovation.

MAG remains on track to meet its Scope 1 and Scope 2 target and achieve net zero operations by 2038. During the year, Scope 1 and 2 market-based emissions were 13,890 tCO_2e, a 27% decrease compared to our 2019/20 baseline. This performance reflects continued progress in delivering our decarbonisation programme.

Key initiatives supporting this trajectory include improving energy efficiency across terminal buildings and infrastructure, and transitioning ground support equipment and operational vehicle fleets to lower-emission biofuels. UK operations are powered by 100% renewable electricity, and the MAG-owned vehicle fleet utilised 19% biodiesel.

Progress against these targets demonstrates that the risk of key technologies not being available to enable MAG's operational net zero pathway has not materialised to date. Continued delivery of the decarbonisation programme also supports engagement with lenders and investors, helping to mitigate potential risks relating to access to capital associated with climate transition.

During the year, aircraft emissions intensity at MAG airports reduced by 2%, which is ahead of the decarbonisation trajectory required to meet its target to reduce emissions per revenue tonne kilometre from aircraft departing MAG Airports by 27% between 2019 and 2035. This reflects ongoing airline fleet modernisation, operational efficiencies, and early progress in the transition to sustainable aviation fuel (SAF).

Provisional UK Government statistics show that in 2025, the first year of the UK SAF Mandate, SAF accounted for 2.4% of aviation fuel used in the UK, exceeding the initial 2% mandate level. This represents positive early progress in scaling SAF supply.

In parallel, MAG uses a range of internal metrics, trends and indicators to monitor exposure to climate-related risks and opportunities, with a particular focus on physical risks.

These include operational performance data such as flight delays and cancellations, which are analysed alongside weather-related data, including named storm events, temperature, wind speed and precipitation, using information from on-site weather monitoring systems. This supports the Group's understanding of how climate-related hazards may affect airport operations and enables the identification of emerging risk patterns over time.

In addition, the Decarbonisation & ESG Team monitors the potential impact of transition risks on ticket pricing, including those arising from sustainable aviation fuel (SAF) uptake and wider policy developments. This is undertaken in collaboration with the Commercial team to model passenger demand elasticity. The modelling considers a range of variables and incorporates climate-related scenarios, including 1.5°C and 4.0°C pathways, to assess how factors such as increased policy and regulatory costs or the uptake of sustainable aviation fuel may influence ticket pricing and, in turn, passenger demand[1].

Together, these metrics support both MAG's decarbonisation and the management of climate-related risks. They inform operational decision-making, capital planning and resilience measures, while also supporting the identification of efficiency improvements, cost reduction opportunities and lower-carbon outcomes across the business and its value chain.

A detailed breakdown of environmental metrics, targets, initiatives and performance against them can be found in the SECR section on page 57 and the Sustainability section of this Report (see page 67).

More information on our Scope 1, 2 and 3 emissions will be available in our dedicated emissions report which is due to be published in Autumn 2026.

1 The business plan is aligned with our 1.5°C pathway assessment and supports the delivery of our decarbonisation strategy and climate targets.

2 Note, this modelling was carried out prior to the beginning of the current conflict in the Middle East.

Taskforce for Nature-related Financial Disclosures (TNFD) Report

MAG's commitment to Nature

Nature is becoming an increasingly important consideration for MAG, shaping the resilience of our airports and the systems that support them.

As an infrastructure operator, the natural environment is a key consideration for MAG. This includes the land it manages and the ecosystems surrounding its sites, as well as the natural resources and ecosystem services that support its wider value chain.

Recognising this, nature is being embedded more firmly within our strategic approach. 'Protecting Nature' is a core element of MAG's Sustainability Strategy and reflects a commitment to manage impacts on biodiversity and support the natural environment around airports. The introduction of Taskforce on Nature-related Financial Disclosures (TNFD) aligned reporting is a key target within MAG's Sustainability Strategy. This is closely linked to broader environmental ambitions, including a target of achieving net zero carbon emissions across MAG's own operations (Scope 1 and 2) by 2038, alongside the wider aviation sector's ambition to reach net zero by 2050, recognising the interdependencies between climate and nature.

To support its approach to nature, on a voluntary basis, this Report is the first to include nature-related financial disclosures as MAG begins to take account of the recommendations of the TNFD.

It supports the delivery of the Sustainability and Conservation Strategies, strengthening how nature-related risks and opportunities are identified, assessed and managed, helping the business understand material risks and opportunities, including their potential financial impacts, to better inform planning and decision making.

The current focus is on MAG's UK airport operations and their immediate surroundings, where there is the greatest level of control and influence, alongside identifying the high-level financial impacts associated with nature-related risks and dependencies. Future phases will expand this approach to include quantification of these impacts and broader consideration of the value chain.

While this work supports future disclosures, its primary purpose is to strengthen the understanding of how nature interacts with MAG and to share this information to stakeholders. Over time, this will help ensure that nature-related risks and dependencies are more consistently reflected in planning, investment and operations.



Taskforce for Nature-related Financial Disclosures (TNFD) Report continued

GOVERNANCE AND RISK OVERSIGHT

All areas of MAG's Sustainability Strategy are subject to clear governance and oversight from the management team including the 'Protecting Nature' priority. Governance of nature-related risks and opportunities is therefore aligned with that for climate-related risks and opportunities, as set out on page 65, illustrating MAG's integrated approach.

This is reflected in consistent oversight at Board level through the CSR Committee and Audit Committee. Nature-related risks are incorporated into the Group's Strategic Risk Register and managed through the corporate risk management system, ensuring they are considered alongside other principal risks. The CSR Committee oversees delivery of the Sustainability Strategy, including commitments within the 'Protecting Nature' focus area, and has been engaged in the development of the TNFD Disclosures.

The approach MAG is taking to assessing nature-related risks is phased. This initial appraisal focuses on UK airport operations and the areas immediately surrounding them, providing a basis for integrating nature into governance and risk management processes. Later this assessment will be extended to include global operations and the value chain, alongside the incorporation of financial quantification of key risks.

Recognising that an effective approach to biodiversity requires cross-functional input, considerations are embedded across MAG's business functions. Operational teams support the delivery of biodiversity initiatives, while project delivery and design teams integrate biodiversity into infrastructure planning and development. MAG's procurement team is incorporating nature-related considerations into its sustainable supply chain strategy, supporting engagement with suppliers on environmental performance.

Engagement with employees, airport operators and tenants forms an important part of delivering MAG's approach to biodiversity.

This includes collaboration through internal working groups and site-level initiatives that encourage participation in biodiversity enhancement activities. In addition, as part of its Sustainability Strategy, MAG is planning to establish dedicated Nature Forums in FY27, providing a structured mechanism for engagement, knowledge sharing and input into nature-related initiatives.

Building on this, MAG is progressing its alignment with the Taskforce on Nature-related Financial Disclosures (TNFD). This work focuses on strengthening the identification, assessment and disclosure of nature-related risks and dependencies. The Biodiversity team provides technical input, including into the LEAP (locate, evaluate, assess, prepare) assessment process, working closely with the ESG team on reporting and disclosures, while MAG's finance team supports the development of approaches to quantify nature-related risks and opportunities.

OUR APPROACH: APPLYING THE LEAP APPROACH

The approach to assessing nature-related risks and opportunities is based on the TNFD's 'LEAP' framework. This provides a structured method to locate interfaces with nature, evaluate dependencies and impacts, assess risks and opportunities, and inform the response through strategy, metrics and targets, and disclosure.

This assessment has been informed by MAG's double materiality assessment, which considers both the potential financial impact of nature-related issues on the business and the impact of MAG's activities on the natural environment.

LEAP APPROACH



In conducting its double materiality assessment, MAG engaged with a range of stakeholders, including regulators, environmental NGOs, local communities, customers and industry bodies. This has helped to ensure that the nature-related risks, dependencies and impacts identified reflect both internal priorities and external expectations.

MAG's initial focus is on its UK airport operations at East Midlands, Manchester and London Stansted airports, and the areas immediately surrounding them, defined as up to 30 kilometres from each airport in line with aerodrome safeguarding requirements.

The assessment aligns with the scenario analysis conducted as part of the TCFD work, including both time horizons and scenarios.

These assessments are intrinsically connected, reflecting the interdependencies between climate and nature, where degradation of natural systems can intensify the physical impacts of climate change and reduce resilience across assets and operations. Consistent with MAG's TCFD analysis, time horizons of present to 2030, 2031 to 2050, and 2051 to 2070 have been applied. The analysis is centred on three scenarios that reflect different potential pathways for nature, informed by established climate scenarios and emerging nature-related scenario guidance.

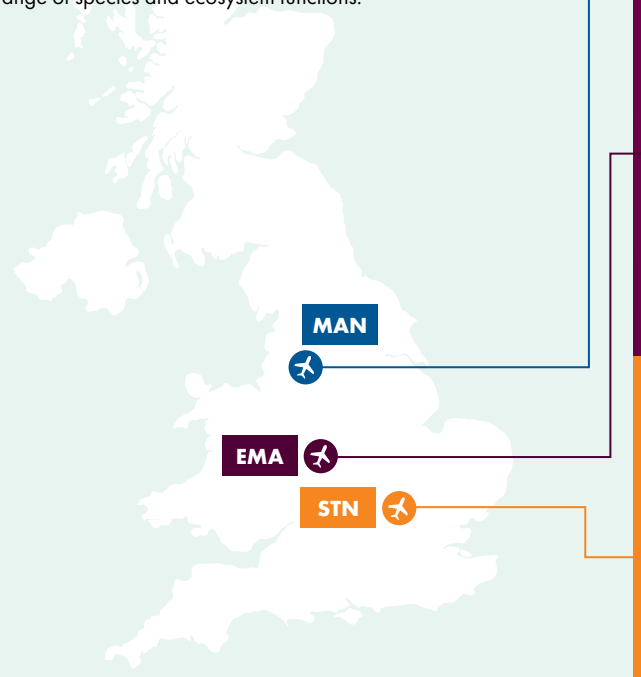
These are aligned with Representative Concentration Pathways (RCPs), which describe different greenhouse gas concentration trajectories, with further detail provided on page 65:

- **Nature recovery pathway (aligned with RCP2.6 – low emissions):** characterised by more stable ecosystems, with smaller changes in species ranges and life cycles, and reduced exposure to drought, flooding and heat stress.
- **Fragmented progress (aligned with RCP4.5 – intermediate):** with shifting species ranges, altered life-cycle timing, increasing ecological stress, and greater pressures on freshwater systems, including drought and declining water quality.
- **Nature degradation (aligned with RCP8.5 – high emissions):** characterised by significant ecosystem disruption, including changes in species composition, increased frequency of extreme weather events, and greater pressures from invasive species, pests and habitat loss.

WHERE WE INTERFACE WITH NATURE

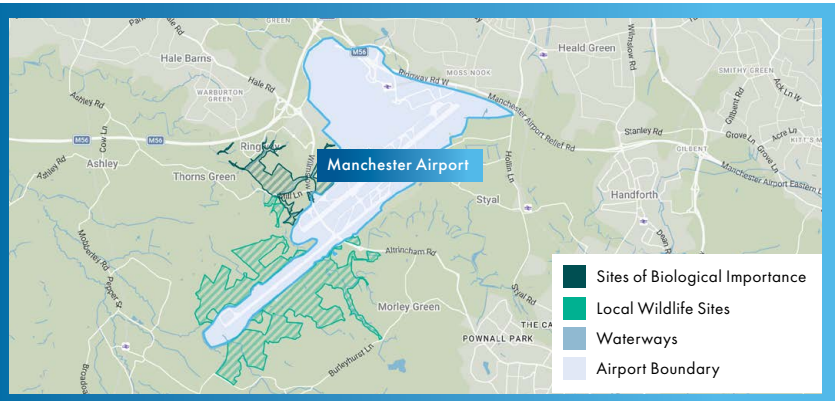
These maps illustrates the key interfaces between MAG's airport operations and the natural environment across Manchester, East Midlands and London Stansted airports, including their respective aerodrome safeguarding zones, which informed the decision to focus on areas within 30km of each airport. Due to size restrictions of the Figure, the full 30km radius is not shown. It brings together land use, habitats, designated sites and watercourses to show where interactions with nature occur and why these locations are considered material.

The natural environment surrounding MAG's airports is varied and includes a mix of agricultural land, semi-natural habitats and sites of ecological importance. These include woodlands, grasslands, wetlands and river systems, which support a range of species and ecosystem functions.



Manchester Airport

Surrounding land comprising agricultural land and neutral grassland; notable habitats including Cotterill Clough and Nob End; surface water discharging to Double Wood Brook, Badger Brook, Cotterill Clough and the River Bollin, both directly and via smaller unnamed tributaries, with wider connections to the Rivers Irwell, Calder and Wye.



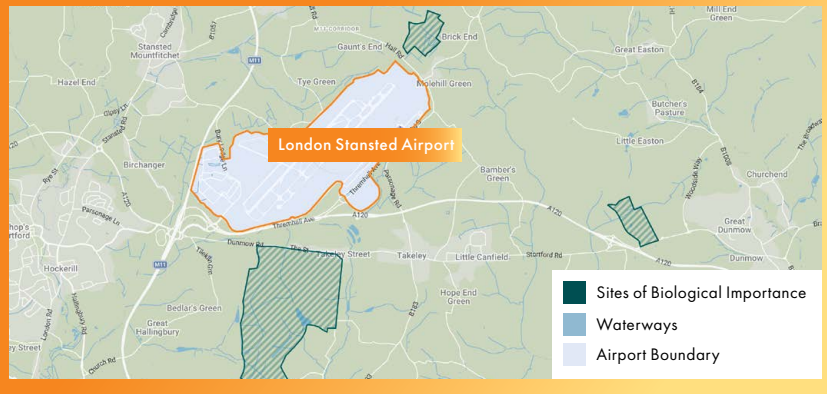
East Midlands Airport

Predominantly agricultural land with areas of broadleaved woodland; surface water discharging to the River Trent and Diseworth Brook; wider hydrological connections to the River Soar and associated wetland and floodplain habitats.



London Stansted Airport

Predominantly agricultural land with areas of broadleaved and yew woodland; notable habitats including Hatfield Forest and High Wood; surface water discharging to the Pincey Brook, which flows into the River Stort.



Taskforce for Nature-related Financial Disclosures (TNFD) Report continued

KEY NATURE IMPACTS AND DEPENDENCIES

Understanding how operations interact with nature is a key step in identifying the nature-related risks and opportunities relevant to MAG. The initial approach focuses on UK airport operations and the surrounding areas, as defined above. Within this boundary, the key environmental features associated with each site have been considered.

The table below summarises priority ecosystem services, alongside the main negative impacts and positive contributions associated with MAG's activities.

This provides a focused view of where nature is most material to operations and where targeted management actions can support resilience and improved environmental outcomes, including the consideration of the five major drivers of biodiversity loss as defined by the TNFD: land and sea use change, direct exploitation of natural resources, climate change, pollution and invasive non-native species. These drivers have been used as a framing to ensure that both impacts and dependencies are assessed in line with emerging best practice.

In addition to regulating services, MAG's operations are also dependent on water as a provisioning service.

This includes the supply of potable and non-potable water required for airport operations, such as terminal facilities, fire safety and wider estate management. Availability and quality of water resources therefore represent an important operational dependency, linking this assessment to the broader climate-related considerations identified through TCFD.

MAG's landholdings also intersect with areas that provide cultural ecosystem services, including public rights of way and access to green space. These contribute to recreation, wellbeing and community value, and form part of the broader relationship between MAG's airports and their surrounding communities. While not a primary operational dependency, these services are considered as part of MAG's wider impact on nature and stakeholders.

TABLE 1 – KEY IMPACTS AND DEPENDENCIES

Category	Priority ecosystem services / interactions	Key impacts and contributions
Impacts: Negative	Freshwater and aquatic ecosystems	Surface water runoff (including de-icing) affecting water quality and aquatic species, with noise and lighting disturbing sensitive fauna.
	Terrestrial ecosystems (natural, semi-natural and managed habitats)	Noise and artificial lighting affecting species behaviour (particularly bats), disrupting foraging, commuting and breeding.
	Land use and habitat provision	Land take and modification of natural, semi-natural and managed habitats leading to permanent habitat loss, degradation and fragmentation.
Impacts: Positive	Biodiversity enhancement	Translocation of key locally important species into local woodlands to support biodiversity across buffer areas and contribute to enhanced habitat resilience.
Dependencies: Regulating services	Water flow regulation	Semi-natural grassland and woodland supporting drainage and reducing flood risk to runways and taxiways.
	Local climate regulation	Woodlands, bogs and bracken reducing heat stress and supporting shading, carbon storage and air quality.
	Soil stabilisation	Root systems binding soils and stabilising slopes.

NATURE-RELATED RISKS AND OPPORTUNITIES

The assessment has identified a range of nature-related risks and opportunities across MAG's UK airport operations and surrounding environments. These span both physical risks, arising from changes in ecosystems and environmental conditions, and transition risks, linked to evolving regulation, policy and management expectations, and how these may translate into financial impacts on MAG.

Specific nature-related risks such as wildlife trafficking and the spread of invasive non-native species have also been considered as part of the assessment. MAG works with relevant authorities and control agencies to manage these risks, including through biosecurity measures and wildlife management practices.

While these risks are currently not assessed as material at a Group level, they are monitored as part of ongoing risk management processes, and link to broader considerations of ecosystem health and potential future risks, including those associated with climate change (for example the spread of vector-borne diseases such as West Nile Virus).

The tables in the next section summarise those considered most material, based on their potential impact on operations, infrastructure and compliance, including potential implications for costs, liabilities and investment requirements. These risks are closely linked to the habitats and ecosystem services identified in Table 2, providing a spatial and operational context for where they may arise.

TABLE 2 – KEY NATURE-RELATED RISKS

Category	Relevant habitat / ecosystem	Risk description	Expected materialisation	Business impact
Physical	• Water systems • Habitats and biodiversity	Degradation of water-dependent habitats from pollutant mobilisation. Extreme rainfall events and drainage exceedance may mobilise fuel residues, de-icing chemicals and legacy PFAS into adjacent wetlands, blanket bog, ponds and watercourses. This may degrade water-dependent habitats, reduce ecosystem functioning and trigger remediation, regulatory enforcement or reputational exposure	**Long term.** Likely scenario materialisation: Nature degradation	Increased liabilities and operating expenditure from environmental remediation, regulatory penalties and ongoing water management requirements (IAS 37-type provisions)
	• Habitats and biodiversity	Changes in species distribution, vegetation growth and surrounding habitat condition affecting operational safety and infrastructure. Changes in species distribution, vegetation growth patterns and surrounding habitat condition may alter ecological balance across airport landholdings, increasing wildlife hazard risk, including bird strike frequency, invasive species establishment and associated operational disruption	**Long term.** Likely scenario materialisation: Nature degradation	Revenue disruption due to increased flight delays, cancellations or operational constraints linked to heightened wildlife hazard risk
	• Ecosystem services • Habitats and biodiversity	Decline in ecosystem service function across airport landscapes. Degradation of surrounding ecosystems, including wetlands, grasslands, woodland and peatland systems, may reduce the provision of critical ecosystem services such as flood buffering, water filtration, soil stability and wildlife regulation, increasing operational exposure and infrastructure vulnerability	**Medium term.** Likely scenario materialisation: Nature degradation	Capital expenditure increase driven by need to replace lost ecosystem services with engineered infrastructure (for example flood defences, drainage upgrades)
Transition	• Protected areas • Regulation and compliance	Escalation of habitat protection and land-use constraints. Strengthening biodiversity protection frameworks, habitat restoration commitments and spatial conservation designations may restrict airport land use, increase mitigation and offset obligations, and constrain future development or infrastructure expansion	**Medium term.** Likely scenario materialisation: Nature recovery	Constrained revenue growth and asset value due to limits on infrastructure expansion and reduction of land availability for development
	• Habitat management	Long-term habitat management and restoration cost uncertainty. Long-term obligations to create, enhance and maintain habitats may result in higher-than-anticipated lifecycle management, monitoring and remediation costs, particularly where ecological outcomes are uncertain or performance requirements tighten over time	**Medium term.** Likely scenario materialisation: Nature recovery	Long-term operating expenditure commitments associated with habitat maintenance, monitoring and adaptive management (multi-decade obligations)
	• Regulation and compliance • Habitats and biodiversity	Regulatory intervention following ecological deterioration. Deterioration in the condition of adjacent or on-site priority habitats may trigger increased regulatory scrutiny, enforcement action or revised permitting requirements, resulting in operational constraints, additional mitigation obligations or delayed project approvals	**Medium term.** Likely scenario materialisation: Nature recovery	Project delays and increased capital costs due to redesign, additional mitigation requirements or permitting constraints

TABLE 3 – KEY NATURE-RELATED OPPORTUNITIES

Category	Relevant habitat / ecosystem	Opportunity description	Expected materialisation	Business impact
Resource efficiency	• Water systems • Ecosystem services • Habitats and biodiversity	Expand landscape-led design to manage runoff, mitigate noise and light impacts, and enhance biodiversity. Opportunity to reduce reliance on grey infrastructure while delivering biodiversity value	**Medium term.** Likely scenario materialisation: Nature recovery	Reduced capital and operating expenditure through avoided or deferred investment in grey drainage infrastructure and lower long-term maintenance costs
Market / engagement	• Habitats and biodiversity	Engage and upskill employees and local communities. Improved understanding of nature-related impacts and dependencies, supporting behavioural change, stronger stakeholder relationships and enhanced delivery of biodiversity outcomes	**Medium term.** Likely scenario materialisation: Nature recovery	Revenue protection and enhancement through improved stakeholder relationships, social licence to operate and smoother planning approvals for future developments
Energy transition	• Ecosystem services • Habitats and biodiversity	Transition to low emissions fuels and support renewable energy. Reduction in operational emissions and local air pollution, with potential to utilise landholdings to support renewable energy generation and contribute to wider decarbonisation objectives	**Medium term.** Likely scenario materialisation: Nature recovery	New revenue streams and asset value enhancement from on-site renewable energy generation and more efficient use of landholdings

Taskforce for Nature-related Financial Disclosures (TNFD) Report continued

STRATEGY AND CONSERVATION PLAN

MAG's Nature Conservation Strategy sets out the Group's approach to protecting and enhancing nature across its landholdings, while reducing the impact of its business on biodiversity. Informed by MAG's materiality assessment, Sustainable Development Plans and Sustainability Strategy, *Creating a sustainable future for all*, it provides a framework for embedding nature into day-to-day decision making across land management, development, operations and the supply chain.

The Strategy is closely aligned with the Protecting our Environment pillar of the Sustainability Strategy and carries forward key nature- and biodiversity-related commitments to support delivery through a more focused and coordinated approach. It is intended to strengthen how nature is considered across the business, while recognising the operational and aerodrome safeguarding requirements that shape MAG's activities.

MAG's approach is structured around five priority areas: empowering people for nature; integrating nature-positive principles into projects, safe operations and supply chains; protecting biodiversity and habitats; collaborating with communities and stakeholders; and delivering transparent governance and reporting. Together, these priority areas provide the basis for action over the next five years and support a more consistent approach to nature conservation across the Group.

By 2035, MAG aims to achieve a forward-thinking approach to protecting, enhancing and managing nature and biodiversity across its landholdings, reduce the impacts of its developments, operations and supply chain on nature, and deliver measurable gains in biodiversity that contribute to sustainable growth. Progress will be supported through the development of Group environment standards, collaboration with local partners and the wider aviation sector, and alignment with emerging frameworks and requirements including Biodiversity Net Gain and the Taskforce on Nature-related Financial Disclosures. The Strategy will be refreshed periodically, at a minimum every five years, with annual reporting used to track progress against its priority areas, objectives and targets.

Five priority areas of our Nature Conservation Strategy

We recognise that there are important steps we must take to achieve our vision. This Strategy sets out a clear plan for the next five years. Our strategy has five priority areas:

1. **EMPOWERING PEOPLE FOR NATURE**
2. **INTEGRATING NATURE-POSITIVE PRINCIPLES INTO PROJECTS, SAFE OPERATIONS AND SUPPLY CHAIN**
3. **PROTECTING BIODIVERSITY AND HABITATS**
4. **COLLABORATING WITH COMMUNITIES AND STAKEHOLDERS**
5. **DELIVERING TRANSPARENT GOVERNANCE AND REPORTING**

Our objectives have been carefully chosen to help us develop forward-thinking and ambitious targets. These include:

- **Committing to be an early adopter of TNFD**
- **Production of several Group Environment Standards, integrating nature into the business and daily operations**
- **Contributing to the sector by establishing a national biodiversity aviation forum**
- **Establishing ourselves as an important regional steward in conservation and restoration projects**
- **Integrating nature into our existing outreach and education programmes**

METRICS AND TARGETS

Monitoring performance against nature-related metrics is an important part of how MAG tracks its interactions with the natural environment and supports the ongoing assessment of risks linked to ecosystem condition, regulatory requirements and operational resilience. Metrics provide a baseline understanding across MAG's airport estate and inform the development of future disclosures.

MAG has historically reported on biodiversity and nature-related impacts in alignment with the Global Reporting Initiative (GRI) standards, which provide a structured, impact-focused framework for disclosure.

This established approach provides a foundation for the continued development of TNFD-aligned metrics and disclosures. Further information on MAG's historical sustainability and biodiversity reporting is available on its sustainability reporting webpage[1].

The TNFD recommends that organisations report against a set of 14 core global metrics, which MAG is working to align with. Due to existing nature-related reporting practices, the current metrics and datapoints collected are primarily aligned to GRI-based indicators, which focus on understanding and reporting environmental impacts.

This provides a strong foundation for TNFD, which builds on this by linking impacts to dependencies, risks and opportunities. For this reporting period, existing data has been mapped to the nature-related risks and opportunities identified through the assessment, creating an initial link between available metrics and areas of potential impact and exposure. Building on this foundation, MAG will continue to expand the range of datapoints collected, strengthening alignment with the TNFD core metrics.

TABLE 4 – NATURE-RELATED METRICS AND TARGETS

Source of impact or risk	Indicator	Metric		Relevance of metrics
Freshwater; Land	Spatial footprint	Total landholding area (km^2)	22.02 km^2	• Locate assessment. • TNFD guidance.
		Area of designated sites (km^2)	0.43 km^2	
		Designated sites as a percentage of total landholding (%)	2%	
Pollution	Wastewater discharge	Number of surface water consent tests taken	333	• Risk associated with water pollutants. • Opportunities associated with resource use.
		Number of breaches of consent	5	
		Compliance with trade effluent consents	92.5%	
		Compliance with surface water discharge consent	99.1%	
Pollution	Waste	Total weight of waste	15,111 tonnes	• TNFD guidance. • Opportunities associated with resource use.
		Total waste incinerated	5,109 tonnes	
		Total waste to landfill	36.4 tonnes	
		Total waste reused	42.0 tonnes	
		Total waste recycled	4,562 tonnes	
Pollution	Non-GHG air pollutants	Particulate matter (PM2.5 and PM10)	Monitored at multiple locations, see sustainability report[1]	• Risk associated with air pollutants.
		Nitrogen oxides (NO_2, NO, NO_3)		
		Number of breaches of air quality objectives	0 breaches of air quality objectives	
State of nature	Operational interaction with wildlife	Number of birds strikes	197	• Risk associated with ecosystem and habitat imbalance.
		Number of non-bird wildlife strikes	3	
		Bird strikes per 10,000 Air Traffic Movement (ATM)	4.3	
State of nature	Ecosystem condition	Volunteering hours supporting nature-based initiatives (%)	19%	• Opportunities associated with engaging stakeholders.

1 MAG, Sustainability Reports, available at: https://www.magairports.com/work-with-us/corporate-social-responsibility-reports/.

LOOKING AHEAD

As an adopter of the Taskforce on Nature-related Financial Disclosures (TNFD), MAG's first TNFD-aligned assessment represents an important step in strengthening its understanding of nature-related risks and opportunities. This initial work reflects an early stage in the integration of TNFD within the business and has been undertaken on a defined scope, providing a foundation for the continued development of MAG's approach to nature-related assessment and reporting.

Building on this foundation, opportunities have been identified to further enhance the availability, consistency and quality of nature-related data, including expanding alignment with the TNFD's core global metrics. MAG will continue to develop its data collection and management processes, drawing on a broader range of internal and external data sources over time. This will support more detailed analysis and enable a deeper understanding of potential future scenarios and their implications.

Looking ahead, MAG intends to expand the scope of its nature-related assessment to include global operations and the wider value chain, with the aim of achieving value chain alignment, supporting a more comprehensive view of exposure to nature-related risks and opportunities. In parallel, approaches to quantifying financial impacts will continue to be developed, including consideration of potential effects on costs, revenues and asset values. Over time, this will support a more informed and integrated information base for management, enabling nature-related considerations to be incorporated into financial decision-making.

This work will continue to be supported by alignment with MAG's climate-related financial disclosure approach, with governance and risk management processes evolving in a consistent and integrated way across climate and nature, supporting effective oversight, decision-making and disclosure.

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal control, which aims to safeguard assets and shareholders' investment, and seeks to ensure that proper accounting records are maintained, that statutory and regulatory requirements are met, and that the Group's business is operated economically, effectively and efficiently.

It is acknowledged that any system of internal control is most likely to manage rather than eliminate risk, and can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Group's system of internal control has been in place throughout the year and up to the date of this Annual Report. The key elements of the internal control environment, which includes the process for preparing the consolidated financial statements, are:

- clearly defined organisational structures, schemes of delegation and lines of responsibility;
- the involvement of qualified, professional employees with an appropriate level of experience; this includes 1st Line teams who own and manage the risks including Group Finance, Group Legal and Sustainability teams, as well as relevant 2nd Line controls and compliance teams, and the 3rd Line independent Internal Audit (IA) function;
- regular meetings of the Board and the Chief Executive Officer's Executive Committee;
- MAG's Audit Committee provides objective oversight of the organisation's financial reporting, risk management, internal controls, and IA function. It acts as an independent check and balance between the company's management and its shareholders;
- triannual Airport, IT, CAVU and Group functions Risk and Audit Board meetings, chaired by the relevant Managing Director or Executive member;
- Board approval of long-term business strategies, key business objectives and annual budgets (with an annual review being undertaken to update the business strategies and key business objectives);
- preparation, and Board approval, of revised financial forecasts during the year – monitoring financial performance on a monthly basis against budget, and the benchmarking of key performance indicators, with remedial action being taken where appropriate;
- monitoring annual performance against business plans;
- established procedures for planning, approving and monitoring capital projects, together with post project investment appraisal;
- regular review by the Group's Finance function of each business unit including a reconciliation to the management accounts on a segmental basis;
- the review by the Audit Committee and the Board of the draft consolidated financial statements, and receipt of and consideration by the Audit Committee of reports from management and the external auditor, on significant judgements and other pertinent matters relating to those statements;
- the activities of the Group Risk team, local Risk Leads and Group Internal Audit (IA) function; and
- implementation of Group-wide procedures, policies, standards and processes concerning business activities, including financial reporting, health and safety, and human resources.





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REVIEWS CARRIED OUT BY OUR INTERNAL AUDIT TEAM OVER THE COURSE OF THE YEAR

The Group has an established, independent IA function, led by our Chief Audit Officer. The role of IA is to provide impartial, objective audit, assurance and consulting activity that is designed to strengthen, improve and add value to core processes and procedures across the Group.

The IA team takes a disciplined and risk-based approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes, aimed at providing assurance that MAG's key risks are being well managed, and controls are adequately designed and operating effectively. Its methodology is based on the Institute of Internal Auditors (IIA) Global Internal Audit Standards and best practice guidelines.

During the year, the Internal Audit Strategy has been refreshed to align to the core requirements of the new IIA Global Internal Audit Standards and Code of Practice. These standards establish a mandatory, principle-based framework to elevate the auditing profession, ensuring consistent, high-quality, and ethical practice globally. They aim to enhance organisational governance, risk management, and control processes, ultimately strengthening the ability to create, protect, and sustain value for stakeholders. Compliance against the 52 global standards was mandatory from January 2025 and the Audit Committee has maintained oversight of the requirements and compliance during the year, as well as signing off the new strategy and KPIs for the Internal Audit function.

An annual risk-based Internal Audit Plan is developed which provides appropriate and targeted coverage of the Group's risk profile over a rolling three-year period, with an initial focus on areas of high inherent risk and areas where the Group is heavily reliant on mitigating controls to manage the risk to an acceptable level.

The plan is reviewed and refreshed in line with MAG's annual cycle of Audit Committee meetings and according to the Group's evolving risk profile.

Over the course of the year, the IA team carried out 21 reviews across a broad range of areas including: HR and payroll processes, asset stewardship, fire safety, international development governance, strategic programme governance and 2nd line frameworks and processes. Fundamental security assurance continues to be provided on a regular basis across the Group, as well as cyclical key financial control reviews which primarily focused on core income streams this year. The IT audit plan remained focused on key cyber and information security risks, and deep dives were conducted into areas such as third-party risk management, Masterfile data and general IT controls. In line with the Institute of Internal Auditors International Professional Practices Framework (IPPF), there was also a continued strong focus on MAG's implementation of the 'three lines' model, with ongoing recommendations underway for optimising the value and efficiency MAG obtains from its core 2nd Line teams.

In line with best practice, MAG also operates an independently provided, confidential reporting telephone helpline and web portal for employees to raise matters of concern in relation to fraud, dishonesty, corruption, theft, security and bribery. All claims are fully investigated in line with MAG's standard policies and procedures, and a full whistleblowing update is provided at each Audit Committee meeting. MAG's whistleblowing policy and procedures have also been updated during the year to align to recent changes in legislation and best practice.

As standard, IA reviews consider the Group-wide application of policies and procedures with the aim of promoting best practice and standardisation across MAG.

Any areas of non-compliance with policies and procedures, or areas where controls can be strengthened or streamlined, are reported to appropriate governance forums including Risk and Audit Boards, leadership team meetings and the Audit Committee, ensuring clear ownership, timely remediation and consistent oversight.

There is full transparency in respect of MAG's strong framework of risk management and controls assurance, and attendance at key governance forums by the Chief Audit Officer ensures that cultural aims in respect of tone from the top and risk appetite are instilled across the business.

Regular reports on control issues are presented to, and discussed with, the Audit Committee, and there is a process in place to ensure that audit recommendations are addressed in line with agreed timescales.

As such, 99% of recommendations made during the period have now been fully implemented or are on track to be implemented in line with initial agreed deadlines. There are updated, risk-based deadlines in place for the 1% of overdue actions.

Audit Committee key messages and findings are cascaded from the Audit Committee Chair to each Group Board meeting. Key risk and control issues are discussed at Board meetings as relevant throughout the year.

On behalf of the Board, the Audit Committee has received and considered the Chief Audit Officer's year-end opinion and has reviewed the design and effectiveness of MAG's system of internal control. Drawing on the Internal Audit work performed during the year, taking into account materiality and management's risk and control declarations and continued commitment to implement agreed control improvements, the Internal Audit team concludes that MAG's internal control and risk management activities were appropriately designed and operated effectively throughout the period under review.

The Board, having considered the Audit Committee's review, is able to confirm that there are no material deficiencies in the system of risk management and internal control.



Internal controls and risk management continued

At MAG we believe that effective risk management is fundamental to our management practices which help deliver our strategy, commitments to customers and the community. We aim to deliver a safe, secure and efficient service which provides a great customer experience. This is supported through effective risk management strategies and making appropriate, risk-informed decisions when managing opportunities and threats across the entire MAG universe.

RISK MANAGEMENT FRAMEWORK

MAG has established a Risk Management Framework covering all our corporate and operational activities, which is embedded in day-to-day operations.

MAG operates a 'Three Lines' governance model. The 1st Line is formed by functions which own and manage risk and control on a day-to-day basis. These teams are supported by Risk Management and Assurance functions (2nd Line) and independently assured by functions including MAG's own Internal Audit Department (3rd Line). The framework also provides guidelines to management relative to the evaluation of potential business and operational opportunities, enhancing the ability of the organisation to capitalise on these at an early stage and in a controlled manner.

MAG's Risk Management Framework is embedded across the organisation, enabling the clear identification, assessment, management, monitoring and reporting of our most significant and emerging risks. The framework underpins effective decision-making, with culture and leadership being the fundamental components, including setting a clear tone from the top on the importance of robust risk management. The Audit Committee and the Board receive a comprehensive and up-to-date view of MAG's risk profile, the strategies in place to manage these risks, and the identification and evaluation of emerging risk areas.

MAG classifies risks into three levels: principal, corporate and functional. All are managed through our Risk Management Framework and its supporting practices. The Framework sets out clear expectations for the consistent identification, assessment, escalation and monitoring of risks across the organisation, ensuring that material or emerging risks are elevated to the appropriate internal governance forums as they arise. This assessment process is supported by structured risk review workshops, facilitated by our 2nd Line team of risk specialists, who support management in their identification and control of risks, and evaluate the effectiveness of mitigation strategies to ensure that risk exposure remains within the Board-approved risk appetite.

Our Risk Management Framework provides a comprehensive and consistent approach across the organisation. This strong foundation enables leaders to respond effectively to new and emerging risks, ensuring that risk considerations remain central to decision-making. The Divisional Risk and Audit Boards continue to be one of the primary risk forums for the escalation, discussion and governance of risks and controls. Alongside Risk and Audit Boards, there are a range of core risk and assurance governance forums, such as Divisional Safety Boards, that together provide structured oversight and scrutiny, helping to maintain a robust and effective risk and control environment.

A well-embedded risk management process enables MAG to quickly identify the uncertainties and challenges facing our business, while ensuring we have clear mitigating actions in place to support passenger needs and deliver against our strategic objectives. The Risk Management Framework is regularly reviewed and enhanced to ensure it remains robust, fit for purpose and aligned with industry best practice.

RISK APPETITE

The Board-approved risk appetite is well understood within the organisation and forms a core component of our risk evaluation methodology. These risk appetite guidelines set clear parameters for the level of risk the organisation is willing to accept in pursuit of its strategic objectives. They also define the required actions where risks exceed or are at risk of exceeding the organisation's stated appetite.

MAG's Risk Management Framework sets out clear evaluation criteria for assessing risk impact scoring aligned to the Group's defined risk appetite. In this way, a greater appetite may be attributed to some risks compared to a significantly lower appetite for regulatory, compliance and health and safety risks. This methodology ensures that MAG can differentiate between higher scoring risks where a greater appetite exists and lower scoring risks where the organisation's appetite is low or indeed zero.

Applying this framework consistently across all MAG risks, supports a disciplined and transparent approach to risk management. Ownership and accountability remain fundamental to the effective embedding of the framework. Leaders at all levels are expected to actively participate in the risk management process and take full ownership of risks within their areas of responsibility. In line with the framework's criteria, all significant risks are escalated to the appropriate governance forums to ensure suitable management oversight. Risk appetite is considered regularly by management and the Audit Committee as part of its annual plan of work to ensure that it remains appropriate, responsive to changes in the operating environment and aligned to MAG's strategic objectives.

RISK CULTURE

Risk management is embedded in MAG's decision-making processes, with detailed risk assessments forming a core component of business case submissions to the Board. The Board also receives periodic updates on the organisation's risk profile to inform strategic decision-making. In addition, significant new or emerging risks are reported to the Board as required, which are supported by insight from the bi-annual Strategic Risk workshops held with the Executive team to ensure that MAG's assessment of strategic and emerging risk assessments remains robust and up to date.

To facilitate the consistent implementation of the Risk Management Framework, MAG utilises a central risk system that provides colleagues with a single repository for all principal, corporate and functional risks. This dynamic tool strengthens risk monitoring and escalation, enhances accountability and ownership across the organisation, and improves visibility of interconnected risks. The system also enables linkages between related risks, recognising their interdependencies and supporting colleagues in making more informed decisions.

EMERGING RISKS

As outlined above, risk is considered at all levels of the organisation. Responsibility for horizon scanning and identifying emerging risks is the responsibility of all senior MAG officers, supported by the Group Risk team. This ensures that new or evolving risks are captured promptly and escalated to the appropriate governance forum for monitoring, review, challenge and decision-making.

Our strategic priorities

- DELIVER GREAT CUSTOMER SERVICE AND OPERATIONAL EXCELLENCE
- GROW OUR CORE AIRPORTS BUSINESS
- INVEST IN OUR AIRPORTS
- DEVELOP AND SCALE CAVU
- DECARBONISE AVIATION
- ACHIEVE SUSTAINABLE GROWTH IN SHAREHOLDER VALUE
- DEVELOP A BRILLIANT, DIVERSE AND INCLUSIVE TEAM OF PEOPLE WHO SHARE OUR VALUES

Internal controls and risk management continued

Principal risk: 1 – Failure to Develop and Maintain an Effective, Safe and Secure Operating Environment

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- Local Safety Forums
- Airport Safety Boards
- Group Safety Board
- Airport Operating Board
- MAG Executive Committee
- Audit Committee
- MAG and CAVU Board

Risk detail

The health and safety of our customers, colleagues and stakeholders is a priority for us. The inherent nature of our business means we are a thriving hub of activity centred around our people, third parties and the public. We recognise our responsibility to all our stakeholders and have a zero-tolerance policy to health and safety incidents involving our stakeholders.

Potential impact

- Serious injury to the public, passengers, contractors or our people.
- Service disruption with financial losses and legal consequences.
- Reputational damage and reduced passenger footfall.

Mitigation strategy

MAG operates a strong health and safety framework which meets legal requirements and obtains independent third party accreditation to the ISO45001 standard.

Key mitigants include:

- The provision of competent and sufficient resources within each of MAG's business areas to advise on health and safety.
- Centralised experts, who provide best practice guidance to be implemented consistently across all MAG airports. Processes ensure there is appropriate cross-Group collaboration and consistency. Feedback from subject matter experts is also captured, along with regular lessons learnt.
- Regular 2nd and 3rd line audits undertaken to verify compliance and assure management of the adequacy and effectiveness of controls.
- The Health and Safety Policy is aligned to the ISO45001 Standard, reflecting best practice guidelines.
- For global lounges operated/managed by CAVU across a number of non-MAG airports, individual airport policies, local health and safety requirements, and relevant standards are adhered to as relevant.
- As noted above, the health and safety governance process is supported by safety audits, compliance reviews, and health and safety assurance. This enables the business to monitor implementation and embedding of recommendations and their overall effect on the quality of MAG's control environment.
- Health and safety training is provided to all employees at all levels and briefings are provided to contractors and other visitors to our sites to ensure key health and safety risks are understood and effectively managed. Our health and safety governance structure is designed to ensure appropriate oversight of our management of health and safety risk and enables corporate risks to be escalated and addressed in a timely manner.

Principal risk: 2 – Security Breach

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- Local Safety and Resilience Forums
- Security Management Board
- Airport Safety Board
- Airport Operating Board
- MAG Executive Committee
- MAG Audit Committee
- MAG and CAVU Board

Risk detail

While the overall UK threat level is currently classified as severe, indicating that an attack is highly likely, aviation-specific threat levels for both inbound and outbound travel remain low. These reflect a net assessment, considering existing mitigation measures already in place, meaning an attack is deemed highly unlikely. Notwithstanding this, we have a clear obligation to ensure that systems, processes, assets and operations across all sites are maintained at a robust and secure standard, aligned to the prevailing threat environment.

Potential impact

- Serious injury to the public, passengers, contractors and/or our people.
- Infrastructure damage to critical airline and airport assets.
- Threat of terrorism in the UK may deter passengers from air travel.
- Growth strategy not achieved, and revenue targets missed.
- Reputational damage.

Mitigation strategy

We work closely with intelligence-led Multi Agency Groups which assess and manage international, national and local threats, and risks on an ongoing basis to ensure our security facilities and processes meet the high standards required to respond to known and emerging security threats.

Our security facilities and processes are subject to extensive inspections and audits by regulators, external specialists and internal teams who regularly test the design and effectiveness of our security processes and controls.

We recognise the need to respond effectively to the threat of terrorism and its impact on safety, security, stakeholder confidence and regulatory compliance, as such our teams are trained to respond to multiple scenarios to manage and return our airports back to stable operations.

Security governance is embedded at all of our airports, and all security assurance activity is overseen by multi-agency governance forums. MAG's subject matter experts liaise with third parties to review security risks and document the mitigation strategies in place to ensure the continued monitoring of key security risks.

KEY

↑ INCREASE ↓ DECREASE ↔ NO MOVEMENT

Principal risk: 3 – Climate Change

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- More information about the governance and oversight of climate-related risks is provided in the TCFD section on page 58

Risk detail

Climate change is a major global risk that has implications across our business, for the environment we operate within and for our stakeholders. There is a growing focus on climate change from MAG's stakeholders, including financial stakeholders. Failure to reduce our direct emissions and those of the wider industry, as well as the physical impacts of a changing climate, may have an adverse impact on MAG's financial performance and reputation. The principal risk relates to the impact of policies that governments implement to ensure aviation achieves net zero by 2050, as well as consumer and stakeholder confidence in the ability of the sector to decarbonise.

Potential impact

- More information about the impacts of climate change is provided in the Task Force on Climate-related Financial Disclosures (TCFD) section on page 58.

Mitigation strategy

More information about the actions we are taking to mitigate climate-related risks is provided in the TCFD section on pages 58 to 62.

Principal risk: 4 – Right People, Right Time, Right Place to Deliver Strategy

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG Remuneration Committee
- MAG and CAVU Board
- Risk and Audit Boards

Risk detail

Market competition for key leadership and specialist talent remains strong, alongside wider UK labour market challenges in attracting and retaining skilled colleagues. Securing and retaining the right capability is critical to the delivery of our strategy and remains a key focus area. Our talent strategy aims to attract and retain key employees through a variety of initiatives, including incentive schemes, career development programmes and mentoring.

Potential impact

- Inadequate talent resources to deliver growth strategies.
- Inability to execute robust succession planning.
- Inability to resource and deliver business as usual with consequential impact on business operations, corporate reputation and employer brand.

Mitigation strategy

MAG recognises that its people are critical to the successful delivery of its strategy. A range of initiatives are in place to attract, develop and retain the capability required to support operational performance and long-term growth, including:

- Continued evolution of the Equity, Diversity and Inclusion strategy to support a more diverse and inclusive workforce.
- Continued development and embedding of a clear Employee Value Proposition to support attraction, retention and engagement.
- Ongoing application of organisational design principles and governance to strengthen workforce capability and support productivity and strategic delivery.
- Growing and developing our own talent, including acceleration of graduate and apprenticeship programmes.
- Targeted recruitment activity in operational roles, supported by improved onboarding and training processes to enhance quality and retention.
- A continued focus on health and wellbeing, including support for absence management and return to work.
- Strong focus on succession planning and development pipelines for critical roles.
- Robust and regularly reviewed workforce planning, recruitment and retention practices to support operational resilience.
- A targeted colleague listening approach to understand colleague sentiment and inform continuous improvement in processes, support and the overall employee experience.
- Established Colleague Communities supporting inclusion and wellbeing across the organisation.

Internal controls and risk management continued

Principal risk: 5a – IT Compliance, Security and Infrastructure – IT Compliance

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- MAG Data Protection team
- Cyber Security Steering Committee
- Technology Leadership Committee
- MAG Executive Committee
- MAG Audit Committee
- MAG and CAVU Board

Risk detail

MAG is subject to a number of regulations governing the protection of information systems (hardware, software and associated infrastructure), the data on them and the services they provide. These include, but are not limited to, General Data Protection Regulation (GDPR), The Data Protection Act 2018, Privacy Electronic and Communication Regulation (PECR) and Payment Card Industry Data Security Standard (PCI DSS) and Security of Network and Information Systems (NIS) Regulations. The financial and reputational penalties for non-compliance can be severe.

Potential impact

- Fines, enforcement notices, personal liability for individuals at the C-suite level and regulatory action.
- Paying significant reparation of damages and reputational damage.
- Increased fees and loss of income.

Mitigation strategy

The Group operates within a complex regulatory environment and recognises that failure to comply with key cyber security and data protection regulations could result in regulatory enforcement action, financial penalties and reputational damage. To mitigate this risk, a layered governance, assurance and control framework has been implemented that combines robust policies and standards, independent certification, ongoing assurance activity, technical controls, and workforce training.

At a foundational level, compliance across the four frameworks is underpinned by a comprehensive set of information security, privacy and compliance policies and procedures, supported by regular second-line assurance activities and independent audit. The scope of the Group's ISO/IEC 27001 certification covers all employee and customer data processed by all legal entities, providing assurance that information security risks are systematically identified, managed, and reviewed. This is further strengthened by ISO/IEC 27701 certification, which extends the information security management system to cover privacy information management for both colleague and customer personal data. Mandatory annual training is delivered to all relevant colleagues to ensure awareness of regulatory obligations, individual responsibilities, and emerging compliance risks.

Specific controls are in place to address the requirements of individual regulations:

- For NIS, which applies to the Group as an Operator of Essential Services, dedicated NIS policies, procedures, and technical controls are maintained, with ongoing assurance activities to monitor effectiveness. The Group actively engages with the Civil Aviation Authority (CAA) as the competent authority, including regular regulatory dialogue and evidence-based assessments to demonstrate compliance and support continuous improvement.
- GDPR compliance is managed through a mature privacy governance framework that includes documented GDPR and Data Protection Act policies, a comprehensive Record of Processing Activities (ROPA) and the routine use of Data Protection Impact Assessments (DPIAs), which are embedded within project and change management processes to ensure privacy risks are identified and mitigated at an early stage.
- For PCI DSS, the Group's exposure is reduced using hosted payment i-frames and point-to-point encrypted (P2PE) payment devices, ensuring payment card data does not traverse or reside on corporate systems. PCI DSS compliance is mandated through the Information Security Policy and reinforced through role-based annual training.
- Compliance with PECR is supported through consistent cookie policies across Group websites, clear and transparent consent banners, defined standards and implementation processes, and regular website scanning and cookie audits. These quarterly reviews ensure cookies are accurately recorded, correctly categorised, not deployed prior to consent, and that obsolete or non-compliant cookies are removed.

Collectively, these controls provide management with confidence that regulatory compliance risks are proactively managed and subject to continuous oversight and improvement.

KEY

↑ INCREASE ↓ DECREASE ↔ NO MOVEMENT

Principal risk: 5b – IT Compliance, Security and Infrastructure – IT Security/Cyber Attack

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- Cyber Security Steering Committee
- Technology Leadership Committee
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

MAG forms part of the CNI and holds valuable customer, employee, financial and intellectual property data, making it an attractive target for cyber criminals. The wider geopolitical environment and ongoing global conflicts continue to elevate the overall cyber attack threat landscape. Given the nature of our operations, there remains a risk that MAG could be exposed to a direct or indirect cyber-attack, which could compromise the confidentiality, integrity or availability of critical data.

Potential impact

- Cyber attack leading to immediate and significant disruption to business as usual operations or strategic programme activity.
- Reputational damage.
- Short-, medium- or long-term impact to growth strategy and achievement of objectives.
- Significant financial consequences.

Mitigation strategy

MAG has an Information Security Management System (ISMS) in place which is supported by a suite of polices and standards which define the security controls required to mitigate cyber risks. The ISMS is governed by the Group's Cyber Security Steering Committee (CSSC). MAG's Information Security Risk and Audit Compliance regime audits against the ISMS standards to ensure compliance with, and certification to, ISO27001. Audits are performed annually and cover all aspects of MAG's Statement of Applicability.

A policy and robust procedure for minimising the ongoing risk from IT vulnerabilities is in place. This Standard is part of MAG's ISMS and is reviewed annually as part of MAG's ISO27001 certification/ internal policy governance.

Vulnerability scanning and penetration testing takes place at appropriate frequencies to identify potential vulnerabilities and enable risk-based decision-making. The Patch Vulnerability Group governs the activities to ensure they are compliant and, where non-compliance is identified, action is taken to remedy this.

MAG regularly runs Cyber Simulation Exercises to test their cyber resilience capability, raise awareness, and identify strengths and areas for improvement.

Principal risk: 5c – IT Compliance, Security and Infrastructure – IT Infrastructure

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- Business Design Authority
- Technology Design Authority
- Technology Leadership Committee
- Cyber Security Steering Committee
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

MAG is increasingly dependent upon technology for improved operational efficiency, passenger and colleague experience, safety and security. This risk is also influenced by a highly competitive environment for technology talent. Increased digitalisation and connectivity bring with them greater scope for vulnerability and associated business impact in the event of failure.

Potential impact

- Loss of operating capability, financial impact and reputational damage.
- Strategic projects fail to fully deliver planned benefits.

Mitigation strategy

MAG has a Group Technology Strategy which sets out priorities and plans to address identified technology needs across the business. The Technology Operating Model has evolved to align with MAG's Empowered Airports model. This has been designed to ensure a business-partner-led approach to technology strategy development and prioritisation.

The Technology department has adopted the Information Technology Infrastructure Library (ITIL) Framework for service management, aligning to industry best practice. This includes detailed processes for change, problem and incident management, as well as a robust delivery framework which includes rigorous testing and where necessary, third-party assurance of critical projects.

In addition, a comprehensive Technology Governance Model is in place encompassing a Business Design Authority (responsible for ensuring delivery is aligned to strategy), a Technical Design Authority (responsible for ensuring designs meet necessary standards) and an overarching Technology Leadership Committee which tracks Technology risk, assurance and audit findings, reporting outputs to the Audit Committee as required.

As MAG's airports are part of UK CNI, critical systems are covered under the Network and Information Systems Regulations 2018 and are subjected to annual audit and assurance, with results and action items reported to the CAA.

Internal controls and risk management continued

Principal risk: 6 – Macroeconomic, Political and Geopolitical Uncertainty

Risk movement ↑

Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

The nature of operations and size of the organisation means the business is often impacted by external factors which are inherently outside of MAG's control to manage directly. Understanding these factors allows MAG to assess the possible impact to the business and respond accordingly. By taking steps to minimise the impact, MAG can successfully respond to national and global uncertainties. Macroeconomic, political and geopolitical factors e.g. country elections, or imposition of trade tariffs, have the potential to reduce demand for air travel and thereby restrict growth throughout the industry. Associated consequences include the risk of airline failure, change in consumer behaviour and inability of MAG airports to meet forecast traffic volumes.

Furthermore, macroeconomic, political and geopolitical factors may increase the costs associated with operating and developing MAG airports. This includes, but is not limited to, an increase in operating and capital costs as a result of supply chain issues, labour shortages, continued weakness in sterling and high energy costs.

Potential impact

- Supply chains become more fragile and subject to disruption.
- Reduced passenger demand.
- Increased cost of raw materials and/or energy commodities from a weakened sterling.
- Labour shortages at airports and across business partners leading to slower recovery and/or poor operational performance.
- Weaker commercial environments reduce yields and affect growth targets.

Mitigation strategy

Understanding the factors impacting on the business are inherently outside of MAG's control, a proactive approach is taken to assessing the market and the implications of uncertainties. By taking early and decisive action, MAG is able to navigate these uncertainties and continue to flourish. We incorporate appropriate flexibility into our long-term plans and strategies to enable us to respond to changes in circumstances.

Examples of this include:

- Maintaining a manageable level of external, primarily long-term, debt.
- We have developed and maintained close relationships with our airline partners. This is further enhanced by strong route development, particularly among the Low-Cost Carriers who have seen the fastest recovery in operations. This diversity of offering, alongside robust key account management, enables MAG airports to remain competitive and ensures routes remain attractive and exciting to customers, even during times of economic uncertainty.
- Continued focus on ensuring the right skills, resources and organisational design are in place. We undertake a robust process of modelling resource requirements to align to forecast demand levels.
- MAG considers our product and geographical diversification when making business decisions. We undertake regular reviews of economic growth prospects for the UK and the world economy, and implications for demand forecasts for MAG airports. We support this approach to sound economic planning by ensuring our corporate and airport strategies incorporate sensitivities for economic shocks and broader world events. We undertake scenario analysis and horizon scanning on a regular cycle as well as in response to major events. In this way, we strive to ensure that decision-making is considered, appropriate and ensures the best short-, medium- and long-term outlook for the Group.

KEY

↑ INCREASE ↓ DECREASE ↔ NO MOVEMENT

Principal risk: 7 – Government Aviation Strategy

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG CSR Committee
- MAG Board

Risk detail

Government policy support is an essential part of the continued growth of the aviation industry. Government policy changes could limit MAG's ability to make best use of its airports, impose additional costs on the business, impact shareholder value, and adversely affect colleagues, stakeholders and passengers who use our airports.

Potential impact

- Material or sustained loss of passengers due to the loss of a key airline, impacting financial goals.
- Material or sustained decline in yields and overall rates of return.
- Carbon caps would potentially constrain long-term growth of UK airports/aviation.
- Inability to make full use of existing capacity at MAN, STN or EMA means growth strategy would not be achievable.

Mitigation strategy

We work closely with Government to shape policies and decisions which affect our airports, customers and our stakeholders, to enable the growth of MAG airports whilst aligning to policy objectives. We take an active role in industry and government bodies leading aviation and related areas such as tourism or investment.

We invest time across the business to work with partners, stakeholders and advocates to ensure the strategic significance of MAG airports is communicated to decision makers. We also work to build relationships with a range of political stakeholders to ensure emerging policies take into account MAG issues.

We take an active role in Sustainable Aviation and the Jet Zero Council to ensure the Government maintains an appropriate policy framework to deliver net zero for aviation.

We take a proactive approach to engaging with Government, the CAA and stakeholders to support the delivery of airspace modernisation at our airports and across the UK more generally, highlighting the range of benefits the programme will deliver.

Principal risk: 8 – Delivery of Critical Infrastructure Programmes

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- Programme Steering Committees
- MAG Executive Committee
- MAG Board

Risk detail

Major capital programmes continue to play a key role in enabling future growth in passenger volumes, through delivery of enhanced facilities which support improvements in customer service and operational efficiency. While current levels of inflation have reduced, a return to the high levels witnessed post-Covid-2019 would have a detrimental impact on the affordability and fundability of major transformation programmes, and MAG's ability to deliver the benefits associated with these investments. It is crucial that MAG effectively manages its supply chain strategy; continued capacity pressures across the supply chain and longer lead times risk driving increases in costs and longer delivery timescales, resulting in potential delays to capital programmes. Failure to deliver transformational benefits from major capital programmes may impact MAG's ability to grow and sustain investment across our airports. Ongoing access to appropriate funding to enable major capital programmes to be delivered in line with customer needs and market demand remains critical.

Potential impact

- Reduced customer experience and impact on brand/reputation.
- Reduced revenues and dilution in retail yields through a sub-standard retail and hospitality offer.
- Increased financing requirements due to increases in capital expenditure, limiting our ability to pursue other internal and external growth opportunities.

Mitigation strategy

We continue to work closely with airline partners to ensure transformation programmes both planned and under way at Manchester and Stansted deliver benefits for users and meet long-term customer needs. As Phase 2 of the Manchester Airport Transformation is nearly complete, we are able to deliver a greatly improved and more seamless customer experience throughout the terminal. The next phase of the Stansted Transformation Programme is under way, with plans in place to raise passenger capacity and mobilise delivery partners.

MAG maintains a strategy of procuring framework partnerships across the key supply chain categories required to ensure timely access to competence, capability and capacity to deliver its capital investment programme.

We have established strong Group-wide programme management controls, and these are subject to regular 2nd and 3rd Line assurance reviews. There is ongoing cross functional involvement in all programmes to ensure capex projects meet MAG's operational and commercial requirements, as well as continue to enhance the passenger experience.

Internal controls and risk management continued

Principal risk: 9 – Failure to Develop and Maintain an Effective Resilience Management System

Risk movement ↑

Strategic objectives impacted



Governance and oversight

- Airport Safety and Resilience Board
- Group Safety and Resilience Board
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

Failure to develop and maintain an effective resilience management system compromises the organisation's ability to absorb and adapt to major disruptive events. This, in turn, leads to disproportionate operational and/or business disruption with potentially significant impacts lasting for multiple days or longer, and affecting thousands of passengers.

Additionally, prolonged disruption can have a significant financial impact, resulting in both short-term (loss of earnings) elevated funding costs and long-term (loss of reputation) implications. Further, periods of disruption to service can result in financial compensation for disruption, payable to airlines, passengers and business partners. Ultimately, any significant service reduction may impact stakeholder confidence in MAG's licence to operate, and may also adversely impact on customer, investor and employee confidence.

Potential impact

- Material and sustained decline in revenues.
- Potential regulatory penalties for failure to operate at prescribed levels.
- Increased funding costs.

Mitigation strategy

External factors such as national power supply issues and increasing cyber threats have influenced our risk assessment in this area. As a result, we have increased our internal focus on the design and effectiveness of resilience processes and controls in order to address and keep pace with this evolving risk profile.

Alongside relevant IT Disaster Recovery Plans, the establishment of both Group-wide and airport-based response plans and teams ensures continued monitoring of data and operational issues that may affect performance and service delivery.

Incident and crisis management plans have been established and are regularly reviewed and refreshed. This includes the creation of a Resilience Policy Framework along with business continuity management and training. Plans are subject to regular 2nd and 3rd Line assurance and simulation exercises are periodically carried out with lessons learnt feeding into updated plans.

Continued engagement with customers and business partners has established a wider lens for identification of emerging business continuity risk, allowing the appropriate level of response to be activated. MAG has established a series of response drills and exercises to ensure the appropriate level of readiness should such an event occur.

KEY

↑ INCREASE ↓ DECREASE ↔ NO MOVEMENT

Principal risk: 10 – Disruption to Established Customer Behaviours and Spending Patterns Adversely Impacts Revenues

Risk movement ↔

Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG and CAVU Board

Risk detail

Failure to deliver an effective, coherent, and consistent strategy in response to an increasingly competitive landscape, and/or changes in market conditions, may result in a negative impact on our market share. Factors including the ongoing cost pressures on companies to reduce discretionary expenditure may suppress demand for business travel. Customers continue to face multiple challenges from the increased cost of living, which has impacted their disposable income which are driving changes in shopping behaviours, including online shopping alternatives.

Potential impact

- Material and sustained decline in revenues.
- Demise of retailers impacting on full occupancy of retail units in airports.
- VAT-free shopping policy changes create revenue uncertainty.

Mitigation strategy

Continual exploration of the market and review of MAG Strategy is undertaken to identify new opportunities, and these may include new partnerships, acquisitions and joint ventures. MAG has worked with World Duty Free and brands to agree a concession fee structure to help retain the equivalent of 'tax free pricing'. In addition, contractual pricing with concessionaires has been renegotiated to ensure the continuation of a valued offering for customers despite Brexit-related tax charges. Car parking revenue strategy has been revised to ensure that it aligns with recovery in demand to maximise yield. Manchester Transformation Programme Phase 2 and Stansted Transformation Programme afford MAG the opportunity to revisit the deal structures to support re-creation of value as the airport USP. The Group has an integrated Customer and Digital strategy that combines throughout the customer journey to provide services such as Reserve and Collect, Security products and promotions for different customer segments and leverages CAVU's digital capabilities.

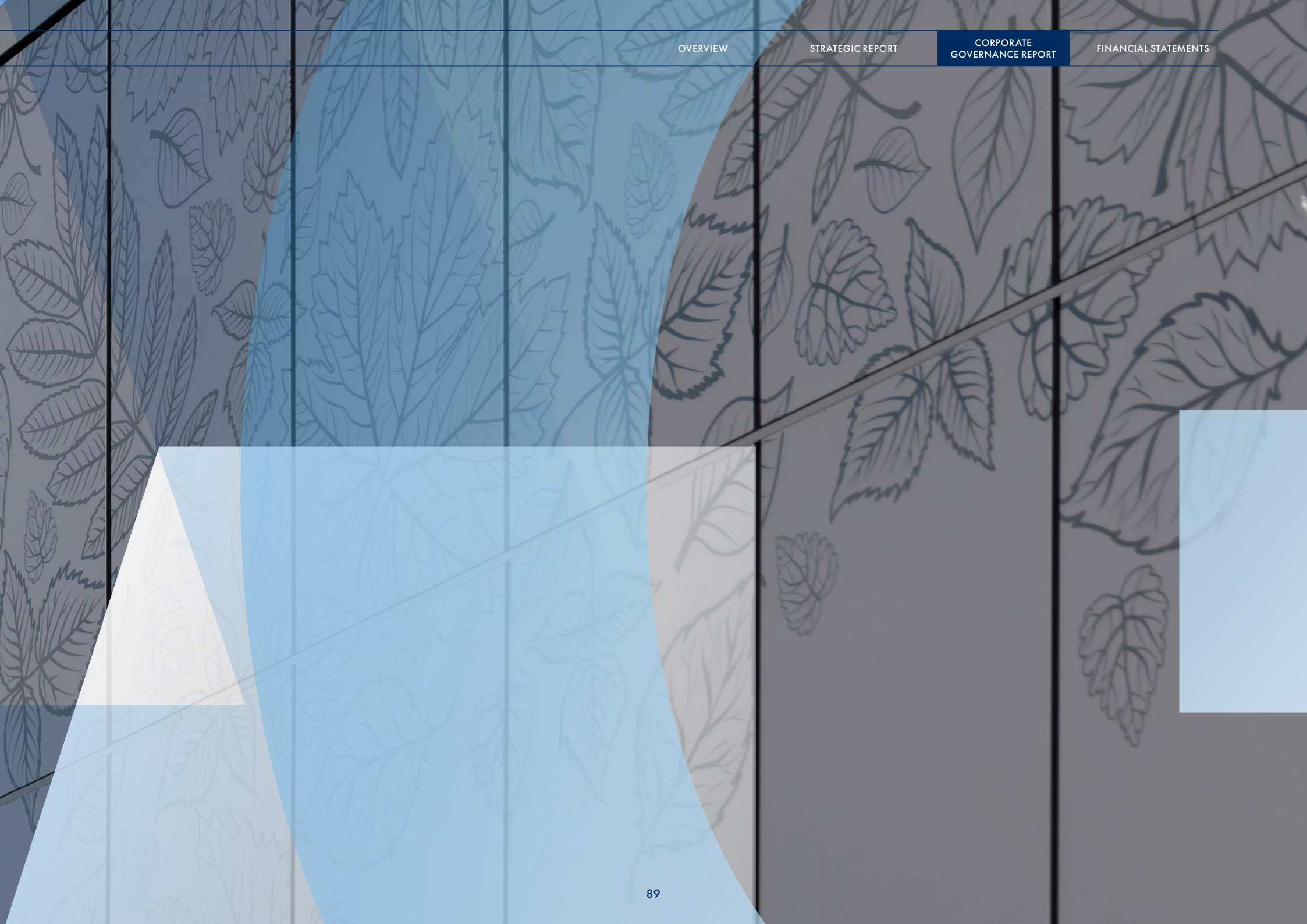
The Strategic report as set out on pages 10 to 87 was approved by the Board on 1 July 2026 and signed on its behalf by:

Ken O'Toole
Chief Executive Officer

Corporate governance report

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Chair's introduction to governance report

On behalf of the Board, I am pleased to present our corporate governance report for the financial year ended 31 March 2026.

This year has seen some changes to our Board composition, with the addition of two new Non-Executive Directors Steven Fraser and Emma Gilthrope who succeed Jon Wragg and Cath Schefer who have both retired from their roles. On behalf of the Board, I would like to thank Jon and Cath for their valued contribution to MAG. It is also really pleasing to welcome Steven and Emma, both of whom bring significant experience and expertise to MAG as we embark on an exciting phase of growth and investment. Steven is the Chief Executive Officer of Cadent Gas and has more than 20 years' experience of managing and transforming infrastructure businesses. Emma is the Chief Transformation Officer of Turner & Townsend and previously held the role of Chief Executive Officer at Royal Mail. Prior to this she was a member of the executive team at Heathrow Airport for nearly 15 years, most recently as its Chief Operating Officer, navigating the business through the Covid-19 pandemic.

With the additions of both Steven and Emma, the Board is structured to ensure a balance of skills, experience and independence, enabling effective oversight and strategic decision-making.

The diversity of expertise among the Board members enhances its ability to navigate complex challenges and drive sustainable growth.

The Board has also welcomed the arrival of Marie Joyce, who succeeds Jan Bramall as Chief Financial Officer. Marie is a fantastic addition to the Board, bringing extensive experience in financial leadership across complex, operational businesses and a strong track record of building high-performing teams.

In accordance with MAG's requirement to provide a statement of corporate governance arrangements, MAG continues to adopt the Wates Corporate Governance Principles for Large Private Companies (Wates Principles) as its corporate governance code for the financial year ended 31 March 2026. This corporate governance report describes how MAG has applied the Wates Principles throughout the year. Details of the Directors' performance of their duties under Section 172 of the Companies Act 2006, including important long-term considerations that direct the Board's overall thinking, can also be found on pages 97 to 101.

Throughout the year, the Board has remained focused on accelerating investment in MAG's infrastructure and elevating the diversity and quality of its overall proposition. From broadening our route network to enhancing products and services, our efforts have centred on providing passengers with greater choice, improved experiences, and exceptional value.

We have also focused on the importance of environmental and sustainability initiatives, showing leadership on some key strategic projects. An overview of MAG's corporate strategy in support of these objectives is set out on pages 52 to 57.

In addition, we have continued our commitment to strong governance, maintaining the effective operation of all Board Committees in addition to the regular Board cycle. The detailed work of each Committee is set out in the reports that follow on pages 102 to109. We remain committed to ongoing Board evaluations and succession planning in line with the Wates Principles to uphold the highest governance standards.

I hope that this report demonstrates the Board's ongoing commitment to corporate governance and ensuring alignment with the Group's strategy, purpose and values.



"At MAG, robust governance practices provide the framework for responsible decision-making, fostering openness and accountability while strengthening investor confidence and enabling resilient, long-term value for stakeholders."

Charlie Cornish
Non-Executive Chair



OUR GOVERNANCE STRUCTURE

The Board

The Board sets the strategic direction and risk appetite of the Group's business. It is responsible for approving major investments, policies and material decisions and for setting the Group's values promoting its long-term sustainable success.

Nomination Committee

The Nomination Committee plays an important role in ensuring the appropriate structure, size and composition of the Board whilst monitoring the balance of skills, knowledge, experience and diversity of the Board.

Remuneration Committee

The Remuneration Committee ensures that incentive structures drive performance, which will enhance the experience of our customers, shareholders and our colleagues.

Audit Committee

The Audit Committee is responsible for: oversight of the internal and external audit programmes; ensuring the integrity of MAG's financial statements; and oversight, monitoring and scrutiny of MAG's Risk Management Framework and internal control systems.

CSR Committee

The CSR Committee sets CSR strategy and targets; oversees the annual programme of CSR activities; and ensures compliance with CSR policies. It also has an overview of significant and material environment and social risks.

Executive Committee

The Executive Committee is responsible for the day-to-day running of the Group's business and performance, the development and promotion of the Group's strategic aims, demonstrating MAG's values and cultures and ensuring long-term sustainability of the Group.

Sub-Committees

The Sub-Committees provide specialist oversight and deep dive scrutiny by testing proposals, risks and assumptions. The Sub-Committees understand principal and corporate risk exposure and make recommendations to the Executive Committee.

Board of Directors

As at 31 March 2026, the Board of Manchester Airports Holdings Limited comprises the following individuals:



Charlie Cornish

NON-EXECUTIVE CHAIR AND CHAIR OF NOMINATION COMMITTEE

Appointment to the Board: 2010

Charlie was appointed Non-Executive Chair in October 2023. Prior to his appointment as Non-Executive Chair, Charlie was Chief Executive Officer for the MAG Group.

Previously, Charlie worked as Managing Director of Utility Solutions, the commercial business of United Utilities (UU) with operations in the UK, the Middle East, Australia, Bulgaria, Poland, Estonia and the Philippines, and was a Director of UU PLC. Charlie also has prior experience working for several manufacturing and service companies including Plessey Telecommunications, British Aerospace and ABF.

Charlie now works as a Non-Executive Chair for many companies across the UK.



Ken O'Toole FCA

CHIEF EXECUTIVE OFFICER

Appointment to the Board: 2013

Ken was appointed as Chief Executive Officer for the MAG Group in October 2023. Prior to this, he served as Deputy Chief Executive having previously held the role of the Group's Chief Development Officer. Since joining MAG in 2012, Ken has also held the roles of Chief Executive of London Stansted Airport and Chief Executive of Manchester Airport. He spent six years with Ryanair Holdings plc, initially as Head of Revenue Management and latterly as Director of New Route Development.

Ken is a Chartered Accountant, and his previous experience includes roles with Musgrave Group, a leading Irish and UK-based retailer, and Credit Suisse First Boston.



Marie Joyce

CHIEF FINANCIAL OFFICER

Appointment to the Board: 2026

Marie was appointed Chief Financial Officer of MAG in January 2026. She brings over 20 years' experience in infrastructure and investment, having previously served as Group Chief Financial Officer and Chief Operating Officer at NTR plc.

Marie has held senior leadership roles across renewables, transport and environmental infrastructure, with international experience spanning Europe and the United States. Earlier in her career, she was Senior Director of Strategic Planning at Élan Corporation plc.

She is a former Independent Non-Executive Director of daa plc, a global airports and travel retail group operating in 15 countries, and previously chaired Make-A-Wish Ireland. Marie is a Chartered Accountant and holds degrees from the University of Galway and UCD Smurfit Graduate Business School.



Jenny Cochrane

GENERAL COUNSEL AND COMPANY SECRETARY

Appointment to the Board: 2020

Jenny joined MAG in 2013 and was appointed as General Counsel and Company Secretary in April 2020.

She previously held the position of Legal Director with responsibility for the legal function across the Group.

As General Counsel and Company Secretary, Jenny is responsible for legal, governance and company secretarial matters across the Group and supports the Board and its Committees in ensuring the highest standards of corporate governance.

Prior to joining MAG, Jenny worked in private practice as a corporate lawyer, specialising in mergers and acquisitions and other corporate finance transactions.

Other current roles

Chair of Hydro Topco Limited (Ipsum Group)
Chair of Core Highways Limited
Chair of Severfield PLC

Non-Executive Director of Staycity Group

Committee Key

(N) Nomination (R) Remuneration (A) Audit (C) CSR (○) Chair



(N) (R)

Cllr. Bev Craig OBE

VOTING SHAREHOLDER-APPOINTED NON-EXECUTIVE DIRECTOR

Appointment to the Board: 2021

Cllr Bev Craig OBE is the Leader of Manchester City Council, a role she has held since December 2021.

As Leader, Bev oversees major strategic programmes including Manchester's zero-carbon transition, city-centre regeneration, housing delivery, and investment into neighbourhoods. She also serves on the Greater Manchester Combined Authority as portfolio lead for Economy, Business and Inclusive Growth, shaping city-region policy on business competitiveness, inward investment, and skills.

Nationally, she is Vice-Chair of the Local Government Association and leads its Labour Group, influencing national policy on local government finance, economic development, and devolution. Her leadership was recognised when she was awarded an OBE in the 2026 New Year Honours for services to local government.



(N) (R)

Deepa Bharadwaj

VOTING SHAREHOLDER-APPOINTED NON-EXECUTIVE DIRECTOR

Appointment to the Board: 2024

Deepa is Head of Infrastructure (Europe) for IFM Investors, with responsibility for the infrastructure business in Europe and for oversight of IFM Investors' European infrastructure portfolio. She has extensive global expertise in the infrastructure and energy sectors, having worked in the US, Europe, the Middle East, Africa and Asia, including 13 years at Standard Chartered Bank in Singapore.

She has previously been a board member at Brisbane Airport, Mersin Port and Veolia Energia Polska.



(N) (R) (A)

Max Fieguth

VOTING SHAREHOLDER-APPOINTED NON-EXECUTIVE DIRECTOR

Appointment to the Board: 2024

Max is responsible for developing and executing IFM Investors' asset management strategy and leads a team of asset management specialists implementing value creation opportunities across the IFM portfolio and supporting the execution of infrastructure transactions.

Max is currently a board member of IFM portfolio companies Manchester Airports Group (UK airports) and GlasfaserPlus (fibre JV with Deutsche Telekom), and previously served on the board of Arqiva (UK broadcast). Since joining IFM in 2016, Max has also worked extensively across a number of other companies in the IFM portfolio, including the UK toll road M6toll and the Spanish water concessions company Aqualia. Furthermore, he was involved in the acquisitions of the port Baltic Hub in Poland, the Spanish energy utility Naturgy and Syndey Airport in Australia.

Before joining IFM, Max was at McKinsey & Company, specialising in operational improvement and capex projects and worked on UK railway projects with Bechtel. He holds a MEng in Mechanical Engineering from Imperial College London and MBA from INSEAD, and is a member of the IMechE as well as a Sainsbury Management Fellow.



(N)

Cllr. John Blundell

SHAREHOLDER-APPOINTED NON-EXECUTIVE DIRECTOR

Appointment to the Board: 2018

John owns his own business that focuses on engagement, work, economics and policy.

He is a councillor on Rochdale Borough Council and has occupied posts in the cabinet and has chaired several committees.

John is also an Honorary Senior Research Fellow of the University of Manchester's Urban Institute for his impact on the city's built environment.

Other current roles

Director of Rise

Board of Directors continued

Committee Key

N Nomination R Remuneration A Audit C CSR ○ Chair



A
N

Paul Venables

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR OF AUDIT COMMITTEE

Appointment to the Board: 2022

A Chartered Accountant and US qualified, Paul started his career at Deloitte, where he was a senior manager in its US practice.

He then spent 13 years at Exel plc where he held senior roles including Deputy Finance Director, a member of the Executive Board and Chair of the Acquisitions and Project Review Board.

Following the acquisition of Exel plc by Deutsche Post, Paul joined Hays plc where he was Group Finance Director for 16 years, before retiring in September 2022.

Paul was also Senior Independent Director and Audit Chair of Wincanton plc.



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Amanda Brown

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR OF REMUNERATION COMMITTEE

Appointment to the Board: 2023

Amanda was appointed to the MAG Board on 1 September 2023 as an Independent Non-Executive Director and took over the Chair of MAG's Remuneration Committee from 1 April 2024. Amanda is an experienced senior executive with a background in consumer-facing organisations and financial services.

She served as Chief Human Resources Officer at Hiscox during a period of significant growth and transformation for the organisation and she also held executive roles within Whitbread Group, PepsiCo and Mars Inc.

Amanda has a wealth of remuneration experience with FTSE 100 and FTSE 250 businesses. She was previously Chair of the Remuneration Committee for Micro Focus plc and now chairs the Remuneration Committees at Mitchells and Butlers and Entain, in addition to having over 15 years of executive responsibility for remuneration as part of her responsibilities within HR.



C
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R

Steve Fraser

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR OF CSR COMMITTEE

Appointment to the Board: 2025

Steve has been the Chief Executive of Cadent Gas, the largest energy provider in the UK, since 2019. He is accountable for serving around 11 million customers across five gas distribution networks, ensuring safe operation and maintenance of the system, and overseeing the National Gas Emergency Service across the UK.

Steve has more than 20 years' experience managing and transforming large-scale infrastructure businesses, previously serving as Chief Operating Officer and a main Board Director of United Utilities. He has extensive experience across utilities operations in water, electricity and gas.

Steve holds a degree in Management Studies and a Master's in Engineering Management from UMIST, and a Diploma in Advanced Management from Harvard University.

Earlier in his career, he became a Director of Bethell Group, helping establish it as a leading energy services business. He later joined United Utilities in 2005 to help lead its global outsourcing division, working across the UK, Europe and the Middle East.



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Emma Gilthorpe

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment to the Board: 2025

Emma has worked across a range of infrastructure businesses in her executive and non-executive career, from telecoms to water to aviation and then logistics. Having led Heathrow's multi-billion pound capital delivery and expansion programme she then took the business through Covid-19 as Chief Operating Officer, subsequently becoming Chief Executive Officer of Royal Mail. Emma is now Chief Transformation Officer at Turner & Townsend helping to build robust organisational and performance foundations to underpin their next wave of growth.

She originally qualified as a barrister. She also spent three years leading the Government's Jet Zero Council, corralling the industry to create an executable pathway to decarbonisation, supported by Government policy.

Other current roles

Chair of Fuel Learning Ltd
Director at The Chiltern Centre Ltd
Finance Director of Henley Rugby Football Ltd

Non-Executive Director of Mitchells & Butlers Plc
Non-Executive Director and Remuneration Chair at Entain plc

Non-Executive Director of Abel and Cole Ltd
Co-Chair of Refined Brands Ltd
Chief Executive of Cadent Gas

Chief Transformation Officer, Turner & Townsend

Corporate governance report

THE ROLE OF THE BOARD

In line with the Wates Principles for Large Private Companies, the Board is accountable to the Group's shareholders for providing effective leadership and oversight of the Group's long-term success. The Board is responsible for developing, setting and overseeing delivery of the Group's strategic objectives, safeguarding the Group's reputation, overseeing effective risk management and internal controls, and setting the Group's values, standards and culture (Wates Principle 1).

In discharging these responsibilities, the Board takes into account the interests of its key stakeholders, consistent with Wates Principle 6, as described in further detail in the Group's standalone Section 172 Statement on pages 97 to 101. The Directors satisfy themselves that the Group has the necessary resources, capabilities and controls in place to support the delivery of strategy and sustainable long-term performance.

The Board comprised 11 Directors as at 31 March 2026. Details of the Directors serving during the year, together with their biographical information, are set out on pages 92 to 94.

BOARD COMPOSITION AND OPERATION (WATES PRINCIPLE 2)

The Directors consider the Board to be of an appropriate size for the needs of the Group, with a balanced composition of Executive Directors, independent Non-Executive Directors and shareholder-appointed Non-Executive Directors. Shareholder representative groups are equally represented, supporting effective oversight and constructive challenge.

The Board receives regular updates from management and meets formally six times a year, with additional meetings convened as required to consider specific matters.

Certain matters are reserved for decision by the Board, reflecting its accountability for strategy, risk and performance, while other matters are reserved for determination by the voting shareholders. This clear allocation of responsibilities supports effective decision-making in accordance with Wates Principle 3.

CHAIR AND CHIEF EXECUTIVE OFFICER (WATES PRINCIPLES 1 AND 3)

The roles of the Chair and Chief Executive Officer are separate and clearly defined, supporting effective leadership and oversight. The Chair is responsible for leading the Board, setting its agenda, and ensuring that it operates effectively. The Chair promotes open debate and constructive challenge, ensuring that the diverse skills and experience of Board members are fully utilised to support execution of the Group's long-term strategy.

The Chief Executive Officer has responsibility for the day-to-day management of the Group, including the development and implementation of strategy, achievement of financial and operational objectives, and delivery of the Group's climate change goals and commitments.

The Chief Executive Officer is supported by the Executive Committee, which comprises the Chief Financial Officer, Chief Strategy Officer, General Counsel and Company Secretary, Capital Delivery Director, Chief Information Officer, Chief People Officer, and the Managing Directors of the Airports and CAVU.

NON-EXECUTIVE DIRECTORS (WATES PRINCIPLES 2 AND 3)

The Board's Non-Executive Directors bring a broad range of skills, experience and perspectives drawn from both the private and public sectors. They support the development of strategy while providing effective scrutiny and challenge to executive proposals, helping to ensure robust decision-making and delivery of agreed objectives.

Non-Executive Directors hold the Executive team to account through Board and Committee meetings and by sponsoring designated focus areas, each led by a member of the Executive Committee. This structure strengthens oversight of key projects and priorities and supports effective Board engagement with management.

All Non-Executive Directors are appointed subject to objective capability criteria. The appointment of independent Non-Executive Directors, including their remuneration, is subject to prior approval of the voting shareholders. Shareholder-appointed Non-Executive Directors hold office for so long as the shareholders wish them to do so.

Other Non-Executive Directors are appointed initially for a term of three years, with any renewal subject to shareholder approval following recommendation by the Board and the Nomination Committee. Renewal decisions take into account the Director's contribution and relevant corporate governance best practice, supporting ongoing Board effectiveness.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board considers Paul Venables, Amanda Brown, Steven Fraser and Emma Gilthorpe to be independent Non-Executive Directors. During the year, shareholder-appointed Non-Executive Directors were Cllr. Bev Craig and Cllr. John Blundell (representatives for the District Councils of Manchester) and Max Fieguth and Deepa Bharadwaj (representatives for IFM Global Infrastructure Fund).

BOARD MEMBERS' BACKGROUND AND EXPERIENCE

Further information on the background, experience and expertise of each Director is set out on pages 92 to 94 and is also available on the MAG corporate website at www.magairports.com.

BOARD EFFECTIVENESS AND INFORMATION FLOW (WATES PRINCIPLE 3)

To support effective decision-making, Directors receive a comprehensive suite of papers in advance of each Board meeting through a secure electronic board portal. Reports cover commercial, operational, financial, health and safety and risk matters, including regular updates from the Chief Executive Officer and Chief Financial Officer on performance against key indicators and on principal risks and opportunities. In months where the Board does not meet, an abridged reporting pack is provided to maintain oversight.

The Board has established Audit, Remuneration and Corporate Social Responsibility Committees, each with delegated authority and clear terms of reference. Through the Nomination Committee, the Board also ensures that succession planning for the Board, Executive Committee and senior management reflects the evolving needs of the Group and supports long-term sustainability.

DIRECTOR INDUCTION AND DEVELOPMENT (WATES PRINCIPLE 3)

The Board believes it is essential that Directors are well-informed and able to challenge constructively. New Directors participate in a tailored induction programme, including meetings with senior management, site visits, briefings on strategy and operations, and engagement with shareholders, external auditors and key stakeholders.

Directors are supported in maintaining and developing their skills and knowledge relevant to the Group's business and their responsibilities, including through appropriate training. Directors may also obtain independent professional advice at the Company's expense where necessary.

Corporate governance report continued

BOARD EVALUATION (WATES PRINCIPLE 2)

The Board recognises the importance of regular evaluation in supporting effective performance and continuous improvement. A formal Board effectiveness review was undertaken 12 months ago, assessing the skills, experience and contribution of individual Directors and the effectiveness of Board and Committee processes. The review concluded that the Board was operating effectively and demonstrated a high level of maturity, with a culture characterised by trust, openness and inclusivity.

A small number of development areas were identified and addressed through an agreed action plan, all of which have been implemented. In line with best practice, the Board intends to undertake another Board evaluation in the forthcoming year to provide further support ongoing Board effectiveness.

EQUITY, DIVERSITY AND INCLUSION

To reflect how ED&I is considered at a governance and Board-oversight level, MAG continues to strengthen its approach in line with the standards expected of a listed company, where board-level ED&I disclosure is the norm. Alongside this, ED&I priorities remain embedded within our ongoing structural governance through the People Leadership Team (PLT) and the People Sub-Committee, both of which include members of the Executive Committee to ensure senior visibility, challenge and accountability.

This new framework includes clearly defined strategic priorities aligned to *Every Journey Matters*, MAG's overarching ED&I strategy, and the introduction of a maturity scale enabling each Community to benchmark progress and grow in a consistent and coordinated direction. In the last year, 50% of our Colleague Communities have progressed along the maturity scale, demonstrating increased strategic influence. This includes tangible outcomes such as enabling a 73% increase in disabled parking capacity at Manchester Airport and supporting MAG's commitment as a signatory to the Race at Work Charter.

To strengthen formal governance, we're evolving the ED&I, *Every Journey Matters*, Forum at MAG to become a more strategic platform, bringing critical partners such as trade unions into the conversation to help accelerate our ambitions. The forum also incorporates a Learning Lab segment, enabling executives and members to learn together, share experiences, and shape the broader business. It also provides a dedicated space to review strategic priorities, identify opportunities, and address emerging risks or complexities across the ED&I agenda, enhancing visibility and accountability at the most senior leadership levels.

In addition, we have introduced *Colleague Community Listening Forums*, which create structured opportunities for the ED&I and Colleague Experience teams to engage directly with impacted communities during moments of significant social, economic or political change. These sessions ensure that colleague voice continues to inform decision-making and that we can respond, adapt or course-correct where needed. This approach reinforces our commitment that every voice matters and that inclusion remains central to how we support and enable our people.

The Company Secretary plays an important role in advising the Board on the S172 requirements by setting out the substance of those requirements at appropriate times in order to ensure meaningful discussion. The separate S172 section on pages 97 to 101 illustrates how the Board and management have taken account of these matters in decision-making throughout the year.

WATES PRINCIPLES

MAG seeks to adhere to the Wates Principles at all times with regard to the structure and effectiveness of its internal governance arrangements and the size and composition of the Board.

MAG complies with Principle Two of the Wates Principles by maintaining a Board with an appropriate balance of skills, experience and independence. The Board undertakes regular evaluations of Board and Committee effectiveness, including individual Director contributions, to ensure it remains well placed to oversee strategy and long term objectives. Outcomes from these reviews inform targeted actions to support continuous improvement and effective governance.

In line with Principle Three of the Wates Principles, MAG ensures that Director responsibilities are clearly defined and understood, with appropriate support to enable effective decision making. The Board has access to timely, relevant information and independent professional advice where required, and Directors receive appropriate induction and ongoing development to ensure they can discharge their duties effectively and contribute fully to Board discussions.

S172 report

STAKEHOLDER INTRODUCTION

The Board remains committed to fostering strong relationships with the Company's stakeholders, ensuring transparency, accountability and meaningful engagement. Over the past year, the Company has enhanced its communication channels, holding regular forums and consultations with investors, employees, customers and regulators. The Board's approach to stakeholder engagement has been instrumental in shaping corporate strategy, driving sustainable growth and reinforcing its commitment to ethical business practices. Through continuous dialogue, the Board has identified key areas for improvement, strengthened trust and aligned the Company's business objectives with stakeholder expectations, positioning the Group for long-term success.

In line with best practice, the Company also operates an independently provided, confidential reporting telephone helpline and web portal for employees to raise matters of concern in relation to fraud, dishonesty, corruption, theft, security and bribery. All claims are fully investigated in line with the Company's standard policies and procedures and a full whistleblowing update is provided at each Audit Committee meeting. The Company has regular consultation forums to consider relationships with colleagues, airlines, trade unions and a wide range of other stakeholders.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

Section 172(1) of the Companies Act 2006 requires Directors to act in the way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board of Directors is aware of its responsibilities and during the year ended 31 March 2026 consider it has acted in accordance with its statutory duties by having regard to the matters set out above. This section summarises how it has discharged its obligations. The Directors considered stakeholders' interests when decisions were made, and when values, strategy and policy were developed. The Directors reviewed the Group's operational and financial performance, risk and compliance, legal, safety, diversity and other stakeholder related matters at Board and Executive Committee meetings. The Company's key stakeholders, and our interaction with them, is summarised below.

STAKEHOLDER: SHAREHOLDERS

Why they matter to MAG	What matters to them	How the Board interacts
Our shareholders provide the equity finance necessary to support the operation and future development of the business. Shareholders also appoint Non-Executive Directors who are critical to overall governance and make a valuable contribution to the working of the Board and informing the Company's strategy.	Our shareholders have invested in the long-term success of MAG. In return they seek predictable and sustainable returns on their investment. Our shareholders require high standards of governance, responsible business practices and transparent and comprehensive disclosure of information. This allows them to make informed decisions and to meet their own disclosure and reporting requirements.	Shareholders are directly represented on the Board and oversee the appointment of Non-Executive Directors. They receive regular reports from the management team on all aspects of the business. Shareholders also receive regular reports from the CSR Committee, which considers responsible business practices, including environmental and community impacts. Shareholders also receive regular reports from the Audit Committee, which considers the risks associated with all aspects of the operation of the business and the results of a targeted programme of assurance audits.

S172 report continued

STAKEHOLDER: COLLEAGUES

Why they matter to MAG	What matters to them	How the Board interacts
Our people are at our core. They are our greatest asset. They make our strategy a reality and deliver services to our customers. Their engagement, energy and ideas are critical to the continued innovation and improvement of the services we offer.	Our colleagues need a workplace that is safe, inclusive and offers them opportunities to develop their careers. They expect to be treated equitably and to be rewarded appropriately for their contribution to the success of the Company. Colleagues want to be a part of the decisions that affect them and to be supported by effective systems of internal communication.	The Board receives regular reports on safety as a first priority and scrutinises and challenges safety performance. The Board also receives reports on workplace issues, including Modern Slavery, fair pay, equity, diversity and inclusion.

STAKEHOLDER: PASSENGERS

Why they matter to MAG	What matters to them	How the Board interacts
Passengers are the foundation of our business, providing much of our income. It is important that, working with our airline and on-airport partners, we provide an appropriate range of services to meet their needs.	Our customers want our airports to provide a safe, secure, clean and welcoming environment, and to experience an efficient service. Our customers expect us to make our services available to all by providing an accessible environment that affords everyone the same opportunity to travel, including supporting those who require greater assistance.	The Board receives regular reports on passenger feedback, including our use of the Airport Service Quality Index and Net Promoter Score. The Board's consideration of passenger experience includes regular reports on the service provided to passengers who require additional support to access our services.

STAKEHOLDER: COMMUNITIES AND THE ENVIRONMENT

Why they matter to MAG	What matters to them	How the Board interacts
Many of our colleagues and customers are drawn from local communities and the economic impact of our operations is greatest in the regions we serve. Many of the environmental consequences of our operations, including noise, congestion and air quality, have greatest impact on communities closest to our airports, though some of the impacts of our operations, including contributing to climate change, have global implications. It is vital that we understand the priorities of communities and ensure our operations take place within acceptable environmental limits. By doing so we maintain our social licence to operate and grow.	Local communities want to share the economic success of our airports. They expect us to take all reasonable steps to reduce local impacts, including noise and emissions. Communities are concerned by climate change and expect us to progressively reduce the emissions of our airports and work with airlines to ensure that together we play a full part in delivering the Government's economy-wide target to reach net zero emissions by 2050.	The Board has established the CSR Committee to allow extensive discussion of these issues. The Board regularly considers environmental impacts, including climate risks, and periodically considers the views of local communities through targeted surveys, including an independently facilitated materiality assessment.

STAKEHOLDER: CUSTOMERS, PARTNERS AND SUPPLIERS

Why they matter to MAG	What matters to them	How the Board interacts
The support from our airline customers, business partners and suppliers are fundamental to the delivery of our services and achievement of our strategy. Having strong supplier relationships and engagement supports the long-term success of our businesses and maximises mutual benefit. It is important that those we work with adopt responsible and sustainable business practices, to minimise the risk to our operations and reputation.	Our customers, partners and suppliers want to work with us to maximise mutual benefit. They need us to adopt high standards of governance, responsible business practices, including prompt payment, and transparent disclosure of information. This allows them to make informed decisions and to meet their own disclosure and reporting requirements.	We work collaboratively including one-to-one key account management meetings with all our business partners – including airlines, retailers, tenants and aviation service partners. Our Airport Consultative Committees bring these customer groups together with business, passenger and community representatives, whilst our Airport Operator Committees bring airlines together to consider operational practices and management policies. Significant issues are drawn to the attention of the Board and associated risks are captured in our risk registers. Our approach to procurement is consistent with the Corporate Certification Standard of the Chartered Institute of Procurement and Supply. This approach embeds responsible procurement practices that promote fair treatment of suppliers, proactively mitigate supplier-related risks, including modern slavery and support prompt and transparent payment practices. The Board receives regular reporting on the identification, management, and escalation of any material procurement and supplier risks relevant to the business.

STAKEHOLDER: INDUSTRY, REGULATORY BODIES, GOVERNMENT AND GOVERNMENT AGENCIES

Why they matter to MAG	What matters to them	How the Board interacts
Our operations are highly regulated. The policy and regulatory framework is an important factor that determines how we operate including ensuring that we operate safely and securely, that competition is fair and that our environmental impacts remain within acceptable limits.	Government and industry regulators seek to work closely with industry partners and their associations to ensure that the policy and regulatory framework is informed by and takes full account of relevant issues. Government and industry regulators seek to adopt policies and practices that support the operation and development of our business, where necessary striking a balance between the harms and benefits that result from our operations. Regulators rely on clear and transparent disclosures.	The Board receives regular updates on Government policy and oversees our work to engage with Government, Government agencies and regulatory bodies to help formulate and implement their policies. Reporting to the Board highlights regulatory risk and any instances of non-compliance.

S172 report continued

HAVING REGARD TO THE LIKELY CONSEQUENCES OF DECISIONS IN THE LONG TERM

As set out on pages 20 to 21, the Board has overseen the development of a corporate strategy centred on seven priorities, which include investing in the long-term success of our airports and achieving sustainable growth in shareholder value. The corporate strategy is supported by a series of business unit and underpinning functional strategies that give effect to these corporate priorities. These strategies underpin a business plan, which has a five-year and 25-year outlook. Performance against business plan is subject to regular review and the Board has developed a financing strategy that ensures the investment necessary to support the continued operation and development of the business is available and that, through prudent financial management, an investment grade rating is maintained as a priority.

As summarised on pages 76 to 87, the Board oversees a risk management process, including an Audit Committee that oversees the management and implementation of the risk framework. The regular review and assessment of risk that is shared with the Board protects the long-term interests of MAG. As reported in the TCFD section, the risks posed by climate are assessed and disclosed in accordance with regulatory requirements and best practice.

This year key risks identified included:

- the risk of a safety and/or security incident;
- the mitigation of and adaptation to climate change;
- the recruitment and retention of talented people;
- the political and geopolitical environment; and
- the security of data, including the risk of a cyber attack.

This year the Board has continued to support the long-term growth of the business, with substantial investment in the infrastructure, which will support the growth of our airports and ensure they continue to provide a safe, secure and welcoming environment.

HAVING REGARD TO THE INTERESTS OF THE COMPANY'S EMPLOYEES

The Company's workforce is central to its strategy, and it is vital that they feel valued, recognised and rewarded for their contribution to the Company's success. It is pivotal that they have a sense of purpose and be involved in the Company's progress. The Company believes that effective communication and engagement play a key role in this.

This year the Company has enhanced its listening activities through creating a new strategic partnership with leading survey platform Qualtrics and leading insight consultancy, Ipsos Karian & Box. This new partnership will deliver better, more timely insights to help the Company make improvements to its colleague experience. The Company listens to colleagues through its Your Voice survey, which has been revised to make the process simpler and more targeted to what matters most to the Company's workforce and areas that will best improve workplace experience.

Communication, leadership and recognition have been identified as levers to enhance engagement. Recognising that the majority of the Company's workforce are in frontline operational roles with limited access to digital devices, its communication efforts have been centred around equipping managers with key messages to share with their respective teams during regular briefings and, where possible, identifying opportunities for face-to-face engagement.

These include town hall meetings, roadshows and all-colleague briefings.

This year, the Company delivered more than 170 all-colleague briefing sessions across its three airports, during which the Senior Leadership Team provided colleagues with an update on the Group's performance, our strategic objectives and our future outlook, ensuring content was aligned with our Groupwide strategy, while making it relevant to our teams locally.

To further support improvements to our colleague communications, we've recently conducted a communications channel audit, which has given us some useful data and insights that we are now using to evolve our colleague communications strategy.

In addition, we continue to engage in ongoing dialogue with our recognised trade unions with the aim of ensuring that their views are considered when decisions are being made that may affect their interests and those of their members. As part of the trade union recognition agreements, various information and consultation forums exist for each business area to facilitate these discussions.

The Board has continued to receive regular reports on a wide range of workplace issues, including gender pay gap, equity, diversity and inclusion and modern slavery, and MAG is an accredited Real Living Wage Employer. The Board oversees the implementation of a comprehensive suite of People Policies, which ensures that business strategy and performance is shared with colleagues and that they are supported in the workplace, including access to an employee assistance programme. Safety remains a critical priority for the Board and safety performance is closely and regularly scrutinised.

More information about the Group's commitment to gender pay and ED&I can be found in the Our People section of the report on page 50. Examples of some of the initiatives MAG has implemented are:

- a continued increase in the number of females in leadership roles;
- the launch of 'Every Journey Matters', MAG's first fully integrated Equity, Diversity and Inclusion (ED&I) Strategy; and
- the introduction of inclusive leadership via MAG's leadership development programme, Your Journey.

HAVING REGARD TO THE NEED TO FOSTER THE COMPANY'S BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

We have mature and extensive consultation practices. Our regular consultation forums consider relationships with colleagues, airlines, trade unions and a wide range of other stakeholders. Our airport consultative committees bring together customers, airport users, local and national government, and community groups. At an operational and commercial level, liaison groups and regular one-to-one account management meetings ensure timely exchange of information. This enables us to understand the priorities of these important stakeholders and to ensure we take account of their views when taking decisions. In recent years, consultation has been extended to implement a programme of youth forums, to ensure that the views and priorities of young people are better understood and reported to the Board.

We maintain long term partnerships with our supply chain, recognising the strategic role suppliers play in the delivery of our operations, capital investment programmes and sustainability objectives.

Suppliers are subject to a robust approval and assurance process designed to ensure sourcing activity is proportionate, compliant and appropriate to the nature, value and risk profile of each individual commercial engagement. This process ensures that MAG's policies, standards and expectations are clearly communicated to suppliers at the appropriate points of engagement, including requirements relating to legal and regulatory compliance, ethical and responsible business practices, and sustainability commitments.

Enhanced scrutiny is applied to higher risk engagements, including major frameworks and capital investment projects, where supplier risk exposure is inherently greater. This enables the early identification and management of commercial, operational and sustainability risks, supporting resilience and long term value across the supply chain.

In addition to formal governance and assurance processes, we actively invest in collaborative supplier engagement. Each year, we host a supplier sustainability event, bringing together key partners from across our supply chain to share best practice, address common challenges and explore innovative approaches to delivering more sustainable outcomes. This forum supports open dialogue, collective problem solving and the identification of opportunities for innovation, reinforcing long-term relationships and aligning supplier capability with MAG's strategic priorities.

To provide access to the social economic benefits of our supply chain, a programme of 'Meet the Buyer' events is maintained, with a focus on supporting smaller organisations and increasing supply chain accessibility.

We continue to regularly review our assessment of materiality and this year, consistent with best practice, we undertook a double materiality exercise. The assessment, which took information from a broad range of stakeholders, is informing a review of our Sustainability Strategy.

The Board receives regular reports on the outcome of consultation, any material procurements or supply chain risks and materiality assessments.

HAVING REGARD TO THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT

The Company continues to maintain certification to the environmental management system standard ISO14001 and the energy management standard ISO50001. Full disclosure against the Global Reporting Initiative, including the requirements of the appropriate sector supplement, is maintained, so that all stakeholders can understand the environmental, social and governance arrangements and interrogate the underlying performance data. MAG continues to participate in the GRESB benchmark. Our 'five star' rating in this global ESG framework was retained this year. Through the CSR Committee, the Board receives regular reports on environmental performance and community engagement programmes, considering a wide range of performance indicators, including legislative compliance. The Board continues to oversee the implementation of the CSR Strategy and the detailed supporting programme of work to deliver the commitments that it contains.

MAG continues to play a prominent role in decarbonising aviation, through membership of the Government's Jet Zero Taskforce and is the chair of the industry coalition Sustainable Aviation.

This year the Board has received several reports on the issue of climate change, considering the developing policy framework and the measures we have taken to support the decarbonisation of aviation. The enhancements to our assessment and reporting of climate risks is consistent with the Climate-Related Financial Disclosure requirements. The results of the assessment of climate risk have been considered by the Board.

HAVING REGARD TO THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Directors are committed to conducting business with integrity and in compliance with all material applicable laws and regulations. The business continues to meet the requirements of the Global Reporting Initiative's standard, including the relevant sector supplement, providing a full disclosure. The Board maintains a policy of full and transparent disclosure as an important way to build and maintain the confidence of stakeholders. MAG continues to maintain policies and training to mitigate the risks of bribery and corruption, support compliance with competition law and ensure that all colleagues understand their responsibilities. Colleagues also have access to a confidential and independent whistleblowing service to support good governance and Board oversight. Colleagues are encouraged to report concerns, including, without limitation, instances of fraud, financial misconduct, bribery and corruption, bullying, harassment or intimidation.

The Board takes an active and ongoing interest in matters that may impact MAG's reputation and ensures these are given appropriate consideration.

HAVING REGARD TO THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY

MAG is owned jointly by the ten councils of Greater Manchester and IFM Global Infrastructure Fund (which is advised by IFM Investors Pty Ltd) (IFM GIF). Shareholders appoint representatives to the Board in equal number and oversee the appointment of Non-Executive Directors, to ensure good governance. The Board meets regularly, providing full reports on all relevant aspects and the Company seeks, at all times, to ensure that appropriate information is made available to all shareholders in a timely and consistent way.

Nomination Committee report

The Nomination Committee plays an important role in ensuring that the Board has the right mix of skills, experience, independence and diversity to support MAG's long-term success."

COMMITTEE MEMBERS

Member Meeting Attendance

Charlie Cornish **(Chair)**	●●●
Bev Craig	●●
John Blundell	●●●
Deepa Bharadwaj	●●
Max Fieguth	●●●
Amanda Brown	●●●
Paul Venables	●●●
Cath Schefer[1]	●●
Jon Wragg[2]	●●
Steve Fraser[3]	●
Emma Gilthorpe[4]	●

1 Cath Schefer – resigned on 30 September 2025.
2 Jon Wragg – resigned on 30 September 2025.
3 Steve Fraser – appointed on 1 September 2025.
4 Emma Gilthorpe – appointed on 1 September 2025.



ROLE OF COMMITTEE

- Review Committee Terms of Reference.
- Structure, size and composition of Board including changes to Independent Non-Executive Directors and Committee Chairs.
- Board effectiveness conclusions.

MEETING FREQUENCY

Minimum annually and ad hoc thereafter.

MEETINGS IN 2025–2026

- 22 May 2025
- 24 July 2025
- 27 November 2025

The Nomination Committee plays an important role in ensuring the appropriate structure, size and composition of the Board, monitoring the balance of skills, knowledge, experience and diversity on the Board, leading the process for potential appointments to the Board and overseeing succession planning in respect of the Directors (other than shareholder appointed Directors) and senior Executives. In discharging its obligations, the Committee will take soundings from the Chief Executive Officer and seek guidance from other Executives and outside advisers and consultants, as appropriate.

The Committee held three meetings this year and spent a large part of its time considering:

- the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of the Board;
- succession planning for Non-Executive Directors; and
- strategic issues and commercial changes affecting MAG and the market in which it operates.

I am satisfied that the Nomination Committee met its responsibilities this year.

Charlie Cornish
Chair of the Nomination Committee

CSR Committee report

“As I join the MAG Board and take on the role of Chair of the CSR Committee, I am delighted by the progress MAG has already made on sustainability. I look forward to helping MAG achieve the ambitious targets it has set in its Sustainability Strategy for 2025–2030.”

COMMITTEE MEMBERS

Member Meeting Attendance

Cath Schefer **(Chair until 30.9.25)**[1]	●
Jon Wragg[2]	●
Steve Fraser **(Chair from 1.10.25)**[3]	●●
Emma Gilthorpe[4]	●●

1 Cath Schefer – resigned on 30 September 2025.
2 Jon Wragg – resigned on 30 September 2025.
3 Steve Fraser – appointed on 1 September 2025.
4 Emma Gilthorpe – appointed on 1 September 2025.



ROLE OF COMMITTEE

- Inform, agree and periodically review Sustainability Strategy and supporting targets and programmes.
- Ensure compliance with relevant strategy, policies and regulatory requirements.
- Oversee annual programme of CSR activities.
- Monitoring of significant and material environment and social risks.

MEETING FREQUENCY

Three per annum.

MEETINGS IN 2025–2026

- 24 July 2025
- 2 February 2026
- 26 March 2026

The CSR Committee is instrumental in guiding the development and delivery of sustainability programmes across MAG’s business.

This year marked an important moment, as the business launched its Sustainability Strategy for 2025–2030. The Committee welcomed the progress that has been made through the work to deliver the previous five-year strategy. In recent years MAG has implemented industry-leading environmental and social sustainability programmes, which will provide the foundation to deliver the ambitious targets that MAG has now adopted.

This year the Committee considered strategic matters, including the action MAG is taking against its ‘Decarbonising Aviation’ strategic priority:

- How MAG is decarbonising its own operations through renewable energy, biofuels and alternative technologies to decarbonise heat and airport-based vehicle fleets, and carbon removals to address residual emissions.
- MAG’s work to support the wider aviation industry’s transition to net zero, including its programmes on sustainable aviation fuel (SAF) and emissions-based tariffs.
- Climate change risk, adaptation and climate-related financial disclosures.

The Committee has also focused on resources and nature, two important focus areas in MAG’s new Sustainability Strategy. MAG’s approach to recycling and resource efficiency, water conservation measures and water discharges were considered. Nature considerations included how MAG is implementing biodiversity net gain and aligning with recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD).

Social sustainability is a key issue for MAG. This year the Committee has engaged executives on MAG’s approach to noise and night flying and work to deliver its future airspace and industry-leading skills programmes. In considering these and all other sustainability topics, the Committee and management team have considered alignment with MAG’s strategy, business plan and government policy developments.

At each of its meetings, the Committee reviewed performance and external developments. This included progress delivering the programme of work to achieve the sustainability targets MAG has established and ensuring compliance with regulatory requirements. The Committee also considered MAG’s annual Sustainability Report, which was published in October.

More information about MAG’s commitment to sustainability is provided at page 52.

Steve Fraser
Chair of the CSR Committee

Remuneration Committee report

I am pleased to set out the Remuneration Report for the year ended 31 March 2026, a year in which we have conducted a review of our remuneration approach to ensure that it remains competitive and aligned to achieving our strategic goals."

COMMITTEE MEMBERS

Member Meeting Attendance

Amanda Brown **(Chair)**	●●●●●
Deepa Bharadwaj	●●●●
Max Fieguth	●●●●●
Bev Craig	●●●●
Cath Schefer[1]	●●●
Steve Fraser[2]	●●●

1 Cath Schefer – resigned on 30 September 2025.
2 Steve Fraser – appointed on 1 September 2025.



ROLE OF COMMITTEE

- Review Committee Terms of Reference.
- Set remuneration policy for Executive Directors, Non-Executives and those within the Committee's scope in the context of workforce remuneration and policies.
- Ensure that remuneration policies support business strategy.
- Align Executive remuneration to Company purpose and values.

Oversee the annual cycle of Executive remuneration including:

- review of pay award and pay levels in the context of the market;
- incentive design and implementation including ensuring incentives are aligned to risk policies and appropriately challenging; and
- determining incentive outcomes against targets.

MEETING FREQUENCY

At least twice a year and otherwise as required.

MEETINGS IN 2025–2026

- 22 May 2025
- 24 July 2025
- 25 September 2025
- 27 November 2025
- 4 February 2026
- 26 March 2026

The Remuneration Committee is responsible for overseeing Executive compensation and ensuring that remuneration policies align with corporate governance principles and shareholder interests.

The Committee considers the Group's strategic priorities when setting remuneration and ensures that remuneration packages are linked to the long-term sustainable financial performance of the Group. The Committee ensures that incentive structures drive performance that will enhance the experience of our customers, shareholders and our colleagues.

The Committee's approach is to ensure a significant proportion of pay for Executives is linked to the performance of the Group rather than being fixed in base pay. For the Chief Executive Officer, 23% of compensation is fixed, with 77% variable and based on the achievement of financial metrics, personal performance and the achievement of key priorities. All Executives have not less than 66% of their remuneration as variable pay.

The Committee reviews and sets targets each year. The Short-Term Incentive Plan (STIP) is balanced between key financial performance measures (60%) and the achievement of personal objectives (40%). Personal objectives are specific to each Executive and are dependent on the achievement of in-year actions aligned to our strategic priorities.

The Long-Term Incentive Plan (LTIP) is linked to the achievement of both financial measures and key priorities for MAG.

This approach of a basket of key measures (financial and non-financial) ensures that remuneration is focused on the long-term health of the Group as well as in-year performance. Outcomes for both the STIP and LTIP are determined based on threshold, target and stretch targets. Full vesting can only occur where all stretch targets are achieved across all measures.

Both schemes are discretionary, and in determining final awards the Committee considers the overall performance of the Group in determining final outcomes for participants.

The Executive Investment Plan (EIP) ensures that Executives are focused on sustainable growth in shareholder value through the retention of a proportion of their vested LTIP award each year into the EIP. The final value of such monies is based on the financial performance of the Group whilst in the EIP, and such monies are normally only available one year after cessation of employment. During FY26, a review of remuneration and incentives has been undertaken to ensure that our approach continues to align with our strategy and remains appropriately positioned against the market. Any changes from this review will be reflected in awards for FY27 and beyond and reported on in the next Annual Report.

MAG is committed to doing the right thing for our colleagues and local communities, and consequently MAG has been an accredited Real Living Wage employer since November 2023 (having been paying Real Living Wage since September 2022).

The Committee is guided by the following principles:

- attract and retain talent – allow the Group to attract, motivate and retain senior Executives of high calibre who are capable of delivering the Group's stretching objectives;
- performance-driven – link rewards to both individual and corporate performance, responsibility and contribution over both the short and long term;
- market aligned – position the Group competitively in the principal markets in which it competes for talent (both private and listed companies);
- fair – fairly designed and applied with consideration to market positioning, internal relativity and individual contribution, in the context of pay within the wider workforce; and
- simple – rewards are simple and understandable with a clear link between performance expectations, outcomes and rewards.

During the year, the Committee undertook the following duties:

- worked with Committee advisors to undertake:
  - a benchmarking review of Executive remuneration; and
  - a review of our incentive arrangements;
- refreshed the application of our remuneration principles;
- ensured Executive packages remain appropriately positioned against the market and aligned to our strategic goals;
- finalised the outcomes for the FY25 Incentive plans prior to payment during FY26;
- determined the approach and deployed awards for the FY26–28 LTIP; and
- reviewed the leadership pay award and determined the Executive pay award.

HOW DO WE REWARD OUR EXECUTIVES AND HOW DOES THIS LINK TO THE GROUP'S STRATEGY?

Basic Salary

Reward element and purpose in supporting the Group's strategy

Support the recruitment and retention of Executive Directors and other senior Executives, recognising the size and scope of the role and the individual's skills and experience.

Operation of reward element for Executive Directors and senior Executives

The basic salaries of Executive Directors and senior Executives are reviewed annually and set based on:

- personal performance;
- Group size and performance;
- responsibility levels;
- affordability; and
- competitive market practice against a comparator group of similar sized organisations.

Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher until the target positioning is achieved. In line with all employees, a pay award was made during the year, aligned to senior leaders in the business, with higher pay increases being delivered to those with lower salaries.

STIP

Reward element and purpose in supporting the Group's strategy

Ensures a market-competitive remuneration package. The STIP links total remuneration to achievement of the Group's strategic priorities driving both individual performance and creating shareholder value.

Operation of reward element for Executive Directors and senior Executives

STIP awards for FY26 were deployed during the year. These awards vest subject to the achievement of key performance measures as to 60% based on EBITDA, cash, operating and capital expenditure and 40% based on personal objectives.

In addition to the performance targets, the Committee retains the discretion to defer or reduce STIP awards in part or in full for this year, based on an overall assessment of both Group and personal performance. In line with best practice, a clawback provision is included in the STIP. This provision enables the Group to reduce awards or reclaim payments made, in the event of a material misstatement or error in the financial results, where the Group has made an error in calculating the amount of award, or where there has been gross misconduct on the part of the participant.

LTIP

Reward element and purpose in supporting the Group's strategy

Designed to incentivise participants towards sustainable long-term growth and shareholder value, whilst acting as an effective retention mechanism.

Operation of reward element for Executive Directors and senior Executives

LTIP awards are subject to the achievement of a basket of targets.

Financial measures (70%) are shareholder returns, EBITDA, operating margin and return on capital employed.

Key priorities (30%) are ED&I targets on gender, age and ethnicity, customer service index and market share.

The Committee reserves the discretion to reduce awards down to nil where it considers underlying performance is not at a satisfactory level during the performance period and a clawback provision is included in the LTIP aligned to that in the STIP.

Remuneration Committee report continued

EIP

Reward element and purpose in supporting the Group's strategy

Designed to ensure that Executives are focused on sustainable growth in shareholder value through the retention of a proportion of their LTIP award, the value of which is linked to the long-term financial performance of the Group.

Operation of reward element for Executive Directors and senior Executives

The EIP applies to all LTIP awards that vest in respect of FY23 onwards. The investment requirements for Executives are as follows:

- Executive Directors required to invest 50% of each LTIP award until a threshold of 300% of salary is met in terms of invested monies for the Chief Executive Officer, 250% for other Executive Directors; and
- Other Executives required to invest 30% of each LTIP award until a threshold of 200% of salary is met.

Such monies cannot normally be accessed until one year after cessation of employment and the final value is linked to the financial performance of the Group over the invested period.

The Remuneration Committee has discretion to consider requests to both increase or decrease investment amounts, and to increase the holding period for Executives greater than one year post cessation of employment.

Pension

Reward element and purpose in supporting the Group's strategy

The pension arrangements comprise part of a competitive remuneration package and facilitate long-term retirement savings for Executive Directors and senior Executives.

Operation of reward element for Executive Directors and senior Executives

The Company provides pension benefits to eligible employees through legacy defined benefit arrangements (closed to new entrants) or the MAG Pension Savings Plan, which is a Defined Contribution (DC) arrangement. The DC arrangement is available for newly eligible employees and provides money purchase pension benefits.

Executive Directors and senior Executives are entitled to receive a salary supplement in lieu of pension contributions.

Additional benefits

Reward element and purpose in supporting the Group's strategy

Provide a market competitive benefits package that is consistent with Group values and supports Executives to carry out their duties effectively.

Operation of reward element for Executive Directors and senior Executives

Other benefits include a car cash allowance in addition to permanent health insurance, private health insurance, critical illness cover and death-in-service life cover along with access to a suite of flexible benefits.

Directors' remuneration is set out in note 6 to the financial statements.

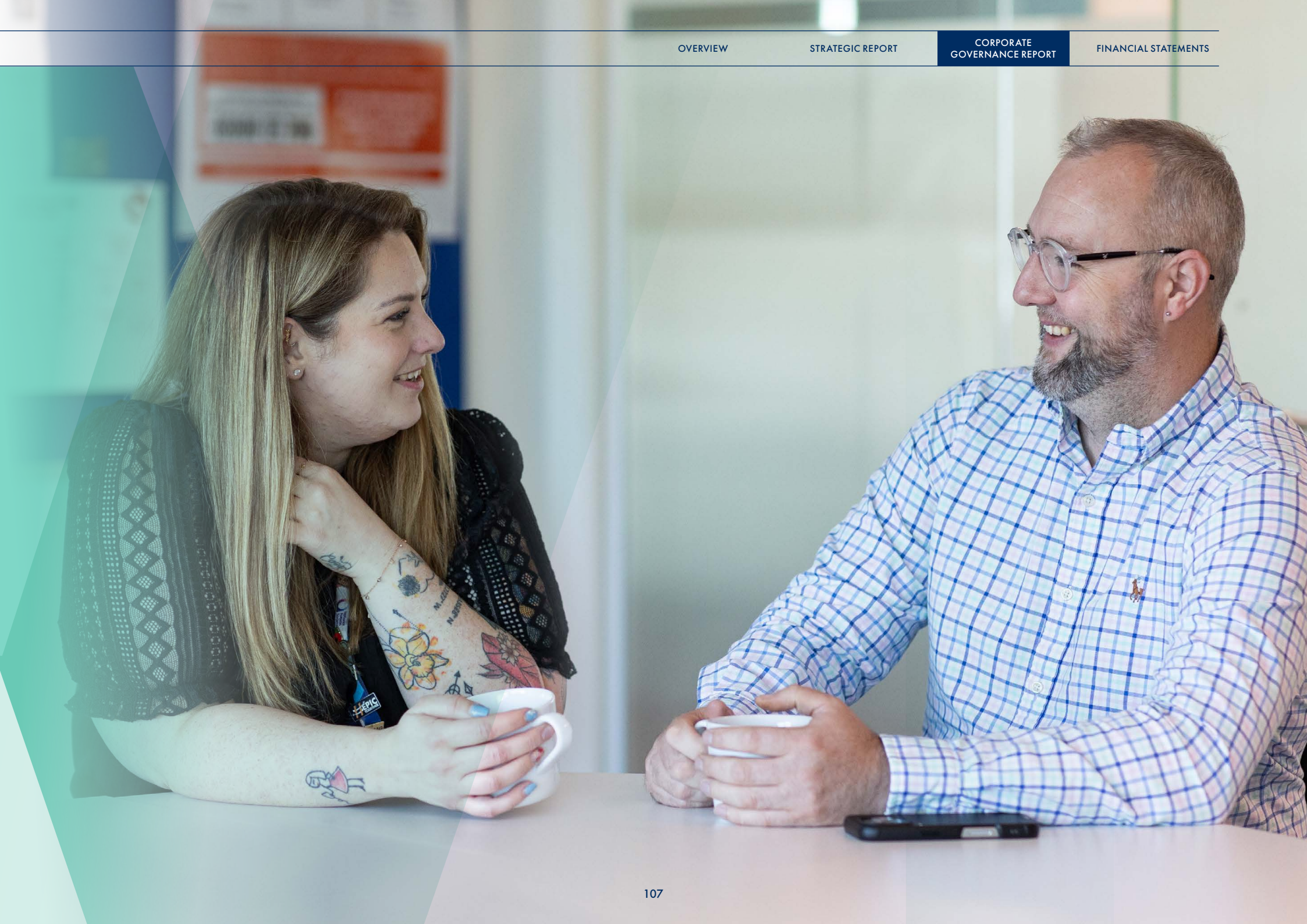
HOW DOES THE COMMITTEE GIVE CONSIDERATION TO THE WIDER EMPLOYEE WORKFORCE?

The Committee understands the importance of giving consideration to the wider employee workforce when making remuneration decisions, in terms of fairness, gender pay and ED&I, and interacts to ensure it understands the positive work being done in this area and the stakeholder engagement undertaken as part of the CSR agenda.

More information about the Group's commitment to gender pay and ED&I can be found in the Our People section of the report on page 50.

The Committee is satisfied that remuneration outcomes for FY26 appropriately reflect business performance and shareholder interests.

Amanda Brown
Chair of the Remuneration Committee



Audit Committee report

A year focused on strengthening core controls, sharpening governance and embedding a best practice risk framework to support confident, informed decision making."

COMMITTEE MEMBERS

Member Meeting Attendance

Paul Venables **(Chair)**	●●●
Max Fieguth	●●●
Jon Wragg[1]	●
Emma Gilthorpe[2]	●●

1 Jon Wragg – resigned on 30 September 2025.
2 Emma Gilthorpe – appointed on 1 September 2025.



ROLE OF COMMITTEE

- Review Committee Terms of Reference.
- Monitoring the integrity of the Group's financial statements.
- Oversight of MAG's Risk Management Framework.
- Assessing the adequacy and effectiveness of internal control systems.
- Appointment and oversight of the Group's external auditor.

MEETING FREQUENCY

Three per annum.

MEETINGS IN 2025–2026

- 25 June 2025
- 26 November 2025
- 25 March 2026

On behalf of the Board, I am pleased to present the Audit Committee's report for the year ended 31 March 2026. This report is intended to provide an insight into key areas considered by MAG's Audit Committee ('the Committee'), along with an overview of how the Committee has discharged its responsibilities throughout the year.

The Committee is responsible, primarily, for monitoring the integrity of the Group's financial statements, regulatory reporting and internal controls. The adequacy and effectiveness of MAG's internal control systems (including financial controls) are monitored via effective oversight of the Risk Management Framework; Internal Audit resource, quality and outputs; and consideration of the appointment, independence and performance of the Group's external auditor.

MAG's focus this year has centred on optimising organisational design and strengthening the core controls that support effective delivery, including colleague and customer satisfaction. Central to this has been reinforcing the importance of efficient, well-designed processes that enable consistent, high quality performance across both programme activity and business as usual operations.

The roll out of MAG's refreshed risk management framework – aligned to best practice – has further matured our approach to identifying, assessing and managing risk, while enabling us to better capture and maximise opportunities linked to our strategic priorities.

Ongoing effectiveness reviews across key governance and risk forums have ensured that Terms of Reference remain clear, that challenge and oversight are robust, and that a strong golden thread continues to link principal risks with the wider corporate and operational risk profiles. Risk understanding and escalation continues to be a key area of focus for the Executive Committee, Audit Committee and Board.

I have maintained a regular dialogue throughout the year with other members of the Committee, management, internal audit and external audit, ensuring that the Committee has the necessary information to enable it to challenge, guide and make informed decisions.

The external auditor, the Chief Executive Officer, the Chief Financial Officer and the Chief Audit Officer all routinely attend the Committee's meetings. I also hold regular private sessions throughout the year with the Chief Financial Officer, Chief Audit Officer and the external audit team to ensure that open lines of communication continue to exist and there is an opportunity for any concerns to be raised outside of formal meetings.

During the year, the Committee:

- reviewed the Interim and Annual Report and Accounts including significant judgements and estimates, going concern, PPE and the Management Representation Letter;
- reviewed and approved the Group's Tax Strategy;
- reviewed and approved compliance with the Group's Treasury Policy and financial risk limits;
- reviewed the basis for dividend payments to shareholders, including the remediation steps taken this year in respect of the Group's distributable reserves;
- monitored the Group's cyber security activity and key controls, including developments in the external threat environment and compliance with core regulatory requirements;
- considered the impact of changes to the accounting and financial reporting regimes applicable to the Group;
- reviewed the Group's internal control and risk management framework, including: a full refresh of MAG's Risk Management Framework in line with best practice; regular updates to MAG's principal risk register; regular updates on the status and completeness of MAG's corporate risk profile and associated control measures; and horizon scanning regarding emerging risk matters;
- reviewed the development and delivery of the FY26 internal audit plan and approved any material changes on a risk basis;
- reviewed the results of risk-based and cyclical internal audit work and challenged management in relation to key findings and implementation of recommendations;
- considered internal audit skills and resources and satisfied itself that these are adequate to meet the needs of the business and will be supplemented with co-sourced specialist support when necessary;
- approved the Group Internal Audit Strategy and associated KPIs;
- assessed the adequacy and basis of renewal of the Group's insurance policies;
- reviewed alternative performance measures and adjusted items;
- considered the ongoing changes and developments in the Government's corporate reform agenda, the impact on MAG and desire to stay aligned to best practice, along with overseeing a programme of activity for continuous improvement of internal control frameworks and risk management practices;
- evaluated external audit activity, specifically in relation to key risks (such as revenue recognition and the capitalisation of assets under construction) and key judgemental areas (such as the valuation of pension liabilities, PPE, investment property and goodwill);
- evaluated the impact of the final phase of the Manchester Transformation Programme; and
- in the course of satisfying itself as to the independence and objectivity of the external auditor, analysed the level of fees paid to the external auditor for audit and non-audit work, and the performance of the external auditor.

Ernst & Young LLP continue to act as statutory auditors and FY26 is the fourth year of an agreed five-year period. Mindset and culture, alongside judgement and quality control, are all used on an ongoing basis to assess the quality of service provided.

The independence and objectivity of the external auditor are safeguarded by a number of control measures including:

- limiting the nature and extent of non-audit services;
- the rotation of the lead audit partner every five years;
- monitoring changes in legislation and best practice guidance related to auditor independence and objectivity;
- the external auditor's own internal safeguarding processes and procedures; and
- independent reporting lines from the external auditor to the Chair of the Audit Committee, along with regular in-person sessions with the full Audit Committee.

In the assessment of the draft FY26 Annual Report and financial statements, there was a continued robust focus upon the evidence supporting the ability of the Company to release its financial statements on a going concern basis, the long-term prospects of the Company and ensuring that the Annual Report was fair, balanced and understandable.

The Directors consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company and Group's position and performance, business model and strategy.

The Board is satisfied that, through the range of skills and business experience possessed by each member of the Audit Committee, throughout this financial year, the Audit Committee, as a whole, had the competence relevant to the sectors in which the Group operates. I hope that this report provides you with continued assurance that the work undertaken during the year by the Committee meets stakeholder expectations and regulatory reporting requirements.

Paul Venables
Chair of the Audit Committee

Directors' report

The Directors present their Annual Report on the affairs of Manchester Airports Holdings Limited (the Company), together with the audited financial statements, for the year ended 31 March 2026.

PRINCIPAL ACTIVITY

The principal activities of the Company and its subsidiaries ('the Group') during the year were the ownership, operation and development of airport facilities in the UK and the operation of airport related activities in the UK and overseas.

The principal activity of the Company is as the holding company of the Group.

The Group's revenues were derived from aircraft and passenger handling charges, airport-related commercial and retail activities, property and a wide range of travel products such as car parking and lounges through a global travel marketplace.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The consolidated results for the year under review commence on page 119. The Company intends to continue its development of the Group as an operator of high-quality airports and airport facilities both in the UK and overseas as well as offering a range of commercial products and services through CAVU. The Group continues to grow passenger volumes through partnerships with our airlines to support long-term passenger growth and expanding international connectivity. MAG has continued investment in our airports to support growth and deliver new facilities and enhanced service levels to our customers. A more detailed review of the Group's principal activities, results and future developments is provided in the Chief Executive Officer's statement, financial review, and divisional review sections of the Strategic report.

POST BALANCE SHEET EVENTS

None to disclose.

DIVIDENDS

The profit for the year was £62.7m (2025: profit of £11.5m), and the Group paid dividends of £5.4m (2025: £20.0m).

A final dividend of £31 (0.00000979 pence per ordinary non-voting share) was approved by the Board of Directors on 30 June 2026. This dividend has not been recognised as a liability at the balance sheet date.

The Directors do not recommend the payment of a final dividend in relation to any other class of shares.

BOARD OF DIRECTORS

The Company Directors during the year are detailed on pages 92 to 94.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

This Annual Report and financial statements have been prepared in adherence with the Wates Governance Principles for Large Private Companies which can be found at www.frc.org.uk.

CONFLICTS OF INTEREST

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they should notify the Board in writing as soon as reasonably practicable.

Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

INDEMNITY AND INSURANCE

In support of effective corporate governance and to enable Directors to exercise independent judgement in the best interests of the Company, qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force for the benefit of the Directors throughout the financial year ended 31 March 2026 and remain in place at the date of this report. These indemnities are granted to the fullest extent permitted by law and do not provide protection in respect of fraud, dishonesty or wilful default.

The Company also maintained directors' and officers' liability insurance throughout the year, providing additional protection for Directors and certain officers in respect of their duties. Together, these arrangements support the Board in fulfilling its responsibilities while preserving appropriate accountability and standards of conduct.

FINANCIAL RISK MANAGEMENT

Details of the Group's financial risk management objectives and policies, and the exposure of the Group to price risk, credit risk, liquidity risk and cash flow risk, are included in note 23 to the financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As detailed on page 57.

GOING CONCERN

The Directors have prepared the Group and Company financial statements on a going concern basis. In assessing the going concern position of the Group, the Directors have considered the cash flows and liquidity of the Group for the period to 30 September 2027 and the corresponding impact on cash headroom and financial covenants associated with the Group's financing arrangements.

The 'base case' cash flow forecasts are based on the Group's Board-approved business plan. The Directors also review a 'severe but plausible' downside scenario which reflects a reduction in future passenger numbers. This is typically based upon the low end of industry forecasts. However, given the ongoing conflict in the Middle East, and the associated uncertainty of its impact, a further severe but plausible downside scenario has been prepared which includes greater temporary passenger reductions, offset by certain cost mitigation measures.

The Group is expected to maintain sufficient positive headroom in terms of available liquidity and its financial covenants throughout the period to 30 September 2027 in both the base case and the downside cases.

Accordingly, the Directors have concluded that it is appropriate to continue to account for the Group as a going concern.

Further detail of the Directors' assessment of going concern is detailed in the Basis of Preparation on page 126.

THE GROUP'S PROSPECTS

The Directors have included the following statement with regards to the Group's prospects to comply with Wates Principle Six – to provide a fair, balanced and understandable statement of the Group's position and prospects.

The Directors have assessed the prospects of the Group over a three-year period, to 31 March 2029, taking into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 80 to 87. These risks include the macroeconomic, political and geopolitical uncertainty, climate change and the delivery of the Group's major capital projects. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2029.

The Directors have determined that a three-year period to 31 March 2029 constitutes an appropriate period over which it is to provide its prospects statement. This is a period focused on by the Board during the strategic planning process, is aligned to detailed passenger projections and contains the major refinancing actions required by the Group in the near term. The Directors have no reason to believe the Group will not be viable over a longer period, however given the inherent uncertainty involved, it is believed that this presents users of the Annual Report with a reasonable degree of confidence while still providing a longer-term perspective.

In making this assessment the Directors confirm that they have a reasonable expectation that the Group can continue in operation and meet its liabilities throughout the period.

The Directors have considered the potential impact of the economy and climate on the cashflow and liquidity of the Group over the period, together with the corresponding impact on the covenants associated with the Group's financing arrangements, and the requirement of the Group to raise finance over the period to support the Group's investment plans.

The Group is subject to financial covenants on its secured funding arrangements, being leverage (net debt/adjusted Frozen EBITDA[1]) and interest cover (adjusted Frozen EBITDA[1] less tax/net finance charges). The covenants are tested on 31 March and 30 September of each year.

The Group's committed facilities at 31 March 2026 comprised: £2,060.0m of bonds, €500.0m of Eurobonds, £901.9m of shareholder loans, and a £500.0m Secured Revolving Credit Facility (RCF), of which £nil was drawn at the year end. In addition, the Group also has access to a committed £135.0m Liquidity Facility. All Group bonds will mature between 2034 and 2044. The Group's available liquid funds at 31 March 2026 totalled £758.3m, comprising £268.4m net cash in hand, the undrawn RCF of £480.0m and a £10.0m undrawn available overdraft facility.

The Directors' assessment of the Group's prospects has considered MAG's trading performance in FY26, the Group's sound financial base, and the industry expectations of demand levels in the future. Current expectations are that total passenger levels across the three years to the end of FY29 will continue to grow. The Directors forecast that the Group will remain in compliance with its covenants throughout the three-year period and maintain liquidity headroom throughout.

The Basis of Preparation on page 126 sets out the Group's going concern conclusion. The assessment has also considered the impact of climate change, with a 1.5 degrees climate scenario forming the basis of the business plan, which aligns with the Group's TCFD reporting on page 58. This impact has been considered in the Group's going concern and impairment assessments.

In addition, the Group also recognised the risk of the requirement to raise a bond in the three-year period to 31 March 2029 to support the rate of infrastructure spending. Given MAG's refinancing of the RCF and liquidity facilities in FY22 and the raising of four separate bonds since September 2023 (including most recently a £300m bond in January 2026), this supports management's current expectation that the Group will be able to obtain additional funding as required.

The Group can, where necessary, also undertake potential mitigating actions within its control. This can include cutting of further discretionary expenditure and delaying of capital expenditure.

Having considered all the relevant requirements, including MAG's financial position, forecast and reasonable downsides, together with actions available to mitigate impacts, the Directors deem it appropriate to conclude that the Group will remain viable over the three-year period to 31 March 2029.

EMPLOYMENT POLICIES

MAG's employment policies are reviewed and updated regularly to ensure they always remain relevant, useful and legally compliant.

The policies align closely with the Group's People at our Core value, and are designed to be simple, effective and reflective of the world around us. This helps ensure that all colleagues are treated fairly and with respect. The creation of these policies is informed and shaped by external benchmarking and contributions from both recognised trade unions and MAG Colleague Communities to ensure that they are as inclusive as possible.

MAG is committed to treating all colleagues and job applicants fairly and on merit, regardless of who they are. All colleagues and applicants are given the opportunity to request reasonable adjustments when appropriate throughout the application process.

MAG does not tolerate harassment, sexual harassment, bullying, discrimination or victimisation of any kind, which we have also included in the people section.

1 As explained in Other information of the financial statement on page 171.

Directors' report continued

MODERN SLAVERY

We continue to be committed to doing all we can to prevent and eliminate modern slavery. We understand the critical role that MAG plays as an international airport group and the influence that brings across our supply chain.

MAG is a member of Slave-Free Alliance, a leading non-profit organisation dedicated to addressing modern slavery in organisations and supply chains globally. Our partnership forms an important and central foundation to assist us in training our colleagues and improving how we tackle modern slavery across our business. Our Modern Slavery Strategy and plans ensure we are responding to evolving challenges and risks. We continue to collaborate with our partners at each airport to improve our practices and identify risks and speaking out when instances of modern slavery are identified. Our Modern Slavery working group, comprising members of MAG, chaplaincy, Border Force and local police, meets on a regular basis to review our strategy, risks and progress against our action plans. Our progress is reviewed within our Executive Committee with progress updates to Board.

We regularly train and educate our colleagues on how to spot the signs and report any concerns. In addition, we raise awareness across our airport campuses throughout the year to support the prevention of modern slavery.

More information is available on our website:

REAL LIVING WAGE

Whilst MAG fully complies with all of its obligations under the National Living Wage, it has been an accredited Real Living Wage employer since November 2023.

EMPLOYEE ENGAGEMENT STATEMENT

Details of how the Directors have engaged with employees, had regard to employee interests, and the effects thereof, including principal decisions taken in the year, are included in the S172 statement on pages 97 to 101.

STAKEHOLDER ENGAGEMENT STATEMENT

Details of how the Directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effects thereof, including principal decisions taken in the year, are included in the S172 statement on pages 97 to 101.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Group's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payment Code, copies of which are available from the CBI, Cannon Place, 178 Cannon Street, London, EC4N 6HN. For other suppliers the Group's policy is to:

- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with its contractual and other legal obligations.

These payment practices apply to all payments to creditors for revenue and capital supplies of goods and services, without exception. The period of credit taken by the Group at 31 March 2026 was 25 days (2025: 18 days), reflecting the average number of days between receipt of the invoice and its subsequent payment.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the Group during the year totalled £0.7m (2025: £0.8m). The donations were all made to recognised local and national charities for a variety of purposes.

It is the Group's policy not to make contributions to political parties.

AUDITOR

The Group assesses the effectiveness of the audit process and the independence of the auditor on an annual basis. The evaluation of audit effectiveness takes into account the views of both management and the Non-Executive Directors across a number of attributes. The independence of the external auditor considers both the quantum and the nature of non-audit services provided by the auditor during the year and ensures compliance with both the Group's policy and the FRC's ethical guidance.

The statutory auditor, Ernst & Young LLP, has expressed their willingness to continue in office. A written resolution relating to the reappointment for the year ending 31 March 2027 was put before the Company's Board on 30 June 2026 and was duly approved.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

In accordance with Section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The report was approved and authorised by the Board and was issued on behalf of the Board.

Ken O'Toole
Chief Executive Officer

For and on behalf of the Board of Directors of the Company

1 July 2026

Statement of Directors' responsibilities

in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the Group's profit or loss for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

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COMPANY FINANCIAL STATEMENTS

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The term 'MAG' (Manchester Airports Group) refers to the consolidated group of entities controlled by Manchester Airports Holdings Limited (MAHL).





Independent auditor's report

to the members of Manchester Airports Holdings Limited

OPINION

We have audited the financial statements of Manchester Airports Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Basis of Preparation, related notes 1 to 36, Accounting policies, Statement of Financial Position, Statement of Changes in Equity, Company Basis of Preparation, related notes 1 to 10 and the Company accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained management's Going Concern assessment including the cashflow forecast and forecast covenant calculation which covers the period to 30 September 2027. The Group has modelled a base scenario, a downside scenario, as well as a severe but plausible downside scenario reflecting the impact of ongoing events in the Middle East in their cashflow forecasts. A reverse stress test was also modelled to demonstrate what factors would lead to the Group utilising all liquidity or breaching a covenant during the going concern period;
- We challenged the appropriateness of the methods used to calculate the cashflow forecasts and covenant calculations to determine they were appropriately sophisticated to be able to make an assessment on going concern;
- We assessed the appropriateness of the going concern assessment period and considered whether any events or conditions foreseeable after the period indicate a longer review period is required;
- We performed procedures over the integrity of the modelling, verifying the arithmetical accuracy of the cash flow forecast models and vouching the calculation of headroom in respect of the financial covenant test ratios;
- We analysed the Group's historical forecasting accuracy to evaluate potential optimism in future forecasts and compared the forecasts to post year-end actual results;
- We tested the assumptions included in each modelled scenario for the cashflow forecast and covenant calculation by comparing to historical actual results, year-to-date actual results, and third-party industry forecasts;
- We inspected the financing agreements in place and understood the terms and conditions including those related to covenant test ratio requirements;
- We considered the mitigating factors identified by management, in particular, regarding the deferral of capital expenditure, to ensure that they are within control of the Group;
- We compared the forecasts used in the going concern assessment to those used for other purposes (i.e., impairment); and
- We reviewed the company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Neither the base case nor downside scenarios modelled, indicate a liquidity or covenant breach. Management's reverse stress test illustrating the decline in passenger numbers that would be required to breach liquidity or covenants was considered remote based on current passenger levels and industry predictions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 30 September 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 113 and 171 to 175, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 113, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report continued

to the members of Manchester Airports Holdings Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those directly relevant to specific assertions in the financial statements and the reporting framework (UK adopted international accounting standards, FRS 102, Companies Act 2006 and UK taxation legislation) as well as Financial Conduct Authority Listing Rules, European Securities and Markets Authority regulations and Civil Aviation Act 2012.
- We understood how Manchester Airports Holdings Limited is complying with those frameworks by making enquiries with management, those charged with governance, internal audit and those responsible for legal and compliance matters and also reviewing the entity code of conduct and whistle-blower hotline.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by assessing the risk of fraud absent of controls, and then identifying the controls which are in place at the entity level and whether the design of these controls is sufficient for the prevention and detection of fraud. We also consider the risk of management override and consider the design and implementation of controls at the financial statement level to prevent this.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved performing inquiries of internal and external legal counsel and reviewing material items within the Group's legal expenses. We also read minutes of key boards and committees, read communications with regulators and legal advisors, inquired of management and those charged with governance, and performed targeted journal entry testing for journals with fraudulent characteristics.
- The group has disclosed in the Basis of Preparation that all dividends paid in the period between 2013 – 2025 were not in accordance with the requirements of the Companies Act 2006 and steps to remediate the position have been completed in FY26. We inspected documentation prepared by external legal counsel and external professional advisors in reaching our conclusion on this matter and discussed the disclosure presented in the Basis of Preparation with management and members of the Audit Committee.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Victoria Venning (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
1 July 2026

Consolidated income statement

for the year ended 31 March

	Note	2026 Total before adjusted items £m	2026 Adjusted items[1] £m	2026 Total after adjusted items £m	2025 Total before adjusted items £m	2025 Adjusted items[1] £m	2025 Total after adjusted items £m
Revenue	1	**1,514.7**	**–**	**1,514.7**	1,342.5	–	1,342.5
Operating expenses	3,4	**(1,186.9)**	**(23.9)**	**(1,210.8)**	(1,043.1)	(36.2)	(1,079.3)
Operating profit		**327.8**	**(23.9)**	**303.9**	299.4	(36.2)	263.2
Share of loss of associate	16	**(0.2)**	**–**	**(0.2)**	(0.5)	–	(0.5)
Revaluation of investment properties	14	**(3.2)**	**–**	**(3.2)**	(0.7)	–	(0.7)
Finance income	7	**17.8**	**14.1**	**31.9**	12.5	–	12.5
Finance costs	7	**(242.2)**	**–**	**(242.2)**	(210.0)	(3.8)	(213.8)
Profit before taxation		**100.0**	**(9.8)**	**90.2**	100.7	(40.0)	60.7
Taxation	9	**(28.6)**	**1.1**	**(27.5)**	(54.0)	4.8	(49.2)
Profit for the year		**71.4**	**(8.7)**	**62.7**	46.7	(35.2)	11.5
Attributable to:							
Equity holders of the Group		**70.5**	**(8.7)**	**61.8**	46.0	(35.2)	10.8
Non-controlling interests		**0.9**	**–**	**0.9**	0.7	–	0.7
Earnings per share expressed in pence per ordinary share	11	**20.8**	**(2.8)**	**18.0**	13.6	(11.1)	2.5

1 As explained in note 3 and in the accounting policies on page 170.

The accompanying notes form an integral part of the financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March

	Note	2026 £m	2025 £m
Profit for the year		**62.7**	11.5
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefit liabilities	27	**(6.3)**	3.6
Deferred tax on remeasurement of retirement benefit liabilities	9	**1.5**	(1.0)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange movement		**(1.4)**	(1.2)
Taxation on foreign exchange movement	9	**(0.3)**	0.2
Net gain on cash flow hedging		**0.1**	2.9
Tax impact on cash flow hedges	9	**–**	(0.7)
Other comprehensive (loss)/income for the year		**(6.4)**	3.8
Total comprehensive profit for the year		**56.3**	15.3
Total comprehensive income for the year is attributable to:			
Equity holders of the group		**55.4**	14.6
Non-controlling interests		**0.9**	0.7

Consolidated statement of financial position

as at 31 March

	Note	2026 £m	Restated 2025 £m
Non-current assets			
Goodwill	15	**235.3**	235.2
Intangible assets	15	**150.9**	137.6
Property, plant and equipment	12	**3,951.5**	3,634.5
Right-of-use assets	13	**505.9**	498.5
Long-term lease receivable	13	**11.2**	11.2
Investment properties	14	**174.0**	175.9
Investment in associate	16	**6.1**	6.3
Derivative financial assets	23	**16.2**	–
Retirement benefit assets	27	**85.8**	87.7
		5,136.9	4,786.9
Current assets			
Inventories		**2.5**	2.1
Corporation tax recoverable	17	**67.5**	58.2
Accrued income	17	**48.9**	54.3
Trade and other receivables	17	**133.1**	133.5
Cash and cash equivalents	18	**268.4**	533.3
		520.4	781.4
Current liabilities			
Borrowings	19	**–**	(268.7)
Trade and other payables	24	**(372.8)**	(399.6)
Deferred income	25	**(48.9)**	(45.1)
Provisions	26	**(26.5)**	(21.8)
Lease liabilities	28	**(17.3)**	(16.9)
		(465.5)	(752.1)
Net current (liabilities)/assets		**54.9**	29.3
Non-current liabilities			
Borrowings	19–23	**(3,622.7)**	(3,323.8)
Retirement benefit liabilities	27	**(2.9)**	(3.1)
Lease liabilities	28	**(516.3)**	(506.8)
Deferred tax liabilities	29	**(254.4)**	(232.1)
Provisions	26	**(5.5)**	(9.6)
Other non-current liabilities	30	**(13.5)**	(15.2)
		(4,415.3)	(4,090.6)
Net assets		**776.5**	725.6

	Note	2026 £m	Restated 2025 £m
Shareholders' equity			
Share capital	31	**316.6**	316.6
Share premium	31	**–**	743.3
Foreign currency reserve	32	**(1.4)**	0.3
Cash flow hedge reserve	32	**2.3**	2.2
Merger reserve	32	**–**	1,249.3
Retained earnings	32	**457.5**	(1,587.6)
Equity attributable to equity holders of the Group		**775.0**	724.1
Non-controlling interest		**1.5**	1.5
Total equity		**776.5**	725.6

Refer to page 128 for details of the prior period restatement.

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 119 to 170 were approved by the Board of Directors on 1 July 2026 and signed on its behalf by:

Ken O'Toole
Chief Executive Officer
MAG

Consolidated statement of changes in equity

for the year ended 31 March 2026

	Note	Attributable to equity holders of the Group								
		Share capital £m	Share premium £m	Foreign currency reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 April 2025 as previously reported		316.6	743.3	0.3	2.2	–	(338.3)	724.1	1.5	725.6
Restatement of merger reserve		–	–	–	–	1,249.3	(1,249.3)	–	–	–
Restated balance at 1 April 2025		316.6	743.3	0.3	2.2	1,249.3	(1,587.6)	724.1	1.5	725.6
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	61.8	61.8	0.9	62.7
Foreign exchange movement, net of tax		–	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Remeasurement of retirement benefit liabilities, net of tax	9, 27	–	–	–	–	–	(4.8)	(4.8)	–	(4.8)
Net gain on cash flow hedging, net of tax		–	–	–	0.1	–	–	0.1	–	0.1
		–	–	(1.7)	0.1	–	57.0	55.4	0.9	56.3
Transactions with owners recorded directly in equity										
Bonus share issue	31,32	1,249.3	–	–	–	(1,249.3)	–	–	–	–
Cancellation of shares	31,32	(1,249.3)	–	–	–	–	1,249.3	–	–	–
Capital reduction	31,32	–	(743.3)	–	–	–	743.3	–	–	–
Dividends paid to equity holders – C shareholders	10	–	–	–	–	–	(4.5)	(4.5)	–	(4.5)
Dividends paid to non-controlling interest	10	–	–	–	–	–	–	–	(0.9)	(0.9)
Balance at 31 March 2026		316.6	–	(1.4)	2.3	–	457.5	775.0	1.5	776.5

Refer to page 128 for details of the prior period restatement.

Consolidated statement of changes in equity continued

for the year ended 31 March 2026

	Note	Attributable to equity holders of the Group								
		Share capital £m	Share premium £m	Foreign currency reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 April 2024 as previously reported		316.6	743.3	1.3	–	–	(332.6)	728.6	1.7	730.3
Restatement of merger reserve		–	–	–	–	1,249.3	(1,249.3)	–	–	–
Restated balance at 1 April 2024		316.6	743.3	1.3	–	1,249.3	(1,581.9)	728.6	1.7	730.3
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	10.8	10.8	0.7	11.5
Foreign exchange movement, net of tax		–	–	(1.0)	–	–	–	(1.0)	–	(1.0)
Remeasurement of retirement benefit liabilities, net of tax	9, 27	–	–	–	–	–	2.6	2.6	–	2.6
Net gain on cash flow hedging, net of tax		–	–	–	2.2	–	–	2.2	–	2.2
		–	–	(1.0)	2.2	–	13.4	14.6	0.7	15.3
Transactions with owners recorded directly in equity										
Dividends paid to equity holders – ordinary shareholders	10	–	–	–	–	–	(15.0)	(15.0)	–	(15.0)
Dividends paid to equity holders – C shareholders	10	–	–	–	–	–	(4.1)	(4.1)	–	(4.1)
Dividends paid to non-controlling interest	10	–	–	–	–	–	–	–	(0.9)	(0.9)
Balance at 31 March 2025		316.6	743.3	0.3	2.2	1,249.3	(1,587.6)	724.1	1.5	725.6

Refer to page 128 for details of the prior period restatement.

The accompanying notes form an integral part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 March

	Note	2026 Before adjusted items £m	2026 Adjusted items £m	2026 After adjusted items £m	2025 Before adjusted items £m	2025 Adjusted items £m	2025 After adjusted items £m
Cash flows from operating activities							
Profit for the year		**71.4**	**(8.7)**	**62.7**	46.7	(35.2)	11.5
Taxation	9	**28.6**	**(1.1)**	**27.5**	54.0	(4.8)	49.2
Revaluation of investment properties	14	**3.2**	**–**	**3.2**	0.7	–	0.7
Finance costs	7	**242.2**	**–**	**242.2**	210.0	3.8	213.8
Finance income	7	**(17.8)**	**(14.1)**	**(31.9)**	(12.5)	–	(12.5)
Share of loss in associate	16	**0.2**	**–**	**0.2**	0.5	–	0.5
Depreciation, amortisation and impairment	8	**286.6**	**–**	**286.6**	271.0	3.8	274.8
Increase in trade and other receivables and inventories		**(6.6)**	**–**	**(6.6)**	(37.5)	–	(37.5)
Increase in trade and other payables		**1.2**	**3.1**	**4.3**	37.8	6.5	44.3
Defined benefit pension movements, net of contributions paid		**0.4**	**–**	**0.4**	–	–	–
Cash generated from operations		**609.4**	**(20.8)**	**588.6**	570.7	(25.9)	544.8
Interest paid				**(266.9)**			(217.6)
Interest received				**10.2**			8.5
Tax paid, net of refunds received				**(13.1)**			(61.4)
Net cash from operating activities				**318.8**			274.3
Cash flows from investing activities							
Purchase of property, plant and equipment				**(546.1)**			(595.5)
Purchase of intangible fixed assets	15			**(36.3)**			(33.2)
Purchase of investment property				**(3.8)**			(13.2)
Distributions from associate	16			**–**			0.9
Proceeds (net of selling costs) from sale of property, plant, equipment and investment properties				**–**			1.0
Consideration paid for acquisition, net of cash acquired				**–**			(35.6)
Net cash used in investing activities				**(586.2)**			(675.6)

Consolidated statement of cash flows continued

for the year ended 31 March

	Note	2026 Before adjusted items £m	2026 Adjusted items £m	2026 After adjusted items £m	2025 Before adjusted items £m	2025 Adjusted items £m	2025 After adjusted items £m
Cash flows from financing activities							
Transaction costs related to loans and borrowings				**(3.6)**			(3.7)
Bond issued in the year, net of discount				**299.3**			719.2
Bond repaid in the year				**–**			(360.0)
Payment of principal on lease liabilities	28			**(18.5)**			(14.7)
Dividends paid to shareholders and non-controlling interest	10			**(5.4)**			(20.0)
Net cash generated from financing activities				**271.8**			320.8
Net increase/(decrease) in cash and cash equivalents	35			**4.4**			(80.5)
Net cash and cash equivalents at beginning of the year				**264.6**			345.1
Effect of foreign exchange rate changes				**(0.6)**			–
Net cash and cash equivalents at end of the year	35			**268.4**			264.6

The accompanying notes form an integral part of the financial statements.

Basis of preparation

GENERAL INFORMATION

Manchester Airports Holdings Limited (the 'Company') is a company limited by shares and incorporated and domiciled in England and Wales in the UK. The Company is the ultimate parent company of the Group. The Company and its subsidiaries are together referred to as the 'Group' or 'MAG'.

The address of the Company's registered office is Olympic House, Manchester Airport, Manchester, M90 1QX. The principal activities of the Group are set out within the Directors' report.

The consolidated financial statements of the Group and the financial statements of the Company were approved for issue by the Board of Directors on 1 July 2026.

MAG's material accounting policies applied in the preparation of these consolidated financial statements are set out on pages 162 to 170. These policies have been consistently applied to the current year and previous year unless otherwise stated. These accounting policies apply the historical cost convention modified to include certain items at fair value.

BASIS OF PREPARATION

The Group financial statements are prepared in accordance with UK-adopted international accounting standards ('UK-adopted IFRS'). They consolidate the Company and its subsidiaries and account for the Group's interest in associates and Joint Ventures using the equity method. The functional currency of the Group and the Company is pounds sterling. The Group and Company financial statements are presented in pounds sterling and are shown as millions rounded to the nearest one decimal place, except where otherwise stated.

The Company has elected to prepare its own financial statements in accordance with FRS 102; these are presented on pages 176 to 184.

GOING CONCERN

The Directors have prepared the Group and Company financial statements on a going concern basis. In assessing the going concern position of the Group, the Directors have considered the cash flows and liquidity of the Group for the period to 30 September 2027 and the corresponding impact on cash headroom and financial covenants (described in further detail under the 'Financial covenants' section below) associated with the Group's financing arrangements.

The 'base case' cash flow forecasts are based on the Group's Board-approved business plan. The Directors also model a 'severe but plausible' downside scenario which reflects a reduction in future passenger numbers. Further detail regarding downside modelling is included in the 'Downside scenario' section below.

The Group is expected to maintain sufficient positive headroom in terms of available liquidity and its financial covenants throughout the period to 30 September 2027 in both the base case and the downside cases.

Financial covenants

The Group is subject to financial covenants on its secured funding arrangements, being leverage (net senior debt/adjusted EBITDA on a frozen GAAP basis) and interest cover (adjusted EBITDA on a frozen GAAP basis less tax paid/net finance charges on net senior debt). The covenants are tested half yearly on 31 March and 30 September. The terms used in the covenant calculation, including frozen GAAP basis, have been defined and reconciled to GAAP measures in Other Information on page 171.

At 31 March 2026, the Group had available £268.4m of net cash and committed and drawn facilities comprised of £2,060.0m of UK bonds, €500.0m of Eurobonds and £901.9m of shareholder loans. The Group also has a £500.0m Secured Revolving Credit Facility (RCF) and a £135.0m Liquidity Facility, neither of which were drawn at the year end. All Group bonds will mature between 2034 and 2044.

Base case

The Directors' going concern assessment considers the Group forecast for the period to 30 September 2027. FY26 saw passenger numbers increase by 1.9% from FY25 to 66.3m. This uplift in activity levels has flowed through into business performance which, when measured at the adjusted EBITDA[1] level, increased by 7.7% from £570.4m to £614.4m. The adjusted cash generated from operations[1] of £609.4m, resulting from this growth, has enabled increased investment in MAG's airport infrastructure.

The forecasts result in significant liquidity headroom throughout the going concern assessment period and compliance with MAG's financial covenants when tested at the end of September 2026, March 2027 and September 2027. No additional raising of finance is included in the forecast period.

Downside scenario

In addition to the Group's business plan forecast, which sees annual uplifts ranging from 3.3% to 4.8% of passenger volume in the going concern period, the Directors also consider a downside scenario reflecting a severe but plausible reduction in demand. This is typically based upon the low end of industry forecasts and reflects macroeconomic factors such as the impact of the present economic environment, global uncertainty and interest rates. However, given the ongoing conflict in the Middle East, and the associated uncertainty of its impact, a further severe but plausible downside scenario has been prepared which includes greater temporary passenger reductions, offset by certain cost mitigation measures.

The Group can, where necessary, also undertake potential mitigating actions within its control, including cutting of additional spend and deferring capital expenditure.

Under the downside scenario, the Group is expected to remain in compliance with its covenants when tested at each reporting date in the going concern assessment period.

1 As explained in Other Information on page 171.

Conclusion

Based upon their assessments of the base case and the downside scenarios detailed above, the Directors have concluded that the Group can meet its covenant requirements and maintain sufficient liquidity throughout the going concern period and as such, it is appropriate for the Group to continue to adopt the going concern basis for the preparation of these accounts.

In addition to the downside scenario, management has prepared a reverse stress test illustrating the level of passenger numbers that would trigger a covenant breach. The impact modelled in this scenario takes into account the resulting reduction in revenue and variable costs per passenger. This threshold equates to a reduction of passenger volumes to 74% of current business plan levels. A fall to this level is considered to be implausible, based on current passenger levels and industry predictions, and notably excludes any mitigating actions within the control of management.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements and applying the Group's accounting policies set out on pages 162 to 170, the Directors have made judgements and formed estimates that impact the reported amount of assets, liabilities, income and expenses. Actual results may, however, differ from the estimates calculated. Set out below are those key judgements and estimates which the Directors consider to be material this year.

Judgements

The following describes the one material judgement made by the Directors in applying the Group's accounting policies.

Capitalisation of costs incurred in transformation-related projects

The Group has capitalised costs incurred in its major transformation programmes in Manchester and Stansted, including the roll out of the Next Generation Security programme in compliance with the UK Government's major upgrade in security screening requirements.

Judgement is exercised when ensuring that:

- items of cost are appropriately capitalised or expensed depending upon their nature;
- all capitalised costs are directly attributable to the relevant project and to bringing the related asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- assets are transferred from 'Assets in the course of construction' to the appropriate main category of property, plant and equipment or intangible assets;
- the timing of these transfers and commencement of depreciation reflects when the assets are available for use; and
- the useful lives assigned to the assets are appropriate.

As is common with large-scale projects, complexity arises when forecasting the future path to completion, estimation of the timescales when it will occur, and where there are inter-dependencies between such programmes.

Estimates and assumptions

Estimates and their underlying assumptions are reviewed on an ongoing basis. The impact of revisions to estimates are recognised in the period in which the revision takes place. The Directors regard the following areas as those which are subject to greater estimation uncertainty, such that they carry a significant risk of a material change to the carrying value of the related assets and/or liabilities within the next year.

i. Investment properties

The revaluation of the Group's investment properties to their fair value requires the use of certain significant unobservable inputs (assumptions). These are expected yield and enterprise rental values for commercial properties, and adjustments to comparable property values for residential properties. The total carrying amount of investment properties at 31 March 2026 was £174.0m.

The Group appoints professional valuation advisers to assist with forming its estimates. Further details of the methodology used, including sensitivity analysis, are included in note 14 to the financial statements.

ii. Pensions

Certain assumptions are required to determine the valuation of the Group's defined benefit pension liability. The most significant of these assumptions are the discount rate, RPI inflation and life expectancies. The total carrying amount of defined benefit obligations at 31 March 2026 was £173.8m.

The Group uses professional actuarial experts to assist with valuing its defined benefit obligations each year. Assumptions take into account market and economic conditions. Further details of the basis for the assumptions used, including sensitivity analysis, are included in note 27 to the financial statements.

iii. Modification of financial instruments

As a result of MAG's strategic finance response to the Covid-19 pandemic, payments of interest due on its shareholder loans for the three years from October 2019 to September 2022 were deferred. The Group recommenced paying interest from 31 March 2023, when it returned to compliance with its loan covenant requirements. The deferred interest is being settled over time and is estimated to conclude in March 2030.

The carrying values of the shareholder loan liabilities presented in note 22 are calculated using management's estimates of the future cashflows, requiring assumptions to be made regarding:

- the timing and amount of deferred interest repayments, which follow the Group's approved business plan; and
- the interest rate applicable to any unsettled deferred interest, which is based on our best estimate of future base rates in the UK. As a result of MAG's strategic finance response to the pandemic, the payment of interest on the shareholder loans was deferred until the Group is in compliance with its loan covenant requirements.

Revisions to these assumptions, and therefore the estimated future cash flows, result in modification gains or losses. These are recognised in the income statement at the time that the revision takes place and are presented as adjusted items (see notes 3 and 7).

Basis of preparation continued

iv. Estimation of recoverable amount in respect of CAVU Marketplace CGUs

The recoverable amount of the CAVU Marketplace CGUs was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on an approved five-year business plan, with an extrapolation beyond this period using a long-term growth rate. These cash flows are then discounted to present value. Details of the key assumptions used are set out in note 15.

PRIOR PERIOD ADJUSTMENT

On 22 January 2013 MAHL undertook a share-for-share swap with The Manchester Airports Group plc. The excess of the fair value, amounting to £1,249.3m, was originally recognised as share premium and was then subject to a capital reduction, supported by a solvency statement, and recognised as retained earnings. The treatment of this share-for-share exchange under s612 of the Companies Act 2006 required that the excess is recognised as a merger reserve as opposed to share premium. As a result, this invalidated the subsequent capital reduction. To correctly reflect this error, MAHL has restated its opening reserves position as of 1 April 2024 to reflect the £1,249.3m merger reserve, resulting in an increase to the retained earnings deficit from £332.6m to £1,581.9m.

All dividends paid by MAHL in the period between 2013 and 2025[1] were from reserves deemed at the time to be distributable. Having identified the issue set out above, these dividends were not in accordance with the requirements of the Companies Act 2006. Steps to remediate this position have been completed in FY26. This resulted in a reduction in both the merger reserve and share premium account to £nil, with a corresponding increase to retained earnings totalling £1,992.6m. The individual transactions entered into as part of the remediation are shown in the Consolidated statement of changes in equity.

1 https://www.magairports.com/work-with-us/investor-relations/.

Notes to the financial statements

for the year ended 31 March 2026

1. REVENUE

An analysis of the Group's revenue is as follows:

	2026 £m	2025 £m
Aviation income	**516.1**	469.7
Commercial income		
Retail concessions	**374.7**	327.9
Car parking	**453.3**	406.1
Property and property-related income	**23.1**	19.4
Other	**147.5**	119.4
Total commercial income	**998.6**	872.8
Total revenue	**1,514.7**	1,342.5

Standard payment terms for MAG's revenue streams, excluding car parking, are typically 28 days.

Other income includes utilities recharges to tenants (where the Group is acting as principal) of £34.5m (2025: £39.3m), retail travel services income of £29.1m (2025: £26.5m), and other operational income of £56.8m (2025: £53.5m).

The amount of accrued income at 31 March 2026 was £54.2m (2025: £54.3m) and the amount of deferred income at 31 March 2026 was £48.9m (2025: £45.1m). Both of these balances are expected to settle within the next 12 months.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Group is organised into four main operating divisions: Manchester Airport, London Stansted Airport, East Midlands Airport and CAVU.

The reportable segments are consistent with how information is presented to the Chief Executive Officer (Chief Operating Decision Maker) to report its primary information for the purpose of assessment of performance and allocation of resources, with information primarily presented at a segmental operating profit level.

With the exception of CAVU, the primary business of all of these operating divisions is the operation and development of airport facilities in the UK. CAVU's US revenue is less than 10% of total Group revenue. Consequently, no geographical split of performance has been included.

Notes to the financial statements continued

for the year ended 31 March 2026

2. BUSINESS AND GEOGRAPHICAL SEGMENTS CONTINUED

Year ended 31 March 2026	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation adjustments and eliminations[1] £m	Total £m
Revenue						
Total revenue	635.8	480.6	112.1	288.7	4.1	1,521.3
Inter-segment sales[2]	(5.7)	(0.6)	(0.3)	–	–	(6.6)
External revenue	630.1	480.0	111.8	288.7	4.1	1,514.7
Adjusted EBITDA						
External revenue	630.1	480.0	111.8	288.7	4.1	1,514.7
Operating costs (excluding depreciation and amortisation)	(363.9)	(285.1)	(60.9)	(211.6)	21.2	(900.3)
Adjusted EBITDA	266.2	194.9	50.9	77.1	25.3	614.4
Profit						
Adjusted EBITDA	266.2	194.9	50.9	77.1	25.3	614.4
Depreciation[3]	(137.1)	(77.3)	(21.2)	(16.0)	(7.3)	(258.9)
Amortisation	(6.1)	(2.1)	(0.1)	(12.5)	(6.9)	(27.7)
Segment operating profit before adjusted items	123.0	115.5	29.6	48.6	11.1	327.8
Adjusted items	(14.5)	(10.0)	(1.1)	1.8	(0.1)	(23.9)
Segment operating profit after adjusted items	108.5	105.5	28.5	50.4	11.0	303.9
Share of loss of associate						(0.2)
Revaluation of investment properties						(3.2)
Finance income						17.8
Finance income – adjusted						14.1
Finance costs						(242.2)
Profit before taxation						90.2
Other information						
Capital expenditure (property, plant and equipment)	314.2	177.8	41.6	13.6	14.5	561.7
Capital expenditure (intangible assets)	4.8	1.5	0.9	11.0	18.1	36.3

1 Group includes Group, Head Office, MAG Property, and other subsidiary companies and balances arising on consolidation, which are not specific to the other main operating divisions. Operating costs includes margin on the recharges made centrally.

2 Sales between segments are at arm's length.

3 The total depreciation charge reflects depreciation charged on both property, plant & equipment and right-of-use assets.

Segment assets, liabilities and taxation are no longer presented as these measures are not presented to the CODM.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS CONTINUED

Year ended 31 March 2025	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation adjustments and eliminations[1] £m	Total £m
Revenue						
Total revenue	567.6	452.6	97.3	228.5	2.9	1,348.9
Inter-segment sales[2]	(5.4)	(0.6)	(0.4)	–	–	(6.4)
External revenue	562.2	452.0	96.9	228.5	2.9	1,342.5
Adjusted EBITDA						
External revenue	562.2	452.0	96.9	228.5	2.9	1,342.5
Operating costs (excluding depreciation and amortisation)	(310.7)	(263.7)	(55.8)	(157.9)	16.0	(772.1)
Adjusted EBITDA	251.5	188.3	41.1	70.6	18.9	570.4
Profit						
Adjusted EBITDA	251.5	188.3	41.1	70.6	18.9	570.4
Depreciation[3]	(140.5)	(73.4)	(16.8)	(10.6)	(5.5)	(246.8)
Amortisation	(6.1)	(2.5)	(0.1)	(9.4)	(6.1)	(24.2)
Segment operating profit before adjusted items	104.9	112.4	24.2	50.6	7.3	299.4
Adjusted items	(14.3)	(8.8)	(0.7)	(12.2)	(0.2)	(36.2)
Segment operating profit after adjusted items	90.6	103.6	23.5	38.4	7.1	263.2
Share of loss of associate						(0.5)
Revaluation of investment properties						(0.7)
Finance income						12.5
Finance costs						(210.0)
Finance costs – adjusted						(3.8)
Profit before taxation						60.7
Other information						
Capital expenditure (property, plant and equipment)	431.0	126.9	44.2	33.9	14.9	650.9
Capital expenditure (intangible assets)	4.0	2.1	0.6	6.6	19.9	33.2
Impairment – adjusted	3.8	–	–	–	–	3.8

1 Group includes Group, Head Office, MAG Property, and other subsidiary companies and balances arising on consolidation, which are not specific to the other main operating divisions. Operating costs includes margin on the recharges made centrally.

2 Sales between segments are at arm's length.

3 The total depreciation charge reflects depreciation charged on both property, plant & equipment and right-of-use assets.

Notes to the financial statements continued

for the year ended 31 March 2026

3. ADJUSTED ITEMS

	Note	2026 £m	2025 £m
Recorded in operating profit			
Adjusted items – operating costs		**23.9**	36.2
Total adjusted items recorded in operating profit		**23.9**	36.2
Adjusted items – finance (income)/costs	7	**(14.1)**	3.8
Total adjusted items recorded in finance (income)/costs		**(14.1)**	3.8
Total charge before tax		**9.8**	40.0

Adjusted items in operating profit

The Group has presented costs of £23.9m, recognised within operating profit, as adjusted items for the year ended 31 March 2026 (2025: £36.2m).

A charge of £13.4m (2025: £19.1m) has been recognised in relation to operational airport transformation programmes which are infrequent in nature. This includes the airport transformation programmes at Manchester and Stansted, which are core to providing increased passenger volumes for the medium-term growth of the business. They also include the installation of Next Generation Security (NGS), following the UK Government's fundamental upgrade of the regulations. The total net costs includes the following:

- Manchester Airport Transformation £6.6m (cumulative spend: £13.6m) with costs ending in FY26.
- Stansted Airport Transformation £0.6m (cumulative spend: £1.0m) with costs expected to end in FY30.
- NGS regulation of £6.2m (cumulative spend: £17.3m) with costs ending in FY26.

A charge of £11.7m (2025: £3.7m) relates to Group transformation programmes with a cumulative spend to date of £25.7m. The Group is going through a multi-year transformation programme to implement changes with a material benefit to our financial results, across Group Functions, Landside & Terminal, Asset Operations, Airfield Operations and Customer Experience & Revenue. Each tower comprises a mix of initiatives at different stages of maturity, from early-stage design through to implementation and benefit realisation. As of 31 March 2026, several initiatives have successfully transitioned into delivery and are now delivering benefits, including Procurement Transformation (all divisions), Barrierless Car Parking (Airports), Hire to First Pay Check (Group), Premium Wi-Fi (STN only), Fixed Electrical Ground Power (MAN only) and Workforce Management (Airports).

Costs of £2.5m have been recognised in relation to accrued earnout costs from the acquisition of Parkos Holding B.V in FY25. The earnout period has now concluded and therefore no further costs will be recognised in relation to this in future periods.

Net income of £3.7m (2025: costs of £4.4m) has been recognised for items relating to legal and professional matters that meet the Group's definition for presentation as Adjusted items. This comprises net income of £5.2m in relation to two matters that were settled in the year, and costs of £1.5m in relation to other litigation matters deemed to be outside the ordinary course of business.

Adjusted items from operations – finance (income)/costs

A gain of £14.1m (2025: expense of £3.8m) relating to finance income arose during the period due to the modification of shareholder loans. Further details on the shareholder loan modification and repayment period can be found in note 7.

The cash impact of the adjusted items can be seen in the consolidated statement of cash flows on page 124.

4. OPERATING PROFIT BEFORE ADJUSTED ITEMS

	2026 £m	2025 £m
Revenue	**1,514.7**	1,342.5
Wages and salaries	**(355.9)**	(334.8)
Social security costs	**(46.8)**	(31.7)
Pension costs	**(26.3)**	(18.8)
Employee benefit costs	**(429.0)**	(385.3)
Depreciation and amortisation	**(286.6)**	(271.0)
Other operating charges	**(471.3)**	(386.8)
Operating profit before adjusted items	**327.8**	299.4

Other operating charges includes maintenance, variable rent, rates, utility costs and other operating expenses.

5. EMPLOYEE INFORMATION

The average number of persons (including Executive Directors) employed by the Group during the year, expressed as full-time equivalents (FTEs), was:

	2026 Number of FTEs	2025 Number of FTEs
By operating segments		
Manchester Airport	**3,800**	3,524
London Stansted Airport	**2,270**	2,246
East Midlands Airport	**754**	735
CAVU	**992**	878
Total	**7,816**	7,383

Manchester Airport includes Head Office as well as operational employees, based on where these employees are geographically located. Group employees are allocated proportionately across the three airports based on headcount.

6. DIRECTORS' EMOLUMENTS

Further details of Directors' emoluments and a description of the Group's remuneration policy are set out in the Remuneration Committee report on pages 104 to 106.

	2026	2025
Directors' emoluments		
Number of Directors	**7**	7
Aggregate emoluments (£m)	**5.0**	5.0

Consistent with the treatment in prior years, the amounts above include STIP payments during the year of £1.2m paid relating to prior years (2025: £1.4m) and LTIP amounts accrued of £1.1m (2025: £1.8m). The LTIP amount accrued in the financial statements is driven by the Group's FY24–FY26, FY25–FY27, and FY26–FY28 LTIP schemes and an Executive Incentive Plan (EIP) which delivers a return on LTIP award amounts retained by MAG dependent upon achieving performance criteria.

	2026	2025
Key management compensation		
Number of key management	**16**	18
Aggregate emoluments (£m)	**12.3**	12.2

Key management for the Group are the Board of Directors and members of the Executive Committee who control and direct the Group's operational activities and resources. Consistent with the treatment in prior years the amounts above include STIP payments during the year of £3.4m paid relating to prior years (2025: £3.0m). The LTIP amounts included in the current year are amounts accrued in the financial statements driven by the Group's FY24–FY26, FY25–FY27 and FY26–FY28 LTIP schemes and EIP scheme, amounting to £2.6m (2025: £3.3m).

The key management compensation for the current year comprised: Short-term employee benefits £8.8m (2025: £8.3m); Severance £0.9m (2025: £0.6m); and Other long-term benefits £2.7m (2025: £3.3m).

	2026 £m	2025 £m
Highest paid Director		
Aggregate emoluments	**2.6**	2.4

The £2.6m (2025: £2.4m) includes salary, benefits, STIP payment during the year relating to prior years, and an accrued LTIP and EIP under the Group's schemes.

7. FINANCE INCOME AND COSTS

	Note	2026 £m	2025 £m
Interest receivable on deposits		**(9.6)**	(7.9)
Interest income on long-term lease receivable	13	**(0.6)**	(0.6)
Interest income on defined benefit pension schemes	27	**(5.1)**	(4.0)
Other interest income		**(2.5)**	–
Finance income before adjusted items		**(17.8)**	(12.5)
Adjusted items – shareholder loan modification	3	**(14.1)**	–
Total finance income after adjusted items		**(31.9)**	(12.5)
Interest payable on bank loans and overdrafts		**5.4**	4.1
Interest payable on bonds		**107.9**	80.7
Interest payable on shareholder loans		**124.2**	122.3
Interest cost on defined benefit pension schemes	27	**0.2**	0.2
Interest expense on lease liabilities	28	**28.9**	27.6
Capitalisation of borrowing costs	12	**(24.4)**	(24.9)
Finance costs before adjusted items		**242.2**	210.0
Adjusted items – shareholder loan modification	3	**–**	3.8
Total finance costs after adjusted items		**242.2**	213.8

The Group issued a £300.0m fixed rate secured bond in January 2026 with legal maturity of 30 September 2036.

Adjusted items

The carrying values of the Group's shareholder loan liabilities are calculated by management's estimate of the future cash flows (see financial instruments note 23). As a result of MAG's strategic finance response to the Covid-19 pandemic, in 2020, 2021 and 2022, the payment of interest on the shareholder loans was deferred until the Group was in compliance with its loan covenant requirements. Consequently, management's estimate of the date that deferred interest will be repaid is an accounting estimate that will impact the quantification of the shareholder loan liability. Any changes to the timing of repayments, as outlined in the latest Board-approved business plan, will result in a modification gain or loss which is recognised in the income statement at the time that the revision takes place.

Notes to the financial statements continued

for the year ended 31 March 2026

7. FINANCE INCOME AND COSTS CONTINUED

In FY26, the Directors have calculated a modification gain of £14.1m at the reporting date based upon the projected repayment profile of the shareholder loan interest in the FY27 business plan. The Directors are currently expecting the deferred interest to be repaid between 31 March 2026 and 31 March 2030. The key inputs into the calculation of the loss/gain are:

- the timing of the payments of the loan – the payments vary depending upon the period of time that shareholder loan interest is accrued and the period of time that the deferred shareholder loan interest is repaid. Shareholder loan interest can only be paid when, and to the extent that, the Group is in compliance with its financial covenants. Accordingly, the timing of the payments is ultimately dependent upon the trading performance of the Group as it recovered from the Covid-19 pandemic. For the purposes of the estimation the Group has used the business projections from its approved business plan which are consistent with those used for both going concern and impairment purposes;
- the effective rate of interest of the loan; and
- the interest rate chargeable on deferred interest payments.

Under IFRS 9, the change in estimated cash flows of shareholder loans, as a result of the deferral of interest payments, gave rise to a £3.8m modification loss in FY25.

If the trading performance of the Group improved and the Board decided to pay the deferred interest payments six months earlier, then the modification gain would decrease by £7.9m (2025: loss would increase by £4.9m). If the prevailing interest rate due on the deferred interest payments increased by 1%, then the modification gain would decrease by £5.0m (2025: loss would increase by £7.1m).

Borrowing costs

MAG capitalises borrowing costs in accordance with IAS 23. FY26 saw lower capitalisation of borrowing costs of £24.4m (2025: £24.9m) following the continuation of the Group Transformation Programme at Manchester and London Stansted Airports and the capital expenditure on Next Generation Security.

8. PROFIT BEFORE TAXATION

	Note	2026 £m	2025 £m
Profit before taxation has been arrived at after charging/(crediting):			
Depreciation and amortisation, excluding adjusted items:			
Depreciation of property, plant and equipment	12	**241.1**	230.2
Depreciation of right-of-use assets	13	**19.9**	18.9
Amortisation of intangible assets	15	**27.7**	24.2
Release of capital grants		**(2.1)**	(2.3)
Total depreciation and amortisation, excluding adjusted items		**286.6**	271.0
Adjusted items:			
Impairment of property, plant, and equipment	12	**–**	3.8
Total depreciation, amortisation and impairment		**286.6**	274.8
Other Adjusted items	3	**23.9**	40.0
Revaluation of investment properties	14	**3.2**	0.7
Interest charged on lease liabilities	28	**28.9**	27.6
Interest income on long-term lease receivable	13	**(0.6)**	(0.6)
Employee benefit costs	4	**429.0**	385.3
Auditor's remuneration			
Audit of these financial statements		**1.0**	1.0
Amounts receivable by the Company's auditor and its associates in respect of:			
Audit of subsidiaries' financial statements		**0.4**	0.3
Other services:			
Other assurance services		**–**	0.1
Corporate finance services		**0.1**	0.1
Total auditor's remuneration		**1.5**	1.5

9. TAXATION

Analysis of charge/(credit) in the year

	2026			2025		
	Total before adjusted items £m	**Adjusted items £m**	**Total after adjusted items £m**	Total before adjusted items £m	Adjusted items £m	Total after adjusted items £m
Current taxation						
UK corporation tax on profits for the year	**38.1**	**(1.1)**	**37.0**	54.0	(4.7)	49.3
Impact of overseas tax rates	**0.1**	**–**	**0.1**	0.2	(0.1)	0.1
Adjustment in respect of prior year	**(33.1)**	**–**	**(33.1)**	(28.9)	–	(28.9)
Total current taxation	**5.1**	**(1.1)**	**4.0**	25.3	(4.8)	20.5
Deferred taxation						
Temporary differences arising in the year	**17.1**	**–**	**17.1**	16.9	–	16.9
Impact of overseas tax rates	**0.1**	**–**	**0.1**	0.4	–	0.4
Adjustment in respect of prior year	**6.3**	**–**	**6.3**	11.4	–	11.4
Total ordinary deferred taxation	**23.5**	**–**	**23.5**	28.7	–	28.7
Total taxation charge/(credit)	**28.6**	**(1.1)**	**27.5**	54.0	(4.8)	49.2

Taxation on items charged/(credited) to equity

	2026 £m	2025 £m
Deferred taxation on remeasurement of retirement benefit liabilities	**(1.5)**	1.0
Deferred taxation on foreign exchange movement	**0.3**	(0.2)
Tax impact on cash flow hedges	**–**	0.7
Total taxation charge/(credit)	**(1.2)**	1.5

Factors affecting the taxation charge/(credit) for the year

The Group's effective tax rate for the year ended 31 March 2026 is higher (2025: higher) than the standard rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below.

	2026			2025		
	Total before adjusted items £m	**Adjusted items £m**	**Total after adjusted items £m**	Total before adjusted items £m	Adjusted items £m	Total after adjusted items £m
Profit before taxation	**100.0**	**(9.8)**	**90.2**	100.7	(40.0)	60.7
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2025: 25%)	**25.1**	**(2.5)**	**22.6**	25.2	(10.0)	15.2
Effect of:						
Non-taxable items/ non-deductible items	**30.2**	**1.4**	**31.6**	45.6	5.3	50.9
Adjustments to prior year taxation charge	**(27.0)**	**–**	**(27.0)**	(17.4)	–	(17.4)
Impact of overseas tax rates	**0.3**	**–**	**0.3**	0.6	(0.1)	0.5
Total taxation charge/(credit)	**28.6**	**(1.1)**	**27.5**	54.0	(4.8)	49.2

The non-taxable items/non-deductible items relate primarily to non-qualifying depreciation and non-deductible interest in the UK.

Notes to the financial statements continued

for the year ended 31 March 2026

10. DIVIDENDS

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Amounts recognised as distributions to equity holders in the year		
Final dividend of nil pence (2025: 4.7 pence) per share – paid to ordinary shareholders	**–**	15.0
Final dividend of £150,570 (2025: £136,670) per share – paid to C shareholders	**4.5**	4.1
Amounts recognised as distributions to equity holders in the year	**4.5**	19.1
Amounts recognised as distributions to non-controlling interest in the year		
Distributions to non-controlling interest members	**0.9**	0.9

Dividends paid to ordinary and C-shareholders relate to the results of the corresponding previous year.

A dividend of £0.45m (2025: £0.41m) was paid to the Council of the City of Manchester (MCC) and the nine district councils as C-shareholders in Manchester Airport Car Park Limited (1) (MACPL), which owns a 'drop & go' car park at Manchester Airport. As a result of MACPL returning a profit in the period, the total dividend paid was £4.5m (2025: £4.1m).

A final dividend of £31 (0.00000979 pence per ordinary non-voting share) was approved by the Board of Directors on 30 June 2026. This dividend has not been recognised as a liability at the balance sheet date.

The Directors do not recommend the payment of a final dividend in relation to any other class of shares.

11. EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. The Group does not have any dilutive equity instruments in issue, therefore diluted earnings per share is the same as basic earnings per share.

	2026			2025		
	Earnings £m	**Weighted average number of shares m**	**Per share amount Pence**	Earnings £m	Weighted average number of shares m	Per share amount Pence
EPS attributable to ordinary shareholders – before adjusted items	**65.8**	**316.6**	**20.8**	43.1	316.6	13.6
EPS attributable to ordinary shareholders – after adjusted items	**57.1**	**316.6**	**18.0**	7.9	316.6	2.5
	£m	**Number**	**£m**	£m	Number	£m
EPS attributable to C shareholders – before adjusted items	**4.7**	**30.0**	**0.2**	2.9	30.0	0.1
EPS attributable to C shareholders – after adjusted items	**4.7**	**30.0**	**0.2**	2.9	30.0	0.1

Earnings per share attributable to ordinary shareholders excludes profit attributable solely to the C shareholders. A reconciliation to income attributable to equity holders of the Group (as disclosed in the income statement) is given below:

	2026			2025		
	Before adjusted items £m	**Adjusted items £m**	**After adjusted items £m**	Before adjusted items £m	Adjusted items £m	After adjusted items £m
Earnings attributable to ordinary shareholders	**65.8**	**(8.7)**	**57.1**	43.1	(35.2)	7.9
Earnings attributable to C shareholders	**4.7**	**–**	**4.7**	2.9	–	2.9
Earnings attributable to equity holders of the Group	**70.5**	**(8.7)**	**61.8**	46.0	(35.2)	10.8

12. PROPERTY, PLANT AND EQUIPMENT

2026	Freehold land and property £m	Other land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Assets in the course of construction £m	Total £m
Cost						
At 1 April 2025	**199.4**	**1,077.4**	**2,726.2**	**1,122.1**	**800.7**	**5,925.8**
Additions in the year	–	–	–	–	**561.7**	**561.7**
Reclassification from assets in the course of construction	–	**34.9**	**717.2**	**105.7**	**(857.8)**	–
Reclassification from investment properties (note 14)	–	**2.5**	–	–	–	**2.5**
Reclassification from/(to) intangible assets (note 15)	–	–	–	**1.1**	**(3.8)**	**(2.7)**
Foreign exchange	–	**(1.7)**	**(0.7)**	**(0.6)**	**(0.5)**	**(3.5)**
Disposals	**(0.3)**	**(19.9)**	**(138.7)**	**(100.6)**	–	**(259.5)**
At 31 March 2026	**199.1**	**1,093.2**	**3,304.0**	**1,127.7**	**500.3**	**6,224.3**
Depreciation						
At 1 April 2025	**64.5**	**425.2**	**1,255.3**	**546.3**	–	**2,291.3**
Charge for the period	–	**38.0**	**125.9**	**77.2**	–	**241.1**
Foreign exchange	–	**(1.7)**	**(0.3)**	**1.3**	–	**(0.7)**
Disposals	–	**(19.9)**	**(138.7)**	**(100.3)**	–	**(258.9)**
At 31 March 2026	**64.5**	**441.6**	**1,242.2**	**524.5**	–	**2,272.8**
Carrying amount						
At 31 March 2026	**134.6**	**651.6**	**2,061.8**	**603.2**	**500.3**	**3,951.5**
At 31 March 2025	**134.9**	**652.2**	**1,470.9**	**575.8**	**800.7**	**3,634.5**

The carrying amount of land not depreciated as at 31 March 2026 is £236.1m (2025: £236.5m).

During the year the Group's carrying value of property, plant and equipment decreased by £2.8m (2025: increased by £1.2m) as a result of foreign exchange rate changes upon translation of the Group's overseas operations into GBP. This has been presented as a separate item in the current year.

Notes to the financial statements continued

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12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

2025	Freehold land and property £m	Other land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Assets in the course of construction £m	Total £m
Cost						
At 1 April 2024	178.3	1,082.0	2,677.7	997.5	367.2	5,302.7
Additions in relation to acquisition in the year	21.4	–	0.3	0.2	–	21.9
Additions in the year	–	–	–	–	650.9	650.9
Reclassification from assets in the course of construction	–	14.3	64.7	134.1	(213.1)	–
Reclassification from investment properties (note 14)	–	1.4	–	–	–	1.4
Reclassification from/(to) intangible assets (note 15)	–	–	–	1.1	(0.5)	0.6
Impairment	–	–	–	–	(3.8)	(3.8)
Disposals	(0.3)	(20.3)	(16.5)	(10.8)	–	(47.9)
At 31 March 2025	199.4	1,077.4	2,726.2	1,122.1	800.7	5,925.8
Depreciation						
At 1 April 2024	64.5	406.9	1,169.6	467.7	–	2,108.7
Charge for the period	–	38.6	102.2	89.4	–	230.2
Disposals	–	(20.3)	(16.5)	(10.8)	–	(47.6)
At 31 March 2025	64.5	425.2	1,255.3	546.3	–	2,291.3
Carrying amount						
At 31 March 2025	134.9	652.2	1,470.9	575.8	800.7	3,634.5
At 31 March 2024	113.8	675.1	1,508.1	529.8	367.2	3,194.0

12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Capitalised borrowing costs

During the year ended 31 March 2026, borrowing costs of £24.4m were capitalised (31 March 2025: £24.9m), relating to borrowing costs incurred in FY26. Capitalised borrowing costs were calculated on a monthly basis, by applying the rate of interest for the relevant month to expenditure incurred in that month. The average rate of interest applied in the year ending 31 March 2026 was 6.62% (2025: 6.70%).

Borrowing costs are capitalised on significant capital projects, such as the Manchester Transformation Programme (MAN-TP), Stansted Transformation Programme (STN-TP), and large-scale implementation of Next Generation Security (NGS).

The value of borrowing costs capitalised during the year has decreased in comparison to prior year due to the reduced average interest rate applied, alongside the ramp-up on the completion of major phases of MAN-TP and the implementation of NGS. STN-TP is still active in construction and will continue to capitalise borrowing costs against it. The cumulative interest capitalised and included in the cost of property, plant and equipment at 31 March 2026 is £133.4m (2025: £109.0m), with a net book value after depreciation of £112.4m (2025: £94.2m).

Impairment review

During the year ended 31 March 2026, management carried out an impairment review of the fixed assets, including the useful economic lives of assets. No impairment charge has been recognised in the year as a result of this review (2025: an impairment charge of £3.8m was recognised relating to an impairment of terminal development design costs).

Assets in the course of construction

Assets in the course of construction total £500.3m at 31 March 2026 (2025: £800.7m). The decrease in the year is primarily due to completion of key phases of both MAN-TP and implementation of NGS, with remaining balances of £11.9m for MAN-TP (2025: £413.0m) and £11.9m for implementation of NGS (2025: £51.3m). This is offset by the continued expenditure on STN-TP, increasing to £138.5m (2025: £53.2m).

Reclassification to intangible assets

During the year ended 31 March 2026, management carried out a detailed review of the classification of fixed assets and identified assets with net book value of £2.7m that are intangible in nature. These assets have therefore been reclassified to intangible assets within note 15.

Disposal of nil net book value assets no longer in use

In the current year, a review of the intangible fixed asset records was carried out to identify fully depreciated assets no longer in use by MAG with material historical cost. Therefore, the fixed asset balances disclosed above better reflect assets still actively operated by MAG. The results of the review is a disposal of £258.9m of cost and £258.9m accumulated depreciation for assets no longer in use.

Useful Economic Life (UEL)

MAG has reviewed the UELs of its assets in line with its forecast development spend in the FY26 business plan and concluded that there are no significant changes to the UELs of affected assets.

Assets pledged as security

The bonds and bank loans are secured by a fixed and floating charge over substantially all of the Group's property, plant and equipment.

13. RIGHT-OF-USE ASSETS

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Cost				
At 1 April 2025	**292.5**	**259.6**	**28.2**	**580.3**
Additions	**4.6**	**–**	**0.6**	**5.2**
Remeasurement	**13.4**	**9.7**	**(0.2)**	**22.9**
Disposals	**–**	**–**	**(0.1)**	**(0.1)**
Foreign exchange	**(0.7)**	**–**	**–**	**(0.7)**
At 31 March 2026	**309.8**	**269.3**	**28.5**	**607.6**
Depreciation				
At 1 April 2025	**43.2**	**20.8**	**17.8**	**81.8**
Charge for the period	**13.1**	**4.3**	**2.5**	**19.9**
At 31 March 2026	**56.3**	**25.1**	**20.3**	**101.7**
Carrying amount				
At 31 March 2026	**253.5**	**244.2**	**8.2**	**505.9**
At 31 March 2025	**249.3**	**238.8**	**10.4**	**498.5**

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for the year ended 31 March 2026

13. RIGHT-OF-USE ASSETS CONTINUED

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Cost				
At 1 April 2024	267.1	246.2	23.8	537.1
Additions in relation to acquisition in the year	0.6	–	–	0.6
Additions	27.5	0.1	4.0	31.6
Remeasurement	9.6	13.3	0.4	23.3
Disposals	(11.9)	–	–	(11.9)
Foreign exchange	(0.4)	–	–	(0.4)
At 31 March 2025	292.5	259.6	28.2	580.3
Depreciation				
At 1 April 2024	32.1	16.7	14.1	62.9
Charge for the period	11.1	4.1	3.7	18.9
At 31 March 2025	43.2	20.8	17.8	81.8
Carrying amount				
At 31 March 2025	249.3	238.8	10.4	498.5
At 31 March 2024	235.0	229.5	9.7	474.2

During the year, the right-of-use assets were subject to a remeasurement of £22.9m (2025: £23.3m), as a result of minimum rent amounts due on remaining lease terms increasing across the Group's lease portfolio.

Key lease arrangements

Key lease arrangements are detailed in note 28.

Income from subleasing right-of-use assets

During the year to 31 March 2026, the income generated from subleasing right-of-use assets was £nil (2025: £1.0m), generated solely from sublets of land and buildings.

Long-term lease receivable

As a result of the sale of the non-core portfolio on 7 August 2020, a rent review was triggered on an existing lease between MAG and Manchester City Council (MCC). The rent increased from £nil to £0.6m per annum from this date, and the lease is in place until 31 August 2288.

The £0.6m per annum rental charge is passed on to the purchasers of the non-core property portfolio under identical terms to the arrangement with MCC. This represents a sale of the right-of-use asset arising from the rent review. Therefore, management have ceased to recognise the right-of-use asset and replaced it with a long-term lease receivable. The present value of amounts receivable as at 31 March 2026 is £11.2m (2025: £11.2m). The closing asset would be £9.5m if the discount rate were to increase by 1% and £13.7m if the discount rate decreased by 1%. The pass through of rental income is recognised as interest income on the long-term lease receivable.

The amounts receivable under this agreement are as follows:

	Undiscounted cash flows £m	Discounted (relating to principal balances) £m
Within 1 year	**0.6**	**–**
1 to 2 years	**0.6**	**–**
2 to 5 years	**1.8**	**–**
Over 5 years	**155.8**	**11.2**
Total	**158.8**	**11.2**

14. INVESTMENT PROPERTIES

2026	Investment properties £m
Valuation	
At 1 April 2025	**175.9**
Additions	**3.8**
Transfer to property, plant and equipment (note 12)	**(2.5)**
Revaluation	**(3.2)**
At 31 March 2026	**174.0**
Carrying amount	
At 31 March 2026	**174.0**
At 31 March 2025	**175.9**

14. INVESTMENT PROPERTIES CONTINUED

2025	Investment properties £m
Valuation	
At 1 April 2024	166.1
Additions	12.9
Transfer to property, plant and equipment (note 12)	(1.4)
Disposals	(1.0)
Revaluation	(0.7)
At 31 March 2025	175.9
Carrying amount	
At 31 March 2025	175.9
At 31 March 2024	166.1

Investment properties

The fair value of the Group's commercial investment property at 31 March 2026 has been arrived at on the basis of a valuation carried out by JLL Limited and the residential portfolio was valued by Fisher German LLP. The valuers are independent and have appropriate recognised professional qualifications; they have recent experience in the locations and categories of the properties being valued. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties, land valuations and analysis of demand within the vicinity of the relevant properties. During the year certain investment properties became occupied by the Group. The owner-occupied proportions of these properties were transferred into property, plant and equipment (note 12).

Under IAS 40 a fair value method has been adopted to revalue investment properties that become occupied by the Group and are transferred to property, plant and equipment.

The fair value measurement for all of MAG's investment properties has been categorised as a Level 3 fair value based upon the inputs to the valuation technique used. The valuers have used the following bases of valuation:

Commercial property

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
• Investment property – the investment property valuations have been carried out using the comparative and investment methods. The valuation of the commercial property has been assessed using analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the property and taking into account size, location, terms and other factors. • Other development land – valuation was based upon the net price per acre in the current market.	• Yields • Enterprise rental values	The estimated fair value would increase if: • yields were lower; and • enterprise rental values were higher. Management have deemed enterprise rental values and yields to be key inputs into the investment property valuation. Sensitivity analysis on these inputs has determined the following: • a 5.0% increase/decrease in enterprise rental value gives rise to an increase/decrease of £6.2m and £6.2m respectively; and • a 0.25% increase/decrease in yield gives rise to a decrease/increase of £5.7m and £5.7m respectively.

Residential property

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Valuation is completed on a comparable basis of similar properties in the vicinity.	Where comparable evidence is hard to obtain, adjusted information is used to reflect differences in location, size, aspect and condition.	The estimated fair value would increase if the property was: • larger; • in a preferred location; and • in a better condition.

The rental income earned by the Group from its investment property amounted to £8.3m (2025: £7.7m). Direct operating expenses arising on the investment property in the year amounted to £2.0m (2025: £1.4m), all relating to income generating investment property.

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for the year ended 31 March 2026

15. INTANGIBLE ASSETS

	Goodwill £m	Software costs £m	Other intangible assets £m	Assets in the course of construction £m	Total £m
Cost					
At 1 April 2025	**235.2**	**91.2**	**100.3**	**41.3**	**468.0**
Additions in the year	**–**	**–**	**–**	**36.3**	**36.3**
Reclassification from assets in the course of construction	**–**	**1.5**	**2.1**	**(3.6)**	**–**
Reclassification from property, plant and equipment (note 12)	**–**	**1.4**	**1.0**	**0.3**	**2.7**
Foreign exchange	**0.1**	**0.2**	**1.8**		**2.1**
Disposals	**–**	**(1.7)**	**–**	**–**	**(1.7)**
At 31 March 2026	**235.3**	**92.6**	**105.2**	**74.3**	**507.4**
Amortisation					
At 1 April 2025	**–**	**56.9**	**38.3**	**–**	**95.2**
Charge for the year	**–**	**20.5**	**7.2**	**–**	**27.7**
Disposals	**–**	**(1.7)**	**–**	**–**	**(1.7)**
At 31 March 2026	**–**	**75.7**	**45.5**	**–**	**121.2**
Carrying amount					
At 31 March 2026	**235.3**	**16.9**	**59.7**	**74.3**	**386.2**
At 31 March 2025	**235.2**	**34.3**	**62.0**	**41.3**	**372.8**

	Goodwill £m	Software costs £m	Other intangible assets £m	Assets in the course of construction £m	Total £m
Cost					
At 1 April 2024	215.5	71.9	78.0	32.3	397.7
Additions in relation to acquisition in the year	20.5	3.9	23.2	–	47.6
Additions in the year	–	–	–	33.2	33.2
Reclassification from assets in the course of construction	–	24.7	–	(24.7)	–
Reclassification (to)/from property, plant and equipment (note 12)	–	(0.9)	(0.2)	0.5	(0.6)
Foreign exchange	(0.8)	–	(0.7)	–	(1.5)
Disposals	–	(8.4)	–	–	(8.4)
At 31 March 2025	235.2	91.2	100.3	41.3	468.0
Amortisation					
At 1 April 2024	–	47.6	31.8	–	79.4
Charge for the year	–	17.7	6.5	–	24.2
Disposals	–	(8.4)	–	–	(8.4)
At 31 March 2025	–	56.9	38.3	–	95.2
Carrying amount					
At 31 March 2025	235.2	34.3	62.0	41.3	372.8
At 31 March 2024	215.5	24.3	46.2	32.3	318.3

Goodwill

Goodwill is allocated to cash generating units (CGUs) based on the benefits to the Group that arise from each business combination. For the purposes of impairment testing, goodwill is allocated to the lowest cash generating unit at which management monitor goodwill. These are listed in the table on the next page.

Of the total carrying value of goodwill at 31 March 2026, for those denominated in GBP, £166.3m is attributable to London Stansted Airport, and £10.8m to the UK distribution companies. Within entities denominated in foreign currencies, the change in the EUR:GBP exchange rate caused the value of goodwill attributable to Parkos to increase to £21.4m from £20.5m, which was largely offset by the USD:GBP exchange rate causing the value of goodwill attributable to airportparkingreservations.com LLC, ParkSleepFly.com and its subsidiary shuttlefinder.net to decrease to £36.8m from £37.6m.

15. INTANGIBLE ASSETS CONTINUED

Other intangible assets

Other intangible assets with a total carrying value of £59.7m are attributable to Metrolink (£26.4m; discussed in more detail below), operator relationships and trade names acquired with Parkos (£18.3m), airspace redesign (£10.3m), the UK distribution companies (£3.7m) and £1.0m relating to the operator and trade names of airportparkingreservations.com LLC (APR), ParkSleepFly.com (PSF) and shuttlefinder.net (SF).

In 2014 the Group secured rights to ensure that the Greater Manchester Metrolink light rail system was extended to Manchester Airport, connecting the airport to the wider Metrolink network. The cost of securing the rights has been capitalised and is being amortised over 30 years in line with the contractual agreement, which commenced from November 2014, leaving 18 years remaining at the year end. This asset forms part of the Manchester Airport CGU, as its cash flows are not independent from those of the airport.

Software costs

£16.9m of capitalised computer software costs relate to operating systems throughout the airports (£10.9m), ERP systems (£2.7m), car parking booking systems (£2.7m), and the acquisition of Parkos (£0.6m). During the year, assets with cost and accumulated amortisation of £1.7m were disposed of, relating to legacy ERP systems assets no longer in use.

Key assumptions: Fair value estimates

The impairment test for the London Stansted Airport CGU calculated its recoverable amount as its fair value less costs to sell. Fair value is determined using an indicative market value estimated with reference to recent average earnings multiples from market transactions for similar businesses, which is a Level 2 fair valuation method. Costs to sell are estimated based on the Group's experience and expectation for similar transactions.

Key assumptions: Value in use estimates

For those CGUs with significant allocated goodwill and where the recoverable amount was determined using a value in use calculation, the following key assumptions were used:

	2026		2025	
CGU	Discount rate pre-tax %	Discount rate post-tax %	Discount rate pre-tax %	Discount rate post-tax %
CAVU Marketplace				
SkyParkSecure	**19.8**	**13.9**	26.8	17.4
Looking4parking.com	**17.4**	**13.9**	27.3	17.4
ParkVia	**18.6**	**13.9**	27.3	17.4
Parkos	**19.3**	**14.2**	22.2	13.4
Airportparkingreservations.com	**17.8**	**13.3**	25.7	17.3
Parksleepfly.com	**17.5**	**13.3**	25.2	17.3
Shuttlefinder.net	**13.3**	**13.3**	25.8	17.3

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15. INTANGIBLE ASSETS CONTINUED

In estimating future cash flows attributable to each CGU, management has used the most recent financial budgets approved by the Board in March 2026 covering five years. A terminal value was then calculated using a long-term growth rate of 2.0% (2025: 2.0%) for each CGU.

The discount rates used in the cash flow forecasts have been estimated based on pre-tax rates that reflect the market participant's assessment of the time value of money and the risks specific to each CGU. In determining the discount rates, the Group has sought to arrive at a Weighted Average Cost of Capital (WACC) using the capital asset pricing model for a market participant.

Reflecting climate change

In the preparation of these financial statements the Directors have adopted a 'Paris aligned' set of assumptions and estimates based upon a 1.5 degree global warming scenario. This has been reflected in MAG's impairment assessment by reflecting the risks and opportunities detailed in the Group's TCFD disclosures on page 58 and estimated the quantum and timing in the cash flows of the Group's approved business plan upon which the impairment assessment is based. As MAG has estimated the recoverable amount of its airports' CGUs using the fair value mechanism, the quantum of climate change adaptation and mitigation spend does not impact the headroom adversely. The Directors will continue to reassess the evolving climate change risk and refine its judgements and estimates in the preparation of the Group's financial statements.

The other areas in the financial statements where the impact of the TCFD risks and opportunities have been considered are:

- going concern assessment which uses the approved business plan (see pages 110 to 112); and
- the impact on the useful economic lives of the Group's property, plant and equipment (see note 12 on page 139).

Impact of possible changes in key assumptions

Management has performed sensitivity analysis to determine the effect of reasonably possible changes to the key assumptions, including compound revenue growth and EBITDA margins, used in the assessment. No CGU is sensitive to a reasonably possible change in key assumptions, either in isolation or in combination. However, a combination of reducing revenue growth across years 1–5 by 3.0 percentage points and reducing EBITDA margin to FY26 levels into perpetuity would result in a material total impairment across three of the seven Marketplace CGUs. This scenario does not reflect potential mitigations under the control of management, including cost reductions.

Disposal of nil net book value assets no longer in use

In the current year, a review of the intangible fixed asset records was carried out to identify fully depreciated assets no longer in use by MAG with material historical cost. Therefore, the fixed asset balances disclosed above better reflect assets still actively operated by MAG. The results of the review are a disposal of £1.7m of cost and £1.7m accumulated depreciation for assets no longer in use.

Assets in the course of construction

Assets in the course of construction is £74.3m at 31 March 2026 (2025: £41.3m). The increase in the year is primarily due to the increased spend on software assets to be used throughout the airports to £35.0m (2025: £30.9m), the largest being Propel at £10.0m spend, along with increased spend on the airspace modernisation programme to £1.5m (2025: £7.2m).

16. INVESTMENT IN ASSOCIATE

	2026 £m
Cost and carrying value	
At 1 April 2025	**6.3**
Investment in associate	**–**
Distributions from associate	**–**
Group's share of loss of associate	**(0.2)**
At 31 March 2026	**6.1**

	2025 £m
Cost and carrying value	
At 1 April 2024	7.7
Investment in associate	0.2
Distributions from associate	(1.1)
Group's share of loss of associate	(0.5)
At 31 March 2025	6.3

The investment in associate relates to the Group's 20% investment in MIX Manchester.

MIX Manchester (previously known as Airport City), a partnership with three other partners to develop part of the land around Manchester Airport for hotels, offices and logistics and advanced manufacturing, was formally constituted on 8 October 2014.

16. INVESTMENT IN ASSOCIATE CONTINUED

MIX Manchester's year end date is coterminous with the Group's year end, and the financial information detailed below is consistent with the MIX Manchester financial statements prepared to the same date. Summarised financial information of the Group's investment in MIX Manchester is as follows.

	2026 £m	2025 £m
Current assets	**38.9**	38.3
Current liabilities	**(8.4)**	(6.7)
Net assets	**30.5**	31.6
Group's share of associate's net assets	**6.1**	6.3
MAG set-up costs	**–**	0.5
Carrying value of investment	**6.1**	6.8
Revenue	**7.9**	8.9
(Loss)/Profit for the year	**(1.2)**	0.8
Share of (loss)/profit for the year	**(0.2)**	0.2
Amortisation of set-up costs	**–**	(0.7)
Group's share loss of associate	**(0.2)**	(0.5)

As part of its investment in MIX Manchester, the Group has agreed to pay an equity contribution up to a maximum of £12.0m if required, of which £3.1m was drawn down at 31 March 2026 (2025: £3.1m).

MIX Manchester has no significant contingent liabilities to which the Group is exposed, and there are no restrictions that would prevent the transfer of funds to the Group (2025: none).

17. TRADE AND OTHER RECEIVABLES

	2026 £m	2025 £m
Trade receivables	**91.1**	87.4
Other receivables	**14.3**	27.2
Prepayments	**27.7**	18.9
Trade and other receivables (excluding corporation tax recoverable and accrued income)	**133.1**	133.5
Accrued income	**48.9**	54.3
Corporation tax recoverable	**67.5**	58.2
Trade and other receivables (including corporation tax recoverable and accrued income)	**249.5**	246.0

Included within prepayments is £1.1m of unamortised costs relating to the Group's revolving credit facility. As the facility was undrawn, these costs have been recognised as a prepayment rather than offset against borrowings.

Provisions for expected credit losses within trade receivables have been made, totalling £7.8m (2025: £6.6m). This includes reserves against specific debts estimated as irrecoverable, and an additional provision of £1.2m (2025: £0.3m).

The Directors consider that the carrying amount of trade and other receivables approximates to fair value. Trade receivables are non-interest bearing and are generally on 30-day terms. The level of past due debts over 90 days old, based on their due date, is as follows:

	2026 £m	2025 £m
Debt due over 90 days	**1.5**	2.2
Total	**1.5**	2.2

Movement in the provision for impairment of trade receivables is as follows:

	£m
Balance at 1 April 2025	**6.6**
Additional provision during the year	**1.2**
Balance at 31 March 2026	**7.8**
Balance at 1 April 2024	6.7
Decrease in allowance for impaired receivables	(0.4)
Additional provision during the year	0.3
Balance at 31 March 2025	6.6

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for the year ended 31 March 2026

17. TRADE AND OTHER RECEIVABLES CONTINUED

The ageing of these receivables is as follows:

	2026 £m	2025 £m
30 to 60 days	**1.6**	1.3
60 to 90 days	**0.3**	0.5
Over 90 days	**5.9**	4.8
Total	**7.8**	6.6

Amounts charged to the provision account are generally written off when there is no expectation of recovery. The creation and release of provisions for impaired receivables have been included in operating expenses in the consolidated income statement.

The Group has limited exposure to foreign currency exchange risk from trade and other receivables. The total carrying amount of trade and other receivables denominated in foreign currencies is £21.7m, primarily in US dollars, Euros and Australian dollars. Additional disclosure on financial risk is included in note 23.

18. CASH AND CASH EQUIVALENTS

	2026 £m	2025 £m
Cash at bank and in hand	**374.5**	533.3
Overdrafts shown net of cash and cash equivalents	**(106.1)**	–
Total	**268.4**	533.3

Cash and cash equivalents comprises cash at bank and in hand and overdrafts, which are presented net as the criteria set out in our accounting policy on page 168 were met as of 31 March 2026. The comparative amount excludes overdrafts as the criteria had not been met as of 31 March 2025. The comparative overdraft balance can be found in note 20 to the financial statements.

19. BORROWINGS

	Note	2026 £m	2025 £m
Bank loans and overdrafts	20	**–**	268.7
Current borrowings		**–**	268.7
Bank loans and overdrafts		**–**	(2.9)
Bonds and hedging instruments	21	**2,468.2**	2,152.5
Other borrowings	22	**1,154.5**	1,174.2
Non-current borrowings		**3,622.7**	3,323.8
Total borrowings		**3,622.7**	3,592.5

The comparative figure includes £2.9m of unamortised issue costs of RCF fees, management have concluded in current year to present this within prepayments, see note 17 for further details.

Borrowings are repayable as follows:

	Note	2026 £m	2025 £m
In one year or less, or on demand			
Overdrafts	20	**–**	268.7
Bonds		**–**	–
		–	268.7
In more than one year, but no more than two years			
Other borrowings	22	**129.8**	29.8
		129.8	29.8
In more than two years, but no more than five years			
Bank loans		**–**	(2.9)
Other borrowings	22	**133.7**	233.4
		133.7	230.5
In more than five years – due other than by instalments			
Bonds and hedging instruments	21	**2,468.2**	2,152.5
Other borrowings	22	**891.0**	911.0
		3,359.2	3,063.5
Non-current borrowings		**3,622.7**	3,323.8
Total borrowings		**3,622.7**	3,592.5

19. BORROWINGS CONTINUED

Bank overdrafts have been excluded from borrowings disclosed within one year as they are presented net within cash and cash equivalents in accordance with the Group's accounting policy. Refer to Note 20 for further details.

The Group is party to a Common Terms Agreement (CTA) where bank and bond creditors benefit from the same suite of representations, warranties and covenants. The CTA was signed on 14 February 2014.

The CTA together with a Master Definitions Agreement covers, inter alia, The Amended and Restated Initial Authorised Credit Facility Agreement (ACF), The Amended and Restated Liquidity Facility (LF) Agreement, and the Group's issue of publicly listed fixed rate secured bonds.

The Amended and Restated LF Agreement was increased from £90.0m to £135.0m on 6 March 2025 and is sized to cover 12 months interest on secured debt. The LF Agreement is a 364-day revolving facility with a five year term on each annual renewal. The LF, along with the RCF, were refinanced in November 2025 with a maturity date of November 2030 with the option of two 1-year extensions.

The Group issued a £450.0m publicly listed fixed rate secured bond on 14 February 2014 with a scheduled and legal maturity of 2034.

The Group issued a £300.0m publicly listed fixed rate secured bond on 15 November 2017 with a scheduled and legal maturity of 2039.

The Group issued a £350.0m publicly listed fixed rate secured bond on 9 May 2019 with a scheduled and legal maturity of 31 March 2044.

The Group successfully issued a £360.0m fixed rate secured bond in September 2023 with a legal maturity of 30 September 2041.

The Group issued a £300.0m fixed rate secured bond in April 2024 with a legal maturity of 30 September 2042.

The Group issued a €500.0m fixed rate secured bond in March 2025 with a legal maturity of 19 March 2035. At the same time the Group entered into a EUR-GBP fixed-fixed cross currency swap for a £420.35m GBP notional at a GBP fixed rate of 5.7018% per annum.

The derivative related to the Group's EUR-GBP fixed-fixed cross currency swap, related to €500.0m bond, was in an asset position at 31 March 2026 and so has been presented separately in non-current assets in FY26. This is disclosed within note 23. The derivative was in a liability position at the prior year end and so the comparative amount is presented with the corresponding bonds.

The Group issued a £300.0m fixed rate secured bond in January 2026 with a legal maturity of 30 September 2036.

Issue costs arising in relation to raising all of the bonds described above are amortised over the duration of the financing as part of the effective interest rate.

The Group's borrowings are all secured via a fixed and floating charge over substantially all of the assets of the Group.

20. BANK LOANS AND OVERDRAFTS

	2026 £m	2025 £m
Bank loans and overdrafts	–	268.7
Total	–	268.7

At 31 March 2026 the Group had £480.0m (2025: £480.0m) undrawn committed borrowing facilities. The undrawn committed borrowing facilities consist of a £500.0m Secured Revolving Credit Facility, less certain carve-outs in respect of ancillary facilities of £20.0m (2025: £20.0m). The Group also had access to £10.0m of overdraft facilities.

Interest on the Secured Revolving Credit Facility is linked to SONIA plus a margin.

Net cash and cash equivalent balances can be found in note 18 to the financial statements.

See note 19 for further information on financial liabilities, including maturity analysis.

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21. BONDS

	2026 £m	2025 £m
Repayable other than by instalments (GBP):		
MAG bond 4.75% £450.0m due 2034	**450.0**	450.0
MAG bond 5.25% £300.0m due 2036	**300.0**	–
MAG bond 2.875% £300.0m due 2039	**300.0**	300.0
MAG bond 6.125% £360.0m due 2041	**360.0**	360.0
MAG bond 5.75% £300.0m due 2042	**300.0**	300.0
MAG bond 2.875% £350.0m due 2044	**350.0**	350.0
Less: discount on issue	**(11.1)**	(10.9)
Less: unamortised debt issue costs	**(14.3)**	(13.4)
	2,034.6	1,735.7
Repayable other than by instalments (EUR):		
MAG bond 4.00% €500.0m due 2035	**435.0**	416.6
Derivative liability	**–**	1.7
Less: unamortised debt issue costs	**(1.4)**	(1.5)
	433.6	416.8
Total	**2,468.2**	2,152.5

See note 19 for further information on financial liabilities, including maturity analysis. All bonds are listed on the London Stock Exchange (LSE).

22. OTHER BORROWINGS

	2026 £m	2025 £m
Repayable other than by instalments:		
Shareholders' loan at an interest rate of 12% expiring on 9 February 2055	**334.9**	340.5
Shareholders' loan at an interest rate of 10% expiring on 30 September 2056	**225.2**	229.5
Shareholders' loan at an interest rate of 10% expiring on 30 September 2057	**225.2**	229.5
Shareholders' loan at an interest rate of 10% expiring on 30 September 2058	**369.5**	375.1
Less: unamortised debt issue costs	**(0.3)**	(0.4)
	1,154.5	1,174.2

The shareholders' loans are unsecured. The principal balances of the loans equate to £901.9m (2025: £901.9m), with accrued interest of £271.4m at 31 March 2026 (2025: £287.6m). Amounts in the table above are also reduced by:

- the cumulative impact of modifications since inception, which was a net gain of £51.2m at 31 March 2026 (2025: net gain of £36.9m) recognised up to the respective reporting dates; and
- the impact of applying the effective interest rate method as required under IFRS 9 of £32.7m (2025: £22.0m).

As part of MAG's strategic financial response to the Covid-19 pandemic, the Group agreed with its shareholders to a deferral of interest charges in relation to the shareholder loans. Deferred interest incurs an interest rate of 3% over the bank deposit rate and the Directors currently estimate that the deferred interest will be repaid between 31 March 2026 and 31 March 2030. Under IFRS 9, the change has resulted in a modification of the estimated cash flows, however this is assessed to not be a substantial modification. As such, the change in timing and amount of the estimated future cash flow has been adjusted in the period of change, with the corresponding charge being recognised in the income statement. The modification gain of £14.1m (2025: loss of £3.8m) is presented in finance income or costs, within Adjusted items.

The estimation of the repayment period for deferred is a key estimate, and sensitivity analysis on key inputs can be found in note 7 to the financial statements.

23. FINANCIAL INSTRUMENTS

Risk management

The Group's activities expose it to a variety of financial risks. The Group's funding, liquidity and exposure to interest rate risks are managed by the Group's treasury function.

Treasury operations are conducted within a framework of policies, which are approved and subsequently monitored by the Board. These include guidelines on funding, interest rate risk management and counterparty risk management.

Interest rate risk

The Group actively manages its exposure to interest rate risk through determining the optimum profile and mix of funding between fixed and floating rates that is most appropriate to the Group's cash flows, up to a maximum of 100% fixed. Where necessary, the Group uses derivative financial instruments such as interest rate swaps to generate the desired interest rate profile and to manage the Group's exposure to interest rate fluctuations, but based on the current debt profile there are no instruments in place at the year end. The cash balances attract interest at floating rates.

Liquidity risk

The principal sources of the Group's liquidity risk are the ability to refinance debt facilities as they fall due, ensuring cash and cash equivalents are accessible as when required and borrowing facilities are sufficient for the future needs of the Group. Although there can be no certainty that financing markets will remain open for issuance at all times, debt maturities are spread over a range of dates, thereby ensuring that the Group is not exposed to excessive refinancing risk in any one year. The Group's key guideline in managing liquidity risk is to limit the amount of borrowings maturing within 12 months to 35% of gross borrowings less cash and cash equivalents. All cash and cash equivalents are held on short-term deposit within term limits set by the Board. Moreover, debt facilities are maintained at a level that is sufficient to provide a reasonable surplus beyond the future needs of the Group.

At the year ended 31 March 2026, MAG had £4,129.8m (2025: £3,831.2m) of committed facilities (excluding the Initial LF Agreement) and a net debt position of £3,354.3m (2025: £3,059.2m), each including deferred interest on shareholder loans and related modification gains. MAG had financial headroom of £758.3m (2025: £754.6m) at the year end, a level comfortably in excess of the internal compliance target. Under existing facilities and based on the Board approved business plan, MAG is forecast to have financial headroom in excess of the minimum Treasury Policy target of £100.0m throughout 2026–27.

Foreign exchange risk

The Group is not materially exposed to foreign exchange risk as all material transactions are in pounds sterling or converted to sterling using derivative financial instruments. As we look to grow operations in the USA in the future, where the income and expenditure do not naturally offset, we may consider the use of currency hedges to manage any exposure to foreign exchange. Where the Group looks to raise finance in non-sterling currencies, MAG will look to reduce foreign exchange exposure by hedging the future interest and principal cash flows into known sterling amounts.

The Group has a EUR-GBP fixed cross currency swap for £420.35m GBP notional at a GBP fixed rate of 5.7018% p.a, which is designated as a cash flow hedge in respect of the Group's €500.0m bond issued in March 2025. A corresponding finance cost of £23.9m has been recognised within finance costs in the income statement, and a hedging gain (net of tax) of £2.3m (2025: gain of £2.2m) has been recognised in other comprehensive income.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and trade receivables. The Group has no significant concentrations of credit risk. The Group's exposure to credit related losses, in the event of non-performance by counterparties to financial instruments, is mitigated by limiting exposure to any one party or instrument and ensuring only counterparties within defined credit risk parameters are used.

The Group maintains a prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. Board approved investment policies provide counterparty investment limits, based on credit ratings. Investment activity is reviewed on a regular basis and no cash or cash equivalents are placed with counterparties with short-term credit ratings lower than the prescribed limits. The Group monitors the credit rating of market counterparties on a regular basis.

The Group's exposure to credit risk on trade receivables is mitigated by limiting exposure to any one counterparty. Risk reports and available aviation and financial information updates used by the Group provide valuable information in relation to any changes in the credit risk profile of its customers, or within the market, and allow the Group to take a flexible approach to the management of risk. Credit exposures in relation to ad hoc customers are mitigated, where necessary, using prepayments or the request of deposits.

An analysis of trade receivables, including the value of those past their due dates and the provision for impairment, is included in note 17.

Notes to the financial statements continued

for the year ended 31 March 2026

23. FINANCIAL INSTRUMENTS CONTINUED

Financial liabilities

(a) Interest rate profile of financial liabilities

The interest rate profile of the Group's financial liabilities as at 31 March 2026 was as follows:

	2026 £m	2025 £m
Fixed rate financial liabilities	**3,351.3**	3,039.0
Floating rate financial liabilities	**271.4**	553.5
	3,622.7	3,592.5

The Revolving Credit Facility bears an interest rate based on Sterling Overnight Index Average (SONIA) at the Group's discretion, between one week and six months, plus a credit margin. The overdrafts bear interest at Bank of England Base Rate plus a credit margin.

The Group has prepared an analysis of the impact of potential, likely changes in interest rates.

The result of an increase in interest rates of 1pp per annum on floating rate financial instruments less cash earning interest at a variable rate would be to increase/(decrease) income and equity for the year by the following amounts:

	2026 £m	2025 £m
Impact on income statement and equity	**–**	(0.2)
	–	(0.2)

(b) Fixed rate and non-interest bearing financial liabilities

	2026 £m	2025 £m
Weighted average annual interest rate	**6.34%**	6.44%
Weighted average period for which interest rate is fixed	**17yrs 6m**	19yrs 2m

The weighted average period for non-interest bearing liabilities as at 31 March 2026 was one year (2025: one year).

(c) Maturity analysis of financial liabilities

The table below shows the gross undiscounted contractual cash outflows in relation to the Group's financial liabilities as at 31 March 2026 to the contract maturity date.

	2026 £m	2025 £m
In one year or less, or on demand	**279.6**	233.3
In more than one year but not more than two years	**319.3**	263.9
In more than two years but not more than five years	**787.7**	866.6
In more than five years	**6,709.1**	6,521.0
	8,095.7	7,884.8

This maturity profile represents the fair value of all financial liabilities, as denoted in table (d).

Undrawn committed borrowing facilities

As at 31 March 2026, the Group had an undrawn committed borrowing facility available amounting to £480.0m (2025: £480.0m).

	2026 Floating rate £m	2025 Floating rate £m
Expiring in more than two years	**480.0**	480.0
	480.0	480.0

(d) Fair values versus carrying amounts of financial statements

The following table provides a comparison, by category, of the carrying amounts and the fair values of the Group's financial instruments at each reporting date. Fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale, and excludes accrued interest. Where available, market values have been used to determine fair values.

23. FINANCIAL INSTRUMENTS CONTINUED

Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates.

		2026		2025	
Financial liabilities:	Note	**Carrying amount £m**	**Fair value £m**	Carrying amount £m	Fair value £m
Instruments held at amortised cost					
Bank loans and overdrafts	19	**–**	**–**	(265.8)	(265.8)
Trade payables	24	**(91.4)**	**(91.4)**	(98.9)	(98.9)
Bonds	21	**(2,468.2)**	**(2,182.2)**	(2,152.5)	(1,923.4)
Other borrowings	22	**(1,154.5)**	**(1,060.9)**	(1,174.2)	(1,103.0)
		(3,714.1)	**(3,334.5)**	(3,691.4)	(3,391.1)
Financial assets:					
Instruments held at amortised cost					
Other receivables	17	**14.3**	**14.3**	27.2	27.2
Accrued income	17	**48.9**	**48.9**	54.3	54.3
Cash and cash equivalents	18	**268.4**	**268.4**	533.3	533.3
Trade receivables	17	**91.1**	**91.1**	87.4	87.4
Long term lease receivable	13	**11.2**	**11.2**	11.2	11.2
Other assets held at fair value					
Derivative financial assets		**16.2**	**16.2**	–	–
		450.1	**450.1**	713.4	713.4
Net financial liabilities		**(3,264.0)**	**(2,884.4)**	(2,978.0)	(2,677.7)

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

- **Level 1** – quoted prices in active markets for identical assets or liabilities;
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by a Level 2 valuation method.

Summary of methods and assumptions used for determining fair values

Bonds	The fair value of publicly listed bonds is based on market prices or, if not available, brokers' quotes. The carrying value is net of unamortised issue costs.
Bank loans	The fair value of the bank loans approximates to the carrying value given their floating rate basis and interest setting frequency. The carrying value is net of unamortised issue costs.
Other borrowings	The fair value of other borrowings is based on a discounted cash flow methodology that reflects movements in underlying market rates.
Cash at bank and in hand	The fair value of cash at bank and in hand approximates to the carrying value as all deposits have same-day access.
Trade receivables and payables	The fair value of trade receivables and trade payables approximates to the carrying value given their short-term nature.
Long term lease receivable	The fair value of long-term lease receivables approximates the carrying value, as the receivable is held at amortised cost using the effective interest rate / discount rate applied in the lease calculation.
Derivative financial assets	The fair value of derivative financial assets is determined using mark-to-market valuations obtained from three swap counterparty banks, based on observable market inputs.

(e) Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**2026 Carrying amount £m**	2025 Carrying amount £m
Trade receivables	17	**91.1**	87.4
Other receivables	17	**14.3**	27.2
Accrued Income	17	**48.9**	54.3
Net cash and cash equivalents	18	**268.4**	533.3
Derivative financial asset	19	**16.2**	–
Credit exposure		**438.9**	702.2

Further analysis on the credit risk, ageing and impairment of trade receivables can be found in note 17.

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for the year ended 31 March 2026

24. TRADE AND OTHER PAYABLES

	2026 £m	2025 £m
Trade payables	**91.4**	98.9
Other taxation and social security	**11.8**	10.2
Other payables	**4.3**	10.8
Accruals	**264.0**	278.1
Capital-based grants	**1.3**	1.6
	372.8	399.6

The Directors consider that the carrying value of trade and other payables approximates to their fair value.

Included within the accruals balance of £264.0m (2025: £278.1m) comprises capital accruals of £98.8m (2025: £113.9m) and operational expenditure accruals of £165.2m (2025: £164.2m). All accruals relating to the deferral of interest payments on shareholder loans are included within borrowings.

25. DEFERRED INCOME

	2026 £m	2025 £m
Deferred income	**48.9**	45.1
Total	**48.9**	45.1

Deferred income primarily relates to cash receipts for car park bookings not yet consumed, and cash receipts on property income billed in advance.

26. PROVISIONS

	Post sale commitments £m	Other provisions £m	Total £m
1 April 2025	**5.0**	**26.4**	**31.4**
Additional provisions recognised	**0.5**	**9.5**	**10.0**
Unused amounts reversed	**–**	**(1.9)**	**(1.9)**
Utilised	**–**	**(7.5)**	**(7.5)**
31 March 2026	**5.5**	**26.5**	**32.0**
Current	**–**	**26.5**	**26.5**
Non-current	**5.5**	**–**	**5.5**
31 March 2026	**5.5**	**26.5**	**32.0**

Post sale commitments

As part of the Group's disposal of its non core property portfolio in August 2020, the Group entered into commitments to third parties as a result of the sale, relating to post completion under the sale and purchase agreement. Management has estimated the cost of providing these services to be £5.5m. Management anticipates that the satisfaction of the provision will be achieved within the next two to four years. The estimated cash flows have been discounted based upon initial estimated cash outlay less future income stream discounted at the Group cost of capital.

Other provisions

The other provisions balance includes provisions for insurance claims liabilities from incidents which have occurred at our operating locations and provisions relating to potential litigation across the Group. Management has estimated the current value of satisfying the liabilities in this category to be £26.5m.

None of the provisions are materially sensitive.

27. RETIREMENT BENEFIT LIABILITIES

Defined contribution schemes

The Group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total cost charged to income of £26.0m (2025: £22.8m) represents contributions payable to the scheme by the Group at rates in the pension scheme's contribution schedule. As at 31 March 2026, there was £nil (2025: £nil) of contributions due in respect of the current reporting period that had not been paid over to the scheme.

Defined benefit schemes

During the year, the Group operated three defined benefit pension schemes as follows:

- M.A.G (STAL) Pension Scheme (STAL).
- E.M.I.A. Pension Scheme (EMIA).
- The Greater Manchester Pension Fund (GMPF) – unfunded liabilities only.

Collectively these are known as the 'Schemes'.

Under the Schemes, the employees are entitled to retirement benefits based on salary and length of service at the time of leaving the Schemes, payable on attainment of retirement age (or earlier withdrawal or death). No other post-retirement benefits are provided. All Schemes are closed to new entrants and future accrual of benefits.

The Group operates the Schemes under the UK regulatory framework. Benefits are paid to members from trustee-administered funds, and the trustees of each scheme are responsible for ensuring that each respective scheme is sufficiently funded to meet current and future benefit payments. Scheme assets are held in trusts separate to the Group. If investment experience is worse than expected, the Group's obligations are increased.

The nature of the relationship between the Group and the trustees of each scheme is also governed by UK regulation. The trustees must agree a funding plan with the Group such that any funding shortfall is expected to be met by additional contributions and investment performance. In order to assess the level of contributions required, triennial valuations are carried out, with each scheme's obligations being measured using prudent assumptions (relative to those used to measure accounting liabilities).

The trustees' other duties included managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary benefits. The Group works closely with the trustees to manage each scheme.

A High Court legal ruling in June 2023 (Virgin Media Limited v NTL Pension Trustees II Limited) decided that certain rule amendments between 1997 and 2016 for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation.

The Court of Appeal judgment was published on 25 July 2024 and stated the appeal was unsuccessful. On 5 June 2025, the Government confirmed that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards.

Therefore, the defined benefit obligation for the Schemes have been calculated on the basis of the pension benefits currently being administered.

Total regular employer's pension contributions for the Schemes across the Group during the year ended 31 March 2026 amounted to £0.4m (2025: £0.4m) and there were no one-off contributions during this period (2025: £nil).

Total employees' pension contributions for the Schemes across the Group during the year ended 31 March 2026 amounted to £nil (2025: £nil) and there were no one-off contributions during this period (2025: £nil).

Actuarial gains or losses are recognised immediately in the statement of comprehensive income, included within remeasurements.

M.A.G (STAL) Pension Scheme (STAL)

The last full actuarial valuation of STAL was carried out by the Scheme Actuary on 30 September 2022. The aggregate market value of the assets was updated by a full valuation and at the date of that actuarial valuation was £197.9m (previous valuation £198.8m), which represented approximately 124% (previous valuation 89.3%) of the present value of the liabilities. STAL was valued using the projected unit method. The actuarial valuation as at 30 September 2025 is currently in progress. There are no expected future contributions for the year-ending 31 March 2027.

Other schemes

The last full actuarial valuation of EMIA was carried out by the Scheme Actuary on 6 April 2023. The actuarial valuation as at 30 September 2025 is currently in progress.

The aggregate market value of the assets in EMIA at the date of the actuarial valuation was £68.8m (previous valuation £60.6m), which represented approximately 107% (previous valuation 67%) of the present value of the liabilities. EMIA was valued using the projected unit method. There are no expected future contributions for the year ending 31 March 2027.

The other schemes are not significant to the Group and details of their valuation are included in the relevant entity's financial statements.

The numerical disclosure provided below for the Schemes is based on the most recent actuarial valuations disclosed above, which have been updated by independent qualified actuaries to take account of the requirements of IAS 19.

27. RETIREMENT BENEFIT LIABILITIES CONTINUED

The key assumptions used are as follows:

	STAL		EMIA	
	2026	2025	**2026**	2025
Discount rate	**6.15%**	5.85%	**6.05%**	5.75%
RPI inflation	**3.30%**	3.10%	**3.30%**	3.15%
CPI inflation	**2.95%**	2.55%	**2.90%**	2.50%
Increases to pensions in payment				
RPI (max 5%)	**3.20%**	3.05%	**3.20%**	3.05%
RPI (max 2.5%)	**2.20%**	2.15%	**2.20%**	2.15%
CPI (max 3%)	**2.35%**	2.15%	**2.35%**	2.15%
RPI	**3.30%**	3.10%	**3.30%**	3.15%
Life expectancy from 65				
Longevity at age 65 for current pensioners				
Males	**21.0**	21.1	**21.5**	21.9
Females	**22.9**	23.4	**23.6**	24.0
Longevity at age 45 for current members				
Males	**22.4**	22.5	**22.8**	23.2
Females	**24.3**	24.8	**25.1**	25.4

The RPI inflation assumption is set by extrapolating the Bank of England implied inflation curve out to longer terms and using the same projected cash flows to derive a single equivalent RPI inflation assumption. CPI inflation is set by reference to RPI inflation as no CPI-linked bonds exist. Management have continued to use the revised basis for the estimation of the inflation assumptions following the Government's announcement in 2020 to align RPI and Consumer Prices Index with Housing (CPI-H) from February 2030.

Risk and risk management

The Group's defined benefit pension schemes, in common with the majority of such schemes in the UK, have a number of areas of risk. These areas of risk, and the ways in which the Group has sought to manage them, are set out in the table below.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements.

Asset volatility	The Schemes' assets are well-diversified with investments in a range of asset classes, including government bonds and corporate bonds. These assets are subject to changes in market values over time.
Changes in bond yields	A fall in bond yields increases the value placed on the liabilities for reporting purposes and for setting the Group's contribution requirements. However, in this scenario, the value of the Schemes' investment in government bonds is expected to increase and therefore offset some of the increase in the value placed on the liabilities.
Inflation risk	The majority of the Schemes' benefit obligations are linked to inflation and higher out-turn inflation will lead to a higher benefit obligation (although in most cases caps on the level of inflationary increases are in place to protect the plan against extreme inflation). A high proportion of the Schemes' assets provide a direct hedge against changes in inflation as they are index-linked in nature e.g. index-linked government bonds.
Life expectancy	The majority of the Schemes' obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the Schemes' liabilities. This is particularly significant where the longer duration and inflation-linked nature of the payments result in higher sensitivity to changes in life expectancy. The Schemes do not contain a hedge against increases in future life expectancy.

27. RETIREMENT BENEFIT LIABILITIES CONTINUED

Detail of the net pension liability by scheme are shown in the table below.

	Fair value of scheme assets £m	Present value of defined benefit obligations £m	(Deficit)/surplus in the scheme[3] £m
STAL[1]			
2026	**196.6**	**(119.1)**	**77.5**
2025	196.0	(117.1)	78.9
2024	206.3	(133.0)	73.3
2023	214.1	(134.3)	79.8
EMIA[1]			
2026	**60.1**	**(51.8)**	**8.3**
2025	61.7	(52.9)	8.8
2024	65.2	(56.7)	8.5
2023	69.0	(58.1)	10.9
Total[2, 4, 5]			
2026	**256.7**	**(173.8)**	**82.9**
2025	257.7	(173.1)	84.6
2024	273.5	(195.7)	77.8
2023	285.3	(198.7)	86.6

1 EMIA and STAL have a combined surplus of £85.8m which would be in the form of refunds. The Group's assessment is that it has a right to a refund of surplus under the IFRIC 14 requirements based on the rules of the respective schemes. Since these schemes have closed to accrual, the surpluses can only be recognised as a right to refund.

2 Figures include the value of the GMPF liabilities that are unfunded, £2.9m (2025: £3.1m), as this has remained as an obligation to MAG in respect of the GMPF following the conclusion of the Deferred Debt Agreement on 2 September 2022.

3 The total of £82.9m shows the net position across the Group, however the surplus in the STAL and EMIA schemes cannot be offset against the deficit of the GMPF, so these are presented separately.

4 There have been no other adjustments made in line with IFRIC 14.

5 The total also includes the amounts for GMPF for all years and AVPS for the figures shown up to FY24.

Plan assets

	STAL		EMIA		TOTAL	
	2026 £m	2025 £m	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Equities and other growth assets	**15.7**	0.0	**4.6**	0.0	**20.3**	0.0
Corporate and government bonds	**177.5**	178.3	**52.6**	53.9	**230.1**	232.2
Other	**3.4**	17.7	**2.9**	7.8	**6.3**	25.5
Fair value of assets	**196.6**	196.0	**60.1**	61.7	**256.7**	257.7

EMIA contains Level 3 assets where the valuation is not based upon observable market data. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar assets and discounted cash flow methods.

The valuation techniques applied to the Level 3 assets within the Group's pension schemes are for EMIA Annuities (to discharge liability relating to specific scheme members) – valued at the corresponding amount of the relevant scheme member's scheme obligation.

Movement in net defined benefit liability – All schemes

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2026 £m	2025 £m	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Opening position as at 1 April	**(173.1)**	(195.7)	**257.7**	273.5	**84.6**	77.8
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	**–**	–	**(0.7)**	(1.0)	**(0.7)**	(1.0)
Interest (cost)/income	**(9.9)**	(9.4)	**14.8**	13.2	**4.9**	3.8
	(9.9)	(9.4)	**14.1**	12.2	**4.2**	2.8
Amount recognised in the statement of comprehensive income (SOCI)						
Actual return less expected return on pension scheme assets	**–**	–	**(7.6)**	(21.4)	**(7.6)**	(21.4)
Experience (loss)/gain arising on scheme liabilities	**(2.8)**	(0.6)	**–**	–	**(2.8)**	(0.6)
Remeasurement gain/(loss) due to financial assumption changes	**2.3**	25.3	**–**	–	**2.3**	25.3
Remeasurement gain due to demographic assumption changes	**1.8**	0.3	**–**	–	**1.8**	0.3
	1.3	25.0	**(7.6)**	(21.4)	**(6.3)**	3.6
Cash flows						
Contributions	**–**	–	**0.4**	0.4	**0.4**	0.4
Benefits paid	**7.9**	7.0	**(7.9)**	(7.0)	**–**	–
Closing position as at 31 March	**(173.8)**	(173.1)	**256.7**	257.7	**82.9**	84.6

The total of £82.9m shows the net position across the Group, however the surplus in STAL and EMIA cannot be offset against the deficit of the other schemes, so these are presented separately.

Notes to the financial statements continued

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27. RETIREMENT BENEFIT LIABILITIES CONTINUED

Movement in net defined benefit liability – STAL Scheme

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2026 £m	2025 £m	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Opening position as at 1 April	**(117.1)**	(133.0)	**196.0**	206.3	**78.9**	73.3
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	**–**	–	**(0.4)**	(0.5)	**(0.4)**	(0.5)
Interest (cost)/income	**(6.7)**	(6.4)	**11.3**	10.0	**4.6**	3.6
	(6.7)	(6.4)	**10.9**	9.5	**4.2**	3.1
Amount recognised in the statement of comprehensive income (SOCI)						
Actual return less expected return on pension scheme assets	**–**	–	**(5.8)**	(16.0)	**(5.8)**	(16.0)
Experience loss arising on scheme liabilities	**(1.9)**	(0.4)	**–**	–	**(1.9)**	(0.4)
Remeasurement gain due to financial assumption changes	**1.3**	18.8	**–**	–	**1.3**	18.8
Remeasurement gain due to demographic assumption changes	**0.8**	0.1	**–**	–	**0.8**	0.1
	0.2	18.5	**(5.8)**	(16.0)	**(5.6)**	2.5
Cash flows						
Contributions	**–**	–	**–**	–	**–**	–
Benefits paid	**4.5**	3.8	**(4.5)**	(3.8)	**–**	–
Closing position as at 31 March	**(119.1)**	(117.1)	**196.6**	196.0	**77.5**	78.9

STAL liabilities have a duration of approximately 15 years (2025: 16 years).

Movement in net defined benefit liability – EMIA scheme

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2026 £m	2025 £m	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Opening position as at 1 April	**(52.9)**	(56.7)	**61.7**	65.2	**8.8**	8.5
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	**–**	–	**(0.3)**	(0.3)	**(0.3)**	(0.3)
Interest (cost)/income	**(3.0)**	(2.8)	**3.5**	3.2	**0.5**	0.4
	(3.0)	(2.8)	**3.2**	2.9	**0.2**	0.1
Amount recognised in the statement of comprehensive income (SOCI)						
Actual return less expected return on pension scheme assets	**–**	–	**(1.8)**	(5.3)	**(1.8)**	(5.3)
Experience loss arising on scheme liabilities	**(0.9)**	(0.2)	**–**	–	**(0.9)**	(0.2)
Remeasurement gain due to financial assumption changes	**1.0**	6.1	**–**	–	**1.0**	6.1
Remeasurement gain due to demographic assumption changes	**1.0**	0.1	**–**	–	**1.0**	0.1
	1.1	6.0	**(1.8)**	(5.3)	**(0.7)**	0.7
Cash flows						
Contributions	**–**	–	**–**	–	**–**	–
Benefits paid	**3.0**	2.8	**(3.0)**	(2.8)	**–**	–
Transfer of AVPS members	**–**	(2.2)	**–**	1.7	**–**	(0.5)
Closing position as at 31 March	**(51.8)**	(52.9)	**60.1**	61.7	**8.3**	8.8

EMIA liabilities have a duration of approximately 12 years (2025: 13 years).

27. RETIREMENT BENEFIT LIABILITIES CONTINUED

History of experience gains and losses

	STAL		EMIA	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Difference between actual and expected returns on assets	**(5.8)**	(16.0)	**(1.8)**	(5.3)
% of scheme assets	**(3.0)%**	(8.2)%	**(3.0)%**	(8.6)%
Experience (loss)/gain on liabilities amount	**(1.9)**	(0.4)	**(0.9)**	(0.2)
% of scheme liabilities	**(1.6)%**	(0.3)%	**1.7%**	(0.4)%
Total amount recognised in SOCI	**(5.6)**	2.5	**(0.7)**	0.7
% of scheme liabilities	**4.7%**	(2.1)%	**1.4%**	(1.3)%

Sensitivity analysis

	2026		
	STAL £m	**EMIA £m**	**Total £m**
0.5% p.a. increase in real discount rate	**(8.0)**	**(2.7)**	**(10.7)**
0.5% p.a. decrease in real discount rate	**9.0**	**3.0**	**12.0**
0.5% p.a. increase in RPI inflation*	**7.3**	**2.1**	**9.4**
0.5% p.a. decrease in RPI inflation*	**(7.1)**	**(2.2)**	**(9.3)**
1 year increase in life expectancy	**2.5**	**1.7**	**4.2**
1 year decrease in life expectancy	**(2.5)**	**(1.7)**	**(4.2)**

* Including other inflation linked assumptions such as CPI inflation and pension increases. Please note that a 0.1% p.a. increase in RPI may have a lower impact due to rounding and the effect of the caps and floors on pension increases.

For the Schemes, for the future improvements to life expectancy under the mortality assumptions, the actuaries have used CMI 2024 projections model, 1.25% p.a. long-term trend rate, an initial addition parameter of 0.25% and a half-life parameter of one year.

Mortality base tables have been set as follows: GMPF: Fund-specific Club Vita curves; STAL: 106%/112% of the SAPS Series 4 tables (males/females) and EMIA: 100%/101% of the SAPS Series 4 tables (males/females).

28. LEASE LIABILITIES

	Land and buildings £m	**Airport infrastructure £m**	**Plant, fixtures and equipment £m**	**Total £m**
At 1 April 2025	**259.9**	**256.0**	**7.8**	**523.7**
Additions	**4.6**	**–**	**0.3**	**4.9**
Remeasurement	**13.4**	**9.9**	**0.9**	**24.2**
Disposals	**–**	**–**	**(0.1)**	**(0.1)**
Foreign exchange	**(0.6)**	**–**	**–**	**(0.6)**
Interest charge for the period	**14.9**	**13.6**	**0.4**	**28.9**
Payments of liabilities	**(30.1)**	**(14.4)**	**(2.9)**	**(47.4)**
At 31 March 2026	**262.1**	**265.1**	**6.4**	**533.6**

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
At 1 April 2024	246.5	243.2	7.3	497.0
Additions in relation to the acquisition	0.6	–	–	0.6
Additions	27.5	0.1	3.3	30.9
Remeasurement	9.6	13.3	0.4	23.3
Disposals	(13.3)	–	–	(13.3)
Foreign exchange	(0.1)	–	–	(0.1)
Interest charge for the period	14.0	13.2	0.4	27.6
Payments of liabilities	(24.9)	(13.8)	(3.6)	(42.3)
At 31 March 2025	259.9	256.0	7.8	523.7

During the year remeasurements to lease liabilities totalled £24.2m (2025: £23.3m) as a result of minimum rent amounts due on remaining lease terms increasing across the Group's lease portfolio. Key lease terms are described later in this note.

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28. LEASE LIABILITIES CONTINUED

Maturity analysis of lease liabilities

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Within one year	13.4	0.8	3.1	17.3
Within two to five years	39.8	3.6	2.7	46.1
After five years	208.9	260.7	0.6	470.2
Total	262.1	265.1	6.4	533.6

Undiscounted maturity analysis of lease liabilities

The table below shows the gross undiscounted contractual cash outflows in relation to the Group's lease liabilities at 31 March 2026 to the contract maturity date.

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Within one year	28.1	14.4	2.9	45.4
Within two to five years	90.6	57.6	2.9	151.1
After five years	661.4	747.8	0.5	1,409.7
Total	780.1	819.8	6.3	1,606.2

The expense relating to variable lease payments not included in the measurement of lease liabilities is £4.5m (2025: £3.5m).

Key lease arrangements

Manchester City Council (held within land and buildings):

The Group has a commitment in respect of a land lease with Manchester City Council (MCC), a related party as described in note 34. Ground rent leases are a base fee of £2.8m, and this element of the lease contributed £51.9m to the closing lease liability in land and buildings.

Further minimum amounts are payable under the main lease agreement with MCC, one element variable based on turnover, and one element based on rental value of a number of properties at Manchester Airport. The minimum amounts due on the turnover element are based on a percentage of the prior rent paid. Management have concluded that these minimum percentage payments qualify as an in-substance fixed lease payment, contributing £52.2m to the closing lease liability. The payments based on rental value of properties are variable depending on an index or rate and contribute £85.5m to the closing lease liability. The discount rate implicit in the lease is 5.27%.

In 2021, the sale of the non-core property portfolio represented a trigger event on additional supplementary lease to the main agreements. As at the year end this contributes £11.2m to the closing lease liability.

In total, arrangements with MCC contribute £200.8m to the closing lease liability in land and buildings. No element of the annual rent is excluded from the measurement of the lease liability.

UK Power Networks (held within airport infrastructure):

A significant portion of the airport infrastructure lease liability relates to an electricity distribution agreement with UK Power Networks. Included in the measurement of the lease liability are minimum amounts payable under the agreement, relating to a base fee of £11.1m, and £2.7m for capital investment in the network, contributing £265.0m to the closing lease liability. Remaining amounts of £0.8m are due, relating to a volume and recharge element. These are variable in nature with no minimum commitment and are therefore excluded from the measurement of the lease liability.

Aberdeen Standard (held within land and buildings):

In FY24, the Group had a commitment in relation to a lease of office property at Manchester Airport with Aberdeen (formerly Abrdn). In the prior year, the landlord surrendered the underlease and the property was purchased by the Group. This led to the lease liability being disposed at £13.3m along with the right-of-use asset disposed at £11.9m, with the property recognised as an addition in property, plant and equipment and investment properties in the year.

29. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the Group and movements in relation to them during the current and prior years.

	Accelerated capital allowances £m	Investment properties £m	Retirement benefit obligations £m	Tax losses £m	Fair value acquisition adjustment £m	Short-term timing differences £m	Total £m
At 1 April 2025	**175.0**	**40.7**	**21.2**	**(4.0)**	**36.9**	**(37.7)**	**232.1**
Charge/(credit) to income	**37.2**	**(1.3)**	**1.1**	**(1.9)**	**(4.4)**	**(7.2)**	**23.5**
Charge/(credit) to equity	**–**	**–**	**(1.5)**	**–**	**0.3**	**–**	**(1.2)**
At 31 March 2026	**212.2**	**39.4**	**20.8**	**(5.9)**	**32.8**	**(44.9)**	**254.4**
At 1 April 2024	132.5	41.7	19.5	(5.6)	34.9	(27.3)	195.7
Charge/(credit) to income	41.2	(0.6)	0.7	2.1	(3.7)	(11.1)	28.6
Charge/(credit) to equity	–	–	1.0	–	(0.2)	0.7	1.5
Transfer in/(out)	0.4	(0.4)	–	–	–	–	–
Deferred tax on acquisition	0.9	–	–	(0.5)	5.9	–	6.3
At 31 March 2025	175.0	40.7	21.2	(4.0)	36.9	(37.7)	232.1

Deferred tax assets and liabilities have been offset in the disclosure above. The following is the analysis of the deferred tax balance for financial reporting purposes:

	2026 £m	2025 £m
Deferred tax liabilities	**(468.2)**	(431.8)
Deferred tax assets	**213.8**	199.7
	(254.4)	(232.1)

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. Management has performed an assessment of the UK Pillar Two rules based on the 2026 data and based on the assessment; the Group qualifies for one of the transitional safe harbours provided in the UK Pillar Two rules. The Group does not have any current tax exposure in relation to Pillar Two.

No deferred tax asset has been recognised in respect of £2.1m (2025: £nil) of losses in overseas jurisdictions due to uncertainty as to future profits available to be utilised. These losses arise in jurisdictions where they do not expire. At the balance sheet date, there are no aggregate temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised.

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30. OTHER NON-CURRENT LIABILITIES

	2026 £m	2025 £m
Accruals and deferred income	**1.7**	2.4
Capital based grants	**11.8**	12.8
Total	**13.5**	15.2

Capital-based grants relate to funding provided towards airport infrastructure and airspace research at Manchester and London Stansted Airports. Amortisation of these grants begins when the underlying asset they relate to is brought into use, with the amortisation period aligning to the useful life of the asset.

At 31 March 2026, the remaining amortisation period for the amortising capital-based grants, as a weighted average, is approximately 23 years (2025: 24 years).

31. SHARE CAPITAL AND SHARE PREMIUM

	Ordinary shares of £1 each			
	Number of shares m	Share capital £m	Share premium £m	Total £m
Issued, called up and fully paid				
At 31 March 2025	**316.6**	**316.6**	**743.3**	**1,059.9**
Bonus share issue	**–**	**1,249.3**	**–**	**1,249.3**
Cancellation of shares	**–**	**(1,249.3)**	**–**	**(1,249.3)**
Capital reduction	**–**	**–**	**(743.3)**	**(743.3)**
At 31 March 2026	**316.6**	**316.6**	**–**	**316.6**

The shares have a nominal value of £1.

Details of classes of shares in issue and their particulars can be found in note 7 to the Company financial statements.

The bonus share issue, cancellation of shares and capital reduction are related to the remediation steps in respect of distributable reserves, as described further in the Basis of preparation on page 128.

32. RESERVES

	Foreign currency reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 1 April 2025 (Restated – see page 128)	**0.3**	**2.2**	**1,249.3**	**(1,587.6)**	**(335.8)**
Bonus share issue	**–**	**–**	**(1,249.3)**	**–**	**(1,249.3)**
Cancellation of shares	**–**	**–**	**–**	**1,249.3**	**1,249.3**
Capital reduction	**–**	**–**	**–**	**743.3**	**743.3**
	0.3	**2.2**	**–**	**405.0**	**407.5**
Profit for the year	**–**	**–**	**–**	**61.8**	**61.8**
Foreign exchange movement, net of tax	**(1.7)**	**–**	**–**	**–**	**(1.7)**
Remeasurement of retirement benefit liabilities, net of tax	**–**	**–**	**–**	**(4.8)**	**(4.8)**
Net gain on cash flow hedging, net of tax	**–**	**0.1**	**–**	**–**	**0.1**
Dividends paid to equity holders	**–**	**–**	**–**	**(4.5)**	**(4.5)**
At 31 March 2026	**(1.4)**	**2.3**	**–**	**457.5**	**458.4**

Transactions between the merger reserve and retained earnings are related to the remediation steps in respect of distributable reserves, as described further in the Basis of Preparation on page 128.

	2026 £m	2025 £m
Reconciliation of movements in shareholders' funds		
Opening shareholders' funds (Restated – see page 128)	**724.1**	728.6
Profit for the year	**61.8**	10.8
Remeasurement of retirement benefit liabilities, net of tax	**(4.8)**	2.6
Net gain on cash flow hedging, net of tax	**0.1**	2.2
Foreign exchange movement, net of tax	**(1.7)**	(1.0)
Dividends paid in the year	**(4.5)**	(19.1)
Equity shareholders' funds as at 31 March 2026	**775.0**	724.1

33. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2026 £m	2025 £m
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**194.1**	214.1

The Group has performance bonds and other items arising in the normal course of business amounting to £3.6m at 31 March 2026 (2025: £3.4m).

34. RELATED PARTY TRANSACTIONS

The ultimate parent entity of the MAG Group is Manchester Airports Holdings Limited, a company registered in England and Wales. There is no single ultimate controlling entity; control of the Group is shared equally between the Council of the City of Manchester (MCC) and IFM Global Infrastructure Fund.

Transactions involving the Council of the City of Manchester and the other council shareholders

The Council of the City of Manchester (MCC) and the nine district councils of Greater Manchester are related parties of the Group as they hold 35.5% and 29.0% of the share capital of the Company respectively.

As at 31 March 2026 the amount of loans outstanding owed to MCC by the Group was £313.9m (2025: £313.9m). The Group made loan repayments of £nil (2025: £nil) to MCC during the year and paid interest of £45.1m (2025: £36.5m). Interest of £39.5m (2025: £42.4m) on shareholder loans provided by MCC has been recognised within finance costs. Cumulative interest accrued but not yet paid on the MCC shareholder loan is £94.0m as at 31 March 2026 (2025: £99.6m).

Charges for rent and rates of £32.4m (2025: £31.2m) and other sundry charges of £0.6m (2025: £0.2m) have been recognised within other operating charges. The year end balance for these values is £nil (2025: £nil). The majority of these amounts are due to MCC. The remainder are collected by MCC and distributed to other local authorities.

As at 31 March 2026 the amount of loans outstanding owed to the nine district councils by the Group was £267.9m (2025: £267.9m). The Group made loan repayments of £nil (2025: £nil) to the nine district councils during the year and paid interest of £38.8m (2025: £31.4m). Interest charged to finance costs during the year was £33.9m (2025: £36.4m). Cumulative interest accrued but not yet paid on these shareholder loans is £81.1m (2025: £85.9m).

Dividend of £4.5m was paid to the C-shareholders. This comprised £0.5m paid to MCC and to each of the other councils as C-Share owners in Manchester Airport Car Park Limited (MACPL), which owns a 'drop&go' car park at Manchester Airport.

Transactions involving IFM

IFM Global Infrastructure Fund (which is advised by IFM Investors Pty Ltd) (IFM GIF), through its subsidiary, is a related party of the Group as it owns 35.5% of the share capital of the Company.

As at 31 March 2026 outstanding loans provided by IFM GIF to the Group totalled £320.1m (2025: £320.1m). The Group made loan repayments of £nil (2025: £nil) to IFM GIF during the year and paid interest of £46.1m (2025: £37.3m). Interest of £40.4m (2025: £43.4m) on shareholder loans provided by IFM GIF has been recognised within finance costs. Cumulative interest accrued but not yet paid on the IFM GIF shareholder loans is £96.3m as at 31 March 2026 (2025: £102.1m).

Transactions with MIX Manchester

MIX Manchester is an associate of the Group. As at 31 March 2026 amounts owed to the associate were £nil (2025: £nil) and amounts owed by the associate to the Group were £0.1m (2025: £1.6m). During the year, transactions amounting to £1.9m (2025: £1.6m) in sales were made with MAG's associate. As part of its investment in MIX Manchester, the Group has agreed to pay an equity contribution up to a maximum of £12.0m if required, of which £3.1m was drawn down at 31 March 2026 (2025: £3.1m).

Transactions with other parties

As at 31 March 2026 the amounts owing to Manchester Central Convention Complex Ltd were £nil (2025: £nil), amounts owed were £nil (2025: £nil) and transactions during the year amounted to £nil (2025: £0.4m) in purchases and £1.0m in sales (2025: £1.0m).

The Directors' emoluments note on page 133 states that within the LTIP amounts there is an Executive Incentive Plan (EIP) which delivers a return on LTIP amounts retained by MAG dependent upon achieving performance criteria. The amount of the Directors and key management LTIP that has been retained by MAG as part of the EIP at 31 March 2026 amounts to £1.8m (2025: £1.4m).

35. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2025 £m	Cash flow £m	Other non-cash movements £m[1]	Foreign exchange movements £m	2026 £m
Cash and cash equivalents disclosed on the statement of financial position	533.3	(158.2)	(106.1)	(0.6)	**268.4**
Overdrafts	(268.7)	162.6	106.1	–	**–**
Cash and cash equivalents, net of overdrafts	264.6	4.4	–	(0.6)	**268.4**
Current debt	–	–	–	–	**–**
Non-current debt	(3,323.8)	(204.1)	(94.8)	–	**(3,622.7)**
Net debt	(3,059.2)	(199.7)	(94.8)	(0.6)	**(3,354.3)**
IFRS 16					
Current lease liabilities	(16.9)	47.4	(47.8)	–	**(17.3)**
Non-current lease liabilities	(506.8)	–	(9.5)	–	**(516.3)**
	(523.7)	47.4	(57.3)	–	**(533.6)**
Total net debt including IFRS 16	(3,582.9)	(152.3)	(152.1)	(0.6)	**(3,887.9)**

1 Other non-cash movements reflect a change in presentation in which cash at bank and in hand and overdrafts are presented on a net basis.

36. POST BALANCE SHEET EVENTS

None to disclose.

Accounting policies

References to 'UK-adopted IFRS' or 'IFRS' in these accounting policies refer to UK-adopted international accounting standards.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

There were no new or amended standards, or IFRIC interpretations issued, effective for the first time this year which had a material impact on the Group's financial statements.

In MAG's Annual Report and Accounts for the year ending 31 March 2028, the new standard IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of financial statements*, becomes effective and will be adopted for the first time. The new standard carries forward many of the existing standard's requirements unchanged and complements them with new requirements.

MAG's adoption of IFRS 18 will see the introduction of a new structure for the income statement with mandatory sub-totals of operating profit and profit before financing and income tax. Additionally, the standard will require the disclosure of Management-Defined Performance Measures (MPMs) to replace Alternative Performance Measures (APMs).

Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with IFRS 18.

The Group has consistently applied its accounting policies for the current and prior year.

BASIS OF CONSOLIDATION

These consolidated financial statements include the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position and consolidated statement of cash flows of the Company and all of its subsidiaries.

Subsidiaries are entities controlled directly or indirectly by the Company. Control exists when the Company has the power (directly or indirectly) to direct relevant activities of an entity so as to impact variable returns to which they have rights or are exposed. Subsidiaries have been consolidated from the date that control commences until the date that control ceases. At such time, any resulting gain or loss is recognised in the profit and loss. Where a Company's interest in a subsidiary is not 100% attributable to the shareholders of the Group then in accordance with the requirements of IFRS 10 *Consolidated Financial Statements*, 100% of the income, expenses, assets and liabilities are reflected in the primary financial statements. The split of the profit and net assets attributable to the Group's shareholders and the non-controlling interest are detailed in the statement of comprehensive income and the Group's equity and reserves.

Interests in associate

Entities, other than subsidiaries, over which the Company (directly or indirectly) exerts significant influence, but not control or joint control, are associates.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group's investments in its associates and joint ventures are accounted for using the equity method.

Transactions eliminated on consolidation

Intra-group balances and transactions, income and expenses and all profits and losses arising from intra-group transactions, are eliminated in preparing the Group consolidated financial statements.

FOREIGN CURRENCY TRANSLATION

Transactions in each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates (its 'functional currency').

The consolidated financial statements are presented in pounds sterling, which is MAG's functional and presentation currency.

Transactions and balances

For all entities in the Group, transactions in a currency other than that entity's functional currency are translated into the entity's functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the income statement. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis, within other operating charges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Consolidated foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates; and
- the resulting exchange differences are recognised in the statement of other comprehensive income.

REVENUE

The Group has five material revenue streams across two primary categories: aviation income and commercial income.

Property and property-related income is recognised based upon the principles set out in IFRS 16 *Leases*. The Group's accounting policy for this income is described in greater detail under the subheading 'Property and property-related income' below.

All other income is recognised in accordance with IFRS 15 *Revenue from contracts with customers*. The revenue recognised in any period is based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been satisfied ('point in time' recognition) or 'over time' as control of the goods or services is transferred to the customer.

Aviation income

This category of income comprises:

Income element	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Airline charges	Providing the necessary security and handling facilities at our airports for safe loading of aircraft. Our performance obligation is satisfied at the point of departure of the aircraft.	Charges to airlines are calculated using the applicable rates which are typically based on the number of passengers and/or the weight of the aircraft. Revenue is recognised at the time of departure of the related aircraft.
Aircraft departure and arrival charges	Offering facilities to enable aircraft landing, movement and departure from our airports. Our performance obligations for arriving and departing aircraft are satisfied at the point of arrival and departure of the aircraft respectively.	Charges are levied according to aircraft weight, time of arrival or departure, and other factors. Revenue is recognised at the point that our performance obligation is satisfied as described opposite.
Aircraft parking charges	Giving aircraft the ability to park safely at our airports, including connections to our piers and terminals. Our performance obligation is satisfied over the time period the aircraft is parked, which in most cases is a period of several days or less.	Charges are based upon a combination of aircraft weight and length of time parked. Revenue is recognised over the period of time parked.

Aviation contracts entered into are complex in nature, including the breadth of discounts and rebates that the Group offers. Judgement is applied to assess the impact of any contract amendments, which are not considered significant.

Commercial income

This category of income is split into four sub-categories, which are retail concessions, car parking, property and property-related income, and other.

Income element	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Retail concessions	MAG enters into long-term income sharing agreements with retail concession operators in our terminal buildings, with the concession fee based on turnover. Our performance obligation is to make the space available for the concession to operate and is satisfied at that point in time.	The Group recognises revenue in accordance with IFRS 15 as MAG retains control of the retail unit space. MAG's fee, which is based on the concession's turnover, on an accruals basis. Income from airport lounges is recognised at the point of usage.
Car parking	Provision of parking spaces for a period of time in MAG's customer car parks, which is satisfied at a point in time for each day the car is parked. MAG, through CAVU, also offers customers the ability to book parking spaces at third party-owned locations. The Group earns a commission for such bookings. The performance obligation is satisfied at the time of booking.	Contract, pre-book and turn-up parking contracted directly with MAG are recognised at the agreed fee. Parking in a MAG-owned car park which has been booked by the customer via a third party is recognised at the full fee amount, with any related commissions recognised in operating expenses. MAG is acting as principal in the arrangement as we retain control over how the performance obligation to the customer is satisfied. Where sales are made on behalf of a third party, the Group is acting as an agent. They are accounted for on a net basis, as the Group does not obtain control over how the performance obligation is satisfied to the customer. The commission earned is recognised at the point of booking.
Property income	Rental of commercial and residential property, typically on long-term lease arrangements, which is satisfied over time according to the length of the lease.	Rental income is recognised on a straight-line basis over the lease term.

Accounting policies continued

Income element	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Other	Passenger-related services, such as travel services, and in-flight catering, are satisfied at the point in time that the service is delivered. MAG charges tenants for usage of utilities. The performance obligation is the provision of the utility which is satisfied as the tenant uses it. Other operational income comprises amounts billed for use of airport facilities, including for example aircraft refuelling and check-in desks.	Income for passenger-related services is recognised on the day of delivery. Revenue from charging utilities to tenants is recognised gross as the Group acts as principal in this relationship. MAG delivers utilities to tenants' premises whereas the external utility provider is responsible only up to the boundary of the MAG estate. It is recognised at the point in time of usage by the tenant. Other operational income is recognised either at the point of delivery (such as for refuelling) or over the period of time over which the facility is made available (such as check-in desks).

Revenue is disaggregated at the income stream level. The three airport segments generate revenue from all of the Group's income streams. CAVU generates only car parking, retail and other income. The Group, consolidation and other segment generates property and other income.

All revenue recognised from contracts with other entities in the consolidated group is eliminated upon consolidation.

All revenue from the Group's income streams is generated in the UK other than some lounge and car park income which is generated in North America, Continental Europe and Australia by the CAVU segment.

At contract inception the total transaction price is assessed, being the amount to which the Group expects to be entitled. This includes an estimation of any variable consideration where the Group's performance may result in additional revenues based on the achievement of certain performance measures or discounts/rebates upon achieving certain pre-determined volumes. Revenue is only recognised to the extent it is not highly probable to reverse.

The Group's customer contracts include a diverse range of payment schedules dependent on the nature and type of services being provided. The Group agrees payment schedules at the beginning of contracts under which it receives payments throughout the term of the contracts. These payment schedules may include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Where payments made are greater than the revenue recognised at the period end date, the Group recognises a deferred income liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Group recognises an accrued income asset for this difference. All performance obligations are largely satisfied within the financial year, except for pre-book car parking income which may straddle the year, with most contracts being coterminous with the Group's year end. This reduces the amount of judgements or assumptions required to estimate transaction price or allocate revenue to performance obligations.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method at the date upon which the Group assumes control. Control exists when the Group has the power to direct relevant activities of an entity so as to obtain benefits from its activities.

The Group determines whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. Where these factors indicate that it is a business, it is treated as a business combination under IFRS 3 *Business combinations*.

Goodwill arising on acquisitions represents the difference between the fair value of the consideration given over the fair value of the assets, liabilities and contingent liabilities of an acquired entity. Positive goodwill is capitalised as an asset in the consolidated statement of financial position and is stated at cost less any accumulated impairment losses. Our accounting policy for impairments is described separately in the 'Impairment' section. Goodwill is not amortised.

CONTINGENT CONSIDERATION

The Group evaluates any contingent amounts payable using the guidance set out in IFRS 3 *Business combinations*, its judgment and the circumstances of that transaction. Contingent payments will accordingly be categorised either as part of the consideration for the business combination or as post-acquisition remuneration. In all instances where the terms of the contingent payment include a link to the continuing employment of the recipients, the Group treats the amount as post-acquisition remuneration.

Contingent consideration is initially recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

INTANGIBLE ASSETS

Initial recognition – Internally generated intangible assets

This type of expenditure primarily relates to internally developed software, booking systems and website projects for the Group. Development expenditure incurred in respect of individual projects is capitalised where the asset is identifiable and only when the future economic benefit of the project is probable. It is recognised only if all of the following conditions are met:

- the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Group can demonstrate how the intangible asset created will generate future economic benefits;
- the Group has available the resources to complete the asset;
- the Group intends to complete that asset and has the future ability to sell or use the asset; and
- the development cost of the intangible asset can be measured reliably.

All relevant spend on internally generated intangible assets is recognised within assets in the course of construction, before being reclassified into either software or other intangible assets when ready for use.

After recognition, the cost model is applied requiring the asset to be held at cost less accumulated amortisation and impairment. Amortisation begins when the asset is ready for use. This type of expenditure primarily relates to internally developed software, booking systems and website projects for the Group.

Initial recognition – Software

Software principally relates to operating and financial applications. Where the software is integral to the hardware, the software is classified within property, plant and equipment.

Intangible assets are only recognised where the Group can demonstrate it has control over the asset. Where control is not held, the cost is expensed to the income statement. Customisation and configuration costs associated with intangible assets are similarly only capitalised where the Group can demonstrate control of the asset.

Initial recognition – Other intangible assets

Assets in this category include:

- Metrolink;
- Customer and operator relationships;
- Brands acquired as part of business combinations; and
- Other intellectual property.

Subsequent measurement

Except for goodwill, the Group's intangible assets are amortised on a straight-line basis over their estimated useful economic life:

	Years
Metrolink	30
Customer and operator relationships	5–10
Brands	4–10
Software & intellectual property	4–10

If there are indications of impairment in the carrying value of the asset, then the recoverable amount is estimated and compared to the carrying amount. See 'Impairment' section below.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment constitutes the Group's operational asset base, and includes terminal, airfield, car parking, land, plant, and owner-occupied property assets. Investment properties held to earn rentals or for capital growth are accounted for separately under IAS 40 *Investment Properties*.

The Group has elected to use the cost model under IAS 16 *Property, plant and equipment,* as modified by the transitional exemption to account for assets at deemed cost that were revalued previously under UK GAAP. Deemed cost is the cost or valuation of assets as at 1 April 2005. Consequently, property, plant and equipment is stated at cost or deemed cost, less accumulated depreciation and impairment. Cost includes directly attributable own labour. Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group. The Group capitalises borrowing costs into the cost of property, plant and equipment, if the criteria under IAS 23 *Borrowing Costs* are met. Depreciation is provided to write off the cost of an asset on a straight-line basis over the expected useful economic life of the relevant asset.

Expected useful lives are set out below:

	Years
Other land and buildings[1]	10–50
Airport infrastructure	
Runway base course	50–75
Steelwork, civils and earthworks	20–75
Main apron and taxiway assets	25–50
Utility lighting and pipework	5–20
Runway, taxiway and apron surfacing	5–15
Airfield lighting and equipment	5–15
Plant, fixtures and equipment	
Escalators, elevators and substations	5–30
Baggage systems, IT equipment and X-ray scanners	4–15
Fixtures, fittings, tools and equipment	5–10
Motor vehicles	3–10

1 No depreciation is charged on freehold land.

Useful economic lives are reviewed every year to ensure assets' carrying amounts remain appropriate. Repairs and maintenance costs are written off as incurred. Assets under construction, which principally relate to airport infrastructure, are not depreciated until such time as they are ready for use and any relevant regulatory approvals relating to their bringing into use have been obtained.

Items of property, plant and equipment are monitored for impairment indicators. Our accounting policy for impairments is described separately in the 'Impairment' section.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly.

Accounting policies continued

INVESTMENT PROPERTIES

The Group accounts for investment properties in accordance with IAS 40 *Investment Properties*. An investment property is one held to either earn rental income or for capital growth. The Group has elected to use the fair value model, and therefore investment properties are initially recognised at cost and then revalued to fair value at the reporting date by an independent property valuer.

Investment properties are not depreciated. Gains or losses in the fair value of investment properties are recognised in the income statement for the period in which they arise. Gains or losses on the disposal of an investment property are recognised in the income statement on completion.

If a property ceases to be an investment property, the classification change is recognised at the time that the use changes and does not reflect future management intentions. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an investment property is partially owner-occupied and the non-owner-occupied component can be separately sold or leased out under a finance lease, then the relevant proportions will be classified as investment property and property, plant and equipment. If the non-owner-occupied portion cannot be sold separately, then the property will only continue to be classified as an investment property if the owner-occupied portion is immaterial.

IMPAIRMENT

The Group's assets are reviewed at each reporting date for the existence of any impairment indicators which would prompt a full test for impairment.

Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. This is termed a cash-generating unit (CGU).

Goodwill is allocated to the CGU to which it relates. CGUs with attributable goodwill are tested, at a minimum, at each reporting date for impairment.

Where an impairment test is required, the asset or CGU's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

MAG determines value in use by discounting estimated future post-tax cash flows to their present value. The Group uses a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Management is satisfied that this methodology results in a materially similar value in use quantification that would have been arrived at if calculated applying a pre-tax discount rate to pre-tax cashflows as required by IAS 36 *Impairment of Assets*.

Fair value less costs to sell is determined using an indicative market value and estimated costs of disposal. Market value is estimated with reference to recent average earnings multiples from market transactions for similar businesses to that CGU. Costs of disposal are estimated based on the Group's experience and expectation for similar transactions.

An impairment loss is recognised if the carrying amount of the asset or CGU exceeds its recoverable amount. Impairments to CGUs are recorded first against goodwill and then against the CGU's other assets on a pro-rata basis.

Impairments of goodwill are not reversed. Impairment losses for other assets are assessed at each subsequent reporting date for any indications that the loss has decreased or no longer exists.

The loss is reversed only if there is a change in basis of the recoverable amount (from value in use to fair value, or vice-versa) or if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

LEASES

Review of contracts for leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to direct the use of an identified asset for a period of time, in exchange for consideration.

At the point of transition to IFRS 16 *Leases* the Group opted to apply the practical expedient not to reassess whether contracts contain a lease.

Initial measurement

MAG initially recognises lease liabilities measured at the present value of lease payments, discounted at the Group's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, unless the Group is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

Subsequent measurement

The lease liability is subsequently measured at amortised cost, using the effective interest method, whilst the right-of-use asset is depreciated straight line over the remaining lease term as at the date of adoption. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee;
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option; or
- if there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low-value and short lease exemption

MAG has elected to not recognise right-of-use assets and lease liabilities under leases of a duration of under one year; and low-value leases. The expense recognised in the income statement relating to such leases is below the £5,000 used for rounding in these financial statements and therefore is not disclosed.

Lease as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 *Revenue from contracts with customers* to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of property and property-related income. For finance leases, the Group accrues finance income over the lease term based on the interest rate implicit in the lease, with payments received reducing the lease receivable.

GRANTS

Grants received and receivable relating to property, plant and equipment are shown as a deferred credit in current and non-current liabilities on the statement of financial position. An annual transfer to the income statement is made on a straight-line basis over the expected useful life of the asset for which the grant was received.

Government grants related to income are recognised when there is reasonable assurance that the grant will be received, and all the grant conditions have been complied with. Grant income related to expense items are recognised on a systematic basis over the period matching the recognition of the expense in the financial statements. The Group has chosen to present grants related to an expense item as net deductions against the related expense.

FINANCIAL INSTRUMENTS

Financial instruments are measured initially at fair value, and then subsequently measured at amortised cost; Fair Value through Profit or Loss (FVPL); or Fair Value through Other Comprehensive Income (FVOCI).

Trade receivables are recognised initially at their transaction price with a loss allowance provided based upon the expected credit loss. Subsequent measurement reflects any revisions to the expected credit loss allowance with any gains or losses being recognised in the income statement.

All financial liabilities (corporate bonds, bank loans and overdrafts, and trade and other payables) within the scope of IFRS 9 *Financial instruments* are initially measured at fair value and then subsequently measured at amortised cost. Any gains or losses arising are recognised in the income statement.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to its foreign currency exposure where in line with its Treasury policies. The Group applies hedge accounting in relation to any derivative where the hedge is in accordance with the Group's Treasury policies; the appropriate documentation related to the hedged instrument and hedged items are in place; and the hedge has been assessed as effective. Where the derivative qualifies under the own usage exemption the Group will seek to apply the exemption as opposed to apply hedge accounting.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. Hedging arrangements may be designated as cashflow hedges, fair value hedges or hedges of a net investment.

Accounting policies continued

Cash flow hedging

Where a derivative financial instrument is designated as a cash flow hedge the effective part of any gain or loss on the derivative financial instrument is recognised directly in the cash flow hedge reserve in equity. Any ineffective portion of the hedge is recognised immediately in the income statement.

The Group uses hedging instruments such as forward currency contracts to manage foreign currency exposure on probable future transactions and commitments. When the forecast transaction subsequently results in the recognition of a non-financial item, the associated cumulative gain or loss is removed from the cash flow hedge reserve and is included in the initial carrying amount of the non-financial asset or liability.

MAG also uses hedging instruments, such as fixed rate currency swaps, where debt finance has been raised in a currency other than sterling. This provides the Group with certainty in sterling terms of the future repayments of both interest and principal of the debt. The associated cumulative gain or loss on the hedging instrument is reclassified from the cash flow hedge reserve to the income statement in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Expected credit loss

The Group applies IFRS 9 *Financial instruments* to measure expected credit losses using a lifetime expected loss allowance for all trade receivables. Trade receivables are grouped based on shared credit risk characteristics, including the customer's industry and the days past due. The Group's historical loss rates are considered alongside current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, and reasonable forecasts.

The Group's definition of default is based on the ageing of the debts and the financial status of the customer.

FINANCE INCOME AND COSTS

Finance costs comprises interest expenses on borrowings as calculated using the effective interest method, the interest cost on liabilities from the Group's defined benefit pension schemes, interest charges on lease liabilities recognised in profit or loss using the effective interest method and net foreign exchange losses that are recognised in the income statement (see foreign transactions policy).

Finance income comprises interest receivable on funds invested, dividend income, interest income on lease receivables, interest income on assets from the Group's defined benefit pension schemes and net foreign exchange gains that are recognised in the income statement (see foreign transactions policy).

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank deposits and short-term deposits which have an original maturity of three months or less.

In accordance with the requirements of IAS 32 *Financial Instruments*: *Presentation*, overdrafts are presented net of cash and cash equivalents when the Group has:

- a legally enforceable right of offset, such as a set-off agreement with our banking provider; and
- demonstrated its intention to settle on a net basis, for example by regularly netting down balances as part of our cash management activities.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate. Any difference between the amount initially recognised and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Transaction costs are those which are directly attributable to the acquisition or issue of new borrowings or a refinancing. Borrowing facilities are regarded as executory contracts, and as such, costs incurred in relation to such facilities but not incremental funding are not transaction costs within the scope of IFRS 9 *Financial instruments*. These costs are instead separately capitalised and amortised over the facility term.

BORROWING COSTS

The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets into the cost of property, plant and equipment, where the criteria under IAS 23 *Borrowing costs* are met. Where the criteria are met, borrowing costs are calculated by applying an average interest rate in the period to the expenditure incurred on qualifying assets. All other borrowing costs are recognised in the income statement over the period of the borrowings using the effective interest method.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at the risk free rate.

Where it is assessed that the unavoidable attributable costs of fulfilling a contract exceed the economic benefits derived from it, an onerous contract provision is recognised. The calculation of the provision will reflect the least cost approach of exiting the contract.

TAXATION

The taxation charge for the year comprises current and deferred tax.

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax due to temporary differences between the tax base and accounting carrying value of assets and liabilities. The principal constituents of the deferred tax liability in the Group financial statements are temporary differences on property, plant and equipment, where the carrying value in the financial statements is in excess of the tax base due to accelerated capital allowances, and the previous effects of revaluations under UK GAAP.

Deferred tax assets are recognised to the extent that it is probable that the temporary difference can be utilised against taxable profits in the future and does not give rise to equal taxable and deductible temporary differences.

Current tax and deferred tax relating to items recognised directly in equity, are also recognised directly in equity. Deferred tax is based on the tax laws and rates that have been substantively enacted at the reporting date and which are expected to apply when the relevant deferred tax item is realised or settled.

Deferred tax assets and liabilities are shown separately in the accounts except where netting is permitted. The Group has applied the exemption in IAS 12 *Income Taxes* to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

EMPLOYEE BENEFIT COSTS

The Group operates one defined contribution scheme, the costs of which are charged to the income statement in the year in which they are incurred.

The Group participates in three defined benefit schemes and is also liable for unfunded liabilities in relation to a fourth scheme. The accounting for these schemes is described in note 27 to the financial statements. All of the defined benefit schemes are contracted out of the state scheme.

In the statement of financial position, each scheme is presented either as an asset (if it is in surplus) or a liability (if it is in deficit) subject to the guidance in IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. Surpluses on pension schemes are not recognised unless there is an unconditional right to recover or realise them at some point during the life of the plan. If no such unconditional right exists, an asset ceiling is applied and no asset surplus is recognised in the accounts. An unconditional right would not exist when the availability of the refund or the reduction in future contribution would be contingent upon factors beyond the entity's control (for example, approval by third parties such as plan trustees). To the extent that a right is contingent no asset would be recognised.

Past and current service costs are recorded in pension costs within employee benefit costs in the income statement. Past service costs are charged immediately, whereas current service costs are charged in the period to which they relate.

Net interest costs are recorded in finance costs and are calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Actuarial gains and losses and the actual less expected returns on plan assets are recognised in other comprehensive income in the period in which they arise. The defined benefit asset or liability, together with the current and past service costs, are calculated at the reporting date by an independent actuary using the projected unit credit method.

In the event of a settlement of a defined benefit pension scheme, the profit or loss on settlement is calculated with reference to the net scheme assets/liabilities without the impact of the asset ceiling (i.e. the unrecognised surplus). This settlement profit or loss is recognised in the income statement. The resultant reduction in asset ceiling as a result of the settlement is recognised in other comprehensive income.

EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised in the financial statements in the period in which they are paid.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The Group uses APMs, which are not defined in UK-adopted IFRS, throughout the Annual Report and Accounts. These APMs are defined by MAG and therefore may not be comparable to similarly named APMs in other companies. These measures provide additional information, used by management and deemed useful to readers of the Annual Report and Accounts to assess the Group's performance and liquidity.

The key APMs used by the Board are:

- Adjusted EBITDA[1];
- Adjusted cash from operations;
- Net debt;
- Net cash and cash equivalents; and
- The ratio of Net senior debt to Adjusted Frozen EBITDA.

Many of MAG's APMs are defined as 'adjusted', signifying that they are calculated excluding the effect of transactions that are assessed to be adjusted items. Categories of items meeting MAG's definition of adjusted items are set out below.

The Other Information on page 171 includes a definition of each APM, the purpose for which it is used and a reconciliation to the nearest IFRS equivalent.

1 Adjusted earnings before interest, tax, depreciation, amortisation and impairment.

Accounting policies continued

ADJUSTED ITEMS

Items of income and expenditure are presented as 'Adjusted items' where, in management's opinion, this helps the reader's understanding of the Group's underlying financial performance. Items are presented as adjusted because of their size, unusual nature, or frequency of the events giving rise to them.

The primary categories of items presented as adjusted are:

Impairments of assets

Impairments of non-current assets are presented as adjusted items if they relate to a significant write-off of paused or discontinued projects, a fundamental transformation project, or if they are non-recurring and significant in size. Other impairments are included in underlying results. Separate presentation of impairments further enhances the understanding of the ongoing, underlying performance of the Group.

Transformation projects, major reorganisation of businesses and costs associated with acquisitions

Costs associated with transformation projects and other restructuring costs are presented as adjusted items if they relate to a fundamental change in the organisational structure of the Group or a fundamental change in the operating model of a business within the Group. Costs may include redundancy, property closure costs and consultancy costs, which are significant in size and will not be incurred under the ongoing structure or operating model of the Group. All costs related to the acquisition of businesses will be classified as adjusted.

Costs associated with the modification of financial instruments, or close out of previous financing arrangements upon refinancing

Costs associated with the refinancing and changes to debt facility agreements during the current and prior year are included within adjusted items as they are significant in size, and do not form part of the underlying trading activities.

Curtailment gain or loss

Curtailment gains or losses are presented as adjusted items where they do not form part of the underlying trading activities of the Group, or are infrequent in occurrence, in order to enhance the understanding of the underlying financial performance of the Group. This includes gains or losses arising on the early termination of a lease.

Multi-year projects

Where the Group incurs the incremental costs of a project across multiple years, management assesses the project as a whole to determine if its costs in each year it impacts are to be presented as adjusted. Costs continue to be presented within adjusted items each year. The financial statements disclose the cumulative spend and estimated timeline to project completion. Any further costs after completion of the project's scope of works are not presented as adjusted.

Other information

for the year ended 31 March 2026

OVERVIEW

The Annual Report contains certain alternative performance measures (APMs) that are not defined under International Financial Reporting Standards (IFRS) which represents the GAAP under which MAG presents its Group financial statements. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. APMs may not be considered comparable to other similarly titled measures used by other companies.

These APMs are primarily used to:

- provide management with a basis of planning and assessing Group performance;
- set levels of management performance based remuneration;
- calculate covenant compliance; and
- explain Group performance to MAG's investor base.

Adjusted items

Many of the Group's APMs are measured prior to the impact of 'Adjusted items'. Further detail describing items of income and expenditure which are presented as adjusted items is included in the Accounting policies on page 162 and note 3 to the financial statements.

TABLE OF DEFINITIONS FOR ALTERNATIVE PERFORMANCE MEASURES (APMS) USED BY MAG

An explanation of the relevance of each APM, and their limitations, is presented in the table below.

APM	Closest Equivalent Statutory Measure	Purpose	Definition
Income statement measures			
Adjusted EBITDA	Operating profit	The Group's adjusted EBITDA measure is consistent with the way that Executive Management and the Board assess the Group's financial performance. Additionally, it is a key metric used by the investor community to assess performance of the Group's operations.	Earnings before interest, tax, depreciation and amortisation prior to the impact of adjusted items. Reconciled to GAAP from operating profit measured in accordance with IFRS excluding: • depreciation and amortisation (note 4); and • the impact of adjusted items (note 3).
Adjusted EBITDA on a frozen GAAP basis (Adjusted Frozen EBITDA)	Operating profit	Adjusted EBITDA on a frozen GAAP basis is a core component of the Group's leverage and interest cover banking covenants.	Earnings before interest, tax, depreciation, amortisation and impairment prior to the impact of adjusted items and the adoption of IFRS 16. Reconciled to GAAP from operating profit measured in accordance with IFRS excluding: • depreciation and amortisation (note 4); • the impact of adjusted items (note 3); and • add back lease charges excluded from operating expenses as a result of the adoption of IFRS 16 (within this section).
Adjusted operating profit	Operating profit	Adjusted operating profit is a measure of the GAAP metric whilst adjusting for adjusted items.	Operating profit measured in accordance with IFRS excluding the impact of adjusted items (note 3).
Cash flow measures			
Adjusted cash generated from operations	Net cash from operating activities	This is a measure of the Group's cash generation from operation and working capital efficiency after adjusting for the impact of adjusted items.	Net cash from operating activities before the cash impact of adjusted items.

Other information continued

for the year ended 31 March 2026

TABLE OF DEFINITIONS FOR ALTERNATIVE PERFORMANCE MEASURES (APMS) USED BY MAG CONTINUED

APM	Closest Equivalent Statutory Measure	Purpose	Definition
Other measures			
Net debt	Borrowings	Net debt is a prominent metric used by credit rating agencies and investors to assess the strength of a company's balance sheet.	Borrowings less cash and cash equivalents. The measure excludes financial lease liabilities calculated under IFRS 16. Where the Annual Report references 'net debt (including IFRS 16)' this aggregates the net debt amount and the carrying value of lease liabilities (see note 28).
Net finance charges on net senior debt	Finance costs	Net finance charges on net senior debt is a core component of the Group's interest cover covenant.	Net finance costs from the Group's bonds and RCF less any finance income from cash and cash equivalents. Reconciled to GAAP measure finance costs by excluding: interest on shareholder loans; pension interest; IFRS 16 interest and capitalised interest.
Net senior debt	Borrowings	Net senior debt is used in the calculation of the Group's leverage covenant.	Comprises the Group's secured funding arrangements (Bonds and drawn down RCF), performance bonds and other items arising in the normal course of business, less the carrying amount of cash and cash equivalents. For the purposes of the leverage covenant calculation the carrying amount of bonds excludes discounts on issue and unamortised issue costs, and includes the effect of related derivatives.

RECONCILIATION OF APMS TO STATUTORY MEASURES

	Note	2026 £m	2025 £m
Cash generated from operations		**588.6**	544.8
Add back of non-cash adjusted items:			
Total adjusted items in profit before tax	3	**9.8**	40.0
Shareholder loan modification gain/(loss)	7	**14.1**	(3.8)
Impairment of property, plant and equipment	12	**–**	(3.8)
Working capital movements, relating to adjusted items		**(3.1)**	(6.5)
Non-cash adjusted items		**11.0**	(14.1)
Cash impact of adjusted items to be added back		**20.8**	25.9
Adjusted cash generated from operations		**609.4**	570.7
Cash and cash equivalents	18	**374.5**	533.3
Overdraft	18, 19	**(106.1)**	(268.7)
Cash and cash equivalents, net of overdrafts	18	**268.4**	264.6
Non-current debt	19	**(3,622.7)**	(3,323.8)
Net debt (excluding IFRS 16)		**(3,354.3)**	(3,059.2)

	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation and other £m	Total £m
Operating profit	**108.5**	**105.5**	**28.5**	**50.4**	**11.0**	**303.9**
Adjusted items deducted to arrive at APM:						
Major reorganisation of businesses and transformation	**13.4**	**10.0**	**1.1**	**0.1**	**0.1**	**24.7**
Legal and other	**1.1**	**–**	**–**	**(1.9)**	**–**	**(0.8)**
Total adjusted items	**14.5**	**10.0**	**1.1**	**(1.8)**	**0.1**	**23.9**
Adjusted operating profit	**123.0**	**115.5**	**29.6**	**48.6**	**11.1**	**327.8**
Add back: depreciation and amortisation	**143.2**	**79.4**	**21.3**	**28.5**	**14.2**	**286.6**
Adjusted EBITDA	**266.2**	**194.9**	**50.9**	**77.1**	**25.3**	**614.4**

RECONCILIATION OF APMS TO STATUTORY MEASURES CONTINUED

	Note	2026 £m	2025 £m
Finance costs before adjusted items	7	**(242.2)**	(210.0)
Add back:			
Interest on shareholder loans	7	**124.2**	122.3
IFRS 16 interest	7	**28.9**	27.6
Pension interest	7	**0.2**	0.2
Capitalisation of borrowing costs	7	**(24.4)**	(24.9)
Finance income from cash and cash equivalents			
Interest receivable on deposits	7	**9.6**	7.9
Net finance charges on net senior debt		**(103.7)**	(76.9)

	Note	2026 £m	2025 £m
Borrowings	19	**(3,622.7)**	(3,592.5)
Add back:			
Carrying value of shareholder loans	22	**1,154.5**	1,174.2
Cash and cash equivalents	18	**268.4**	533.3
Discount on issue	21	**(11.1)**	(10.9)
Unamortised issue costs	19, 21	**(15.7)**	(17.8)
Derivative financial asset		**16.2**	–
Performance bonds	33	**(3.6)**	(3.4)
Net senior debt		**(2,214.0)**	(1,917.1)

Net senior debt of £2,214.0m (2025: £1,917.1m) as a multiple of adjusted frozen EBITDA of £567.0m (2025: £528.1m) is one of our KPIs, calculated as 3.9 for the year ended 31 March 2026 (2025: 3.6). Adjusted frozen EBITDA is reconciled in the next section.

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP)

The purpose of these pages is to provide a reconciliation from the financial results in the accounts, to the primary statements with the previous IAS 17 policies adopted by the Group (including key APMs such as adjusted EBITDA). Whilst IFRS 16 comparatives are now available, management still produce the reconciliations below to allow the reader to quantify the impact of excluding IFRS 16 (frozen GAAP), on key financial metrics.

Frozen GAAP, in particular adjusted frozen EBITDA, is used in the calculation of key banking covenants.

Consolidated income statement as at 31 March 2026

	2026 as reported £m	Rent & finance costs £m	Depreciation £m	2026 Frozen GAAP £m
Revenue	**1,514.7**	**–**	**–**	**1,514.7**
Operating charges excluding depreciation and amortisation	**(900.3)**	**(47.4)**	**–**	**(947.7)**
Adjusted frozen EBITDA	**614.4**	**(47.4)**	**–**	**567.0**
Depreciation and amortisation	**(286.6)**	**–**	**19.9**	**(266.7)**
Profit from operations before adjusted items	**327.8**	**(47.4)**	**19.9**	**300.3**
Adjusted items				
Adjusted items	**(23.9)**	**–**	**–**	**(23.9)**
Operating profit	**303.9**	**(47.4)**	**19.9**	**276.4**
Share of loss of associate	**(0.2)**	**–**	**–**	**(0.2)**
Gains and losses on sales and valuation of investment properties	**(3.2)**	**–**	**–**	**(3.2)**
Net finance costs after adjusted items	**(210.3)**	**28.9**	**–**	**(181.4)**
Profit before taxation	**90.2**	**(18.5)**	**19.9**	**91.6**

Other information continued

for the year ended 31 March 2026

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP) CONTINUED

Consolidated statement of financial position as at 31 March 2026

	2026 as reported £m	Rent & finance costs £m	Depreciation £m	Opening balance offset £m	Additions, remeasurement and foreign exchange £m	Deferred tax on IFRS 16 £m	2026 per IAS 17 £m
Non-current assets							
Goodwill	235.3	–	–	–	–	–	235.3
Intangible assets	150.9	–	–	–	–	–	150.9
Property, plant and equipment	3,951.5	–	–	–	–	–	3,951.5
Right-of-use assets	505.9	–	19.9	(498.5)	(27.3)	–	–
Long-term lease receivable	11.2	–	–	(11.2)	–	–	–
Investment properties	174.0	–	–	–	–	–	174.0
Investment in associate	6.1	–	–	–	–	–	6.1
Derivative financial assets	16.2	–	–	–	–	–	16.2
Retirement benefit assets	85.8	–	–	–	–	–	85.8
	5,136.9	–	19.9	(509.7)	(27.3)	–	4,619.8
Current assets							
Inventories	2.5	–	–	–	–	–	2.5
Corporation tax recoverables	67.5	–	–	–	–	–	67.5
Accrued income	48.9	–	–	–	–	–	48.9
Trade and other receivables	133.1	–	–	–	–	–	133.1
Cash and cash equivalents	268.4	–	–	–	–	–	268.4
	520.4	–	–	–	–	–	520.4
Current liabilities							
Trade and other payables	(372.8)	–	–	–	–	–	(372.8)
Deferred income	(48.9)	–	–	–	–	–	(48.9)
Provisions	(26.5)	–	–	–	–	–	(26.5)
Lease liabilities	(17.3)	–	–	17.3	–	–	–
	(465.5)	–	–	17.3	–	–	(448.2)
Net current assets	54.9	–	–	17.3	–	–	72.2

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP) CONTINUED

Consolidated statement of financial position as at 31 March 2026 continued

	2026 as reported £m	Rent & finance costs £m	Depreciation £m	Opening balance offset £m	Additions, remeasurement and foreign exchange £m	Deferred tax on IFRS 16 £m	2026 per IAS 17 £m
Non-current liabilities							
Borrowings	(3,622.7)	–	–	–	–	–	(3,622.7)
Retirement benefit liabilities	(2.9)	–	–	–	–	–	(2.9)
Lease liabilities	(516.3)	(18.5)	–	506.4	28.4	–	–
Deferred tax liabilities	(254.4)	–	–	–	–	4.1	(250.3)
Provisions	(5.5)	–	–	–	–	–	(5.5)
Other non-current liabilities	(13.5)	–	–	–	–	–	(13.5)
	(4,415.3)	(18.5)	–	506.4	28.4	4.1	(3,894.9)
NET ASSETS	776.5	(18.5)	19.9	14.0	1.1	4.1	797.1

Consolidated statement of cash flows for the year ended 31 March 2026

	2026 as reported £m	Payment recognised as operating charge £m	Interest charge £m	Lease repayment £m	2026 Frozen GAAP £m
Cash generated from operations	588.6	(47.4)	–	–	541.2
Interest paid	(266.9)	–	28.9	–	(238.0)
Interest received	10.2	–	–	–	10.2
Tax paid, net of refunds received	(13.1)	–	–	–	(13.1)
Net cash from operating activities	318.8	(47.4)	28.9	–	300.3
Net cash used in investing activities	(586.2)	–	–	–	(586.2)
Net cash from financing activities	271.8	–	–	18.5	290.3
Net increase in cash and cash equivalents	4.4	(47.4)	28.9	18.5	4.4

Statement of financial position

as at 31 March

	Note	2026 £m	2025 £m
Fixed assets			
Investments	4	**2,352.7**	2,352.7
Trade and other receivables	5	**507.7**	508.4
		2,860.4	2,861.1
Current assets			
Trade and other receivables	5	**–**	0.1
Cash and cash equivalents		**5.2**	–
		5.2	0.1
Current liabilities			
Trade and other payables	6	**(324.2)**	(308.5)
Net current liabilities		**(324.2)**	(308.4)
Total assets less current liabilities		**2,541.4**	2,552.7
Net assets		**2,541.4**	2,552.7
Capital and reserves			
Share capital	7	**316.6**	316.6
Share premium	7	**–**	743.3
Retained earnings	8	**2,224.8**	1,492.8
Total equity		**2,541.4**	2,552.7

The Company recognised a loss of £6.8m for the year ended 31 March 2026 (2025: profit of £2.2m). The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 1 July 2026 and signed on its behalf by:

Ken O'Toole
Chief Executive Officer
MAG

Statement of changes in equity

for the year ended 31 March 2026

	Note	Share capital £m	Share premium £m	Merger Reserve £m	Retained earnings £m	Total £m
Balance at 1 April 2025 as previously reported		**316.6**	**743.3**	**–**	**1,492.8**	**2,552.7**
Restatement of merger reserve		**–**	**–**	**1,249.3**	**(1,249.3)**	**–**
Restated balance at 1 April 2025		**316.6**	**743.3**	**1,249.3**	**243.5**	**2,552.7**
Total comprehensive expense for the year						
Loss for the year		**–**	**–**	**–**	**(6.8)**	**(6.8)**
		–	**–**	**–**	**(6.8)**	**(6.8)**
Transactions with owners recorded directly in equity						
Bonus share issue	8	**1,249.3**	**–**	**(1,249.3)**	**–**	**–**
Share capital reduction	8	**(1,249.3)**	**–**	**–**	**1,249.3**	**–**
Cancellation of shares	8	**–**	**(743.3)**	**–**	**743.3**	**–**
Dividends paid to equity holders – C shareholders	3	**–**	**–**	**–**	**(4.5)**	**(4.5)**
Balance at 31 March 2026		**316.6**	**–**	**–**	**2,224.8**	**2,541.4**

	Note	Share capital £m	Share premium £m	Merger Reserve £m	Retained earnings £m	Total £m
Balance at 1 April 2024 as previously reported		316.6	743.3	–	1,509.7	2,569.6
Restatement of merger reserve		–	–	1,249.3	(1,249.3)	–
Restated balance at 1 April 2024		316.6	743.3	1,249.3	260.4	2,569.6
Total comprehensive expense for the year						
Profit for the year		–	–	–	2.2	2.2
		–	–	–	2.2	2.2
Transactions with owners recorded directly in equity						
Dividends paid to equity holders	3	–	–	–	(19.1)	(19.1)
Balance at 31 March 2025		316.6	743.3	1,249.3	243.5	2,552.7

The accompanying notes form an integral part of the financial statements.

Company basis of preparation

GENERAL INFORMATION

Certain information relevant to the Company, including considerations related to going concern, is included in the Basis of Preparation for the consolidated financial statements on page 126. The information below is that which is incremental and specific to the Company financial statements.

The Company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ('FRS 102') and the Companies Act 2006.

The financial statements are presented in pounds sterling, which is also the Company's functional currency, and are shown as millions rounded to the nearest one decimal place, except where otherwise stated.

The Company has opted not to present its individual profit and loss account, based on the exemption available in section 408 of the Companies Act.

The Company has also taken advantage of the following exemptions from FRS 102 requirements on the basis that it is a qualifying entity:

- Preparing a statement of cash flows, under paragraph 1.12(b), also on the basis that the consolidated statement of cash flows, included in the Group financial statements, includes the Company's cash flows.
- Presenting certain financial instrument disclosures, from paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, also on the basis that equivalent disclosures are included in the Group financial statements.
- Disclosing the Company's key management personnel compensation in total, from paragraph 33.7.
- Presenting a reconciliation of the number of shares outstanding at the beginning and end of the period, from paragraph 4.12(a)(iv).

The principal accounting policies applied in the preparation of these financial statements are set out on page 184. These policies have been consistently applied to all years presented, unless otherwise stated.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these financial statements and applying the Company's accounting policies set out on page 184, the Directors have made judgements and formed estimates that impact the reported amount of assets, liabilities, income and expenses. Actual results may, however, differ from the estimates calculated.

In the Directors' opinion, there is one judgement made in applying the Company's accounting policies, which is that there are no indicators of impairment in relation to the Company's investments in the rest of the Group. Reference is made to the Group's performance, prior and current expectations of future performance, and any transactions in the wider market that provide comparable data for the likely fair value of the Group. The Directors continue to conclude that the carrying amount of the Company's investments and amounts due from subsidiaries are supported by the underlying value of the Group.

PRIOR PERIOD ADJUSTMENT

On 22 January 2013 MAHL undertook a share-for-share swap with The Manchester Airports Group plc. The excess of the fair value, amounting to £1,249.3m, was originally recognised as share premium and was then subject to a capital reduction, supported by a solvency statement, and recognised as retained earnings. The treatment of this share-for-share exchange under s612 of the Companies Act 2006 required that the excess is recognised as a merger reserve as opposed to share premium. As a result, this invalidated the subsequent capital reduction. To correctly reflect this error, MAHL has restated its opening reserves position as of 1 April 2024 to reflect the £1,249.3m merger reserve, resulting in an increase to the retained earnings deficit from £1,509.7m to £260.4m.

All dividends paid by MAHL in the period between 2013 and 2025[1], were from reserved deemed at the time to be distributable. Having identified the issue set out above, these dividends were not in accordance with the requirements of the Companies Act 2006. Steps to remediate this position have been completed in FY26. This resulted in a reduction in both the merger reserve and share premium account to £nil, with a corresponding increase to retained earnings totalling £1,992.6m. The individual transactions entered into as part of the remediation are shown in the Consolidated statement of changes in equity.

1 https://www.magairports.com/work-with-us/investor-relations/.

Notes to the Company financial statements

for the year ended 31 March 2026

1. NOTES TO THE INCOME STATEMENT

Amounts receivable by the Company's auditor and the auditor's associates in respect of services to the Company and the Company's subsidiaries, have not been disclosed as the information has been disclosed on a consolidated basis in note 8 to the consolidated financial statements.

The aggregate remuneration of the Company's Directors, and the remuneration of the highest paid Director, is disclosed in note 6 to the consolidated financial statements.

2. LOSS ON ORDINARY ACTIVITIES AFTER TAXATION OF THE COMPANY

As permitted by Section 408 of the Companies Act, the Company has taken advantage of the available exemption from the requirement to present its own income statement. The Company recognised a loss of £6.8m for the year ended 31 March 2026 (2025: profit of £2.2m).

The average number of employees employed by the Company in the year was nil (2025: nil).

3. DIVIDENDS

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Amounts recognised as distributions to equity holders in the period		
Final dividend of nil pence (2025: 4.7 pence) per share – paid to ordinary shareholders	–	15.0
Final dividend of £150,570 (2025: £136,670) per share – paid to C shareholders	4.5	4.1
Amounts recognised as distributions to equity holders in the year	4.5	19.1

Dividends paid to ordinary and C-shareholders relate to the results of the corresponding previous year.

A final dividend of £31 (0.00000979 pence per ordinary non-voting share) was approved by the Board of Directors on 30 June 2026. This dividend has not been recognised as a liability at the balance sheet date.

The Directors do not recommend the payment of a final dividend in relation to any other class of shares.

4. INVESTMENTS

	Subsidiary undertakings £m
Cost and net book value	
At 1 April 2025	2,352.7
At 31 March 2026	2,352.7

5. TRADE AND OTHER RECEIVABLES

	2026 £m	2025 £m
Amounts due from subsidiaries – non-current	507.7	508.4
Other receivables	–	0.1
	507.7	508.5

Settlement terms on all amounts due to subsidiaries are at a date mutually agreed by both parties to the balance. All balances are classified as non-current since receipt is not probable within 12 months.

The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

6. TRADE AND OTHER PAYABLES

	2026 £m	2025 £m
Amounts owed to subsidiary undertakings – Current	324.2	308.5
	324.2	308.5

Amounts owed to subsidiary undertakings include an interest-bearing loan of £292.5m at 31 March 2026 (2025: £292.5m), with interest charged at an annual rate of 1.5% (2025: 1.5%) above the Bank of England base rate. All other remaining balances are interest free. All balances are repayable on demand.

Notes to the Company financial statements continued

for the year ended 31 March 2026

7. CALLED UP SHARE CAPITAL

	Number of shares m	Share capital £m	Share premium £m	Total £m
Issued, called up and fully paid				
At 31 March 2025	**316.6**	**316.6**	**743.3**	**1,059.9**
Bonus share issue	**–**	**1,249.3**	**–**	**1,249.3**
Share capital reduction	**–**	**(1,249.3)**	**–**	**(1,249.3)**
Capital reduction of share premium	**–**	**–**	**(743.3)**	**(743.3)**
At 31 March 2026	**316.6**	**316.6**	**–**	**316.6**

Details of shares are given below:

Share type	Total nominal value £	Premium £
204,280,000 Ordinary non-voting shares, issued at £1 nominal value	**204,280,000**	**–**
112,354,000 Ordinary non-voting shares, issued at premium	**112,354,000**	**–**
10 x 'A' shares, issued at £1 nominal value	**10**	**–**
10 x 'B' shares, issued at £1 nominal value	**10**	**–**
30 x 'C' shares, issued at premium	**30**	**–**

Particulars of each class of share:

Voting – each holder of A or B shares shall be entitled to receive notice of, to attend, speak at and vote at general meetings of the Company. All other classes of shares do not carry voting rights.

Capital – on a winding up or other return of capital, the available assets of the Company shall be applied in the following order of priority:

(A) first, in paying to each holder of A shares, B shares and non-voting ordinary shares the nominal amount of the aggregate of such shares held by each such holder pro-rata to their holdings of shares; and

(B) second, in paying the balance to the holders of non-voting ordinary shares pro-rata to their holdings of non-voting ordinary shares.

Income – C shareholders and ordinary shareholders shall be entitled to dividends, which shall be payable to the holders pro-rata to their holdings of C shares/ordinary shares respectively.

8. RESERVES

	Retained earnings £m
At 1 April 2025 (Restated)	**243.5**
Loss for the year	**(6.8)**
Share capital reduction	**1,249.3**
Cancellation of shares	**743.3**
Dividends paid to equity holders	**(4.5)**
At 31 March 2026	**2,224.8**

	2026 £m	2025 £m
Reconciliation of movement in shareholders' funds		
Opening shareholders' funds	**2,552.7**	2,569.6
(Loss)/profit for the year	**(6.8)**	2.2
Dividend	**(4.5)**	(19.1)
Equity shareholders' funds as at 31 March 2026	**2,541.4**	2,552.7

9. SUBSIDIARY UNDERTAKINGS

Name of undertaking	Description of shares held	Group	Company	Principal activity
Agency of the North Limited[2,7]	Ordinary shares	100%		Non trading
Airportparkingreservations.com[6,*]	n/a	100%		Trading company
Airport Advertising Limited[2,7]	Ordinary shares	100%		Non trading
Airport City (Asset Manager) Limited[1,2]	Ordinary £1 shares	20%		Property holding company
Airport City (General Partner) Limited[1,2]	Ordinary £1 shares	20%		Property holding company
Airport City Limited Partnership[1,2]	n/a	20%		Property holding company
Airport City Management Company (North) Limited[1,2,7]	n/a	100%		Non trading
Airport City Management Company (South) Limited[1,2,7]	n/a	100%		Non trading
Airport City (Manchester) Limited[1,2]	Ordinary £1 shares	100%		Property holding company
Airport City (Manchester) Investments Limited[1,2]	Ordinary £1 shares	100%		Property holding company
Airport Petroleum Limited[2,7]	Ordinary £1 shares	100%		Non trading
Airport Services International Limited[2,7]	Ordinary £1 shares	100%		Non trading
Bainsdown Limited[3,7]	Ordinary shares	100%		Non trading
Boundary Park Holdings Limited	Ordinary £1 shares	100%		Property holding company
CAVU Distribution (AMER) LLC[8,*]	n/a	100%		Trading company
CAVU ECommerce (EMEA) Limited[2]	Ordinary £1 shares	100%		Trading company
CAVU eCommerce (AMER) LLC[6,*]	n/a	100%		Trading company
CAVU Experiences (AMER) LLC[6,*]	n/a	100%		Trading company
CAVU Experiences (EMEA) Limited[2]	Ordinary £1 shares	100%		Trading company
CAVU Holdings (The Netherlands) B.V ¬	Ordinary shares	100%		Holding company
CAVU Holdings (AMER) Inc[6,*]	Ordinary $0.01 shares	100%		Investment holding company
CAVU Holdings (APAC) Pty Ltd[10,~]	n/a	100%		Non trading
CAVU Group Limited[2]	Ordinary £1 shares	100%		Trading company
East Midlands Airport Core Property Investments Limited[2,7]	Ordinary £1 shares	100%		Non trading
East Midlands Airport Nottingham Derby Leicester Limited[2]	Ordinary £1 shares	100%		Intermediate holding company of East Midlands International Airport Limited
East Midlands Airport Property Investments (Hotels) Limited[2,7]	Ordinary £1 shares	100%		Non trading
East Midlands Airport Property Investments (Industrial) Limited[2,7]	Ordinary £1 shares	100%		Non trading
East Midlands Airport Property Investments (Offices) Limited[2,7]	Ordinary £1 shares	100%		Non trading
East Midlands International Airport Limited[4]	Ordinary £1 shares 9% cumulative redeemable preference shares	100% 100%		Airport operator
Manchester Airport Aviation Services Limited[3,7]	Ordinary £1 shares	100%		Non trading
Manchester Airport Finance Holdings Limited[2]	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Finance Limited[2]	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Funding Plc[2]	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Investments Limited[2]	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Property Developments Limited[2]	Ordinary £1 shares	100%		Property development company
Manchester Airport Group Property Services Limited[2]	Ordinary £1 shares	100%		Non trading
MAG Airport Limited[2]	Ordinary £1 shares	100%		Trading company
MAG Bahamas Holdings Ltd[9^]	Ordinary £1 shares	100%		Holding company
MAG Grand Bahama Ltd[9^]	Ordinary $1 shares	100%		International business company

Notes to the Company financial statements continued

for the year ended 31 March 2026

9. SUBSIDIARY UNDERTAKINGS CONTINUED

Name of undertaking	Description of shares held	Group	Company	Principal activity
Manchester Airport Car Park (1) Limited[2]	Ordinary £1 shares	100%		Trading company
Manchester Airport Group US Holdings Inc[6,*]	Ordinary $0.01 shares	100%		Investment holding company
Manchester Airport Plc[3]	Ordinary £1 shares	100%		Airport operator
Manchester Airport Property Investments (Hotels) Limited[2,7]	Ordinary £1 shares	100%		Non trading
Manchester Airport Property Investments (Industrial) Limited[2,7]	Ordinary £1 shares	100%		Non trading
Manchester Airport Property Investments (Offices) Limited[2,7]	Ordinary £1 shares	100%		Non trading
Manchester Airport Ventures Limited[2,7]	Ordinary £1 shares	100%		Non trading
MAG Investments US Ltd[2]	Ordinary £1 shares	100%		Non trading
MAG Overseas Investments Ltd[2]	Ordinary £1 shares	100%	100%	Non trading
MAG US Terminal Management LLC[6,*]	n/a	100%		Non trading
MAG US (Apollo) Limited[2]	Ordinary £1 shares	100%		Holding company
MAG US (Apollo) Inc[6,*]	n/a	100%		Holding company
ParkCloud Ltd[2]	Ordinary £1 shares	100%		Trading company
ParkCloud Holdings Limited[2]	Ordinary £1 shares	100%		Trading company
ParkVia Limited[2]	Ordinary £1 shares	100%		Trading company
Parkos Holding B.V[11,¬]	Ordinary shares	100%		Holding company
Parkos B.V[11,¬]	Ordinary shares	100%		Trading company
Parkos International B.V[11,¬]	Ordinary shares	100%		Non-trading
Ringway Developments Ltd[2,7]	Ordinary shares	100%		Non trading
Ringway Handling Limited[3,7]	Ordinary £1 shares	100%		Non trading
Ringway Handling Services Limited[3,7]	Ordinary shares	100%		Non trading
Shuttlefinder.net LLC[6,*]	n/a	100%		Trading company
Simmerdown Limited[2,7]	Ordinary shares	100%		Non trading
Stansted Airport Limited[5]	Ordinary £1 shares	100%		Airport operator
The Escape Lounge FLL LLC[6,*]	n/a	75%		Trading company
Travel Parking Group Limited[2]	'A' Ordinary £1 shares Ordinary £1 shares	100% 100%		Holding company
Worknorth Limited[2,7]	7% cumulative redeemable preference shares	100%		Non trading
	Ordinary shares	100%		
Worknorth II Limited[2,7]	'A' redeemable non-cumulative preference shares	100%		Non trading
	7% cumulative 'B' redeemable preference shares	100%		
	Ordinary shares	100%		

1 These reflect the Group's 20% investment in MIX Manchester shown within the Group financial statements as an investment in associate.

The registered office addresses for each of the above companies are listed below.

2 Olympic House, Manchester Airport, Manchester, M90 1QX.
3 Level 5 Town Hall Extension, Albert Square, Manchester, England, M60 2LA.
4 Pathfinder House, East Midlands Airport, Castle Donington, Derby DE74 2SA.
5 Enterprise House, Bassingbourn Road, Stansted Airport, Essex, CM24 1QW.
6 251 Little Falls Drive, Wilmington, Delaware, 19808, United States of America.
7 Dormant and exempt from preparing and filing individual accounts by virtue of S394A of the Companies Act 2006.
8 1201 Hays Street, Tallahassee, Florida, 32301, United States of America.
9 M B & H Corporate Services Ltd., Mareva House, 4 George Street, Nassau, Bahamas.
10 Level 7 330 Collins Street, Melbourne, VIC 3000.
11 Hereweg 120–3, 9725 AK Groningen.

All the above companies operate in their country of incorporation or registration, which is England and Wales except where indicated as follows:

* – United States of America
^ – Bahamas
~ – Australia
¬ – Europe

10. PARENT GUARANTEE

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act:

Name of undertaking	Registered company number
Agency of the North Limited	07761704
Airport City (Manchester) Limited	08385544
Airport Services International Limited	11415904
Airport City (Manchester) Investments Limited	08721435
Manchester Airport Group Property Services Limited	07088135
MAG Overseas Investments Ltd	09434983
Manchester Airport Group Property Developments Limited	7088164
Travel Parking Group Limited	07235776
Boundary Park Holdings Limited	15467909
ParkVia Limited	06557569
ParkCloud Holdings Limited	11449751
MAG Bahamas Holdings Ltd	16483327

IMPORTANT INFORMATION

Cautionary Statement: The Annual Report and Accounts contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast. Unless expressly stated otherwise, the 'Group', 'MAG', 'Manchester Airports Group', 'MAHL' or 'the Company' means Manchester Airports Holdings Limited and its subsidiary undertakings.

Company accounting policies

References to 'FRS 102' in these accounting policies refer to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

INVESTMENTS IN SUBSIDIARIES

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less accumulated impairments.

At each balance sheet date, each investment is assessed for the existence of any indicators of potential impairment. If indicators exist, the recoverable amount of the investment is compared to its carrying amount. The recoverable amount is based upon the methodology described in the Group's impairment accounting policy (see page 166), adjusted to ensure it represents a like-for-like equity valuation.

Any excess of carrying amount over recoverable amount is charged to the profit and loss account as an impairment. Impairment losses can be subsequently reversed at a later date if the reasons for the original impairment no longer exist. Any reversal of an impairment loss is recognised in the profit and loss account.

DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

FINANCIAL INSTRUMENTS

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets are principally amounts owed by subsidiary undertakings initially recognised at transaction price and subsequently carried at amortised cost.

At each balance sheet date, amounts owed are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is recognised in profit or loss. Impairment reversals are also recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities are principally amounts owed to subsidiary undertakings. They are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Amounts owed to subsidiaries, whether for trading or financing, are subsequently carried at amortised cost, using the effective interest rate method.

The Company does not typically have external trade payables as such liabilities are settled by other companies in the Group and recharged to the Company.

Amounts owed to subsidiary undertakings are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised in the financial statements in the period in which they are paid.

AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS

Amounts owed to subsidiary undertakings are recognised initially at their transaction price less attributable transaction costs. Subsequent to initial recognition, amounts owed to subsidiary undertakings are measured at amortised cost.

RELATED PARTY TRANSACTIONS

Disclosure of transactions with related parties which are not wholly owned within the same group is included in note 34 to the Group financial statements. The Company does not disclose transactions with members of the same group that are wholly owned.





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