Welcome to
Sydney's Airport

Equity raise and 2020 half year results

11 August 2020

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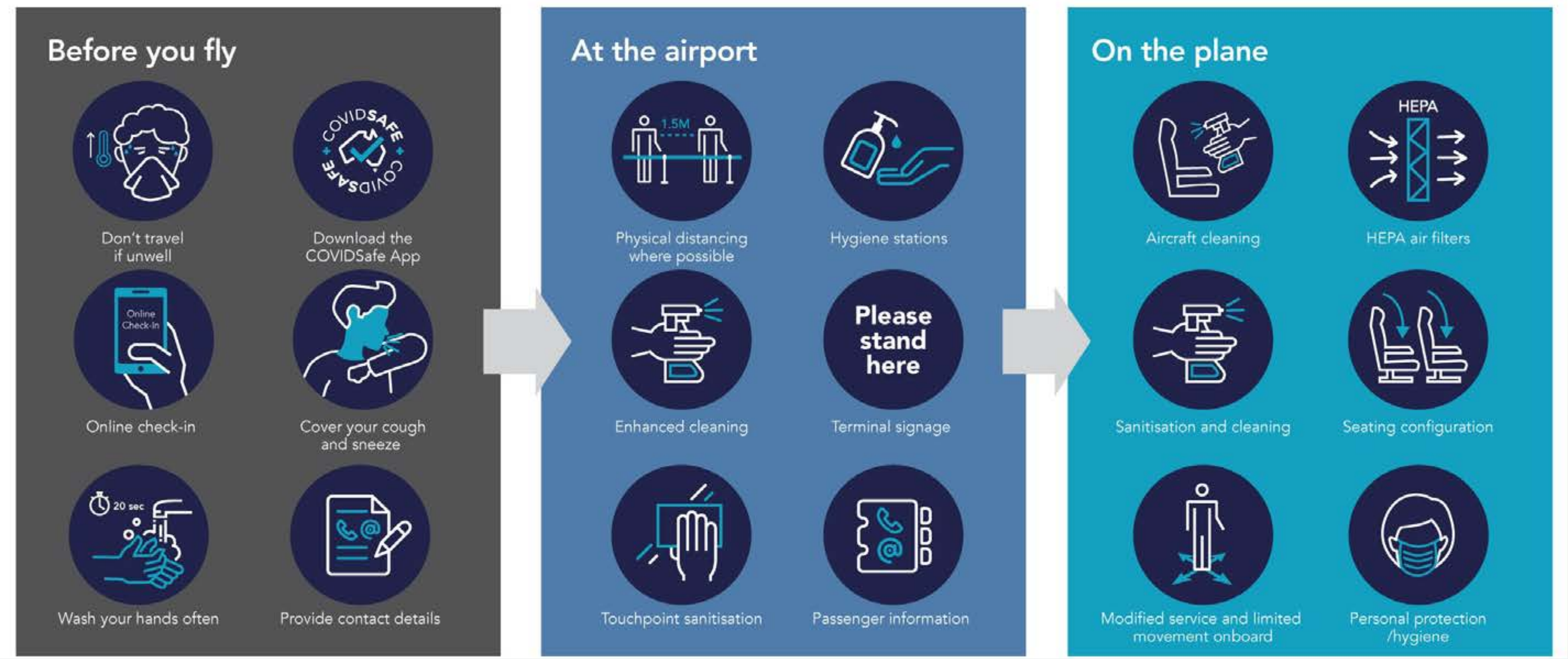
COVID-safe protocols

Developed with the Australian Aviation Recovery Coalition and in place across all Australian domestic airports



Source: Developed via the Australian Aviation Recovery Coalition, made up of Australian Airports Association and Airlines for Australian and New Zealand (A4ANZ) members: https://airports.asn.au/covid-19-resource-centre/.

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Equity raising

Chief Executive Officer – Geoff Culbert

Chief Financial Officer – Greg Botham

Decisive action

Positioning Sydney Airport for the future

Decisive action being taken	– SYD took pre-emptive action early in the COVID-19 pandemic to put in place significant extra liquidity which gave us the flexibility to monitor how the situation evolved – After six months of pandemic impact, significant ongoing uncertainty continues as to how long aviation markets will take to recover to pre-COVID-19 levels – Accordingly, SYD is taking further decisive action to strengthen its balance sheet and ensure it remains well capitalised to meet the challenges presented by the uncertain operating environment – The equity raising is in addition to already announced measures to improve SYD's financial resilience including significant reductions in both capital expenditure and operating costs, and the cancellation of the 1H20 distribution
Strengthen the balance sheet and liquidity position	– Following the raising, SYD's pro forma net debt position will be substantially reduced from \$9.1bn to \$7.1bn as at 30 June 2020[1] o Pro forma net debt / FY19 EBITDA will be reduced from 6.8x to 5.3x as at 30 June 2020[2] – In addition to existing available cash, the equity raising proceeds will cover debt maturities, as well as be used for general corporate purposes, including but not limited to capital expenditure – It also provides SYD with flexibility to: o Respond to a range of recovery scenarios o Pursue sensible growth opportunities as the recovery unfolds

1 See slide 8 for calculation of pro forma adjusted liquidity.
2 See slide 8 for calculation of pro forma Net debt / FY19 EBITDA.

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Entitlement Offer overview

Entitlement Offer	– Fully underwritten, 1 for 5.15 pro rata accelerated renounceable entitlement offer (**Entitlement Offer**) with retail entitlements trading to raise gross proceeds of $2.0bn – Entitlement Offer price of $4.56 per New Security which represents o 15.4% discount to SYD's closing price of $5.39 on 10 August 2020 o 13.2% discount to TERP[1] of $5.26 – The Boards are very focused to ensure the fairest possible offer structure for all existing investors, whether retail or institutional – Accordingly, it has adopted a fully renounceable entitlement structure, with rights trading for retail investors – The Boards have priced the offer with a view to facilitating a robust market for the entitlements of any investors wishing to sell their entitlement

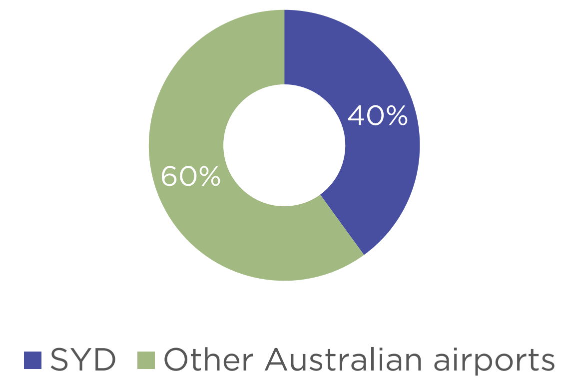
1. TERP is a theoretical price at which SYD securities trade immediately after the ex date for the Entitlement Offer assuming 100% take up of the Entitlement Offer and having regard to the Entitlement Offer ratio. TERP is a theoretical calculation only and the actual price at which SYD securities trade immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to SYD's closing price of $5.39 on 10 August 2020.

A critical piece of Australia's economy

Sydney Airport has always been, and remains, a crucial component of Australia's infrastructure, tourism industry and broader economy

- One of Australia's most important infrastructure assets
- Australia's largest airport with demonstrated ability to produce stable and growing cash flows
- Key contributor to economic growth
- Australia's international gateway and an essential part of the country's transport network
- Accounts for almost half of Australia's air cargo by weight
- Significant contributor to local and national economies, generating over $38 billion in economic activity (equivalent to 6.8% of NSW economy)[1]

Australia's international gateway



Sydney Airport handled over 44 million passengers[2] to over 90 destinations in 2019

1. Source: Deloitte Access Economics – Economic contribution of Sydney Airport report, Inquiry into National Freight and Supply Chain priorities.
2. International passengers contribute approximately 70% of passenger generated revenues.

Entitlement Offer increases resilience

Reinforcing SYD's balance sheet strength and ensuring SYD remains well capitalised for a range of potential recovery scenarios

Decisive and proactive response

1. Operating cost reductions

   - Implemented initiatives to reduce SYD's cost base

   - 20.5% operating cost reduction for 1H20[1]

2. Capital investment program

   - Capex program scaled back to reflect current environment

   - $150-200m versus historical run rate of ~$350m p.a.

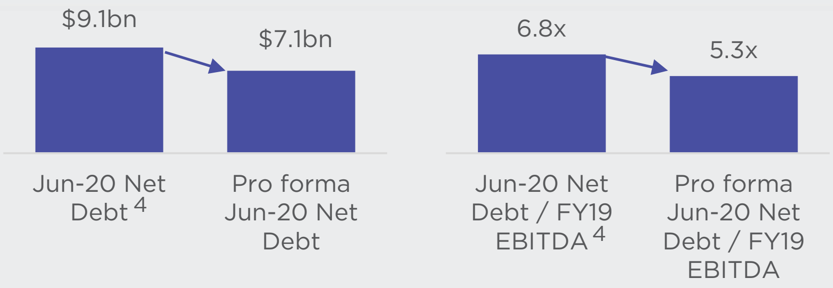
3. Balance sheet and liquidity

   - Proactively addressed liquidity and cash flow requirements

   - Liquidity of $2.6bn ($1.0bn of available cash, $1.6bn undrawn bank facilities at 30 June 2020)

Increasing resilience through today's equity raising

- Active strategy of reducing overall leverage within the Group
- Pro forma net debt reduced from $9.1bn to $7.1bn (as at 30 June 2020)[2]
- Pro forma net debt / FY19 EBITDA reduced from 6.8x to 5.3x[3] (as at 30 June 2020)



~22% reduction in net debt[2]

1. Excluding the impact of expected credit loss provision, and security recoverable expenditure.
2. See slide 8 for calculation of pro forma Net debt.
3. See slide 8 for calculation of pro forma Net debt / FY19 EBITDA.
4. Prior to Entitlement Offer.

Pro forma capitalisation and liquidity

Following the Entitlement Offer, SYD expects to be well capitalised with strong liquidity to respond to a range of potential recovery scenarios

Sources	$ millions	Uses	$ millions
Entitlement Offer	2,000.0	Net debt reduction	1,965.0
		Offer costs	35.0
Total sources	**2,000.0**	**Total uses**	**2,000.0**

$ millions	Current capital structure	Impact of Entitlement Offer	Pro forma capital structure
Interest-bearing liabilities[1]	10,109.6	-	10,109.6
Capitalised lease liabilities	0.5	-	0.5
Gross debt	10,110.1	-	10,110.1
Cash & cash equivalents	(1,013.4)	(1,965.0)	(2,978.4)
Net debt	**9,096.7**	**(1,965.0)**	**7,131.7**
Net debt / FY19 EBITDA[2]	6.8x	(1.5x)	5.3x
Total liquidity	2,625.4	1,965.0	4,590.4

Following completion of the Entitlement Offer:

- Pro forma net debt of $7.1bn (as at 30 June 2020)
- Total liquidity position expected to be $4.6bn (pro forma as at 30 June 2020)
- Pro forma net debt / FY19 EBITDA reduced to 5.3x (as at 30 June 2020)

1. Interest bearing liabilities of $10,109.6 million reflects the principal amounts drawn at 30 June 2020 as disclosed in the SYD Group Interim Financial Report for the half year ended 30 June 2020. This interest bearing liabilities amount differs from the aggregate of the carrying values of short-term borrowings ($1,496.3 million) and long-term borrowings ($9,789.8 million) reflected in the pro forma balance sheet disclosure on slide 35 primarily due to the movements in foreign currency rates from the principal drawn date and 30 June 2020, and fair value adjustments required for accounting purposes. As at 30 June 2020, the foreign denominated interest bearing liabilities were 100% hedged through cross currency swaps until maturity.
2. FY19 EBITDA excludes Other expenses.

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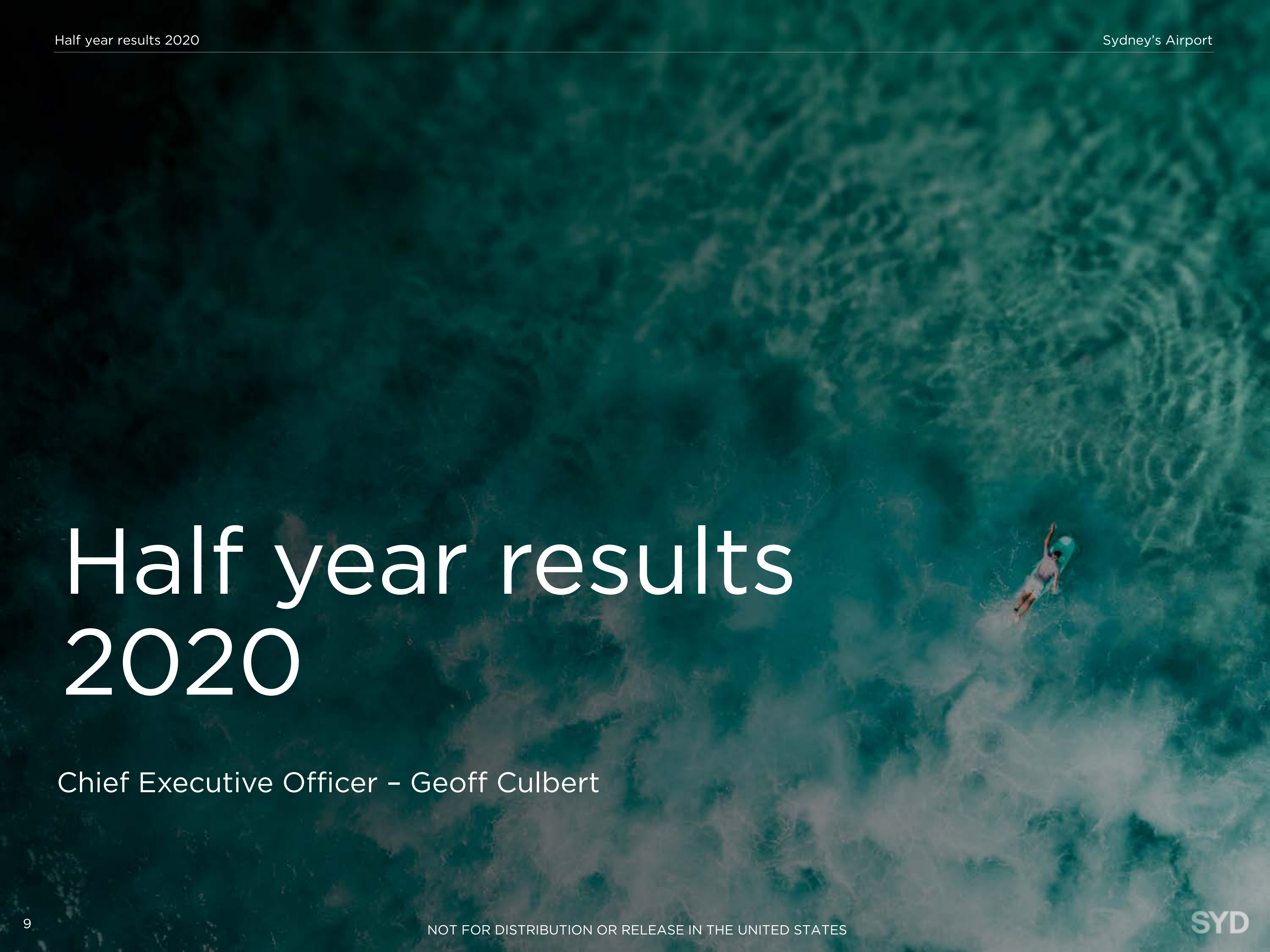

Half year results 2020

Chief Executive Officer – Geoff Culbert

Key metrics

The impact of COVID-19 is unprecedented in the history of aviation

Total passengers[1,2]
9.4m
↓56.6% from 1H19

Revenue
$511.0m
↓35.9% from 1H19

Net operating receipts
$90.4m
↓79.0% from 1H19

Operating expenses[3]
$80.5m
↓20.5% from 1H19

Security recoverable expense, expected credit loss and other expenses[4]
$130.1m
↓ 43.6% from 1H19

EBITDA
$300.4m
↓35.4% from 1H19

1. International passengers 3.5 million, down 57.3% on 1H19. Domestic passengers 5.8 million, down 56.1% on 1H19.
2. Total passengers in 1Q20 was 9.0 million, down 18.0% on 1Q19. Total passengers in 2Q20 was 0.4 million, down 96.6% on 2Q19.
3. Represents total operating expenses excluding security recoverable expense and expected credit loss expense.
4. Other Expenses represents write-off of non-current assets and indemnity expense.

2020 distribution

No distribution expected to be declared for 2020

- Given the current outlook, no distribution is expected for 2020[1]
- Updates will be provided to the distribution outlook as the recovery emerges

1. On 9 June 2020 The Trust Company (Sydney Airport) Limited as responsible entity of SAT1 executed a Deed Poll in favour of SAL. Under the Deed Poll, SAT1 agreed to waive its right to interest payable by SAL and the accumulation and capitalisation of unpaid interest of approximately $116.5 million for the six months from 1 July 2020 to 31 December 2020.

Half year financial results 2020

Chief Financial Officer – Greg Botham

Statutory income statement

$ millions	1H20	1H19
Total revenue	511.0	797.1
Total operating expenses[1]	(187.5)	(147.9)
Total other expenses[2]	(23.1)	(184.1)
EBITDA	**300.4**	**465.1**
Depreciation and amortisation	(220.0)	(211.4)
Profit before net finance costs and income tax (EBIT)	**80.4**	**253.7**
Net finance costs	(208.9)	(204.6)
(Loss)/Profit before income tax expense	**(128.5)**	**49.1**
Income tax benefit/(expense)[3]	74.9	(31.8)
(Loss)/Profit after income tax expense	**(53.6)**	**17.3**
Add Back: Loss attributable to non-controlling interests[4]	1.8	182.5
Net (loss)/profit attributable to security holders	(51.8)	199.8

1. Includes expected credit loss expense of $68.4 million (30 June 2019: Nil) and security recoverable expense of $38.6 million (30 June 2019: $46.7 million).
2. Includes write off of non-current assets $22.2 million (30 June 2019: Nil), indemnity expenses in respect of the Danish tax matters taken from Note 12 in the Sydney Airport Interim Financial Report for the Half Year Ended 30 June 2020 $0.9 million (30 June 2019: $181.7 million) and restructuring and redundancy expenses (30 June 2019: $2.4 million).
3. SAL no longer expects to commence paying cash income tax from calendar year 2022 given the impact of COVID-19 to earnings.
4. Represents SAT1 operating loss for the half year period. SAL is the head entity for the Consolidated Group for reporting purposes. Non-controlling interests represents SAT1 accounting results.

Net operating receipts reconciliation

$ millions	1H20	1H19
(Loss)/profit before income tax expense[1]	(128.5)	49.1
Add back: depreciation and amortisation[1]	220.0	211.4
Profit before tax, depreciation and amortisation	91.5	260.5
Add/(subtract) non-cash expenses		
- Capital indexed bonds capitalised[2]	13.2	9.5
- Amortisation of debt establishment costs[2]	5.7	(7.1)
- Borrowing costs capitalised[2]	(4.3)	(5.1)
- Change in fair value of swaps[2]	(6.8)	3.7
Total non-cash financial expenses	**7.8**	**1.0**
Add/(subtract) other cash movements		
- Movement in cash balance with restricted use[3]	(0.1)	(0.9)
- Other	(9.7)	(11.1)
Total other cash movements	**(9.8)**	**(12.0)**
Add back: Indemnity costs[1]	0.9	181.7
Net operating receipts	**90.4**	**431.2**
Average stapled securities on issue (m)	2,259.5	2,256.6
Net operating receipts per stapled security (cents)	4.0	19.1
Distribution declared per stapled security (cents)	0.0	19.5

1. Taken from the Consolidated statement of comprehensive income in the Sydney Airport Interim financial Report for the Half Year ended 30 June 2020.
2. Taken from Note 6 in the Sydney Airport Interim Financial Report for the Half Year Ended 30 June 2020.
3. Included in the SAL Group's consolidated deposit balance is $11.3 million (31 December 2019: $11.2 million) held by Sydney Airport Corporation Limited (SACL), which is restricted to fund capital expenditure.

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COVID-19 response

Proactively addressed liquidity and cashflow requirements to the end of calendar 2021

Balance sheet

- Prudently secured additional $850m of two and three year bilateral bank facilities in April 2020
- ~AUD600m USPP bond proceeds received in June 2020. Transaction included world first two-way sustainability linked tranche
- Certain interest rate swaps reset to current market rates in July 2020, reducing interest payments over next ~12 months by $138m in exchange for a corresponding upfront payment
- Continue to expect to remain compliant with covenant requirements

Cashflow management

- On track to deliver targeted operating cost outcomes for 12 months to March 2021, of at least a 35% reduction on the prior corresponding period[1]
- On track to deliver targeted capital expenditure for 12 months to March 2021, of $150m to $200m
- A strong focus on collecting outstanding receivables, yielding positive results in the first half of 2020

1. Excluding security recoverable expenses.

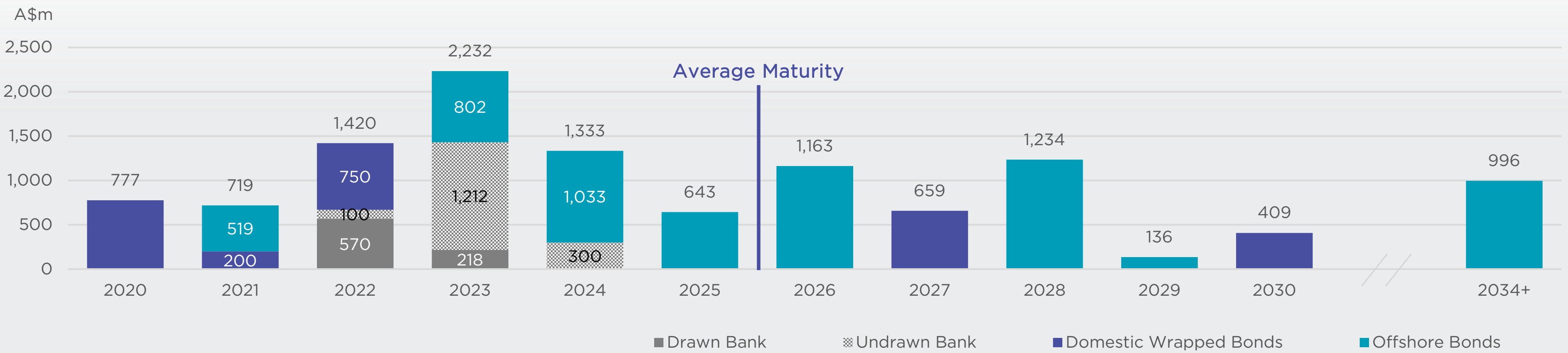
Liquidity and debt maturity profile

Liquidity of $2.6 billion as at 30 June 2020

30 June 2020 Metrics	
Net debt[1]	$9.1bn
CFCR[2]	2.4x
Net debt / EBITDA[1,2]	9.3x
Credit rating	BBB+ (negative outlook)/ Baa1 (negative outlook)
Next drawn maturity	Nov 2020
Average maturity	Early 2026
Average cash interest rate[3]	4.2%
Spot interest rate hedge position	88% (incl. bank debt)

- $1.0bn of available cash
- $1.6bn of undrawn bank debt facilities
- Committed to maintaining at least a BBB/Baa2 credit rating
- Ability to receive up to $197m from NSW Govt by September 2021 in respect of the Sydney Gateway transaction announced in September 2018[4]

Debt Maturity Profile[5]

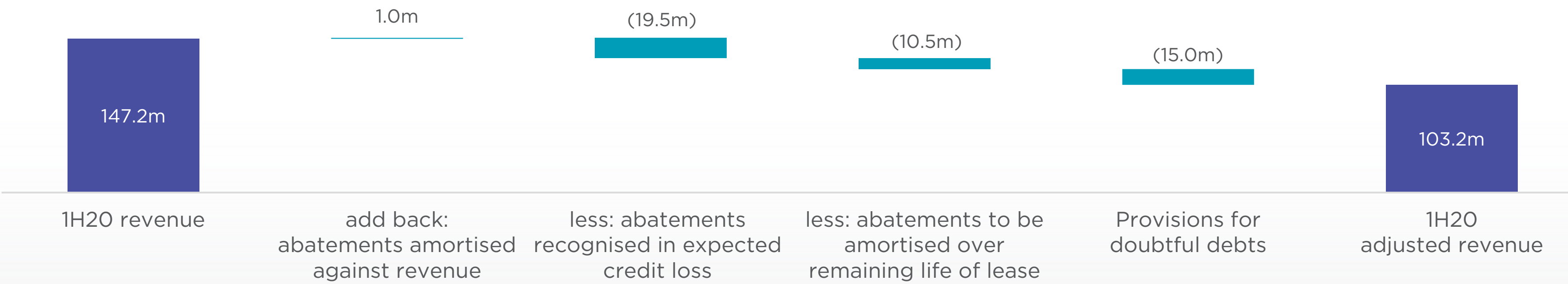


1. Includes SAL bilateral debt facility, SAL/SAT1 cash and leases liabilities due to the application of AASB16.
2. Calculated on rolling 12-month basis (CFCR metric calculated for the SCACH Group).
3. Excludes capitalised interest, fair value of swaps and amortisation of debt establishment and other costs.
4. Consideration valued at $170 milion in 2018, escalating over 3 years at 5% p.a. Option to consider deploying expected proceeds into alternative project if suitable opportunity arises
5. Includes $150 million SAL working capital facility (fully drawn) as at 30 June 2020.

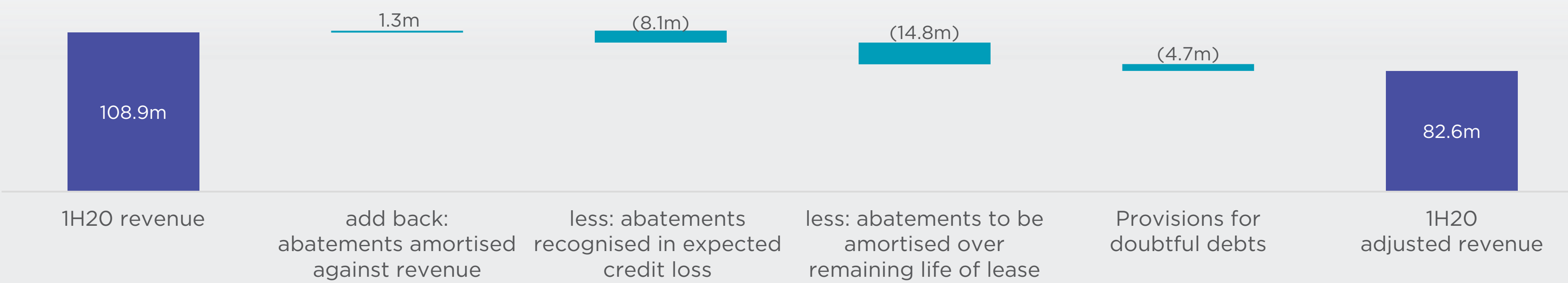
Revenue reconciliation

Breakdown of retail and property revenue recognised in 1H20

1H20 retail revenue ($)[1]



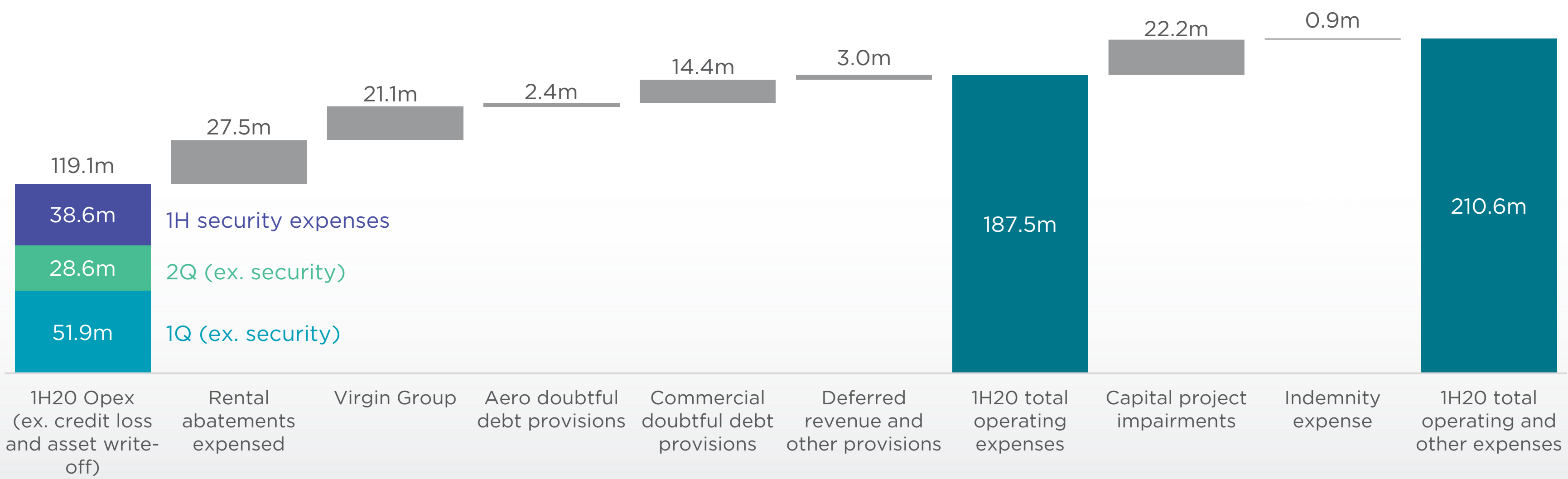
1H20 property revenue ($)[1]



1. In accordance with applicable accounting standards.

Expected credit loss and asset write-off

Movement in total expenses ($)



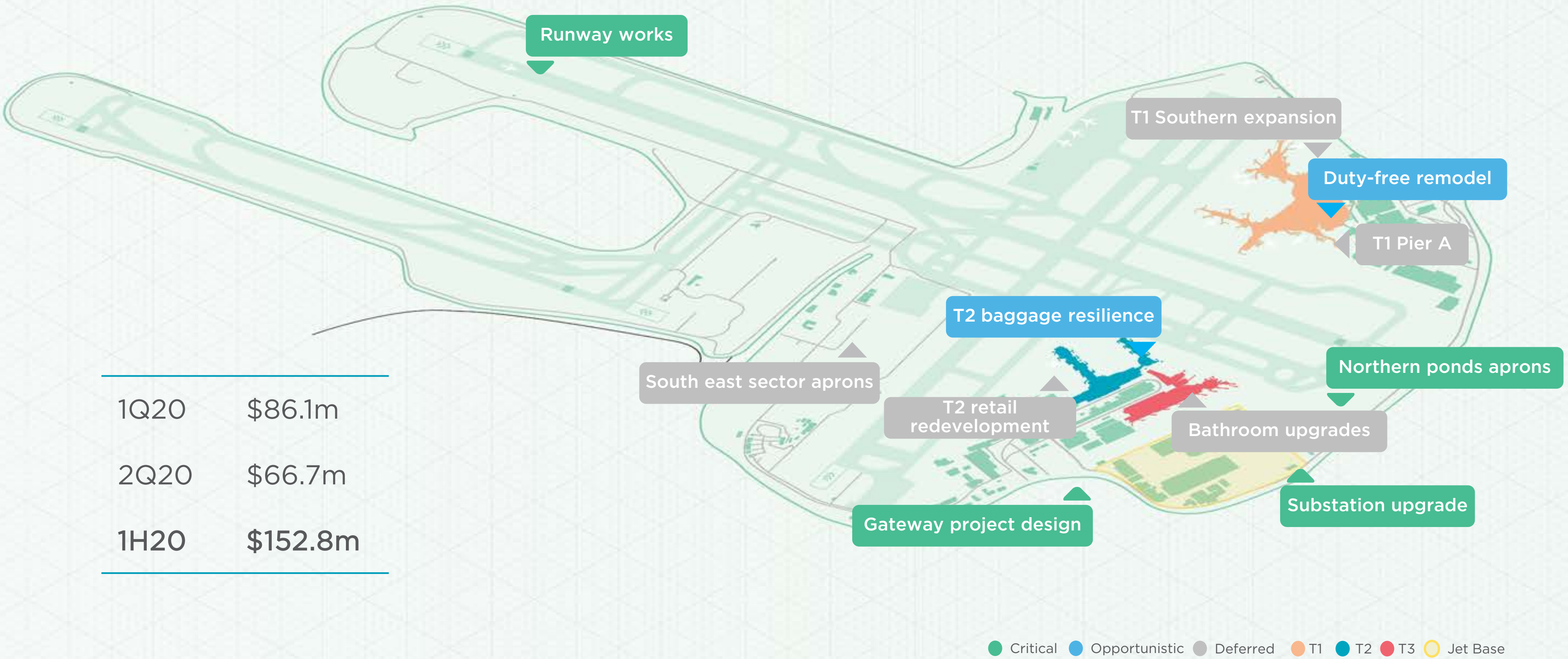
- Worked closely with tenants to reach a fair and equitable outcome on rental abatements[1]
- Impairment in full of Virgin Group pre-administration debts $24.8m[2]
- Impairment charge of $22.2m in respect of significantly deferred capital projects[3]

1. $52.9 million of retail and property abatements were provided in 1H20 with $27.5 million recognised in operating expenditure.
2. $21.1 million of this provision is recognised as operating expenditure, while the remaining $3.7 million was recognised as a reduction in revenue in accordance with accounting standards.
3. Write-off of non-current assets.

Scaled back capex from 2Q 2020

Further review now enables us to target a baseline range of $100-$125m for calendar 2021. Further commercial investment above this level, may be pursued subject to business case assessment

1Q20	$86.1m
2Q20	$66.7m
1H20	**$152.8m**



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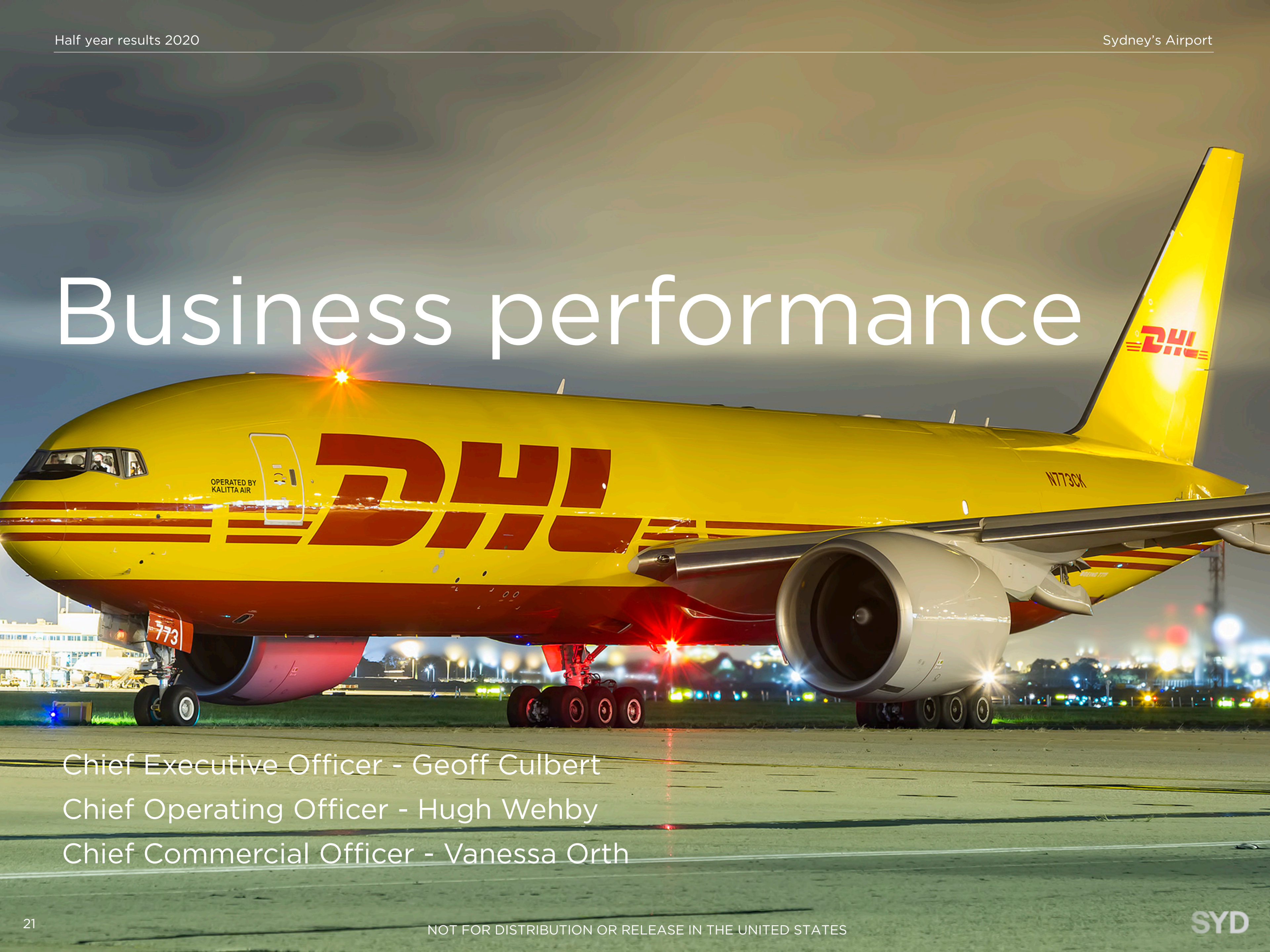
Tightly controlled operating cost

1H20 operating expenses ($)

- Every aspect of the controllable cost base was challenged resulting in a decrease of operating costs[1] by 20.5% versus 1H2019
- Staff Job Guarantee will not be extended beyond September 2020 - review underway to restructure the organisation

1. Excluding security recoverable expense, expected credit loss expense and including JobKeeper rebate.



Business performance

Chief Executive Officer - Geoff Culbert

Chief Operating Officer - Hugh Wehby

Chief Commercial Officer - Vanessa Orth

Business performance

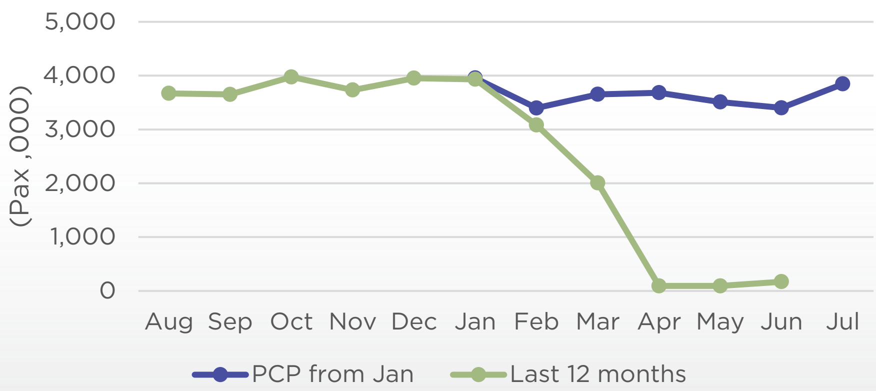
Significant passenger declines affecting revenues across all portfolios

1. Excludes security recovery revenue of $41.5 million.
2. Taken from the Director's Report in the SYD Interim Financial Report for the half year ended 30 June 2020.

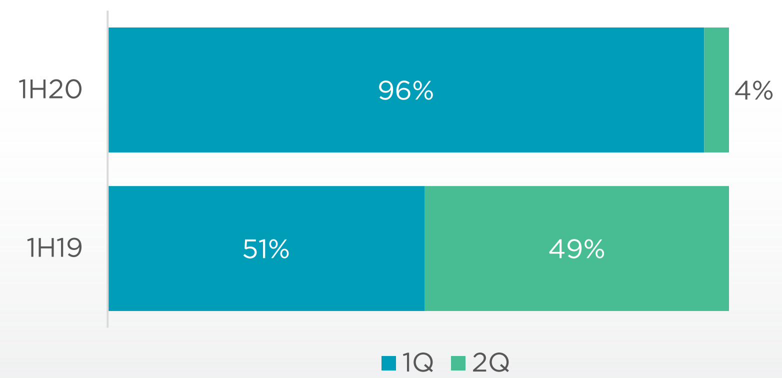
Traffic performance

Unprecedented travel restrictions impacted traffic from Feb 2020

Traffic Comparison[1]



Traffic composition across the half year



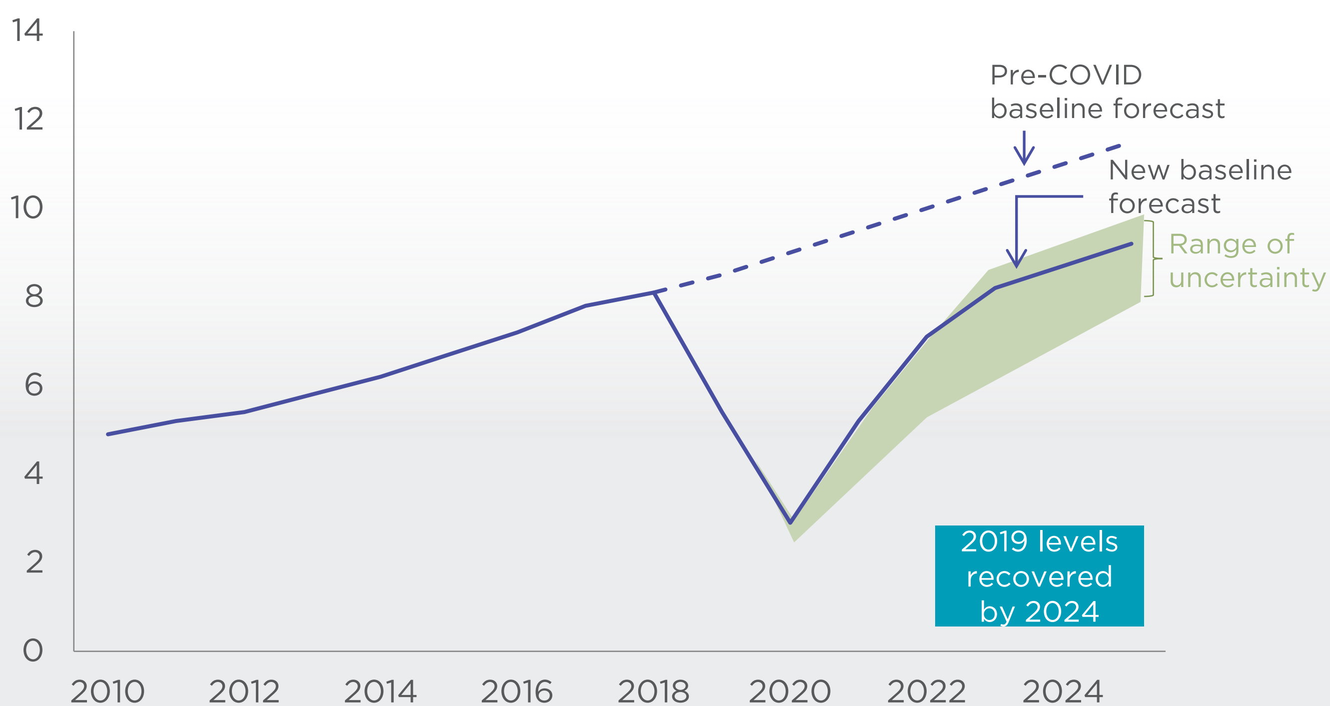
- Traffic down 56.6% in the first half
- International traffic was down 97.2% in July[2] and 96.8% in August month-to-date[3]
- Domestic traffic was down 88.2% in July[2] and 94.8% in August month-to-date[3]

1. Year to date traffic from 1 January 2020 to 30 June 2020 compared to the prior corresponding period (pcp)
2. July 2020 figures are provisional and subject to change.
3. August month-to-date figures are provisional and subject to change (1 August 2020 – 9 August 2020)

Recovery profile – IATA forecasts

The International Air Transport Association (IATA) signals international RPK recovery to pre-COVID levels by 2024

Global RPK, trillion per year[1]



- Analysis focuses on Revenue Passenger Kilometres (RPK)
- Represents global perspectives on air travel recovery rather than Australia specific
- Based on blended Domestic and International recovery profile

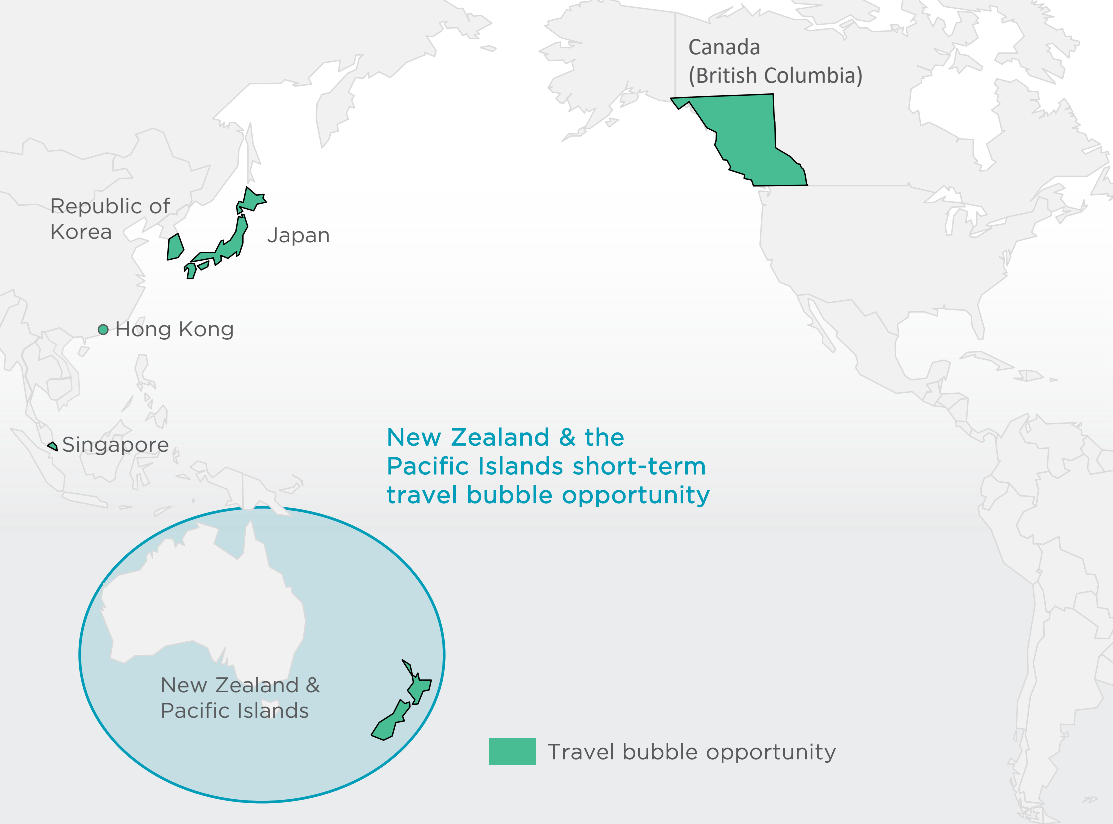
1. This graph is provided for illustrative purposes only. It was sourced from the International Air Transport Association and SYD makes no warranty or representation as to its accuracy, completeness or reliability. Source: © International Air Transport Association, 2020. Five years to return to pre-pandemic level of passenger demand, 30 July 2020. All Rights Reserved. Available on IATA Economics page.

International recovery taskforce

Created to identify short-term opportunities and establish necessary protocols for governments to restart travel when safe to do so

<u>Consideration of minimum requirements for quarantine-free travel</u>

- Minimise passenger transmission risk
- Mandated personal protective equipment for staff
- Stringent and regular cleaning regimes
- Consistent and regular communication to all stakeholders
- Formalising travel arrangements on a country-by-country/province-by-province basis



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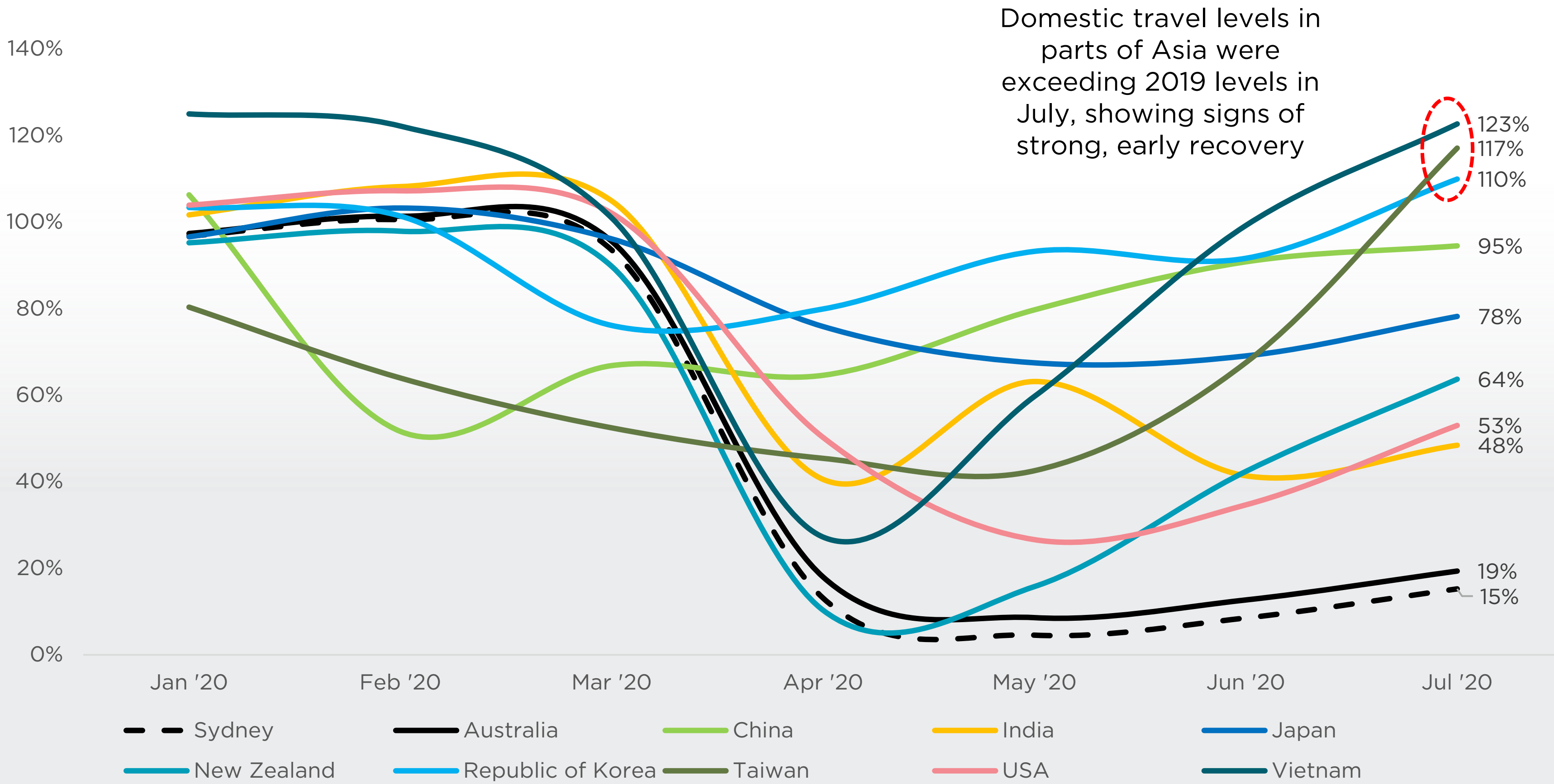
SYD

Global domestic recovery

Promising domestic recovery demonstrated by other geographies after internal border openings



Source: SRS Analyser.

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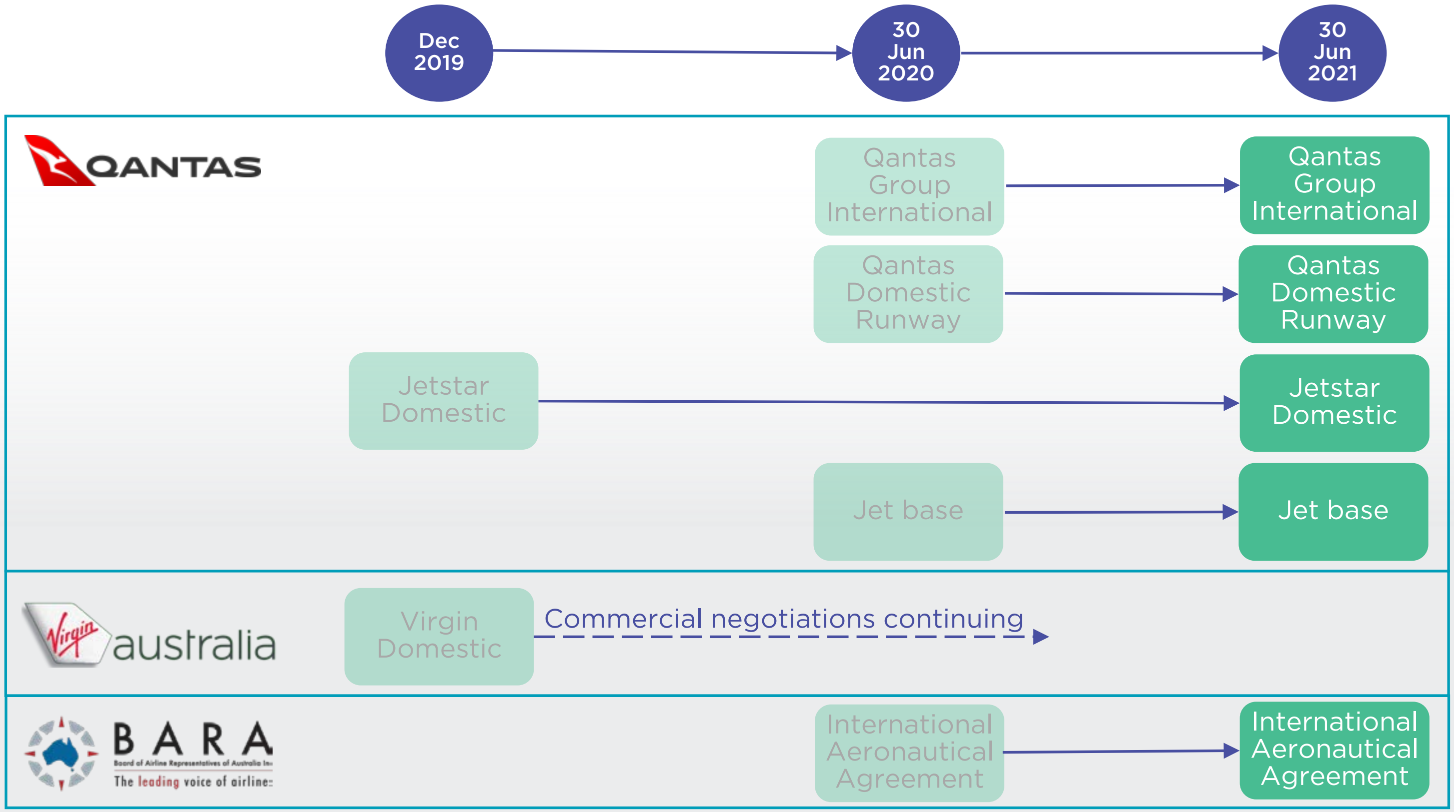
SYD

Extension of airline agreements

Existing agreements extended to 30 June 2021



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Acquisition of jet fuel infrastructure

Jet fuel infrastructure ownership represents key strategic outcome for the airport

Ownership of the Joint User Hydrant Installation (JUHI) increases our strategic flexibility:

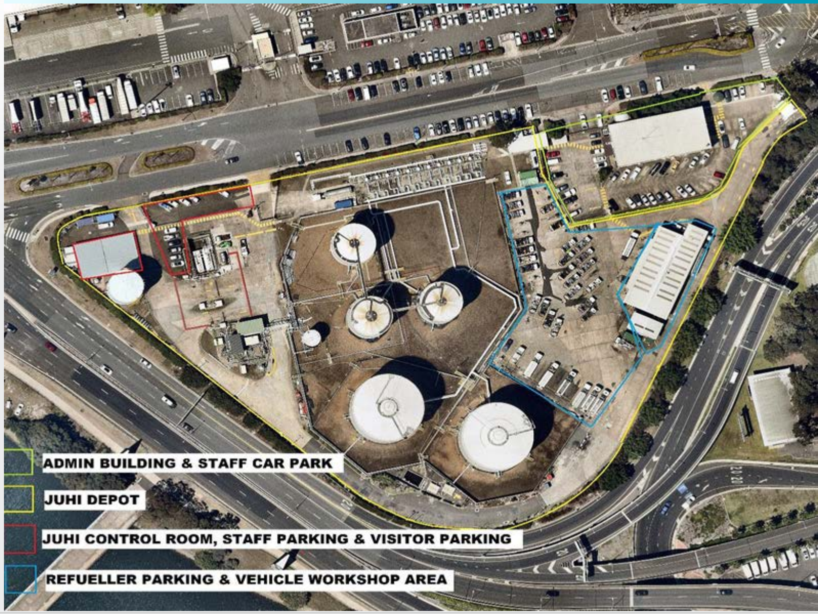
- Developing an open access fuel regime to increase competition amongst existing and new fuel suppliers
- Greater control over infrastructure investment decisions to support future airport growth
- Enhanced ability to influence usage of sustainable aviation fuels

Sydney Airport to assume ownership in October 2020

- Purchase price of $85m payable 30 September 2020
- Skytanking, a global leader in aviation fuelling services, has been selected to operate the facilities following a competitive process

JUHI

- Five storage tanks
- 29 mega litres of aviation fuel storage capacity – approximately three days of normal fuel supply
- 11 kilometres of underground pipelines
- 170 hydrant points across the airport



Commercial approach to tenant support

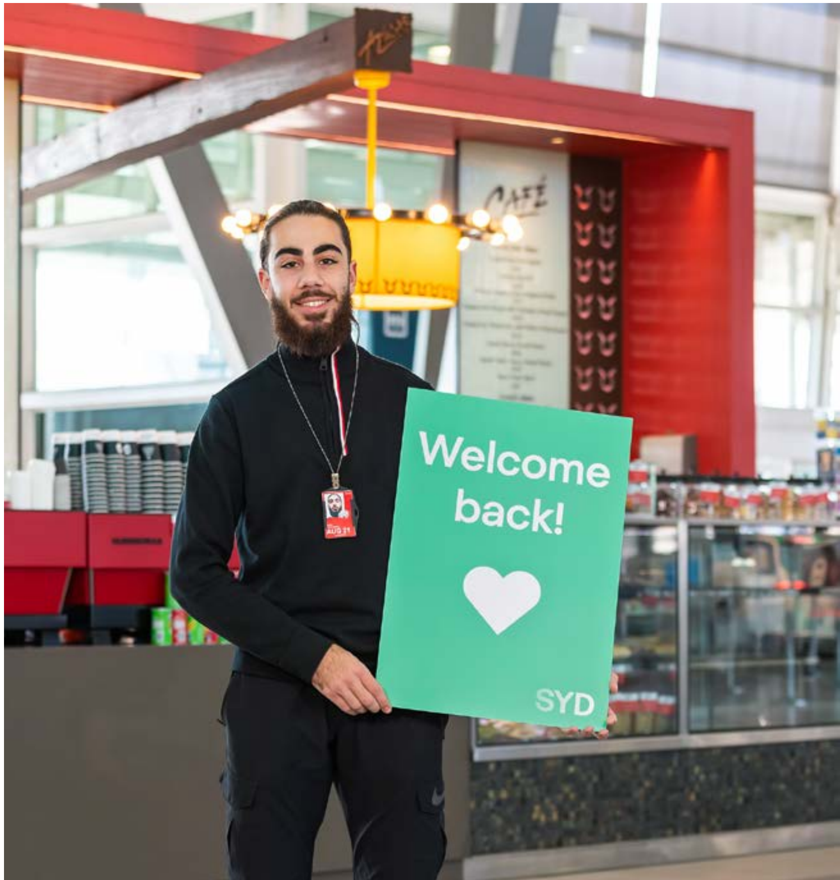
A standard set of principles resulting in fair and equitable outcomes

Principled approach

- Code of Conduct framework applied to all negotiations, adopting the principle of proportionate relief
- Financial transparency required from tenants before relief was granted
- No structural changes to contracts – temporary relief only

Relief outcomes

- $52.9m of rental abatements provided to retail and property tenants across April to June 2020 – equivalent to 62% of contracted rents by value
- Following accounting standards to recognise a reduction in revenue over the life of the contract upon agreement
- Further negotiations beyond June are in progress



Jacob Maaranbani –T2 Velocé Café manager

Commercial portfolio performance

Retail

- 30% of stores trading in July, up from 12% in May 2020
- 71% of contracted rents were abated between April and June 2020
- 97% occupancy as at 30 June 2020
- Heinemann relief provided in line with contract

Property & car rental

- 54% of contracted rents were abated between April and June 2020
- Hotel operations consolidated to reduce operating cost – occupancy at 44% in 1H20

Parking & ground transport

- Performance directly aligned with passenger volumes
- Reduced operation to one carpark per precinct to minimise cost – scaling up as volumes return

Outlook

- Duty Free remix underway
- Enhanced international luxury retail precinct, deals finalised with Moncler and Saint Laurent
- Advanced negotiations across a number of freight facilities and commercial office spaces
- Progressing development opportunities - Jet Base and Ross St Hotel
- Pre-book parking platform enhanced

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Sustainably focused

Committed to our values, community and customers

Sustainability

Community

Customers

Outlook

Focused on controllable measures

- No distribution expected to be declared in 2020
- Continued focus on controlling operating and capital expenditure
- Ensuring we maintain strong liquidity
- Making customers feel safe – adhering to any government requirements
- Supporting Sydney's airport as an essential service and working closely with government
- Preparing for domestic-led recovery
- Focusing on opening international markets

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Welcome back!
SYD
Welcome back!
SYD
Welcome back!
SYD
QANTAS
Protect yourself & others
Welcome back!
SYD
CHECK-IN
rex. Regional Express
Wishing you safe travels
SYD
Welcome back!
SYD
Wishing you safe travels
SYD
Wishing you safe travels
SYD
We've missed you!
SYD

Appendix A: Entitlement Offer

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SYD pro forma balance sheet[1]

As at 30 June 2020 ($ millions)	Reported	Impact of the Entitlement Offer	Pro forma
Assets			
Cash and cash equivalents	1,013.4	1,965.0	2,978.4
Intangible assets	7,187.5	–	7,187.5
Property, plant and equipment	3,492.7		3,492.7
Other current assets	380.3	–	380.3
Other non current assets	1,112.9	–	1,112.9
Total assets	**13.186.8**	**1,965.0**	**15,151.8**
Liabilities			
Short-term borrowings	1,496.3	–	1,496.3
Long-term borrowings	9,789.8	–	9,789.8
Other current liabilities	329.2	–	329.2
Other non-current liabilities	2,438.2	(10.5)	2,427.7
Total liabilities	14,053.5	**(10.5)**	14,043.0
Net assets	(866.7)	1,975.5	1,108.8
Total security holders' funds	**(866.7)**	**1,975.5**	**1,108.8**

1. The pro-forma cash adjustment of $1,965.0 million, reflects the $2.0 billion equity raise, net of an estimated $35.0 million in transaction costs. This reflects the high end of estimated transaction costs, which are subject to change. A deferred tax asset of $10.5 million in relation to the future tax deductibility of these transaction costs has also been recognised for the purposes of the pro forma balance sheet. These have been reflected as a decrease to the Deferred tax liability line under 'Other non-current liabilities'.

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Entitlement Offer key details

Structure and size[1]	Fully underwritten 1 for 5.15 pro rata accelerated renounceable entitlement offer with retail entitlements trading to raise gross proceeds of approximately $2.0 billion
Ranking	New Securities will rank equally with existing ordinary securities from their time of issue
Offer price	Offer price of $4.56 per New Security – 15.4% discount to SYD closing price of $5.39 on 10 August 2020 – 13.2% discount to the theoretical ex-rights price (TERP)[2] of $5.26 on 10 August 2020
Institutional entitlement offer	Institutional entitlement offer opens today and closes on 12 August 2020 Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild which opens on 12 August and closes on 13 August 2020[3]
Retail entitlement Offer	Eligible retail securityholders in Australia and New Zealand have a number of options under the retail entitlement offer[4] – Elect to take up all or part of their pro rata entitlements prior to: o 5pm AEST on the early retail close date of 20 August 2020; or o 5pm AEST on the retail offer close date of 2 September 2020 – Sell or transfer all or some of their retail entitlements. Retail entitlements may be traded on the ASX from 14 August 2020 (on a deferred settlement basis) and 19 August 2020 (on a normal settlement basis) to 26 August 2020 – Do nothing and let their retail entitlements be offered for sale through the retail shortfall bookbuild process managed by the underwriter with any proceeds in excess of the offer price (net of any withholding tax and expenses) paid to the securityholder[4]

1. The allocation of the stapled security subscription price between a unit in SAT1 and a share in SAL, and the options pursuant to which SAT1 may transfer proceeds ultimately attributable to SAL (but received by SAT1) under the Offer to SAL are being determined, including through an engagement process with the ATO.
2.TERP is a theoretical price at which SYD securities trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and having regard to the Entitlement Offer ratio and securities issued under the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which SYD securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to SYD's closing price of $5.26 on 10 August 2020.
3. These entitlements will be offered for sale in the relevant shortfall bookbuild and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible securityholders, net of any applicable withholding tax and expenses.
4.Retail securityholders should read the Retail Offer Booklet which contains full information on the retail entitlement offer and application process.

Entitlement Offer timetable

Event[1]	Timing
Trading halt, announcement of Entitlement Offer and institutional entitlement offer opens	Tuesday, 11 August 2020
Institutional entitlement offer closes	Wednesday, 12 August 2020
Institutional shortfall bookbuild	Thursday, 13 August 2020
Trading halt lifted	Friday, 14 August 2020
Retail entitlements commence trading on a deferred settlement basis	Friday, 14 August 2020
Record date under the Entitlement Offer (7.00pm AEST)	Friday, 14 August 2020
Despatch of Retail Information Booklet and entitlement and acceptance form	Tuesday, 18 August 2020
Retail entitlement offer opens	Tuesday, 18 August 2020
Retail entitlements commence trading on a normal settlement basis	Wednesday, 19 August 2020
Initial Retail Closing Date — last day to apply for New Securities to be issued on the Initial Allotment Date (5.00pm AEST)	Thursday, 20 August 2020
Settlement of New Securities under the institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	Friday, 21 August 2020
Initial Allotment Date — allotment of New Securities under the institutional entitlement offer, institutional shortfall bookbuild and initial retail acceptance	Monday, 24 August 2020
Normal trading commences on ASX of New Securities issued under the initial allotment	Monday, 24 August 2020

continued

1. All dates and times are indicative and subject to change without notice. AEST refers to Australian Eastern Standard Time.

Entitlement Offer timetable continued

Event[1]	Timing
Retail entitlements conclude trading	Wednesday, 26 August 2020
Retail entitlement offer closes (5.00pm AEST)	Wednesday, 2 September 2020
Retail shortfall bookbuild	Monday, 7 September 2020
Settlement of all remaining New Securities under the retail entitlement offer and retail shortfall bookbuild	Thursday, 10 September 2020
Final allotment – allotment of all remaining New Securities under the retail entitlement offer and retail shortfall bookbuild	Friday, 11 September 2020
New Securities issued under the Final Allotment commence trading on the ASX	Monday, 14 September 2020
Despatch of holding statements	Tuesday, 15 September 2020

1. All dates and times are indicative and subject to change without notice. AEST refers to Australian Eastern Standard Time.

Appendix B: Key risks

Appendix B: Key risks

INTRODUCTION

This section describes the key business risks of investing in SYD together with the risks relating to participation in the Entitlement Offer which may affect the value of SYD securities. It does not describe all the risks of an investment. Before investing in SYD, you should be aware that an investment in SYD has a number of risks, some of which are specific to SYD and some of which relate to listed securities generally, and many of which are beyond the control of SYD.

The risks set out in this section do not constitute an exhaustive list of all risks involved in an investment in SYD. Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on SYD (including information available on the ASX website) before making an investment decision.

1. KEY BUSINESS RISKS

1.1 COVID-19 uncertainty

The spread of COVID-19, its effect on the global economy and the actions taken in response by the Australian and other governments, including border controls and travel restrictions, and the effects of the pandemic on the global economy have had, and are likely to continue to have, a material adverse effect on SYD, its financial performance and position, liquidity, financial condition and results of operations. It is also likely that there will be further unforeseen negative impacts as COVID-19 continues to spread of an as-yet unknown magnitude and duration. It is not currently clear when these negative impacts will begin to abate. SYD will continue to respond to the challenges facing it, but there is no certainty as to the severity or likelihood of such unforeseen impacts arising nor whether any mitigating action will be effective or can be taken.

1.2 Pandemic risk

The airport and aviation industries have been severely impacted by the COVID-19 pandemic, which has caused decreased passenger numbers, decreased aircraft movements, airline bankruptcies, changes to airfares and decreased commercial revenues, among other impacts. It is unclear how long these impacts will continue, but an extended and broad continuation of these impacts may have a material adverse impact on SYD's operations and/or financial position and performance. Any subsequent future local or global pandemic may also adversely impact SYD's operations and/or financial position and performance.

1.3 Passenger and aircraft movements

The principal factor affecting SYD's financial performance and business prospects is the number of passengers, particularly international passengers (who contribute approximately 70% of revenues), that use the airport. Passenger numbers directly determine the majority of revenues SYD derives, and may be adversely impacted by a number of factors, including adverse economic conditions in Australia and globally, significant events (such as financial crises, acts of terrorism, war and civil unrest, public-health related pandemics or natural disasters), currency exchange rate fluctuations, an increase in airfares, an increase in competition from other airports over time, aircraft accidents or incidents.

Appendix B: Key risks

The number of passengers using airports has been impacted significantly by the COVID-19 pandemic, the reduction in routes offered by aircraft carriers to and from Sydney Airport and the measures taken by the Australian Commonwealth and State governments and governments in other countries to address the outbreak. If government restrictions on domestic and/or international travel continue for longer than expected, or if demand for domestic and/or international travel takes longer than anticipated to recover to pre-COVID-19 levels, this may have a material adverse impact on SYD's operations and/or financial position and performance.

1.4 General economic conditions

SYD's results of operations and financial condition are affected by the general economic conditions existing in Australia, in those countries that are serviced by airlines at Sydney Airport and in its growth markets in Asia, particularly China and India. A deterioration in general economic conditions is likely to impact on the propensity of passengers to fly, as well as their retail spending behaviour. As SYD's revenues are generally derived on the basis of per passenger fees and passenger spending, this may have a material adverse effect on SYD's operations and/or financial position and performance.

1.5 Airline fee risk

SYD derives a significant proportion of its revenues from aeronautical services, through fees charged to its international and domestic airline customers as set through commercial agreements between SYD and the airlines. Fees received by SYD are dependent on the outcome of commercial negotiations with the airlines. Any unfavourable negotiations may adversely affect SYD's aeronautical revenues.

The fees charged by SYD are subject to annual ACCC monitoring and intermittent Productivity Commission reviews, the last of which was in 2019 and did not lead to any material change. A reduction in the fees SYD charges its airline customers may have a material adverse effect on SYD's operations and/or financial position and performance.

Furthermore, although the fees charged by SYD to its airline customers are not currently subject to regulation by the Australian government, the government may decide at any time to undertake a review of Australian airports or Sydney Airport specifically and reintroduce price controls if it believes such controls are warranted. Any such regulation, if introduced, may have a material adverse effect on SYD's operations and/or financial position and performance.

1.6 Access to capital

SYD has significant debt obligations and relies on access to debt and equity financing to conduct its business. There is a risk that SYD may not be able to access equity or debt capital markets to support its business objectives, or successfully refinance this indebtedness on commercially favourable terms or at all. Continued and future disruptions in the global financial marketplace, including the bankruptcy or restructuring of financial institutions, could make debt markets less accessible and materially adversely affect the availability of credit already arranged and the availability and cost of credit in the future, adversely affecting SYD's ability to refinance maturing indebtedness.

Appendix B: Key risks

Inability to obtain additional financing to meet maturing debt obligations could force SYD to reduce or delay capital expenditure or forgo strategic business opportunities, sell assets, raise additional equity, restructure or refinance existing debt on disadvantageous terms or take other protective measures. Inability to repay indebtedness, or a negative change in SYD's credit ratings that has a material adverse effect on its ability to borrow or its cost of funds, may have a material adverse effect on SYD's operations and/or financial position and performance.

1.7 Financing covenants

SYD's debt facilities contain financial and operating covenants. SYD is currently in compliance with all such covenants. Failure to comply with these covenants could limit financial flexibility and enable lenders to accelerate repayment obligations. If that action were to be taken, there is no certainty that SYD would have access to sufficient cash to meet its repayment obligations or be able to refinance its existing debt on commercially acceptable terms. In those circumstances, SYD would need to seek waivers or other forms of accommodation from the relevant lenders or procure alternative financing arrangements to refinance its debt obligations, which may have a material adverse impact on SYD's operations and/or financial position and performance.

The COVID-19 pandemic and imposition of wide-ranging measures to combat it has significantly impacted SYD's earnings. While SYD does not expect that it will not be able to comply with its covenants, depending on the duration and severity of the impact on earnings, there is the potential for it to heighten the risk that SYD may breach financial covenants contained in its debt facilities in the future.

1.8 Reliance on third parties

The operation of Sydney Airport depends on the cooperation of a large number of third parties, including government agencies and business partners, to provide Sydney Airport with essential functions (including air traffic control, fuelling operations, rescue and firefighting services, utilities provision, catering, baggage security handling, car park management, quarantine, customs, border force and passport control). These service providers may experience operational disruptions and may fail to adequately perform the services they are required to provide, or to appropriately respond to accidents or incidents at Sydney Airport. Such disruptions could have a material adverse effect on SYD's operations and/or financial position and performance.

1.9 Reliance on a relatively small number of airline customers

Key aeronautical customers including the Qantas and Virgin Groups accounted for 54.8% of aeronautical revenue (not including security charges) for the year ended 31 December 2019.

As a result of the COVID-19 pandemic, the airline industry is being severely impacted. While some airlines have been provided with government support, others have struggled to continue to operate and have become financially distressed. This has led to airline bankruptcies, fewer airlines, fewer flights and changes to airfares. Such changes have had an adverse effect on SYD's aeronautical revenues, business and operational results. It is unclear how long these impacts will continue, but an extended and broad continuation of these impacts may have a material adverse impact on SYD's operations and/or financial position and performance.

Appendix B: Key risks

1.10 Regulatory risk and changes in government policy

SYD is subject to a variety of governmental laws and regulations at the Federal, State and local level. Among other things, these laws and regulations place the following restrictions on SYD's aeronautical operations at Sydney Airport:

- Limited to 80 scheduled aircraft movements per hour
- Subject to airport curfew hours, which currently limit passenger and freight aircraft movements between 11pm and 6am
- Required to provide a certain number of aircraft "slots" to regional aircraft during peak periods
- Subject to regulatory reporting requirements as well as a requirement to notify the ACCC of proposed price increases for certain aeronautical services and facilities provided to regional air services
- Subject to a Long Term Operating Plan, which guides selection of the runway configuration and operating procedures.

These regulations have been in place since the 1990s and SYD has operated its business within these restrictions since the privatisation of Sydney Airport in 2002. However there can be no assurance that the Australian Government will not impose additional or more onerous regulatory controls on aeronautical operations at Sydney Airport, which may impact airport traffic, passenger numbers, aeronautical revenue and commercial revenue, and increase SYD's operating and capital expenditure requirements, any of which may have a material adverse impact on SYD's operations and/or financial position and performance.

Furthermore, SYD's ability to operate Sydney Airport depends on its ability to maintain the aerodrome certificate granted to SYD by the Federal government and its lease of the Sydney Airport site. Breach of the terms of the certificate or failure to comply with the conditions of the lease may result in termination or financial penalties, which may have a material adverse impact on SYD's overall operations and/or financial position and performance.

Changes in government policy and regulation can also affect aircraft movements. Examples include border restrictions (such as the recent restrictions on domestic and international travel in response to the COVID-19 pandemic), international relations, immigration policy and border levies. Should the government mandate any additional health screening requirements to help reduce the transmission of COVID-19, such changes could create additional costs or lost revenues for SYD. Any of these matters may have a material adverse impact on SYD's operations and/or financial position and performance.

Furthermore, as sales transacted by the tax and duty free operators at Sydney Airport account for a significant proportion of SYD's total retail revenues, any decision by governments to restrict tax and duty-free sales of alcohol, tobacco, perfume and cosmetics or limit or prohibit the availability of tax and duty-free sales generally would materially adversely affect SYD's commercial revenues (for example, as a result of the COVID-19 pandemic the Australian Government has enforced closure of the duty free stores at Sydney Airport). Such restrictions may have a material adverse impact on SYD's financial position and performance.

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Appendix B: Key risks

1.11 Aeronautical security recovery risk

Aeronautical security recovery revenue is primarily generated from contracts with airlines for the provision of government mandated security services. These include passenger and checked bag screening. Whilst passenger numbers and aircraft movements have declined recently as a result of the COVID-19 pandemic, SYD has still been incurring charges for these security services. In many instances these charges have not yet been recovered from the airlines due to the decrease in passenger numbers and aircraft movements. If SYD is unable to recover the security charges incurred, this may have a material adverse impact on SYD's financial position and performance.

1.12 Operational risk

The facilities at Sydney Airport, including the passenger terminals and airfield, require significant expenditures for ongoing maintenance to ensure their safety and efficiency. Failure to carry out this maintenance in a timely and cost effective manner may cause Sydney Airport's assets to not perform efficiently and lead to periods in which Sydney Airport's assets are unavailable, creating additional costs or lost revenues, which may have a material adverse impact on SYD's operations and/or financial position and performance.

SYD may also be required to incur greater capital expenditures than expected. Although all of SYD's capital expenditures in relation to aeronautical infrastructure projects are ultimately passed through to its airline customers, inability to recover (or delayed recovery of) these additional costs from its airline customers may have a material adverse impact on SYD's operations and/or financial position and performance.

1.13 Competition risk

Although there are currently no major commercial airports in the Sydney region that compete with Sydney Airport, the Nancy-Bird Walton Airport (also known as the Western Sydney Airport) is currently under development in south-western Sydney. Once the Nancy-Bird Walton Airport becomes operational in late 2026, Sydney Airport may experience increased competition over time, which may have a material adverse impact on SYD's operations and/or financial position and performance.

SYD also faces competition risk from existing airports in other major Australian cities such as Melbourne or Brisbane as a result of competition for international airlines that are seeking to introduce new Australian routes from existing airports in major Australian cities.

SYD's commercial operations, including carparking, retail and property also face competition from off-airport competitors who provide competing services.

Appendix B: Key risks

1.14 Political and sovereign risk

Events of war or terrorism may result in a reduction in passenger numbers and a temporary cessation of flights to some or all destinations serviced by Sydney Airport, due to either government action or passengers deciding to postpone or cease air travel. Any such reduction in passenger numbers could have a material adverse impact on SYD's aeronautical revenues and would also be likely to affect its commercial revenues, particularly those derived from retail operations. In addition, events of war or terrorism may lead to a requirement for heightened security measures which would result in higher operational costs to SYD. Any of these events may have a material adverse impact on SYD's operations and/or financial position and performance.

1.15 Aircraft accidents or incidents

The risk of aircraft accidents or incidents is inherent in airline travel and airport operations. Aircraft accidents or incidents may be caused by a number of factors, including extreme weather conditions, equipment failure, bird/bat strikes, objects on or near the runway, human error and terrorist activities. An aircraft accident or incident at Sydney Airport may expose SYD to liability in connection with any resultant property damage or personal injury and any subsequent investigation or damage to facilities may cause parts of Sydney Airport to be unavailable for a period of time. Any of these events may have a material adverse impact on SYD's operations and/or financial position and performance.

1.16 Physical security incidents

There is a risk of physical security incident, as a result of terrorist activities or otherwise, at Sydney Airport. To the extent acts of terrorism or other physical security incident occurred at Sydney Airport, there may be significant damage to assets and/or suspension of operations throughout some or all of the airport. Although the *Terrorism Insurance Act 2003* (Cth) may partially protect SYD against the losses incurred in connection with such terrorist activities, any such activity may have a material adverse impact on SYD's operations and/or financial position and performance and potentially affect the appeal of Sydney as a tourist destination. Such actions could also increase SYD's insurance costs and may materially adversely impact SYD's ability to obtain insurance.

1.17 Actions by airlines

Actions by airlines which affect passenger numbers could adversely affect the financial performance of airports, particularly where airlines have a major presence at an airport. Decisions on the timing of services, price of airlines' seats, the aircraft used and the detailed routings may impact on traffic levels at airports.

Appendix B: Key risks

1.18 Risks relating to commercial operations

A deterioration in SYD's commercial operations (being retail operations, Sydney Airport's property portfolio, including hotels, and ground transport and carparking facilities) may materially adversely affect SYD's revenues. Diminished passenger numbers and other economic factors may reduce the level of expenditure at Sydney Airport's retail outlets (including its main duty free contract), increase property vacancy rates, and reduce demand for ground transport services, thereby materially adversely impacting SYD's revenues from commercial operations and may have a material adverse impact on SYD's overall operations and/or financial position and performance.

SYD's commercial revenues have been materially impacted by the COVID-19 pandemic, the reduction in routes offered by aircraft carriers to and from Sydney Airport, and the measures taken by the Australian Commonwealth and State governments and governments in other countries to address the outbreak. These factors have also adversely impacted SYD through reduced duty free rentals, retail store closures, rental abatements, increasing number of bad debtors, and additional provisioning.

It is unclear how long the impact of severely reduced passenger numbers, and of the economic downturn caused by the COVID-19 outbreak, will continue to adversely affect SYD's commercial revenues and the risk of further bad debts or the need to continue to provide on-going rental abatement and other support to commercial customers of SYD.

1.19 Environmental risk

SYD is subject to environmental regulations that can impose significant costs or liabilities on SYD to remedy or abate any pollutants located on or in, or emanating from, Sydney Airport, as well as related costs of investigation and any damages. This includes known PFAS contamination, predominantly resulting from firefighting foams used by Airservices Australia during training exercises. Furthermore, SYD can incur substantial expenses if it is required to remediate currently unknown environmental contamination or other environmental damage to rectify Sydney Airport's facilities to comply with applicable environmental laws, which may have a material adverse impact on SYD's operations and/or financial position and performance.

Airports may attract opposition from environmental groups in relation to various environmental issues, who may attempt to limit the activities of an airport, its hours, etc. Changes in environmental planning regulation may also impact airport development. There is a risk that growing concerns about environmental sustainability, including “flight shaming”, may impact the long-term growth trend for the global aviation industry. Air travel by its nature is energy intensive and burning jet fuel emits carbon dioxide and other “greenhouse” gases that are believed to be damaging to the environment. Longer haul air travel, which drives a significant proportion of SYD’s business is potentially more susceptible to any government policy interventions designed to reduce emissions. Any such regulatory change or policy interventions may have a material adverse impact on SYD's operations and/or financial position and performance.

Appendix B: Key risks

1.20 Interest rate and foreign exchange risk

SYD's financial performance is affected by fluctuations in interest rates and foreign exchange rates primarily due to increases associated with borrowing on a floating rate and in foreign currencies. Variations in interest rates and foreign currency appreciation against the Australian dollar which are not effectively hedged may increase SYD's debt funding costs. SYD manages interest rate and currency risk by using swaps but there can be no assurance that it will successfully manage its interest rate or foreign exchange risk, that a hedge provider will not default on its obligations, or that changes in interest rates or foreign exchange rate fluctuations will not have a material adverse effect on SYD's financial position, any of which may have a material adverse impact on SYD's financial position and performance.

1.21 Management and key personnel risk

SYD is dependent upon the experience of its directors, key senior management and staff generally. The loss of any key personnel could cause disruption to the conduct of SYD's business in the short term and may have a material adverse impact on SYD's operations and/or financial performance. In addition, any outbreak of COVID-19 within SYD's workforce or disruption caused to operations as a result of SYD's remote working arrangements may have a material adverse impact on SYD's operations and/or financial performance.

1.22 Tax risk

SYD's financial position and performance relies on certain existing taxation treatments. There can be no assurance that these tax rules or their interpretation in relation to SYD will not change, or that regulators will agree with the tax position SYD has adopted. Following the COVID-19 crisis, governments may need to engage in budget repair measures which may impact corporate or other taxation treatments, rates and charges, which may have a material adverse impact on SYD's operations and/or financial position and performance.

1.23 Information technology and cybersecurity risk

SYD's business operations rely on a number of information technology systems, applications and business processes utilised in the delivery of business functions. Any failure or interruption to these systems and processes or breach of SYD's cybersecurity measures could result in significant disruptions to SYD's operations. In addition, any unauthorised access to SYD's information technology systems (including as a result of cyberattacks, computer viruses, malicious code, phishing attacks) could result in the unauthorised release or misuse of confidential or proprietary information of SYD, its employees or customers, which may lead to reputational damage, financial penalties, litigation and compromised relationships with customers. Further, any failure or interruption to the systems of SYD's key partners (for example Australian Border Force) could also result in significant disruptions to SYD's operations. Any of these circumstances may have a material adverse impact on SYD's reputation, operations and/or financial position and performance.

1.24 Insurance risk

SYD has insurance policies in place across its business to protect against major operating and other identified risks. However, not all risks and liabilities are insurable or insured by its existing insurance coverage. There is no assurance that adequate insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. Uncovered losses or the payment of a larger deductible may have a material adverse impact on SYD's operations and/or financial position and performance.

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Appendix B: Key risks

1.25 Counterparty risk

Credit risk results from the risk of default of customers and counterparties to SYD's derivative financial instruments, such as with cross-currency swaps or fixed to floating rate swaps. While this risk is mitigated by entering into such contracts with parties of high credit standing, SYD is unable to predict whether these parties will maintain such credit standing or default on their obligations. In addition, customers and counterparties have termination rights under underlying contracts if SYD defaults on its obligations or if certain other events occur. Termination of these contracts may have a material adverse impact on SYD's operations and/or financial position and performance.

1.26 Litigation risk

SYD may be subject to litigation in the course of its business, including commercial, contractual or customer claims, injury claims (including potential claims relating to any liability or negligence regarding transmission of COVID-19), tenant disputes, environmental claims and prosecutions, claims related to land access issues, occupational health and safety claims, employee claims, and regulatory disputes including, for example, the legacy tax litigation in relation to withholding tax in Denmark referred to at 1.27. Even if SYD is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties, which may have a material adverse impact on SYD's financial position and performance.

1.27 Legacy Danish tax litigation

In 2011, the SAT1 Group sold stakes in both Copenhagen Airport and Brussels Airport to Ontario Teachers' Pension Plan Board (OTPP). As part of that sale, SAT1 provided OTPP with an indemnity that covered certain matters, including in respect of amounts that may be payable to the Danish Tax Authority relating to disputed dividend and withholding tax amounts for the years 2006 – 2011.

As disclosed in the full year account for 2019, SAT1 has determined to expense $119.1 million relating to the interest withholding tax indemnity, and to make a non-current provision for a further $63.1 million for a possible call on the indemnity in respect of the dividend withholding tax matter. The latter provision will increase by around $6 million per annum for as long as the dividend withholding tax matter remains unresolved by the Danish High Court.

Whilst SAT1 has undertaken steps to explore options available to it, there remains uncertainty as to the outcome of the litigation. In addition, while the Danish Tax Authority publicly commented in June 2020 that it had erroneously over claimed calculated interest accruals on certain tax dispute assessments, including in respect of these matters, no formal recalculation or correspondence has yet been provided by the Danish Tax Authority to the relevant taxpayer in SAT1's case. The accounting determinations referred to above may change depending on the ultimate outcome.

Appendix B: Key risks

1.28 Infrastructure development

The ongoing growth and development of Sydney Airport requires SYD to undertake capital expenditure projects in order to increase capacity in accordance with its Master Plan 2039. Although most of the planned capital expenditure projects are modular in nature, to the extent SYD is unable to execute one or more of projects on time or on budget, it may be precluded from undertaking other additional works in order to meet the requirements of the Master Plan 2039. Any delays to, or the cancellation of, any planned development projects may have a material adverse impact on SYD's operations and/or financial position and performance.

As a result of the COVID-19 pandemic many projects have been suspended or materially deferred to realise cash flow savings during this period. SYD may need to restart some or all of these in the future, at a cost that may be higher than previously envisioned.

1.29 Acquisition of jet fuel infrastructure facilities

In 2020 SYD will acquire ownership and control of the jet fuel infrastructure facilities at Sydney Airport, including appointment of a new third party operator. The acquisition will give rise to certain risks regarding transition to the new operator, insurance risk, environmental liability risk, and commercial exposure to jet fuel volumes as they relate to the changed ownership and operation of the jet fuel infrastructure facilities. Should any of these risks materialise, it may have a material adverse impact on SYD's operations and/or financial position and performance.

1.30 Securityholder ownership risks

As an entity regulated by the Airports Act 1996 (Cth) (Airports Act), Sydney Airport Limited is subject to a 49% foreign ownership restriction, a 5% limit on ownership by airlines, and a 15% cross ownership restriction in connection with Melbourne, Brisbane and Perth airports. Breach of those restrictions may result in a breach of law and a requirement that a securityholder be divested of some or all of their securities. A failure by Sydney Airport Limited to take reasonable steps to ensure that these ownership restrictions are not exceeded may expose Sydney Airport Limited to financial penalties. Should any such financial penalties be imposed on Sydney Airport Limited, it may have a material adverse impact on SYD's financial position and performance.

Appendix B: Key risks

2. OFFER AND GENERAL RISKS

2.1 Investment in equity capital and COVID-19

Any investment in equity capital carries general risks. The trading price of SYD's stapled securities on the ASX may fluctuate in line with broader market movements or in response to specific circumstances, which may result in the market price being higher or lower than the offer price. Some factors which may affect the market price of SYD's stapled securities include:

- the impact of COVID-19, including with respect to travel restrictions, consumer sentiment, and global supply chains;
- the Australian and global macroeconomic outlook, including fluctuations in interest rates, currency exchange rates, inflation, commodity prices, investor sentiment, consumer demand, and employment levels;
- changes in Australian and foreign government regulation (including fiscal and monetary policies);
- force majeure events such as natural disasters, extreme weather events, pandemics (such as COVID-19), war and terrorism; and
- geopolitical instability and international hostilities.

There is considerable uncertainty as to the ongoing impact of COVID-19 on the Australian and global economy. Equity capital markets have historically been, and may in the future be, subject to significant volatility. No assurance can be given that the New Securities will trade at or above the offer price.

2.2. Underwriting risk

SYD has entered into an underwriting agreement with the Underwriter in respect of the Entitlement Offer dated 11 August 2020 (***Underwriting Agreement***). The Underwriting Agreement contains representations, warranties, undertakings and indemnities in favour of the Underwriter. If certain conditions are not satisfied, or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement the Underwriter would have an adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer. Key terms of the Underwriting Agreement, including the material termination events, are set out in Appendix D.

2.3 Renouncement risk

If you are an eligible securityholder, and you do not take up or sell your entitlements under the Entitlement Offer, then your entitlements will be treated as renounced and will be sold on your behalf in the institutional or retail bookbuild (as applicable) and any proceeds of sale of your entitlements will be paid to you. However, there is no guarantee that any value will be received for your renounced entitlements through the bookbuild process.

The ability to sell New Securities under the bookbuild and the ability to obtain any premium will depend upon various factors, including market conditions. Furthermore, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Underwriters, will, if accepted, result in acceptable allocations to clear the entire book.

Securityholders who do not take up their entitlements, or who are ineligible to do so, will find their percentage securityholding in SYD will be diluted by not participating fully in the Entitlement Offer.

Appendix B: Key risks

2.4 Risk of selling or transferring entitlements

If you are an eligible retail securityholder and do not wish to take up your entitlements, you can sell them on the ASX or transfer them to another person or entity other than on the ASX during the entitlement trading period. If you sell or transfer your entitlements at one stage in the retail entitlement trading period you may receive a higher or lower price than a securityholder who sells or transfers their entitlements at a different stage in the retail entitlement trading period or through the retail shortfall bookbuild. There is no guarantee that there will be a viable market during, or on any particular day in, the retail entitlement trading period, on which to sell retail entitlements on the ASX. Eligible retail securityholders who wish to sell their entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for entitlements.

If you choose to transfer your entitlements to another person or entity other than on the ASX, there is no guarantee that you will receive any value for transferred entitlements.

You should also note that if you sell or transfer all or part of your entitlements, then your percentage securityholding in SYD will be diluted by not participating to the full extent of the Entitlement Offer.

Appendix C: Foreign selling restrictions

Appendix C: Foreign selling restrictions

This document does not constitute an offer of entitlements or new stapled securities **("New Securities")** of SYD in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the entitlements and New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of entitlements and New Securities only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom such securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the entitlements or the New Securities or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of entitlements or New Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the entitlements or the New Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

SYD as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon SYD or its directors or officers. All or a substantial portion of the assets of SYD and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against SYD or such persons in Canada or to enforce a judgment obtained in Canadian courts against SYD or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Appendix C: Foreign selling restrictions

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the entitlements or the New Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against SYD if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against SYD. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the entitlements and the New Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against SYD, provided that (a) SYD will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, SYD is not liable for all or any portion of the damages that SYD proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Appendix C: Foreign selling restrictions

Certain Canadian income tax considerations. Prospective purchasers of the entitlements and the New Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the entitlements and the New Securities may not be offered or sold, nor may any invitation, advertisement or solicitation for such securities be made from, within the PRC. This document does not constitute an offer of New Securities within the PRC.

The entitlements and the New Securities may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the entitlements or the New Securities be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of entitlements and New Securities in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Appendix C: Foreign selling restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the entitlements and the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the entitlements and the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to entitlements and the New Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted entitlements or New Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The entitlements and the New Securities have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the entitlements and the New Securities may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires entitlements or New Securities may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of entitlements or New Securities is conditional upon the execution of an agreement to that effect.

Appendix C: Foreign selling restrictions

Korea

SYD is not making any representation with respect to the eligibility of any recipients of this document to acquire the entitlements or the New Securities under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. These securities have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the entitlements and the New Securities may not be offered or sold in Korea other than to "accredited investors" (as defined in the FSCMA).

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of entitlements or New Securities. The entitlements and the New Securities may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The entitlements and the New Securities in the entitlement offer are not being offered to the public within New Zealand other than to existing securityholders of SYD with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

Appendix C: Foreign selling restrictions

- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The entitlements and the New Securities may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the entitlements and the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of entitlements and New Securities, may not be issued, circulated or distributed, nor may the entitlements and New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of SYD's stapled securities, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the entitlements or the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire entitlements or New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Appendix C: Foreign selling restrictions

Switzerland

The entitlements and the New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to such securities constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the entitlements or the New Securities has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of such securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the entitlements or the New Securities may be publicly distributed or otherwise made publicly available in Switzerland. Such securities will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

This document does not constitute a public offer of any securities in the United Arab Emirates. The entitlements and the New Securities may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor any securities of SYD have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the entitlements or the New Securities has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for entitlements or New Securities is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the entitlements or the New Securities.

Appendix C: Foreign selling restrictions

These securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the entitlements or the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to SYD.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This Presentation does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

Neither the entitlements nor the New Securities have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Securities may not be offered or sold, directly or indirectly, to, any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

Appendix D: Underwriting Agreement Summary

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SYD entered into an underwriting agreement with the underwriter (**Underwriter**) in respect of the Entitlement Offer on 11 August 2020 (**Underwriting Agreement**).

The Underwriter's obligations under the Underwriting Agreement, including to underwrite and manage the Entitlement Offer, are conditional on certain matters, including the timely delivery of certain due diligence materials and SYD having the benefit of all necessary ASIC modifications. If certain conditions are not satisfied, or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by the Underwriter would have an adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer.

The events which may trigger termination of the Underwriting Agreement include the following:

- ASX announces that SYD will be removed from the official list or that SYD's stapled securities will be removed from official quotation or suspended from quotation by ASX for more than three ASX trading days for any reason other than in connection with the Entitlement Offer;
- SYD alters its capital structure without the Underwriter's consent (subject to certain exceptions, including the issue of securities pursuant to the Entitlement Offer or a non-underwritten dividend or distribution plan or employee incentive scheme);
- SYD or a material subsidiary of SYD is insolvent or there is an act or omission which is likely to result in SYD or a material subsidiary of SYD becoming insolvent;
- SYD or its directors engage, or have engaged, in any fraudulent conduct or activity, or criminal proceedings are brought against SYD or any of its directors in relation to any fraudulent conduct by or on behalf of SYD;
- SYD withdraws the Entitlement Offer;
- SYD does not provide a confirmatory certificate to the Underwriter in a timely manner or any confirmatory certificate is untrue, inaccurate, incomplete or misleading or deceptive in any respect;
- ASIC commences certain actions, proceedings or investigations in relation to the Entitlement Offer or certain documents published by SYD in respect of the Entitlement Offer and such action, proceedings or investigations are not withdrawn within specified time frames;
- unconditional approval (or approval conditional only on conditions that would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success or settlement of the Entitlement Offer) by ASX is refused or not granted for quotation of the New Securities or if granted, the approval is subsequently withdrawn, or ASX makes an official statement or indicates to SYD or the Underwriter that official quotation of the New Securities will not be granted;

Appendix D: Underwriting Agreement Summary

- There are certain delays to the timetable for the Entitlement Offer (other than with the prior written consent of the Underwriter);
- SYD becomes required to give or gives a correcting notice under certain sections of the Corporations Act relating to the requirement to correct a defective cleansing notice;
- a government agency implements or deems effective a measure which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement;
- any information made public to ASX by SYD (pursuant to SYD's continuous disclosure obligations, provided to one or more investors (either individually or generally) by SYD, or otherwise) contains statements which are or become misleading or deceptive or likely to mislead or deceive or contain any forecasts or expressions of opinion, intention or expectation which are not based on reasonable assumptions;
- any director of SYD (in his or her capacity as a director of SYD only) is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- the Chief Executive Officer or Chief Financial Officer of SYD Group terminates or has their employment terminated by the SYD Group;
- SYD fails to perform or observe any of its obligations under the Underwriting Agreement or any representation or warranty given by SYD in the Underwriting Agreement proves to be, has been, or becomes untrue or incorrect;
- The Trust Company (Sydney Airport) Limited is replaced, or it is proposed to replace The Trust Company (Sydney Airport) Limited, as the responsible entity of Sydney Airport Trust 1;
- a SYD Group member breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party, which is not promptly (and in any event before close of the retail bookbuild) waived by the relevant financier or financiers;
- an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect to any debt or financing arrangement or related documentation which is not promptly (and in any event before close of the retail bookbuild) waived by the relevant financier or financiers;

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Appendix D: Underwriting Agreement Summary

- a general moratorium on commercial banking activities in certain countries is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- a suspension or material limitation in trading in securities generally on ASX, the New York Stock Exchange or the London Stock Exchange for at least 1 day on which that exchange is open for trading; or
- an outbreak or a material escalation of hostilities (whether war is declared or not) involving certain countries.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some of the termination events will depend on whether the Underwriter has reasonable grounds to believe, and does believe, that the event:

- has had, or is likely to have, a materially adverse effect on:
  - the marketing, outcome or success of the Entitlement Offer or on the ability of the Underwriter to promote or settle the Entitlement Offer; or
  - the willingness of investors to subscribe for New Securities; or
- will or is likely to give rise to a material contravention by the Underwriter of, or a material liability for the Underwriter under, any applicable laws,

and none of those events may be triggered in relation to the impact of the COVID-19 crisis unless a material escalation of that crisis occurs in Australia.

Termination by the Underwriter will discharge SYD's obligation to pay the Underwriter any fees, costs, charges or expenses which as at termination are not yet accrued.

For details of the fees payable to the Underwriter, see the Appendix 3B released to ASX on 11 August 2020.

SYD also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

Appendix E: Disclaimer

Appendix E: Disclaimer

This investor presentation (**Presentation**) has been prepared by Sydney Airport Limited (ACN 165 056 360) and The Trust Company (Sydney Airport) Limited (ACN 115 967 087) as responsible entity for Sydney Airport Trust 1 (ARSN 099 597 921) (together, **SYD** or **Sydney Airport**). By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations contained within it.

This Presentation has been prepared in relation to a pro rata accelerated renounceable entitlement offer of new Sydney Airport stapled securities (**New Securities**) with retail entitlements trading, to be made to:
- eligible institutional securityholders of Sydney Airport (**Institutional Entitlement Offer**); and
- eligible retail securityholders of Sydney Airport (**Retail Entitlement Offer**),

(together, the **Entitlement Offer**) under sections 708AA and 1012DAA of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (the **Corporations Act**).

SUMMARY INFORMATION

This Presentation contains summary information about the current activities of Sydney Airport and its subsidiaries (the **SYD Group or Group**) as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Sydney Airport's other periodic and continuous disclosure announcements, including Sydney Airport's results for the half-year ended 30 June 2020, lodged with the ASX on 11 August 2020, available from the ASX at www.asx.com.au.

No member of the Sydney Airport Group gives any representations or warranties in relation to the statements or information in this Presentation.

NOT FINANCIAL PRODUCT ADVICE

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or the law of any other jurisdiction. This Presentation is not financial product advice or investment advice nor a recommendation to acquire New Securities and has been prepared without taking into account the objectives, financial situation and particular needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Sydney Airport is not licenced to provide financial product advice in respect of New Securities. Cooling off rights do not apply to an investment in New Securities.

Appendix E: Disclaimer

FINANCIAL INFORMATION

All dollar values contained in this document are expressed in Australian dollars unless otherwise stated.

Totals may vary slightly due to rounding.

Sydney Airport prepares its financial information in accordance with the *Corporations Act 2001* (Cth), Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

This presentation includes certain pro forma financial information to reflect the impact of the equity raising. The pro forma historical financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Sydney Airport's views on its future financial position and/or performance. The pro forma historical financial information has been prepared by Sydney Airport in accordance with the measurement and recognition requirements, but not disclosure requirements, prescribed by AAS. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (**SEC**). Please see "Liquidity and debt maturity profile" on slide 16 for further information on the basis of preparation of financial information contained in this Presentation.

Investors should be aware that certain financial measures included in this Presentation are "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and also "Non-GAAP financial measures" within the meaning of Regulation G under the US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Non-IFRS financial information / non-GAAP financial measures in this Presentation include EBITDA, net operating receipts, net debt, operating costs, project expenditure and liquidity. Sydney Airport believes the non-IFRS financial information and non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of Sydney Airport. However, investors should note that the non-IFRS financial information and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.

Appendix E: Disclaimer

FUTURE PERFORMANCE

This Presentation may contain certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “outlook”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, distributions and performance are also forward-looking statements as are statements regarding Sydney Airport’s future operations and projects, the aviation and general market outlook, domestic and international travel restrictions, the outcome of the Entitlement Offer and the use of proceeds. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19 and the risks set out in Appendix B: Key Risks section of this Presentation), uncertainties and other factors, many of which are beyond the control of Sydney Airport, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of Sydney Airport’s future financial performance and outlook, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Neither Sydney Airport, nor the underwriter, nor any other person, gives any representation, warranty or assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including the assumptions, uncertainties and contingencies which may affect Sydney Airport's future operations and the values and the impact that future outcomes may have on Sydney Airport.

To the maximum extent permitted by law, Sydney Airport, the underwriter and each of their affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees and agents **(Extended Parties)** disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, each of Sydney Airport and the underwriter and their respective Extended Parties disclaim any responsibility to update or revise any forward looking statement to reflect any change in Sydney Airport's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

PAST PERFORMANCE

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied on and is not an indication of future performance including future security price information. Historical information in this Presentation relating to Sydney Airport is information that has been released to the market. For further information, please see past announcements released to the ASX.

Appendix E: Disclaimer

NOT AN OFFER
This Presentation is not and should not be considered an offer or an invitation to acquire New Securities or any other financial products and does not and will not form any part of any contract for the acquisition of New Securities.

DETERMINATION OF ELIGIBILITY
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