

Performance

| Total aviation movements | Feb 2021 | Mar 2021 | Apr 2021 | Total |
|----------------------------|--------------|--------------|--------------|---------------|
| 2021 | 7,509 | 2,349 | 4,039 | 13,897 |
| 2020 | 2,364 | 2,322 | 380 | 5,066 |
| Commercial mvt 2021 | 124 | 217 | 236 | 577 |
| Commercial mvt 2020 | 1,602 | 1,249 | 294 | 3,145 |
| Passengers 2021 | 0 | 0 | 0 | 0 |
| Passengers 2020 | 131,033 | 68,505 | 141 | 199,679 |

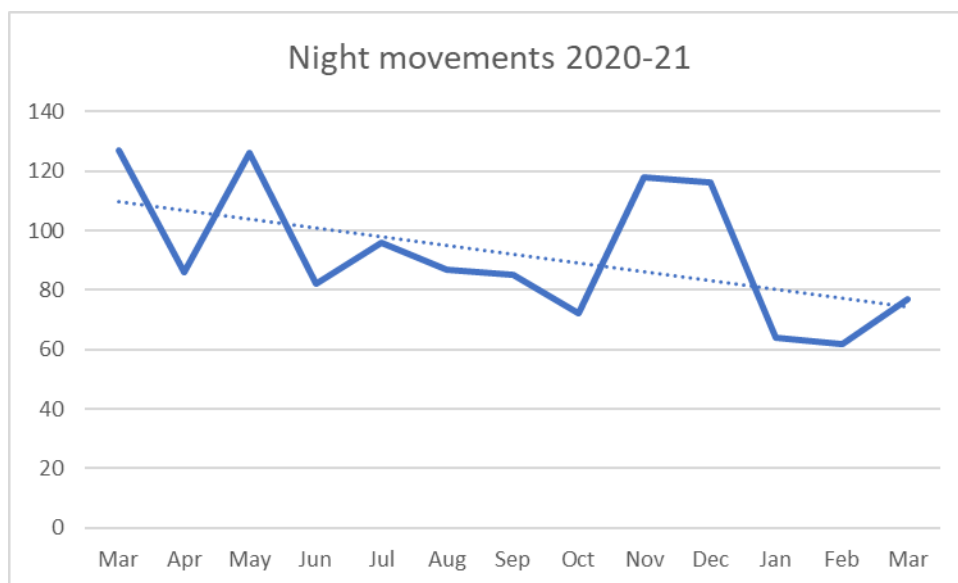
Overview

The most recent quarter saw no passengers at all, as lockdowns and related restrictions in the UK and key European destinations made international travel largely illegal. The pressing need to keep air traffic controllers in particular current in their skills was supported by a small number of cargo flights and a higher volume of general aviation, with a major focus on training. This was most marked in February but continued across the quarter, helped by some periods of good weather.

The financial circumstances of the airport continue to be extremely challenging and indeed have worsened. With no passenger flying at all and only a slow return to pre-Brexit levels of cargo operation, revenues remain exceptionally weak. Although the airport has made and continues to make the best possible use of the furlough scheme, many of its costs are fixed and not offset by AGOSS to any material extent.

Even so, on the expectation of a removal of the legal prohibition of other than essential flying from mid-May, a further opening up from June and accelerating progress of vaccinations programmes in both the UK and Europe, we have retained and indeed in some areas increased our workforce. That having been said, the consensus view, which we share, is that, because the first seven weeks of the IATA summer season have already been lost to lockdown and the expectation that any "green list" of destinations to which limited conditions will apply will be small until at least late June, demand overall will now be lower than the 50% of 2019 previously assumed. It remains the case that London Southend is in some respects well placed to benefit from a market recovery, in that it serves predominantly short haul leisure in the historically resilient London system off a competitively low cost base. However, ongoing airline risk aversion and the availability of capacity at other London airports with large, established bases represent challenging counter arguments. In essence, the expectation is for a better performance in passenger terms than last year but still well below 2019 levels.

Cargo remains virtually the sole source of airport income. The number of cargo rotations has increased slightly over the past three months, to three a day, with two at night (in practical terms, the most it can be, on average). However, contrary to received belief in some quarters, the trend in night movements over the past 18 months is actually down and declining, with the airport using 78% of its night quota in 2020-21, as shown below:



Airline Business

Airlines report very low levels of bookings for Summer 21, with passengers naturally waiting to see what routes and conditions the UK Government will announce in mid-May as well as what the response will be in key destination countries such as Spain. We are expecting five routes from Ryanair from early June, increasing to ten by mid-Summer, though that will be dependent on both Government policy and consumer reaction to it. Wizzair are also expecting to operate, with Wideroe likely to return later in the year. Winter is very difficult to predict. It is possible that demand which could not be satisfied in early Summer due to lockdown will transfer to Winter sun destinations but we have very limited visibility at this stage, with airlines not yet committing even to Summer capacity allocations. Although we continue to talk with several other carriers, no decisions have as yet been made.

Operations

The passenger terminal remains closed until late May at the earliest. However, we are well advanced with our plans for a return to service, running events such as cleaning days and focusing on training of terminal as well as airfield staff so that the experience we provide to passengers when they do return is as good and as safe as it can be. We have worked with our regulator, the CAA, to be implement our Covid-safe plans so from an operational point of view we are well prepared. Another challenge is the staging of return to service of both retailers and food and beverage operators, who inevitably need a minimum level of footfall to be viable. Whilst that balance is understood, we remain anxious to ensure that our passengers, at any volume, are able to enjoy at least some opportunity for food purchases so are working through the options ahead of the anticipated return to service in June.

We have begun to see some progress from the regulator on our airspace change proposals, particularly around airspace block allocations. The applications regarding instrument

departures, designed to improve track keeping, remain frustratingly slow, though we are starting to see some traction.

Planning related items

Future Projects

We have received some feedback from the planning inspectorate around our appeal against the refusal to grant consent to build a new hotel to which we have responded. We have instructed QC to address it.

The new hold baggage screening project is in final integration testing and still on schedule for completion by June of this year.

We continue to work with DfT on the implementation of the works supported by the Port Infrastructure Fund. Government has now extended the deadline for the completion of those works until year end.

Employment and Training

We are now moving forward with employment and related training in areas like security ahead of the return to operations in June. A number of people have left the aviation industry to seek roles in sectors considered more stable, such as home delivery, but we are still seeing high interest in recruitment in all areas, particularly air traffic control. The airport company is also increasing significantly its focus on learning and development, with, for example, utilisation of apprenticeship programmes in a large number of areas. This addresses the twin objectives of driving up the skill sets of its team and further increasing its attractiveness as a prospective employer, whilst increasing staff retention.

Community Relations

Noise

Following the approval of the new complaints procedure, LSA extended the trial period for WebTrak to the end of March 2021 to give residents time to get used to the new system before removing the on-line submission form. LSA advertised WebTrak via a press release and social media forums. Additional advice was provided on the LSA website under FAQs and on the dedicated noise page.

As of 1st April, in accordance with the approved noise complaints procedure, noise complaints could be submitted via WebTrak or letter.

The number of noise complaints has remained consistent, March through April, suggesting that the transition to WebTrak has been managed well.

- A total of six users contacted the Noise Manager about using WebTrak – all were satisfied with the help they received. Most found issues with using outdated browsers on mobile devices. Additional information has been added to the website noise page to address this.

Please see the accompanying WebTrak update report sent with the ACC papers.

The total number of noise complaints for the Q1 period February, March and April 2021 was 2,157. This excludes 42 complaints for which no aircraft could be found to be operating at the time of the complaint.

In the Q1 period 1,639 (76%) of all complaints were from 20 people and 767 complaints (36%) were received from three addresses.

| Complaints | | NOT SEN | Total | Night | Day | Total complainants | Total by top 20 | % by top 20 |
|------------|-------|---------|-------|-------|-----|--------------------|-----------------|-------------|
| Feb 2021 | 516 | 22 | 494 | 470 | 24 | 61 | 404 | 78% |
| Mar 2021 | 858 | 12 | 846 | 758 | 88 | 73 | 610 | 71% |
| Apr 2021 | 822 | 8 | 817 | 741 | 76 | 69 | 679 | 83% |
| Total Q1 | 2,196 | 42 | 2,157 | 1,969 | 188 | | 1,693 | 76% |

1,065 complaints related to aircraft operating to/from the SW over Leigh on Sea and 1,002 complaints related to aircraft operating to/from the NE over Rochford. (90 complaints which are not runway direction specific related to helicopters, overhead aircraft and ground noise).

For the Q1 period there were a total of 272 night flights (including exempt Police and HM Coastguard) of which 60 operated to/from the SW, over Leigh on Sea over the three month period., compared to 108 for the previous Q4 period. This reduction in night flights over Leigh on Sea (due to the more frequent north westerly winds) accounts for the reduction in night noise complaints this quarter, from 3,258 to 1,969.

91% of all complaints are about aircraft operations during the night period. Of these, 96% relate to the logistics operation.

Three complaints were received from one resident about grass cutting on the airfield around 22:30. Grass cutting is infrequent but essential to maintaining a safe airfield. In previous years, grass cutting has had to be carried out during the late night when the runway is not in use. However, due the absence of passenger flights this year, LSA was able to grass cut during the late evening as opposed to during the night time period.

LSA has investigated a total of three APU complaints. –In each case it was concluded (from data evidence recorded by the ground handling team) that APU was only used for taxiing to/from stand, and that once on stand, the aircraft were powered by GPU. APU usage has been minimised and has not breached Quiet Ground Operation controls.

| | Total Night-time complaints | Biz jets | ASL (cargo) | HM Coastguard | Police | Calibration | Other |
|--------|-----------------------------|----------|-------------|---------------|--------|-------------|-------|
| Feb 21 | 470 | 0 | 460 | 10 | 0 | 0 | 0 |
| Mar 21 | 758 | 0 | 702 | 55 | 1 | 0 | 0 |
| Apr 21 | 741 | 0 | 717 | 11 | 3 | 3 | 7 |
| | 1,969 | 0 | 1,879 | 76 | 4 | 3 | 7 |

All complaints for the Q1 period were fully investigated. One night time complaint related to a non-compliant flight which turned early and broke NPR controls. Please see quarterly 106 return for NPR breaches for details.

Environment

In late January, we received certification to Level One of the Airport Carbon Accreditation scheme. We have committed ourselves to be carbon neutral through that scheme by financial year 26 (February 2027 at the latest) so this first step is very welcome, as it sets a baseline for future improvements. We have also committed to establish and report on Particulate Monitoring at and around the airport this year and have begun the procurement process to acquire six monitoring stations, which is market leading in London. We are preparing to establish a Community Noise Forum, independent of the airport, utilising ICCAN guidelines and input, to provide a new, widely-based community voice on airport noise.

More broadly, we will publish our Environmental Action Plan (EAP) this year, specifying objectives, strategies and actions over the next five years in a range of environmentally relevant areas. The airport fully recognises that alongside the very substantial economic benefits it delivers, it also generates environmental impacts which it needs to mitigate to the greatest extent possible. It will never be possible to satisfy every requirement but it is possible to find a balance between economic benefit and environmental impact, which is what the EAP sets out to do.

Glyn Jones
Chief Executive Officer