

Investor Report

for the period from 1 January 2025 to 30 June 2025 (“the Period”)

To: Security Trustee, Eversholt Funding plc, Bond Trustee and each Rating Agency

From: Eversholt Rail Limited (as Security Group Agent)

18 July 2025

This Investor Report details the key announcements and developments since the issue of the previous Investor Report and is issued by Eversholt Rail Limited on behalf of the Security Group of Eversholt UK Rails (Holding) Limited (“the Group”).

General Overview

Developments in the UK Rail industry

In February 2025, the Department for Transport (“DfT”) issued a consultation seeking views on new policies to be included in the forthcoming Railways Bill, which will enable the establishment of Great British Railways (GBR). The Railways Bill is due to go before Parliament this parliamentary session. GBR is expected to be operational around 12 months after the bill receives Royal Assent.

In March 2025 The Office of Rail and Road (“ORR”) set out its plans to carry out a review of the Rolling Stock Leasing Market Investigation Order 2009 (“the Transparency Order”), in a similar exercise to one it concluded in April 2020. The ORR expects to consult on findings by late summer 2025 and publish conclusions by the end of 2025. The Group has engaged with the DfT and ORR respectively in relation to the above.

UK Government policy continues to recognise the role of privately financed rolling stock leasing companies.

In May 2025 South Western Railways was the first operator to be nationalised under the The Passenger Railway Services (Public Ownership) Act 2024.

Eversholt Rail Limited

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Historic Business Developments

Business review

During the Period, the Group focused on delivering heavy maintenance programmes, upgrades to existing fleets and completing the last remaining final acceptance milestone of its recent new build rolling stock programme.

Heavy maintenance

The Group provides services in relation to the procurement and management of heavy maintenance of rolling stock on behalf of its customers in relation to certain fleets.

During the Period the Group managed contracts delivering heavy maintenance projects on three of its fleets. This included mileage-based overhauls on our Class 318 and Class 320/4 fleets; and we managed the procurement and mobilisation of two time-based overhaul projects on the Class 334 and Class 320/4 fleets. The Group spent £11.4m during the Period on maintenance related activity.

Investment in existing fleets

The Group undertakes strategic upgrades to rolling stock to ensure that its fleets continue to meet regulatory requirements and the current and future demands of customers. Several upgrade projects were progressed during the Period including interior refresh and system upgrades for the Class 395 and refurbishment projects were mobilised for the refurbishment of the C376 and C222 fleets. Work continues on minor improvements to C331 and C195 fleets, Class 802 CCTV and Inter Vehicle Jumper Modifications and Class 158 Cab Heater Modifications. In the Period procurement of the refresh programme on the Class 170 fleet commenced.

Total expenditure on modification and refurbishment projects totalled £2.5m during the Period.

The Group continues to explore how its self-powered rolling stock fleets can be adapted to support decarbonisation and the delivery of low and/or zero-emissions railway operations. During the period the Group continued to progress the design and First in Class trial of intelligent engine management on the Class 222 fleet with the objective of improving fuel efficiency and emissions.

New rolling stock

During the Period the Group has not acquired any new rolling stock assets.

The Group, in close collaboration with Transport Design International ("TDI"), continues to develop the Revolution Very Light Rail ("RVLR") vehicle. The Group is working with train operators and regional transport bodies to develop trial opportunities and finalise the detailed specification of the Pre-Series vehicles.

The Group continues to bid on opportunities to acquire new trains in the UK, including battery trains for deployment on non or partly electrified routes.

New leases and lease extensions

During the Period, the Group concluded the following:

- On 5 February 2025 a new lease for 5 six-car Class 222 units (30 vehicles) was agreed with First Rail Stirling Limited. The first unit will be transferred to the new operator on 30 September 2025 and the last unit on 15 February 2026. The lease expires in June 2030. First Rail Stirling Limited has the option to extend the lease to June 2033.
- On 25 May 2025 the Northam depot lease was extended to 26 May 2030.

Fleet

The average age of the Group's fleet is 20.2 years. Ages of individual fleets vary from older vehicles, introduced into service in 1986 (Class 318), to the newest fleets introduced into passenger service during 2018, 2019 and 2020 (Class 802, Class 397, Class 331 and Class 195). The weighted average age by income in the Period is 17.2 years.

Eversholt Rail (365) Limited

Since the December 2024 report, the position regarding Eversholt Rail (365) Limited is unchanged. We continue to work with the liquidator, PWC, to conclude the liquidation.

Corporate Structure and Directorships

There were no statutory directorship changes in the Period.

Historic Regulatory Developments

No member of the Group is regulated.

Historic Capital Expenditure

The total capital investment on existing and new fleets during the Period was £2.5m.

Historic Financing

The Group issued no new debt during the six-month period.

In January, unscheduled repayments totalling £17.8m were made in respect to the 15-year bond maturing in December 2025.

In February 2025, a scheduled loan repayment of £14.3m was made in respect of the 24-year amortising bond maturing in February 2035.

In June 2025, a scheduled loan repayment of £12.8m was made in respect of the 20-year amortising bond maturing in June 2040.

As at 30 June 2025, the £450m revolving credit facility was undrawn and the Group had unrestricted cash and deposits of £490.6m.

Unrestricted cash and deposits includes £255.1m on deposit with repayment terms either in excess of 90 days or requiring notice to be served. In accordance with the Finance Documents this has been excluded from Net Debt in the calculations presented in the Compliance Certificate.

The contractual amounts of senior debt outstanding (excluding accrued interest) was:

<u>Current Facilities</u>	<u>£m</u>
Bond 15 years (2025)	250.0
Bond 24 years (amortising 2023-2035)	285.7
Private Placement (amortising 2029-2036)	100.0
Private Placement (2030)	90.0
Private Placement (amortising 2029-2036)	50.0
Private Placement (2026-2031)	100.0
Private Placement (2037)	100.0
Bond 25 years (amortising 2034-2042)	400.0
Bond 20 years (amortising 2023-2040)	<u>384.7</u>
Total	<u>1,760.4</u>

Credit Ratings

The Group is committed to maintaining its investment grade credit ratings. Moody's Investor Services in November 2024 affirmed their rating for the Group and its debt issued under the Group's MTN programme at Baa2 with a Stable Outlook. Fitch Ratings in October 2024 affirmed their rating for the Group at BBB and the bonds issued under its MTN programme at BBB+ with Stable Outlooks.

Unaudited financial statements

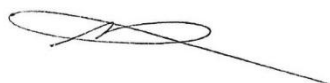
The Group has published on the Investors area of the Eversholt Rail website the unaudited financial statements for the six months ended 30 June 2025 for Eversholt UK Rails (Holding) Limited (Security Group) and Eversholt Rail Leasing Limited.

We confirm that to the best of our knowledge, having made due and careful enquiry, this Investor Report is accurate in all material respects.

No personal liability shall attach to or be incurred by any director of the Security Group Agent in respect of the giving of this Investor Report.



Director
Eversholt Rail Limited
Security Group Agent



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Eversholt Rail Limited
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