



Investor Report

for the period from 1 July 2025 to 31 December 2025 ("the Period")

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

From: Eversholt Rail Limited (as Security Group Agent)

22 April 2026

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

Further to the plans for the establishment of Great British Railways (GBR), the UK Government presented its Railways Bill to Parliament on 5 November 2025. The Bill is currently at the report stage in the House of Commons. 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") launched a routine 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 published its findings on 4 December 2025 and has concluded that the Transparency Order continues to be appropriate and that the terms of the Transparency Order should be brought up to date in light of the legislative changes to ensure that it continues to be fit for purpose. The redrafting has commenced and a formal review will be performed no later than five years from the date of the report. 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. We continue to monitor developments and engage with industry stakeholders regarding the establishment of GBR.

During 2025 three Train Operating Companies ("TOCs") have been nationalised under The Passenger Railway Services (Public Ownership) Act 2024. This is part of the wider plan to bring operators under public control by the end of 2027, as a prelude to the creation of GBR.

Historic Business Developments

Business review

During the Period, the Group focused on delivering heavy maintenance programmes and upgrades to existing fleets.

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 four of its fleets. This included mileage-based overhauls on our Class 318 and Class 320/4 fleets; and two time-based overhaul projects on the Class 334 and Class 320/4 fleets. The Group spent £8.6m 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 on the Class 376 and Class 222 fleets. Work continues on minor improvements to Class 331, Class 195, Class 802 and Class 158 fleets. In the Period the Group commenced a programme of the capex for the Class 222 for First Stirling and for short-life equipment at Northam Depot.

Expenditure on modification and refurbishment projects totalled £3.6m during the Period.



The Group continued to explore the development of potential modifications of diesel fleets to reduce emissions including start/stop technology, modernising key components and fuel treatment options. We also continued to monitor the feasibility of deploying hydrogen, battery and diesel-battery hybrid powered vehicles on non-electrified routes.

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"), continued to develop the Revolution Very Light Rail ("RVLR") vehicle. The Group worked with train operators and regional transport bodies to develop trial opportunities and finalise the detailed specification of the Pre-Series vehicles.

New leases and lease extensions

During the Period, the Group concluded the following:

- On 19 September 2025 the Class 91 and Mk4 lease with LNER was extended until 31 December 2027 (with provisions for a minority of individual vehicles to be redelivered at different times during that period)

Fleet

The average age of the Group's fleet is 20.8 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 17.7 years.

Eversholt Rail (365) Limited

Since the June 2025 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.

On 20 January 2026, Beacon Rail Falcon Limited Group acquired the issued share capital of the Eversholt UK Rails Limited (the immediate parent company of Eversholt UK Rails (Holding) Limited).

Beacon Rail Falcon Limited is a UK incorporated company and is an indirect subsidiary of Beacon Rail Lux Holdings S.à r.l., a Luxembourg domiciled holding company of Beacon Rail Group and whose ultimate parent and controlling party is IIF Holding GP LLC, advised by J.P. Morgan Investment Management Inc

Following the acquisition, the directors Eversholt UK Rails (Holding) Limited have changed as follows:

M B Kenny (resigned 16 February 2026)
A J Wesson (resigned 20 February 2026)
D Spence (resigned 17 February 2026)
L R Warsop (resigned 10 February 2026)
G A Blackburn (appointed 20 January 2026)
A L Cunliffe (appointed 20 January 2026)
K R Howard (appointed 20 January 2026)
C G F Navarro (appointed 20 January 2026)
E Mircica (appointed 20 January 2026)

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 £3.6m.

Historic Financing

The Group issued no new debt during the Period.

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

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

A scheduled repayment of £250 million was made in respect of the 15 year bond upon its maturity on 2 December 2025.

As at 31 December 2025, the £450m revolving credit facility was undrawn and the Group had unrestricted cash and deposits of £147.2m.

Unrestricted cash and deposits includes £66.7m on deposit 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 24 years (amortising 2023-2035)	271.4
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>371.8</u>
Total	<u>1,483.2</u>

Credit Ratings

The Group is committed to maintaining its investment grade credit ratings. Moody's Investor Services in November 2025 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 2025 affirmed their rating for the Group at BBB and the bonds issued under its MTN programme at BBB+ with Stable Outlooks.

Subsequently, on 17 October Fitch Ratings placed Eversholt UK Rails (Holding) Limited and Eversholt Investment Limited's BBB Long Term Issuer Default Ratings on Rating Watch Negative ("RWN"). Fitch Ratings also placed the BBB+ senior secured long term rating of the bonds issued by Eversholt Funding plc on RWN. The key rating driver for the RWN was the announced sale of Eversholt UK Rails Limited to Beacon Rail Lux Holdings SARL. Fitch Ratings cited Eversholt Rail's financial policy regarding leverage, capital structure and overall risk appetite post-acquisition as being key considerations in resolving the RWN.

Audited financial statements

The Group has published on the Investors area of the Eversholt Rail website the audited financial statements for the six months ended 31 December 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.

Amir Al

Director
Eversholt Rail Limited
Security Group Agent

John Ford

Director
Eversholt Rail Limited
Security Group Agent

