

INVESTOR REPORT FOR WODS TRANSMISSION PLC

For the period ending 31 December 2024

General Overview

Present Status:

Investors: **Funds managed by Dalmore Capital Limited** (PPP Equity PIP LP, Dalmore Infrastructure Investments 31 LP, Dalmore Infrastructure Investments 32 LP, Dalmore Infrastructure Investments 33 LP)

O&M Contractor: **Ørsted West of Duddon Sands (UK) Limited and Scottish Power Renewables (WODS) Limited**

O&M Guarantors: **Ørsted Wind Power Holdings A/S and Scottish Power UK PLC**

Security Trustee: **HSBC Corporate Trustee Company (UK) Limited**

Principal Paying Agent: **HSBC Bank PLC**

Technical Adviser: **Ove Arup & Partners Limited**

Insurance Adviser: **Marsh Ltd**

Ratings by Moody's Investors Service Limited: **A3**

Outstanding Principal Amount: **£163,607,037 as at 31 December 2024 (after the deduction of a scheduled partial principal repayment of £6,505,775 to be made on 31 December 2024).**

General performance

1. Health and Safety Performance

The health and safety performance of WoDS Transmission PLC ("WoDST") since asset transfer has continued to be good with no reportable incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

The 2024 HSE Operating Plan has been implemented successfully with the completion of the onshore and offshore safety, environmental, general, and onshore cable route reviews. The minor matters arising have been agreed and entered into Ørsted's (on behalf of the Operations & Maintenance (O&M) Provider) tracking system and monitored via the Monthly Operational meetings. All actions from preceding years process reviews have been completed and there are no areas of significance identified.

2. Transmission System Availability Performance

Cumulative transmission system availability calculated on a basis consistent with that reported to the Gas and Electricity Markets Authority (the "Authority") since asset transfer on 25 August 2015 through to and including 17 December 2024, was 99.52%. On an equivalent reporting basis, transmission system availability for the period from 27 June 2024 (being the day immediately following the end of the availability period reported in the last Investor Report) through to and including 17 December 2024 was 99.85%.

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General performance (continued)

2. Transmission System Availability Performance (continued)

As previously reported, we expect that availability for the performance years ending 31 December 2021, 2022 and 2023, as reported to the Authority in accordance with the availability incentive mechanism requirements of the electricity transmission licence issued to WoDST (“the Licence”), will be amended in a future reporting period to exclude the impact of outages associated with the July 2021 fault outage and subsequent short investigative outages in 2022 and 2023.

The final root cause analysis and associated evidence was submitted to the Authority in April 2024 and we await their confirmation to exclude the impact of the outages from the availability calculations.

The effect of excluding the impact on reported availability of all outages directly related to the July 2021 outage as described above, have not been reflected in the reported transmission system availability figures referenced above. In the event these proposed exclusions were excluded from reported availability to the Authority, this would improve the reported cumulative transmission system availability from 25 August 2015 through to and including the 17 December 2024 to 99.61%.

2.1. System Availability Performance from 1 January 2024 to 17 December 2024

Availability performance for the period 1 January 2024 to 17 December 2024 was 99.77%. The small reduction in availability comprised:

- Short duration outages on Circuit 1 (18th January) and Circuit 2 (26th January), each occurring after harmonic filter faults incurring a total lost availability of approximately half of the transmission system for 20hrs 30 mins.
- A further short duration maintenance and inspection outage on Circuit 2 of approximately half of the transmission system was taken on 18th April for 6hrs 16 mins.
- On 31st July Circuit 1 tripped following an onshore SVC trip. The circuit was restored to service after 8hrs 50 mins without the SVC. An investigation resulted in a proposed SVC software upgrade to prevent an SVC trip also initiating a circuit trip in the future. This was implemented during the November SVC maintenance programme.
- On 25th September Circuit 1 was taken out of service to reinstate Harmonic Filter 1 (HF1) in preparation for winter on the grounds of improved resilience. The duration of 9hrs and 37 mins was longer than expected and proved to be unsuccessful.

Availability performance for the year ending 31 December 2024, calculated on the basis of that required when reporting to the Authority, reflecting actual availability performance through to 17 December 2024 and assuming no further outages in the period 18 December through to 31 December 2024 inclusive will be 99.78%.

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General performance (continued)

2.2. Outages planned for the performance year ending 31 December 2025

As previously reported, a Voltage Transformer was due to be replaced in September 2024 following the detection of a small SF₆ insulating gas leak which would have resulted in a planned outage of circuit 1 while the replacement was installed.

However, this planned replacement activity, which will require an outage of the transmission system, is now scheduled for the Spring of 2025 following the delivery of a new Voltage Transformer. In the meantime, the gas levels of the leaking Voltage Transformer are being monitored and maintained to ensure ongoing performance of the equipment. Other circuit 1 maintenance activities will be undertaken in parallel with the work required to replace the Voltage Transformer, in order to minimise the overall impact on availability.

3. Bathymetric Survey

As noted in previous Investor Reports, the interpretative report that followed from the 2023 bathymetric survey of the two export cables connecting the WoDST offshore platform to the onshore substation reported no adverse findings. In line with the report recommendations, the next export cable survey will take place in 2026 in addition to a cable protection system rock stabilisation routine integrity inspection. We will be co-ordinating with the wind farm generator to combine activities to minimise costs.

4. Decommissioning

There have been no changes to progress with the WoDST Decommissioning Programme since the last Investor Report. We continue to prepare the programme for submission in good time for August 2025 decommissioning reserving and engage with Government and Ofgem regarding regulatory and statutory matters. A further update will be provided in the June 2025 Investor Report.

5. Material Communications

There have been no material communication or reports delivered by WoDST or the National Energy System Operator (NESO) pursuant to the terms of any Transaction Authorisation since the date of the last Investor Report.

Regulatory and business update

There have been no new significant regulatory, business and performance developments since the last Investor Report except as disclosed under “General Performance” above.

There have been no significant announcements/publications by the Authority by or relating to the Security Group since the last Investor Report.

There have been no changes to the membership of the Board or in the ownership of the project since the previous Investor Report.

Current Hedging Position

An inflation hedging agreement is in place to swap a portion of the revenues over the life of the fixed rate secured bonds due August 2034.

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Current availability / drawn amounts under the PBCE

The European Investment Bank (the PBCE provider) has provided a letter of credit that allows WoDST, in specified circumstances, to draw down certain amounts. At 31 December 2024, WoDST is entitled (subject to specified conditions) to draw down under the letter of credit a maximum amount with a value equivalent to 15% of the outstanding principal amount of the fixed rate secured bonds due August 2034.

No amount of the PBCE letter of credit has been drawn down as at the date of this report and WoDST has no current plans to draw down under this facility.

Project Documents

There have been no amendments to, or replacement of, any Project Document since the last Investor Report.

Ratios

We confirm that the ratios calculated as at 31 December 2024 (together the **Ratios**) are as detailed in the tables below:

Ratio	Ratio for Relevant Period/Date (excluding undrawn PBCE)	Lock-Up Ratio Level (excluding undrawn PBCE)	Ratio for Relevant Period/Date (including undrawn PBCE)	Default Ratio Level (includes undrawn PBCE)
Projected DSCR:	1.34x	1.10x	2.63x	1.05x
Historic DSCR:	1.20x	1.10x	2.67x	1.05x
Debt Life Cover Ratio:	1.39x	1.15x	1.55x	1.08x

We confirm that the Ratios have been calculated using the most recently available financial information required to be provided by the Obligors under Schedule 2 (Obligor Covenants) of the Common Terms Agreement (CTA). The undrawn PBCE amount included in the calculation of the relevant Ratios included within the table shown above amounted to £24,541,050 (calculated after reflecting the scheduled partial repayment of principal on 31 December 2024). All ratios have been calculated based on actual data through to 30 September 2024, estimated data through to 31 December 2024 and forecast data thereafter.

In compliance with the requirements of the CTA - forecast data included in the computation of the ratios presented above after the 31 December 2024 have been based on data included in the Forecast as presented to investors at the 31 December 2024 Calculation Date.

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Ratios (continued)

We set out below the computation of the Ratios for your information:

- (a) Projected DSCR – 1.34 (excluding undrawn PBCE)

Net Cashflow (Jan 25 – Dec 25)	£25,569k
Debt Service (Jan 25 – Dec 25)	£19,032k

Net Cashflow is comprised of Gross Revenue less Operating Costs, Capital Costs and Taxes.

Gross Revenue is net of RPI swap payments and movements in and out of the Decommissioning Reserve Account (DRA) and Working Capital Reserve Account (WCRA).

Debt Service includes all scheduled payments of interest and principal payable in respect of senior debt and any termination payments then due and payable under any hedging agreement.

- (b) Historic DSCR – 1.20 (excluding undrawn PBCE)

Net Cashflow (Jan 24 – Dec 24)	£21,312k
Debt Service (Jan 24 – Dec 24)	£17,823k

- (c) Debt Life Cover Ratio – 1.39 (excluding undrawn PBCE)

NPV of Net Cashflow plus DSRA, MRA, WCRA	
Plus, the residual balance of the proceeds account	£228,174k
Senior Debt	£163,607k

Confirmations

We confirm that:

- (d) No Default has occurred and is continuing;
- (e) The statements set out in this Investor Report are accurate in all material respects; and
- (f) The amount of any Restricted Payment made since the date of the last Investor Report amounted to £1,674,715.

Yours faithfully,

Daniel Pires

Daniel Pires (Dec 18, 2024 14:52 GMT)

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Director

Signing without personal liability, for and on behalf of **WoDS Transmission PLC**

18 December 2024