

TIDEWAY – HOLDCO GROUP INVESTOR REPORT H2 2024/25

June 2025



Notice

IMPORTANT NOTICE

This Investor Report is being distributed by Bazalgette Tunnel Limited (“BTL” “Tideway” or “the Borrower”) (as ‘Holdco Group Agent’) on behalf of each Obligor pursuant to the Common Terms Agreement (CTA). BTL trades as “Tideway”.

This Investor Report contains forward looking statements that reflect the current judgment of the management of the Obligors regarding conditions that it expects to exist in the future. Forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future and, accordingly, are not guarantees of future performance. Management’s assumptions rely on its operational analysis and expectations for the operating performance of each of the Obligor’s assets based on their historical operating performance and management expectations as described herein. Factors beyond management’s control could cause events to differ from such assumptions and actual results to vary materially from the expectations discussed herein. Investors are cautioned that the assumptions and forecast information included herein are not fact and should not be relied upon as being necessarily indicative of future results and are cautioned not to place undue reliance on such assumptions and forecast information. It should also be noted that the information in this Investor Report has not been reviewed by the Obligors’ auditors.

BASIS OF PREPARATION

Investor Reports relate to the performance of the Holdco Group which includes Bazalgette Holdings Limited (“BHL” or “Holdco”), Bazalgette Finance plc (“Finco”) and BTL. This Investor Report comments on the historical financial performance of the Holdco Group for the period to 31 March 2025.

Defined terms used in this document have the same meanings as set out in the Master Definitions Agreement unless otherwise stated.

This Investor Report provides an update of the Holdco Group’s activities for the period to 31 March 2025 with some information as of 31 May 2025 or as indicated. It covers business, regulatory and financing developments. This Investor Report should be read in conjunction with the Annual Report and the Accounts for the 12 months ended 31 March 2025.

Contents

- Overview
- Business Update
 - Health, Safety, and Wellbeing & Vision, Legacy, and Reputation
 - Regulatory Update & Interface with Thames Water
- Delivery Update
- Financing Activity and Sustainable Finance
- Financial ratios
- Other Reportable Matters
- Appendixes
 - Debt portfolio
 - Swap Portfolio
 - CTA Confirmation



Overview – H2 Highlights

System Activation

May 2024 Connection to Lee Tunnel - February 2025, all CSO connections complete

7 mln m³ sewage intercepted

Testing phase

The completed system is being tested in different weather conditions

Handover 2nd Half 2025

Fully Operational

EAC at £4.6 bn

TWUL customers annual bill within the range set out in 2015

Credit rating affirmed

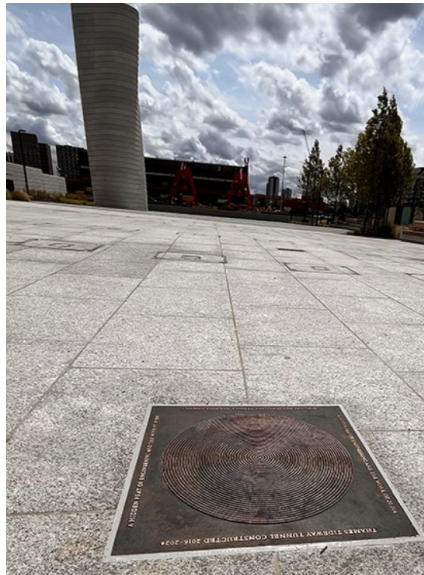
Fitch: BBB+ and Moody's: Baa1, with stable outlook

- The Commissioning Stage is ongoing. All sites were connected by February 2025 and the tunnel is intercepting flows. As at 15 May 2025 the tunnel has diverted over seven million cubic meters of sewage from the River Thames.
- We are in the storm testing phase of commissioning where the completed tunnel, interception and control system will be tested using rainfall events in various scenarios.
- Handover is expected in the second half of 2025.
- System Acceptance is forecasted to be achieved by the Planned System Acceptance Date of August 2027 as per our Licence.
- Our liquidity horizon is 21 months. Net Debt to RCV at 68% and interest coverage ratio (FFO ICR) at 5.8x.



Business Update – Health, Safety, and Wellbeing & Vision, Legacy, and Reputation

- There were no major injuries during construction and no significant incidents as a result of our marine, commissioning, MEICA or architecture and landscaping activities during the year. There were no injuries resulting in over three or seven-day absence in 2024/25 which confirmed Accident Frequency Rates (AFR-3 and AFR-7) of zero.
- With our Occupational Health Service Provider, we continue to deliver targeted health and wellbeing education and support.



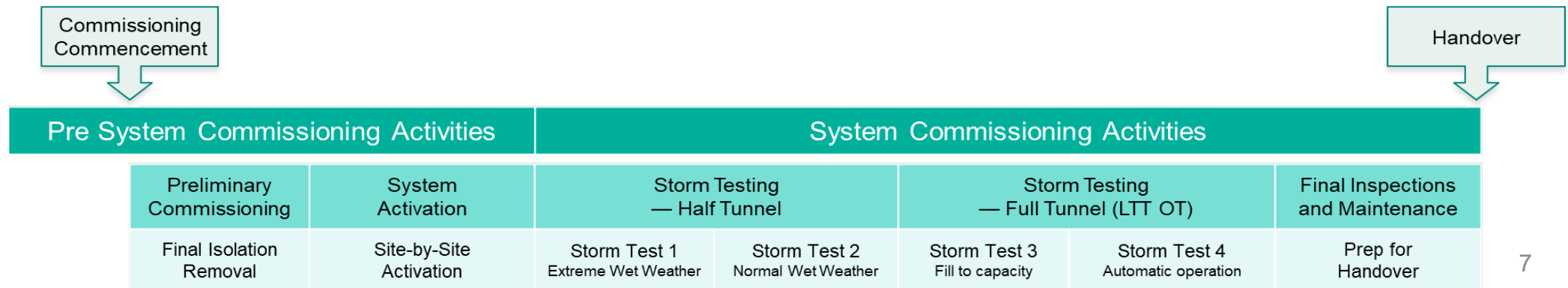
- Mental Health of the workforce has been a major driver for the project. The newly introduced Health & Safety Performance Index measure, related to managing stress, has encouraged teams to introduce and review specific stress management initiatives.
- We completed another five of our 54 legacy commitments in 2024/25, bringing the total closed out to 43 – a total of 80 per cent. In 2024/25, 100 per cent of the 12 commitments that were live in the year were delivered as planned. We expect to complete a further seven by Handover later in 2025.
- Community engagement also remained a high priority as we opened up new public spaces. The community took part as we formally opened new spaces at King George's Park, Falconbrook Pumping Station and Carnwath Road and unveiled artwork.

Regulatory Update & Interface with Thames Water

- Ofwat published its PR24 final determinations (which do not apply to Tideway) in December 2024. Thames Water's determination includes increased funding for its work on the TTT relative to draft determinations, and an incentive for the company to support earliest possible System Acceptance. Thames Water has announced that it intends to appeal the determinations to the Competition and Markets Authority, although the company and Ofwat have agreed to defer its appeal process by up to 18 weeks.
- Tideway continues to monitor the impact of Thames Water's corporate position. As noted in our H1 2024/25 report, we have received confirmation from Ofwat that the existing statutory and regulatory protections would continue to apply should Thames Water's status change. There has been no impact on our revenue to date.
- The Water (Special Measures) Act that became law in February 2025 does not apply to Tideway. We are engaging with the Independent Water Commission's review of the sector, which is expected to publish the final report in mid 2025; we will closely monitor any proposed reforms announced by Government in response to the review's findings.
- In making certain cross-company modifications to Thames Water's Appointment conditions on charging in 2024, Ofwat erroneously removed certain provisions in relation to Tideway's charge. Ofwat issued a consultation in May 2025 in relation to reinstating said provisions in which it proposed that the changes would come into effect on 18 July 2025. There is an error in recent updates to legislation governing the purpose of a special administration where the Company is placed into this regime. Government has confirmed its intention to correct this error. Both these matters are discussed in more detail in our bond prospectus.
- Thames Water is integral in the successful commissioning of the LTT System. The collaborative approach between Tideway, the contracting organisations and Thames Water has been maintained throughout 2024/25, culminating in Tideway activating all sites to the tunnel and entering the storm testing phase in February 2025.
- As we push towards Handover, Tideway continues to lead regular liaison sessions with Thames Water, the Environment Agency, Ofwat, and Department for Environment, Food & Rural Affairs in order to maintain collective engagement and drive closure of remaining commissioning and delivery activities.
- Looking ahead to Handover, Tideway has introduced a fortnightly 'Countdown to Handover' joint review with Thames Water to review progress on Handover deliverables, drive the closure of remaining faults and outstanding certifications, and agree mitigations as required.

Delivery Update

- The TTT is currently in Commissioning. A systematic programme of work brought the system online by connecting all the individual discharge points to the newly completed tunnel, with 20 more connections completed after the initial connection to the Lee Tunnel.
- All sites were connected by February 2025, the TTT is intercepting flows and is expected to achieve Handover in the second half of 2025. As at 15 May 2025 the TTT has diverted over 7 million cubic meters of sewage from the River Thames.
- As the year ended, the focus moved to a more structured testing phase, where the completed system is being tested in different weather conditions, initially at partial capacity and then full capacity, ahead of full operation.
- Following the completion of the storm testing, a targeted inspection of the TTT will be carried out as part of the construction assurance process.
- Once the inspection and other requirements have been completed and the handover criteria satisfied, the Company will issue a notice to Thames Water who will then issue a Handover Certificate to record Handover which signifies the start of the System Acceptance Period.
- The level of non-conformance and re-work in respect of the TTT remains at a satisfactory level, with no critical defects being reported to date on the project.
- As is common in tunnels, the Company has experienced infiltration of ground water into some of the TTT tunnels. Independent assessments have confirmed that the levels of infiltration and associated potential exfiltration expected in service are unlikely to have any adverse environmental, structural or durability impact.



Delivery update (continued)

- Physical works are completed at all sites except in a few locations where certain works not directly associated with the tunnel system or its operation have been delayed primarily due to delays in obtaining consents from the PLA. These outstanding works are not expected to delay Handover.
- Tideway is at the end of the commissioning stage and with the tunnel already in use and undergoing testing, most of the 'high impact low probability' risks associated with the construction of the project have now been retired.
- As work completed at a number of sites, hoardings were removed and new spaces were opened to the public, showcasing new public art that has been integrated into the functional design of the tunnel system. In total, seven new areas of public space have been created along the Thames; we have also enhanced existing public spaces where construction activities have occurred.
- As construction at individual sites is completed, land parcels which were temporarily acquired to facilitate construction are now progressively being returned to landowners. As at April 2025, 20 out of 87 land parcels have been handed back.
- Total project costs incurred for the six-month period were £160m, taking the total capitalised costs incurred at 31 March 2025 to £5,775.9m.

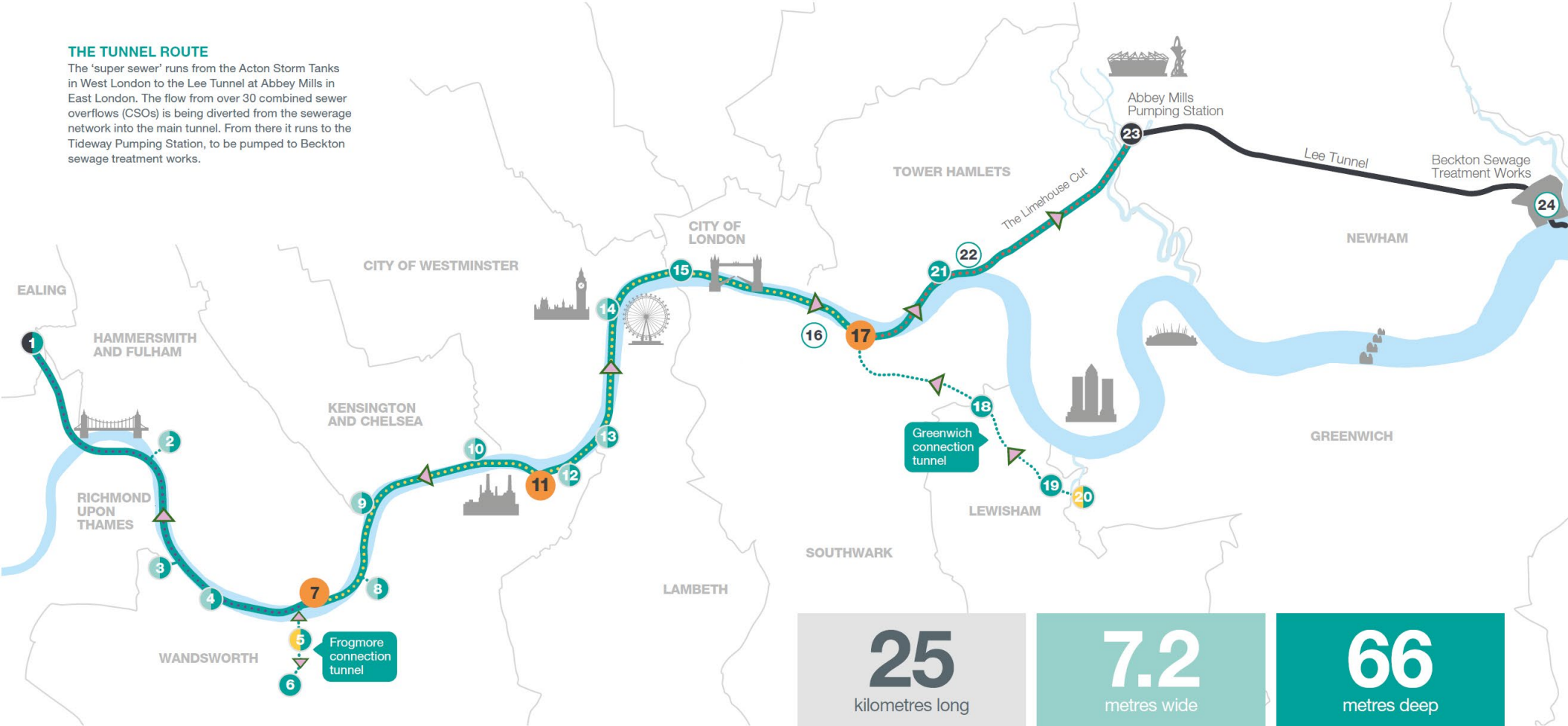


- The cost estimate is currently £4.6bn which is a one per cent increase from last year. This increase includes the impact of river works and related consents in the central contract, the conclusion of commercial discussions with the east and west contractors and forecasting of higher indirect costs.
- The MWCs' target prices have been further adjusted to reflect compensation events through the year. With the achievement of key milestones during the year the programme is commercially well placed as the focus now looks forward to Handover and Completion.

The Tunnel Route

THE TUNNEL ROUTE

The 'super sewer' runs from the Acton Storm Tanks in West London to the Lee Tunnel at Abbey Mills in East London. The flow from over 30 combined sewer overflows (CSOs) is being diverted from the sewerage network into the main tunnel. From there it runs to the Tideway Pumping Station, to be pumped to Beckton sewage treatment works.



- Map key**
- Main tunnel drive site
 - Main tunnel reception site
 - CSO site
 - Short connection tunnel drive site
 - Long connection tunnel drive site
 - System modifications
 - Main tunnel
 - Connection tunnels
 - Lee Tunnel
 - ▲ Drive direction
 - West works site
 - Central works site
 - East works site
 - 1 Acton Storm Tanks
 - 2 Hammersmith Pumping Station
 - 3 Barn Elms
 - 4 Putney Embankment Foreshore
 - 5 Dorney Street
 - 6 King George's Park
 - 7 Carnwath Road Riverside
 - 8 Falconbrook Pumping Station
 - 9 Cremorne Wharf Depot
 - 10 Chelsea Embankment Foreshore
 - 11 Kirtling Street
 - 12 Heathwall Pumping Station
 - 13 Albert Embankment Foreshore
 - 14 Victoria Embankment Foreshore
 - 15 Blackfriars Bridge Foreshore
 - 16 Shad Thames Pumping Station
 - 17 Chambers Wharf
 - 18 Earl Pumping Station
 - 19 Deptford Church Street
 - 20 Greenwich Pumping Station
 - 21 King Edward Memorial Park Foreshore
 - 22 Bekebourne Street
 - 23 Abbey Mills Pumping Station
 - 24 Beckton Sewage Treatment Works

25

kilometres long

Travelling from west to east London,
the main tunnel is 25km long.

7.2

metres wide

The main tunnel has an internal
diameter of 6.5 metres between
Acton Storm Tanks and Carnwath
Road Riverside. It has a 7.2 metre
internal diameter at Abbey Mills
Pumping Station.

66

metres deep

The tunnel falls one metre every
790 metres so it is self-cleaning.
Starting from 30 metres deep at
Acton Storm Tanks, it finishes
66 metres deep at Abbey Mills
Pumping Station.

Financing Activity and Sustainable Finance

March 2025

- At 31 March 2025, we had total liquidity of £410m, comprising £250m of unrestricted cash and the £160m undrawn RCF. This, combined with expected revenue collections, provides liquidity in excess of our 12-month target, including all liquidity required to Handover and beyond.
- Historical Financial Performance can be found in our [Annual Report](#).
- Partial distribution payments of a total amount of £26.2m were made during the 6 months, with the remaining £12.5m of accrued interest being capitalized taking the shareholder loan balance to £972.6m.
- Our credit ratings were affirmed at Baa1 by Moody's in June 2025 and BBB+ by Fitch in May 2025, both with a stable outlook.
- Our bond prospectus was updated in June 2025.

£3.3bn long term debt raised (£3.7bn including accretion)

£160m RCF
£75m Liquidity Facilities

21 months liquidity

Refinancing from 2025 (EIB) and 2027 (bond)

Index Linked debt as % of RCV

53%

Gearing remains below the covenant trigger / default levels (70%/80%)

Net debt/ RCV 68%

Index Linked debt as % of total debt

72%

Interest coverage ratio remains well above the covenant trigger / default levels (1.30x / 1.10x)

ICR 5.8x

- Tideway's total green debt issuance stands at £2,157m, which includes the 18 green bonds totalling £1,832m and £325m of green US private placements. The £160m RCF is structured as a sustainability-linked loan.
- S&P Global Ratings provides a Second Party Opinion with Dark Green status on the use of proceeds issuance, which was updated in June 2025.
- Our Annual Report includes reporting on our sustainable financing: allocation of proceeds, compliance with the agreed KPI in the case of sustainability-linked loan and impact of the project.
- We have published an ESG databook providing key information frequently requested by investors and other stakeholders.

Financial Ratios

We confirm that in respect of this Investor Report as of 31 March 2025, by reference to the most recent Financial Statements that we are obliged to deliver in accordance with paragraph 1 (Financial Statements) of Part A (Information Covenants) of Schedule 3 (Holdco Group Covenants) of the CTA:

- a) the Senior RAR⁽¹⁾ in respect of the relevant Test Period is equal to 68.0%
- b) The FFO ICR⁽²⁾ in respect of the relevant Test Period is equal to 5.79x
- c) The average FFO ICR in respect of the relevant Test Period is equal to 3.95x

(together ***the Ratios***)

We confirm that the above Ratios have been calculated in respect of the Test Period(s) or as at the Test Dates for which it is required to be calculated under the CTA.

Description of ratios

(1) Senior RAR measures at a test date, the ratio of Senior Net Indebtedness to RCV

(2) FFO ICR measures in respect of a test period, the ratio of Net Cash Flow to Senior Debt Interest

Other Reportable Matters

Significant management and board changes H2 2024/25

- None

Acquisitions and disposals H2 2024/25

- In May 2025 it was announced that Royal London had entered into an agreement to acquire Dalmore Capital. Following completion, ownership of Dalmore Capital will transfer to Royal London Asset Management.

Current Hedging Position

- The current swap portfolio can be found on page 15.

Transition to Operational Phase

- As the Company and TTT transition from construction to operation, there will be a point when the Company ceases to capitalise costs into an asset under construction (“AUC”) and the AUC will subsequently be converted into other non-current assets in the Company’s statement of financial position.

Confirmation

We confirm that:

- a) no Default or Trigger Event has occurred and is continuing;
- b) the Borrower is in compliance with the Hedging Policy;
- c) the statements set out in this Investor Report are accurate in all material respects; and
- d) the insurances are being maintained in accordance with paragraph 28 (Insurance) of Part C (General Covenants) of Schedule 3 (Holdco Group Covenants) to the CTA.



Mathew Duncan,

Chief Financial Officer

For and on behalf of Bazalgette Tunnel Limited as Holdco Group Agent

Debt Portfolio – March 2025

BTL Debt Portfolio

Facility	Amount (£m)	Type	Drawdown date	Maturity (CY)
£80m Tranche 1	86	EIB loan	Jul-18	2051
£80m Tranche 2	110	EIB loan	Jan-19	2051
£80m Tranche 3	108	EIB loan	Jul-19	2051
£80m Tranche 4	109	EIB loan	Jan-20	2051
£80m Tranche 5	108	EIB loan	Jul-20	2051
£80m Tranche 6	107	EIB loan	Jan-21	2051
£80m Tranche 7	107	EIB loan	Mar-21	2051
£60m Tranche 8	79	EIB loan	Jul-21	2051
£40m Tranche 9	51	EIB loan	Jan-22	2051
£40m Tranche 10	47	EIB loan	Jul-22	2051
Subtotal EIB Loan	911			
£300m 2.86%	316	USPP Loan Note	Sep-17	2032
£75m 2.418%	75	Green USPP Loan Note	Sep-21	2041
£250m 6.02%, 6.05%, 6.11%	250	Green USPP Loan Note	Oct-23	2033, 2035, 2038
Subtotal Nominal	641			
£100m RPI + 0.01%	135	Loan	Sep-19	2049
Subtotal RPI Loan	135			
TOTAL	1687			
RCF	160	Sustainability-linked Revolver	N/A	2027

Drawn facilities
Undrawn facilities

Debt £m	Principal	Accretion	Total Drawn
RPI	1,112	346	1,458
CPI	350	71	421
Floating (EIB)	620		620
Nominal	1,175		1,175
Total	3,257	417	3,674

Note: The table shows the debt position before hedging.

BFP Debt Portfolio

Facility	Amount (£m)	Type	Drawdown date	Maturity (CY)
£75m CPI + 0.828%	98.7	Green Bond	Aug-17	2047
£200m CPI+ 0.74%	235.0	Green Bond	Nov-17	2042
£75m CPI + 0.949%	87.5	Green Bond	May-22	2052
Subtotal CPI	421			
£100m RPI + 0.688%	141.4	Green Bond	Jun-18	2050
£100m RPI + 0.249%	139.0	Green Bond	Dec-18	2040
£100m RPI + 0.755%	137.3	Green Bond	Jun-19	2051
£125m RPI + 0.192%	182.0	Green Bond	Jul-19	2049
£25m RPI + 1.035%	33.8	Green Bond	Jun-20	2048
£50m RPI + 0.787%	67.5	Green Bond	Jun-20	2052
£25m RPI + 0.951%	33.8	Green Bond	Jun-20	2054
£25m RPI + 1.042%	33.0	Green Bond	Jul-21	2048
£25m RPI + 0.954%	33.0	Green Bond	Jul-21	2054
£75m RPI + 0.01%**	97.7	Green Bond	Aug-21	2036
£150m RPI + 0.01%*	184.9	Green Bond	Apr-22	2032
£50m RPI + 0.074%	70.9	Green Bond	May-22	2049
£50m RPI + 0.174%	70.9	Green Bond	May-23	2049
Subtotal RPI	1225			
£250m 2.375%	250.0	Green Bond	Nov-17	2027
£300m 2.75%	300.0	Green Bond	Mar-22	2034
Subtotal Nominal	550			
Total	2196			

(*) re-offer price of 100.24% reflecting negative yield of -0.014%

(**) re-offer price of 112.157% reflecting negative yield of -0.754%

BTL & BFP

Facility	Amount (£m)	Drawdown date	Maturity (CY)
Liquidity Facility	75	N/A	Annual renewal for a 5 year period

Swap Portfolio — March 2025

- During FY16/17 Tideway swapped tranches 1-8 of the EIB loan with various banks to index linked (RPI) format and agreed to draw tranches 9-10 in index linked format directly from the EIB.
- In September 2017 Tideway swapped £70m notional of the 2017 USPP.
- The swaps mature in 2030-2032, in the early years of the next regulatory period when the regulatory framework is expected to change from RPI to CPIH.
- There were no new hedging transaction in the period.

Swap	Facility	Notional (£m)	Swap maturity	Interest rate
Swap 1	EIB	80	Mar-30	RPI - 0.125%
Swap 2	EIB	80	Mar-30	RPI - 0.122%
Swap 3	EIB	80	Mar-30	RPI - 0.018%
Swap 4	EIB	80	Jan-31	RPI - 0.750%
Swap 5	EIB	80	Jan-31	RPI - 0.484%
Swap 6	EIB	80	Jan-31	RPI - 0.573%
Swap 7	EIB	80	Jan-32	RPI - 0.468%
Swap 8	EIB	60	Jan-32	RPI - 0.550%
Swap 9	USPP	70	Mar-30	RPI - 0.455%

Reference to the CTA

The table below summarises the requirements of the Investor Report as per Schedule 6 of the CTA and references in this document.

Requirement	Reference
General overview	Page 4, Overview
Regulatory and Business update	Pages 5-6, Business Update Pages 7-9, Delivery Update
Capital Expenditure	Pages 7 Delivery Update
Financing	Page 10, Financing Activity Page 14, Debt Portfolio
Acquisitions or Disposals	Page 12, Other Reportable Matters
Current Hedging Position	Page 15, Swap Portfolio
Ratios	Page 11, Ratios



Tideway

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