

INVESTOR REPORT FOR GREATER GABBARD OFTO Plc

As at March 2025

General Overview

Present Status:

Investors: Equitix Fund II and Equitix Fund IV

O&M Contractor: EDS HV Management Limited for Onshore and Topsides (“EDS”)

Subsea O&M Contractor: The OFTO is using a third party to provide support for subsea services as and when required.

O&M Guarantor: James Fisher Marine Services Limited

Security Trustee: Deutsche Trustee Company Limited

Principal Paying Agent: Deutsche Bank London Branch

Technical Adviser: Mott MacDonald Limited

Insurance Broker: Howden

Insurance Adviser: Willis Towers Watson

Ratings by Moodys Investors Services Limited: A3

Outstanding Principal Amount: £174,324k as at 31 March 2025 (after a principal repayment of £7,786k on 31 March 2025). The undrawn PBCE amount as at 31 March 2025 after the senior debt principal payment is £28,510k.

General Performance

The OFTO’s availability over the period is 100% against an expected 100%. Availability was slightly lower in 2024 at 98.99% due to planned preventative maintenance to replace a busduct identified following the 2023 fault. The OFTO will submit an Exceptional Event (EE Claim) for the planned outage that took place at the end of August 2024 into early September (the planned outage is discussed later in this report).

The OFTO is pleased to confirm that the two EE claims between submitted to Ofgem to recover lost availability for the two unplanned outages related to an offshore transformer and a busduct fault that occurred in 2023, have been accepted by Ofgem. The outage in late August 2024 to early September is related to one of the two claims accepted by Ofgem, so the OFTO is confident that it will be successful in recovering the lost availability.

Monitored Operating Costs remain between the 80% and 120% band as required by the project agreements.

Following subsea surveys undertaken in 2017 and 2020, further surveys were undertaken in 2022. A remotely operated vehicle (ROV) survey was completed on the interconnector cable J tube and cable protection system (CPS) on the Galloper platform, and a multibeam echo sounder (MBES) and side scan SONAR (SSS) survey was completed on a section of the export cables. The ROV survey found no evidence of movement, abrasion or damage to the J tube or its brackets. The bellmouth, where the cable exits the J tube, was found to have no signs of movement or abrasion and the CPS was found to be intact, and centrally located, as designed.

Additionally in November 2022, an unmanned surface vehicle (USV) was used to perform an MBES and SSS survey of the nearshore region of the three export cables where freespanning sections of cable were previously identified. Note that the 2020 survey confirmed that some seabed variation has occurred in shallow waters closer to the coast. There was also evidence of seabed current and sediment migration along the export cable corridors due to changes to the shape and location of megaripples, sandwaves and sandbanks. This was further confirmed in the 2022 survey as evidence was found that the seabed continues to display large amounts of sediment mobility. The data from this USV survey has been provided to the OFTO's expert subsea advisor for their analysis, their review suggests that the freespans on the export cables have migrated and are likely to continue to do so, but do not currently pose a significant risk to the cable integrity

The OFTO progressed a survey in September 2024 to take a closer look at the freespans. The results of the survey has been reviewed by the OFTO's expert adviser and a cable integrity risk assessment (CIRA) has been completed. This CIRA highlights the risks to the cable as well as any mitigations identified and the conditions under which these mitigations would be implemented. At the time of this report the risk is considered minimal due to lower volumes of shipping in the areas where most freespans are prevalent and the CIRA is recommending that the OFTO continues to monitor the freespans. Additionally, to reduce the risk of fishing activity impacting the cable, a fisheries liaison officer is retained to continue ongoing agreements with local fishing vessels such that they avoid fishing in the vicinity of identified freespanning cable sections. Also, the OFTO will carry out regular surveys on the freespans to gather as much information as possible to inform decision making.

In early 2018, SCADA services were interrupted by failed optical fibres on the interconnector cable between the Inner Gabbard and Galloper substations. These failures have been traced to a common point very close to the Galloper substation. Given the amount of time since the fibre failure and positive indications from the ROV survey it is unlikely that this failure is indicative of damage to the entire cable assembly. However, industry experience shows that fibre failures can be connected with subsequent cable faults and as such the OFTO remains prudent in monitoring the health of the interconnector cable via an installed DTS (temperature sensing) system. The OFTO has also signed cable repair framework agreement to expedite any repair works required in the future and is in the process of establishing an agreement with another service provider.

Maintenance Updates

EDS HV Ltd ("the Operator") carried out inspections and maintenance campaigns in this period. This reporting period has been very active with EDS focussed on closing out all outstanding maintenance tasks from the 2024-2025 Annual Maintenance Plan

During this period, the OFTO experienced one unplanned outage caused by an SSE work package (H29 switchgear replacement), this is further explained below. The assets in general have performed well. There are assets that have required further work in previous periods and have been subject to successful repairs. The OFTO is continuing to monitor as these could potentially impact revenue. These are set out and discussed below:

- **Theft of copper earth matting from Leiston substation compound** Following the trespass incidents in April and December 2022 and the installation of the electric fence to the main substation compound, no further incidents have been reported. Works to install an additional electric fence to the smaller external CVT compound have been delayed due to sub-contractor availability and have now been rescheduled for w/c 7th October 2024, with a target completion date of Friday 18th October 2024. The installation and final commissioning of the CVT compound fence was completed in January 2025. This matter has now been resolved by the O&M contractor.
- **Circuit 3 Outage** The unplanned outage in January 23 that lasted 18 days was subject to a successful temporary repair that enabled the OFTO to return the circuit to service. The Operator scheduled permanent repair works in September 2023. The works involved the

replacement of sections of busduct to ensure the ongoing integrity of the system. A section of busduct that was considered to be at most risk was replaced, however, the full replacement works were not completed due to unforeseen issues related to a seized connector. Electrical testing that was done indicated that the sections of busduct that were not replaced will operate satisfactorily and the O&M operator will continue to monitor the situation. A planned outage was taken from 09:30 on the 27th August 2024 where the remaining sections of busduct were successfully replaced and tested, with a RTS of the circuit at 13:20 on 7th September 2024. The outage was slightly longer than anticipated due to the team encountering weather delays. During testing, a fault was found within SSE's 33kV switchgear H29, the busducts have been disconnected and made safe to facilitate further inspection and testing by SSE and their OEM Siemens, this has no impact on the OFTO for loss of availability as this is a generator outage. SSEs H29 was deemed unserviceable, and a replacement unit was placed on order with the OEM Siemens. The circuit remained out of service until the replacement unit was installed and commissioned, with a RTS on 15th December 2024. The EE claim for the 18 day outage in 2023 has been submitted to Ofgem. The OFTO responded to Ofgem's subsequent request for clarifications and the OFTO successfully recovered the EE claim from Ofgem. direction. The OFTO has notified Ofgem of the 2024 outage and will submit an EE claim for this outage too.

- Following the root cause analysis of the fault that was completed by the DSI unit manufacturer, the O&M Operator enacted a monitoring regime, that included oil testing of the DSI units in the Grid Transformers that are located on the Inner Gabbard (IG Sub) and Galloper (GA Sub) Offshore platforms for traces of thermal energy gases. One transformer on the IG Sub (TX1) was found to have small traces of thermal energy gases which is an indication of a fault developing, the remaining transformers showed no evidence of early stages of fault development. The O&M Operator took immediate precautionary action to protect the integrity of the transformer by placing into a protective (operational with limitations) state and a replacement DSI unit has been procured and was replaced during October 2023. As none of the other transformers that were subject to oil testing, showed early indications of the fault developing, they will be subject to an ongoing monitoring regime with no operational limitations proposed.
- EDS following a risk review of the remaining original DSI (TX2) recommended fixing the tap changer and proceeding to replace the DSI unit as DGA results showing a rise in gas is too late an indicator of a potential fault. Therefore, the OLTC automatic tap controller for TX2 was placed into a fixed tap position on 26th August 2024 to mitigate the possibility of the DSI failing mid operation. A DSI currently in storage at EDS' facility in Goole will replace the existing original DSI currently in service within TX2, this will be planned for Summer 2025

Other maintenance issues of note include:

- **IG-SUB - Heila Knuckle Boom Crane** – Following initial repairs in October 2022 the crane was reassessed and passed its LOLER assessment and was returned to service. In February 2023 the crane was observed to be unable to maintain hydraulic pressure and has been removed from service until the complete repair has taken place. This was delayed due to supply chain issues with securing the parts to repair the original crane, but EDS has now sourced a refurbished Heila crane as a direct replacement. The original Heila crane was stripped out during visits in May / June 2024 and installation of the replacement Heila crane started w/c 16th September 2024. Poor weather conditions delayed installation and commissioning over the winter period, however, the new crane was finally commissioned and certified for use on the 5th March 2025.
- **Leiston Automatic Voltage Regulators (AVRs)** – Following a series of recent failures with the AVRs at Leiston Substation and subsequent issues with the loss of LV site supplies, the OFTO will be purchasing a set of strategic spares to assist with future failures. This will aid the short to mid-term strategy as original spares are becoming more scarce due to their obsolescence. EDS, Sollatek and EMS are working on a long-term solution to replace one of

the existing AVR's with a new, modern compatible unit, allowing the remaining two original units to become a back-up and donor in the event of failure. The strategic spares are due to be delivered to the EDS Goole stores in early April 2025.

- **GA-SUB – TX1 & TX2 Oil Leaks** – Minor oil leaks have been identified from both transformers and are being monitored. EDS is completing top-ups as and when required whilst repair strategy options are explored. Last top-up was completed in January 2025 following the activation of a Low Level Alarm, extremely low ambient temperatures contributed to the alarm. Further monitoring will continue with top-ups being undertaken as and when required whilst the repair strategy is finalised.
- **GA-SUB – ETX2 Cracked CT Mount** – The OEM has advised that the identified part is no longer manufactured, EDS is currently exploring all options to procure a compatible mount from other suppliers. Progress has been slow, there may be a need for the manufacturing of a bespoke mount.

Regulatory and business update

1. There have been no new significant regulatory and business and performance developments since the previous Investor Report in September 2024.
2. There have been no significant announcements/publications by the Authority by or relating to the Security Group since the previous Investor Report in September 2024 .

Current Hedging Position

3. A hedging agreement is in place to swap c64% of revenue over the life of the senior debt term on a pari passu basis to mitigate risks associated with lower than expected RPI.

Current availability / drawn amounts under the PBCE

4. The European Investment Bank (the PBCE Provider) has provided a letter of credit for an amount of £28,510 (the PBCE Letter of Credit) as at 31 March 2025 as a form of subordinated credit enhancement for the Issuer in relation to the bonds and the hedging arrangements. No amounts have been drawn from the letter of credit as at 31 March 2025

Ratios

5. We confirm that the ratios (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:	1.42	1.10x	2.51x	1.05x
Historic DSCR:	1.41 x	1.10x	2.63x	1.05x
Debt Life Cover Ratio:	1.57 x	1.15x	1.72 x	1.05x

6. 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.
7. We set out below the computation of the Ratios for your information:

The numerator excludes the PBCE letter of credit facility

Senior Debt excludes mark-to-market liabilities under hedging agreements

- (a) Projected DSCR - 1.42

Net Cash flow (Jun 25 – Mar 26)	<u>34,098</u>
Debt Service (Jun 25 – Mar 26)	23,991

Net Cash flow 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 Emergency Reserve Account (ERA), Decommissioning Reserve Account (DRA) and Working Capital Reserve Account (WCRA)

Debt Service includes all schedules 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 – 1.41

Net Cash flow (Jun 24 – Mar 25)	<u>33,058</u>
Debt Service (Jun 24 – Mar 25)	23,439

Debt Life Cover Ratio (DLCR) – 1.57

NPV of Net Cash flow plus DSRA, ERA, WCRA plus residual balance of operating account	273,103
Senior Debt	174,324

We confirm that:

- (c) There are no defaults in the period;
- (d) the statements set out in this Investor Report are accurate in all material respects; and
- (e) No Restricted Payment has been made since the previous Investor Report in September 2024

Additional Matter

As part of the agreements signed at financial close, Greater Gabbard OFTO plc has an obligation under clause 4.17 of agreement A.1.9 BE Lease Deed of Variation dated 25 November 2013 between EDF and GGOWL for the onshore substation to provide for a bond or an Escrow account for the initial sum of £2,316,000 for the dismantling of the onshore substation. This amount has since increased to £2,720,000

In accordance with this obligation Greater Gabbard OFTO plc have procured a Surety which has the agreement of EDF and Greater Gabbard OFTO plc. Due to turbulence in the surety market, the Surety provider has requested cash collateral at 10% of the value of the bond to be placed into an Escrow account which will be held until the end of the assets useful life or until the bond is released.

Greater Gabbard OFTO plc has considered this matter and has sent a notification to the Security Trustee.

Yours faithfully,

DocuSigned by:

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Director

Signing without personal liability, for and on behalf of **Greater Gabbard OFTO Plc** for and on behalf of each Obligor

Date 31 March 2025