



**Rail people.  
Real expertise.**

To: **The Senior Secured Lenders**

From: **Angel Trains Group Limited (formerly Willow Bidco Limited)**

Dated: 19 August 2024

**Angel Trains  
Group Limited**  
123 Victoria Street  
London  
SW1E 6DE

**T 020 7592 0500  
angeltrains.co.uk**

Dear Sirs

**The Great Rolling Stock Company PLC – the Standard Incorporated Terms Agreement and related Relevant Senior Debt Document (the "Agreement")**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that as at 19 August 2024, no Event of Default, or other Default or Lock Up Event existed and no Event of Default, or other Default or Lock Up Event had existed at any time.
3. We confirm that the ratios are as detailed in the table below in respect of the 12 months ending 30 June 2024:

Senior Interest Cover	3.8
Senior Interest Cover (next 12 months)	3.5
Leverage	5.5

(together, the "**Ratios**")

4. We confirm that each of the above Ratios has been calculated in respect of the relevant period for which it is required to be calculated under the Agreement.

5. We set out below the computation of the following Ratios set out in the table in Paragraph 3 above for your information:

(a) Senior Interest Cover; and

$$\begin{aligned} &= \text{Adjusted EBITDA} / \text{Senior Net Interest Payable} && \text{(refer to Appendix A)} \\ &= \text{£420.7m} / \text{£109.9m} \\ &= \mathbf{3.8} \end{aligned}$$

(b) Leverage

$$\begin{aligned} &= \text{Senior UK Consolidated Net Debt} / \text{Consolidated EBITDA} \text{ (refer to Appendix B)} \\ &= \text{£2,508.7m} / \text{£452.3m} \\ &= \mathbf{5.5} \end{aligned}$$

6. We confirm that the aggregate net assets and aggregate turnover of the Guarantors (in each case calculated on an unconsolidated basis and excluding all intra group items) represented not less than 80 per cent of the consolidated net assets and consolidated turnover of the Group.

The computations are set out in Appendix C.

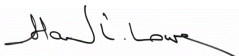
7. We confirm that the following companies Constitute Material Subsidiaries for the purposes of the Agreement:

- Angel Trains Limited
- The Great Rolling Stock Company PLC
- Angel Leasing Company Limited
- Angel Trains Rolling Stock Limited
- Readypower Rail Service Limited

8. The amounts and/or figures expressed to be "RPI Indexed" in the Conditions currently have the following values:

For each £1,000,000 of nominal value, the RPI Indexed value at 30 June 2024 is **£1,728,200**, after applying an adjustment for the change in the RPI index from June 2010 to June 2024 (72.82%).

Yours faithfully,

Signed: .....  


**Authorised Officer  
of Angel Trains Group Limited  
(formerly Willow Bidco Limited)**

.....  


**Authorised Officer  
of Angel Trains Group Limited  
(formerly Willow Bidco Limited)**

**Angel Trains Group Limited (formerly Willow Bidco Limited)**  
**Financial Covenants -**  
**Schedule 3 - of the 'Standard Incorporated Terms Agreement'**

**Relevant Period - 30 June 2024**

The Company shall ensure that:

1.4 (a) **Senior Interest Cover** in respect of each Relevant Period ending on the most recent Semi-Annual Date is at least 1.5:1

**Definition**

**Senior Interest Cover** means the ratio of Adjusted EBITDA to Senior Net Interest Payable in respect of any Relevant Period.

Effectively:

$$\text{Senior Interest Cover} = \frac{\text{Adjusted EBITDA}}{\text{Senior Net Interest Payable in respect of each period ending on each 30 June and 31 December}} > 1.5$$

Senior Interest Cover	420,700	=	<b>3.8</b>
	109,919		

**"Adjusted EBITDA"** means, in relation to a Relevant Period as applicable, *Consolidated EBITDA* for that Relevant Period after adding the amount of any cash receipts during the Relevant Period in respect of any Tax rebates or credits and deducting the amount actually paid or due and payable in respect of Taxes during that Relevant Period by any member of the Group (but disregarding any tax receipts or payments consequential on or related to the exercise of the EWS Option);

**"Consolidated EBITDA"** means in respect of any Relevant Period, *Consolidated EBIT* for that Relevant Period after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group, **provided that**, in the event that the International Accounting Standards Board introduces a change in the basis of lease accounting, the definitions of Consolidated EBIT and Consolidated EBITDA used for the purposes of making financial covenant calculations shall be amended to include such additional inclusions and deductions as the Company shall certify to the Agent as being necessary to ensure that the change in basis of lease accounting is neutral in its effect on any given reported financial covenant calculation;

**"Consolidated EBIT"** means, in respect of any Relevant Period, the consolidated operating profit of the Group:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Finance Charges;
- (c) not including any accrued interest owing to any member of the Group;
- (d) before taking into account any Exceptional Items;
- (e) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to accounting interests;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (g) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;
- (h) before taking into account any Pension Items;
- (i) excluding any costs or provisions relating to any share option or similar scheme;
- (j) after adding back the proceeds of any loss of profit or business interruption insurance received by the Group;
- (k) after deducting the amount of any proceeds of the EWS Option received by any member of the Group (to the extent otherwise included in Consolidated EBIT);

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation, and so that no amount shall be added (or deducted) more than once;

**provided that**, in the event that the International Accounting Standards Board introduces a change in the basis of lease accounting, the definitions of Consolidated EBIT and Consolidated EBITDA used for the purposes of making financial covenant calculations shall be amended to include such additional inclusions and deductions as the Company shall certify to the Agent as being necessary to ensure that the change in basis of lease accounting is neutral in its effect on any given reported financial covenant calculation;

**"Senior Net Interest Payable"** means, for any Relevant Period, the Finance Charges for that Relevant Period other than Finance Charges attributable to the Junior Debt after deducting:

- (a) any interest accrued (whether or not received) in that Relevant Period to any member of the Group from a person that is not a member of the Group; and
- (b) the Group's share of any interest accrued (whether or not received) in that Relevant Period from a person that is not a member of the Group to any Joint Venture which is accounted for on a proportionate consolidated basis;

**Angel Trains Group Limited (formerly Willow Bidco Limited)**  
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**Schedule 3 - of the 'Standard Incorporated Terms Agreement'**

**Relevant Period - 30 June 2024**

	Consolidated 6 months ending 31-Dec-23		Consolidated 6 months ending 30-Jun-24		Consolidated 12 months ending 30-Jun-24	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Consolidated operating profit/(loss) of the Group</b> (before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;)		<b>78,100</b>		<b>72,700</b>		<b>150,800</b>
add back any Finance Charges;	91,600		87,600		179,200	
less any accrued interest owing to any member of the Group	(36,800)		(23,100)		(59,900)	
less/add back any Exceptional Items						
less/add back any profit/(loss) of any member of the Group which is attributable to accounting interests						
less/add back any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);	(9,700)		(13,100)		(22,800)	
less/add back any gain or loss arising from an upward or downward revaluation of any other asset;						
less/add back any Pension Items;						
add back any costs or provisions relating to any share option or similar scheme;						
less/add back proceeds of any loss of profit or business interruption insurance received by the Group						
less any proceeds of the EWS Option received						
<b>Consolidated EBIT</b>		<b>123,200</b>		<b>124,100</b>		<b>247,300</b>
add back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group,	105,600		99,400		205,000	
<b>Consolidated EBITDA</b>		<b>228,800</b>		<b>223,500</b>		<b>452,300</b>
add back any cash receipts during the Relevant Period in respect of any Tax rebates or credits						
less the amount actually paid or due and payable in respect of Taxes during the Relevant Period		(20,600)		(11,000)		(31,600)
<b>Adjusted EBITDA</b>		<b>208,200</b>		<b>212,500</b>		<b>420,700</b>

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**Senior Net Interest Payable**

	Consolidated 6 months ending 31-Dec-23		Consolidated 6 months ending 30-Jun-24		Consolidated 12 months ending 30-Jun-24	
	£'000	£'000	£'000	£'000	£'000	£'000
Total Finance Charges payable	91,600		87,600		179,200	
add back: Interest capitalised	4,865		4,113		8,978	
Add: Reclassified financial derivative payments	7,207		7,269		14,476	
Less: Effective interest on interest free parent loan	(5,300)		(12,850)		(18,150)	
Less: Effective interest on deferred consideration	200				200	
Less: Finance Charges attributable to the Junior Debt	(7,820)		(7,065)		(14,885)	
		90,752		79,067		169,819
Less: Interest Receivable		(36,800)		(23,100)		(59,900)
<b>Senior Net Interest Payable</b>		<b>53,952</b>		<b>55,967</b>		<b>109,919</b>

**Angel Trains Group Limited (formerly Willow Bidco Limited)**  
**Financial Covenants -**  
**Schedule 3 - of the 'Standard Incorporated Terms Agreement'**

**Relevant Period - 30 June 2024**

The Company shall ensure that:

1.4 (b) **Leverage** in respect of each Relevant Period ending on the most recent Semi-Annual Date is no greater than 8.5:1.

**Definition**

**Leverage** means, in respect of any Relevant Period, the ratio of Senior UK Consolidated Net Debt on the last day of that Relevant Period to Consolidated EBITDA in respect of that Relevant Period;

Effectively:

Leverage =	$\frac{\text{Senior UK consolidated Net Debt at each period ending on each of 30 June and 31 December}}{\text{Consolidated EBITDA in respect of the period ending on the relevant 30 June or 31 December}}$	=	< 8.5
Leverage =	$\frac{\text{Senior UK consolidated Net Debt at period ending 30 June 2024}}{\text{Consolidated EBITDA in respect of the period ending 30 June 2024}}$	=	< 8.5
Leverage =	$\frac{2,508,718}{452,300}$	=	<b>5.5</b>

**Senior UK Consolidated Net Debt at period ending 30 June 2024**

	<u>£'000</u>
Borrowings of Group after deducting Junior Debt and Investor Debt (quasi-equity)	2,580,018
External loans	2,600,234
Less: Reclassified financial derivatives	<u>(20,216)</u>
Less: Cash and Cash Equivalent Investments	(71,300)
<b>Senior UK Consolidated Net Debt</b>	<b><u>2,508,718</u></b>

**Consolidated EBITDA in respect of the period ending 30 June 2024**

Consolidated EBITDA in respect of the period ending 30 June 2024	<b><u>452,300</u></b>
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**Angel Trains Group Limited (formerly Willow Bidco Limited)**  
**Financial Covenants -**  
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**Relevant Period - 30 June 2024**

**Aggregate Net Assets and Aggregate Turnover of the Guarantors**

**Paragraph 1.6 (a)**

The Company shall ensure that at all times, the aggregate net assets and aggregate turnover of the Guarantors (in each case calculated on an unconsolidated basis and excluding all intra-group items) represents not less than 80 per cent of the consolidated net assets and consolidated turnover of the Group.

Guarantors

*Angel Trains Group Limited (formerly Willow Bidco Limited)*

*The Great Rolling Stock Company PLC*

*Willow Holdco 2 Limited*

*Angel Trains Rolling Stock Limited*

*Angel Trains Limited*

*Angel Locomotive Leasing Limited*

*Angel Leasing Company Limited*

*Angel Infrastructure Limited*

*Readypower Rail Services Limited*

	<b>Net Assets / (Liabilities)*</b>	<b>Turnover*</b>
	£,000	£,000
Non-Guarantor Group Companies	2	0
Guarantor Companies	353,198	297,500
Angel Trains Group Limited (formerly Willow Bidco Limited) Consolidation	<u>353,200</u>	<u>297,500</u>
Aggregate Net Assets & Turnover as a % of Consolidated	<b>100.0%</b>	<b>100.0%</b>

\* excluding all intra-Group items and investments in Subsidiaries of any member of the Group