

Leep Networks (Water)Ltd  
Company Based Assesment Scenarios

| Current Projections - Version to Ofwat |         |          |          | YEAR -1  | ***      | YEAR 1   | YEAR 2   |          |          |
|----------------------------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| Profit & Loss (£000)                   | FY 2023 | FY 2024  | FY 2025  | FY 2026  | FY 2027  | FY 2028  | FY 2029  | FY 2029  | FY 2029  |
| Turnover                               | 12,399  | 16,241   | 18,673   | 29,279   | 32,327   | 35,691   | 39,406   | 43,508   | 48,037   |
| Incumbent                              | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Other Direct Costs                     | (8,236) | (10,490) | (12,489) | (19,152) | (21,145) | (23,346) | (25,776) | (28,459) | (31,421) |
| Gross Profit                           | 4,163   | 5,751    | 6,184    | 10,127   | 11,181   | 12,345   | 13,630   | 15,049   | 16,615   |
| Overheads                              | (1,514) | (2,607)  | (1,310)  | (2,248)  | (2,602)  | (3,013)  | (3,488)  | (4,038)  | (4,675)  |
| EBITDA                                 | 2,516   | 2,986    | 4,630    | 7,485    | 8,579    | 9,332    | 10,142   | 11,011   | 11,940   |

Increased Growth Rate

| Profit & Loss (£000) | FY 2023<br>(ACT) | FY 2024<br>(ACT) | FY 2025<br>(ACT) | FY 2026<br>(ACT) | FY 2027  | FY 2028  | FY 2029  | FY 2030  | FY 2031  |
|----------------------|------------------|------------------|------------------|------------------|----------|----------|----------|----------|----------|
| Turnover             | 12,399           | 16,241           | 18,673           | 29,279           | 33,897   | 39,242   | 45,431   | 52,596   | 60,891   |
| Incumbent            | 0                | 0                | 0                | 0                | 0        | 0        | 0        | 0        | 0        |
| Other Direct Costs   | (8,236)          | (10,490)         | (12,489)         | (19,152)         | (22,172) | (25,669) | (29,717) | (34,404) | (39,829) |
| Gross Profit         | 4,163            | 5,751            | 6,184            | 10,127           | 11,724   | 13,574   | 15,714   | 18,192   | 21,061   |
| Overheads            | (1,514)          | (2,607)          | (1,310)          | (2,248)          | (2,602)  | (3,013)  | (3,488)  | (4,038)  | (4,675)  |
| EBITDA               | 2,649            | 3,143            | 4,874            | 7,879            | 9,122    | 10,561   | 12,226   | 14,154   | 16,387   |

Increased Growth rate - reduced by 10%

| Profit & Loss (£000) | FY 2023 | FY 2024 | FY 2025  | FY 2026  | FY 2027  | FY 2028  | FY 2029  | FY 2029  | FY 2029  |
|----------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|
| Turnover             | 11,159  | 14,617  | 16,806   | 26,351   | 30,507   | 35,318   | 40,888   | 47,336   | 54,802   |
| Incumbent            | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Other Direct Costs   | (7,412) | (9,441) | (11,240) | (17,237) | (19,955) | (23,102) | (26,745) | (30,963) | (35,846) |
| Gross Profit         | 3,747   | 5,176   | 5,566    | 9,115    | 10,552   | 12,216   | 14,143   | 16,373   | 18,955   |
| Overheads            | (1,363) | (2,347) | (1,179)  | (2,023)  | (2,342)  | (2,712)  | (3,139)  | (3,634)  | (4,207)  |
| EBITDA               | 2,516   | 2,986   | 4,630    | 7,485    | 8,666    | 10,033   | 11,615   | 13,447   | 15,567   |

Increased Growth rate - reduced by 10% and bad debt scenario

| Profit & Loss (£000) | FY 2023 | FY 2024 | FY 2025  | FY 2026  | FY 2027  | FY 2028  | FY 2029  | FY 2029  | FY 2029  |
|----------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|
| Turnover             | 10,601  | 13,886  | 15,966   | 25,034   | 28,982   | 33,552   | 38,844   | 44,970   | 52,062   |
| Incumbent            | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Other Direct Costs   | (7,042) | (8,969) | (10,678) | (16,375) | (18,957) | (21,947) | (25,408) | (29,415) | (34,054) |
| Gross Profit         | 3,559   | 4,917   | 5,287    | 8,659    | 10,024   | 11,605   | 13,436   | 15,555   | 18,008   |
| Overheads            | (1,295) | (2,229) | (1,120)  | (1,922)  | (2,225)  | (2,576)  | (2,982)  | (3,453)  | (3,997)  |
| EBITDA               | 2,516   | 2,986   | 4,630    | 7,485    | 7,799    | 9,029    | 10,453   | 12,102   | 14,010   |

Current Projections - Version to Ofwat

| Financial Security (£000's)   | FY 2027  | FY 2028  | FY 2029  |
|-------------------------------|----------|----------|----------|
| Incumbent Water (+2 years)    | 0        | 0        | 0        |
| Other Direct Costs (+2 years) | (25,776) | (28,459) | (31,421) |
| Overheads (+2 years)          | (3,488)  | (4,038)  | (4,675)  |
| Operational Costs to Cover    | (29,264) | (32,497) | (36,096) |
| 50% Revenue (-1 year)         | 14,640   | 16,163   | 17,846   |
| Financial Security Required   | (14,625) | (16,334) | (18,251) |

| Financial Security (£000's)   | FY 2027  | FY 2028  | FY 2029  |
|-------------------------------|----------|----------|----------|
| Incumbent Water (+2 years)    | 0        | 0        | 0        |
| Other Direct Costs (+2 years) | (29,717) | (34,404) | (39,829) |
| Overheads (+2 years)          | (3,488)  | (4,038)  | (4,675)  |
| Operational Costs to Cover    | (33,205) | (38,442) | (44,504) |
| 50% Revenue (-1 year)         | 14,640   | 16,948   | 19,621   |
| Financial Security Required   | (18,566) | (21,493) | (24,883) |
| Var to current projection     | 3,941    | 5,159    | 6,632    |

Increased Growth rate - reduced by 10%

| Financial Security (£000's)   | FY 2027  | FY 2028  | FY 2029  |
|-------------------------------|----------|----------|----------|
| Incumbent Water (+2 years)    | 0        | 0        | 0        |
| Other Direct Costs (+2 years) | (26,745) | (30,963) | (35,846) |
| Overheads (+2 years)          | (3,139)  | (3,634)  | (4,207)  |
| Operational Costs to Cover    | (29,885) | (34,598) | (40,054) |
| 50% Revenue (-1 year)         | 13,176   | 15,253   | 17,659   |
| Financial Security Required   | (16,709) | (19,344) | (22,395) |
| Var to current projection     | 2,084    | 3,010    | 4,144    |

Increased Growth rate - reduced by 10% and bad debt scenario

| Financial Security (£000's)   | FY 2027  | FY 2028  | FY 2029  |
|-------------------------------|----------|----------|----------|
| Incumbent Water (+2 years)    | 0        | 0        | 0        |
| Other Direct Costs (+2 years) | (25,408) | (29,415) | (34,054) |
| Overheads (+2 years)          | (2,982)  | (3,453)  | (3,997)  |
| Operational Costs to Cover    | (28,390) | (32,868) | (38,051) |
| 50% Revenue (-1 year)         | 12,517   | 14,491   | 16,776   |
| Financial Security Required   | (15,874) | (18,377) | (21,275) |
| Var to current projection     | 1,249    | 2,043    | 3,024    |

| Financial Security in place (£000) | TOTAL  |
|------------------------------------|--------|
| Thames Water                       | 550    |
| Ofwat                              | 14,075 |
| Financial Security in place (£000) | 14,625 |