

Financial Settlement Document relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

Any capitalised words and expressions used in this Financial Settlement Document have the meaning given to them in the Licence or the APDP, unless otherwise specified.

## Part 1: Financial Settlement Document

### General

Item reference	Item	Details
Definitions	<b>Base Year</b>	The period from 1 April 2021 to 31 March 2022 inclusive (2021/22), with average CPIH INDEX 00: ALL ITEMS 2015=100 of 113.117.
Definitions	<b>Pre-Licence Award Devex</b>	£154.3 million in Base Year prices
Definitions	<b>Day1 SRAV</b>	The sum of:  a) Pre-Licence Award Devex (above); and  b) upfront Debt Fees incurred at financial close of £21.9 million in Base Year prices.  c) Pre-Licence Award Capex Costs of £51.8 million in Base Year prices.
Special Condition F5	<b>Re-Use Assets Valuation(s)</b>  Subject to the provisions of Schedule 10 paragraph 11.1 and Special Conditions F5.3 and G8.3.	£ [REDACTED], including £ [REDACTED] for the provisional seed payment to the decommissioning fund in respect of Re-Use Assets, £ [REDACTED] for scrap and land value and £ [REDACTED] for differential payment, all in Base Year prices
Special Condition J4	<b>Delay WACC</b>	[REDACTED] % real
Special Conditions F12 and G15	<b>PreCOD WACC</b>	6.09% real
	<b>PreCOD Cost of Debt</b>	[REDACTED] % real

Note: Consolidated documents are not formal Public Register documents and should not be relied on. Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited - Consolidated to 15 January 2026

<sup>1</sup> Revised for Runcorn Spurline Development Activities allowance

Item reference	Item	Details
	<b>PreCOD Cost of Equity</b>	████ % real
Special Condition H10	<b>Notional Gearing</b>	60%
	<b>PostCOD WACC</b>	5.55% real
	<b>PostCOD Cost of Debt</b>	████ % real
	<b>PostCOD Cost of Equity</b>	████ % real
Schedule 10 Paragraph 6	<b>Pre-Licence Award Capex Allowance</b>	£60.0 million in Base Year prices

### Ongoing Devex Allowance

Item reference	Item	Details
Special Condition F9, G12 & H6	<b>Ongoing Devex Allowance</b>  Combined allowances to include Devex during Construction, Commissioning and Operational Periods and any Additional Pre-Licence Award Devex  Subject to the provisions of Schedule 10 and Ongoing Devex Re-Openers as noted in Special Condition J5 where applicable	Phase 1 and Phase 2 Tranche A (Lennox) Devex £0.0 million (zero)
		Phase 2 Tranche B (Padeswood Spurline) Devex £5.2 million in Base Year prices
		<del>Phase 2 Tranche C (Runcorn Spurline)</del> <b>Runcorn Spurline Development Activities Devex £6.4-1.8<sup>1</sup> million in Base Year prices</b>
		Phase 2 Tranche D (4.5Mtpa dense phase) Devex £25.5 million in Base Year prices

### Early Development Activities Use-it-or-lose-it Allowance

Item reference	Item	Details
Special Condition J15	<b>Early Development Activities Use-it-or-lose-it Allowance or EDA UIOLIA</b>	£5 million in Base Year prices per Regulatory Period (being the “ <b>EDA UIOLIA Regulatory Period Limit</b> ”) with a respective limit of £2 million contributing to any potential Development Project (being the “ <b>EDA UIOLIA Project Limit</b> ”)

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<sup>1</sup> Revised for Runcorn Spurline Development Activities allowance

### Construction and Commissioning Period Allowances

Item reference	Item	Details
Special Condition F6	<b>SRAV Capex and Opex Construction Period Allowance</b>	<del>£4,710.0</del> <del>1,636.2</del> million in Base Year prices which excludes Pass Through Costs of £9.3 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10: Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £80.5 million <b>Phase 2 Tranche C (Runcorn Spurline) Capex and Opex £73.80.0 million (zero)</b> Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)
Special Condition G10	<b>SRAV Capex and Opex Commissioning Period Allowance</b>	<del>£73.8</del> <del>56.7</del> million in Base Year prices which excludes Pass Through Costs of £0.1 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10: Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £0.0 million (zero) <b>Phase 2 Tranche C (Runcorn Spurline) Capex and Opex £47.40.0 million (zero)</b> Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)
Special Conditions F10 and G13	<b>Debt Fee Allowance</b>	£[REDACTED] in Base Year prices, to cover Debt Fees during the Construction and Commissioning period, but excluding upfront Debt Fees incurred at Financial Close which are included in Day1 SRAV above

### Operational Period Allowances

Item reference	Item	Details
Special Condition H5	<b>Ongoing Capex Allowance</b>	The Ongoing Capex Allowance for the First Regulatory Period is  Operational Charging Year 1 £5.8 million in Base Year Prices Operational Charging Year 2 £0.0 million (zero) Operational Charging Year 3 £0.0 million (zero)

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<sup>1</sup> Revised for Runcorn Spurline Development Activities allowance

Item reference	Item	Details
		<p>Operational Charging Year 4 £9.7 million in Base Year Prices</p> <p>Note that these figures are made up of</p> <p>Phase 2 Tranche B (Padeswood Spurline) £0.0 million (zero)</p> <p><b>Phase 2 Tranche C (Runcorn Spurline) £5.80.0 million (zero) in Base Year Prices in Operational Charging Year 1</b></p> <p>Phase 2 Tranche D (4.5Mtpa dense phase)  Operational Charging Year 1 £0.0 million (zero)  Operational Charging Year 2 £0.0 million (zero)  Operational Charging Year 3 £0.0 million (zero)  Operational Charging Year 4 £9.7 million in Base Year Prices</p> <p>Note that Phase 2 Tranche D (4.5Mtpa dense phase) is expected to have a provisional Ongoing Capex Allowance of £375.3 million in Base Year prices (and which includes costs after the First Regulatory Period).</p> <p>Subject to the provisions of Schedule 10.</p>

<p>Special Condition H12</p>	<p><b>Opex Allowance (provisional)</b></p>	<p>Opex Allowance, on an annualised basis, including Variable Opex Allowance, but excluding Pass Through Costs and ETS Allowance, in Base Year prices</p> <p>Operational Charging Year 1 £56.1 million pa Operational Charging Year 2 £62.7 million pa Operational Charging Year 3 £73.3 million pa Operational Charging Year 4 £80.1 million pa</p> <p>The underlying Variable Opex Allowance is based on the following indicative throughputs in tCO<sub>2</sub> pa</p> <p>Operational Charging Year 1 █████ million tCO<sub>2</sub> pa Operational Charging Year 2 █████ million tCO<sub>2</sub> pa Operational Charging Year 3 █████ million tCO<sub>2</sub> pa Operational Charging Year 4 █████ million tCO<sub>2</sub> pa</p> <p>The underlying Variable Opex Allowance is based on the following Fixed Unit Costs in £/tCO<sub>2</sub> in Base Year prices</p> <p>Operational Charging Year 1 £████/tCO<sub>2</sub> Operational Charging Year 2 £████/tCO<sub>2</sub> Operational Charging Year 3 £████/tCO<sub>2</sub> Operational Charging Year 4 £████/tCO<sub>2</sub></p> <p>The Fixed Unit Costs are based on</p> <p>a) The forecast energy relationship assumption in MWh/tCO<sub>2</sub></p> <p>Operational Charging Year 1 ████ MWh/tCO<sub>2</sub> Operational Charging Year 2 ████ MWh/tCO<sub>2</sub> Operational Charging Year 3 ████ MWh/tCO<sub>2</sub> Operational Charging Year 4 ████ MWh/tCO<sub>2</sub></p> <p>b) Indicative electricity prices £/MWh in Base Year prices</p> <p>Operational Charging Year 1 £████/MWh Operational Charging Year 2 £████/MWh</p>
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Item reference	Item	Details
		<p>Operational Charging Year 3 £■■■■/MWh  Operational Charging Year 4 £■■■■/MWh</p> <p>c) The Re-Use Service Opex Allowance in £/tCO<sub>2</sub> in Base Year prices</p> <p>Operational Charging Year 1 £■■■■/tCO<sub>2</sub>  Operational Charging Year 2 £■■■■/tCO<sub>2</sub>  Operational Charging Year 3 £■■■■/tCO<sub>2</sub>  Operational Charging Year 4 £■■■■/tCO<sub>2</sub></p>
Special Condition H12 & H14	<b>ETS Allowance(provisional)</b>	<p>The ETS volume component of the ETS Allowance will be set as a % of forecast throughput as follows:</p> <p>Operational Charging Year 1 ■■■■ %  Operational Charging Year 2 ■■■■ %  Operational Charging Year 3 ■■■■ %  Operational Charging Year 4 ■■■■ %</p>

## Part 2: The Mandated Financing Terms

The following terms are the Mandated Financing Terms referred to in Standard Condition B18 (*Financial Resilience and Credit Quality*), applicable to the Licensee:

### 1. **Regulatory Asset Ratio**

- 1.1 Subject to paragraph 1.2, in respect of any Test Date, the RAR must be equal to or less than 80 per cent.
- 1.2 There shall not be a breach of the Mandated Financing Term in paragraph 1.1 if an Equity Cure Amount has been applied in accordance with paragraph 3 (Equity Cure) of Part B (Financial Covenants) of Schedule 3 (Covenants) of the Common Terms Agreement, such that following the recalculation of the RAR after receipt by the Licensee of such Equity Cure Amount, the RAR is equal to or less than 80 per cent.

### 2. **Lock-up**

No Restricted Payment shall be declared, made, paid or permitted by any Relevant Obligor and no amount shall be transferred or paid into the Restricted Payment Account unless:

- (a) (i) such Restricted Payment is a Permitted Payment and is made in compliance with the Financing Documents, the Licence and the Government Support Package; (ii) on any Test Date commencing from the first Test Date to occur after the earlier of (A) the Commercial Operations Date and (B) the commencement of the Licensee receiving Full Revenues, the Historic ADSCR, as specified in the MFT Compliance Certificate delivered to the Regulator in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, 1.10:1; and (iii) for any Restricted Payment or transfer or payment into the Restricted Payments Account to be made during the Secretary of State Discontinuation Decision Period only, the Projected ADSCR, as specified in the MFT Compliance Certificate delivered to the Secretary of State in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, 1.10:1; or
- (b) such Restricted Payment is (i) made in compliance with the Financing Documents, the Licence and the Government Support Package and (ii) made or paid by the Licensee from the Restricted Payments Account and in an amount not exceeding the amount standing to the credit of the Restricted Payments Account at the date of such Restricted Payment; or
- (c) such Restricted Payment or transfer or payment into the Restricted Payments Account otherwise constitutes a Permitted Payment.

### 3. **Initial Shareholder Change of Control**

Unless the Secretary of State has provided its prior written consent, no Change of Control shall occur during the Equity Lock-in Period.

#### 4. **Operator Change of Control**

Unless the Secretary of State has provided its prior written consent, at all times prior to the replacement of the Interim Service Support Arrangements with an Acceptable Alternative Operating Arrangement, the Licensee shall remain an Eni Group Company.

#### 5. **Governance**

Unless the Secretary of State has provided its prior written consent:

- (a) at all times on and from the SID Appointment Date, the Licensee must ensure (and procure that each other Relevant Obligor ensures) that, if its board of directors fails to decide the relevant matter unanimously (including with the consent of the SIDs), the SIDs, acting jointly, together with the directors directly or indirectly nominated for appointment by the Non-Related Shareholders or the Non-Related Shareholders themselves, have the power to make the following decisions for the Licensee and each other applicable Relevant Obligor (and to direct the implementation of those decisions through a duly appointed delegate or attorney):
- (i) to exercise any right of termination and/or enforce or waive the Licensee's material rights under any Related Party Contract; and
  - (ii) to commence, discontinue and/or settle any material dispute, litigation, arbitration claim or proceeding against any counterparty to a Related Party Contract or in respect of the services performed (or to be performed) by any counterparty to a Related Party Contract,

without the consent of the directors appointed by the relevant Related Party Shareholder or the consent of the relevant Related Party Shareholder; and

- (b) it shall be a breach of this paragraph 5 (Governance) of these Mandated Financing Terms if any term of the constitutional documents of a Relevant Obligor or any agreement or arrangement in force with a Sponsor, Shareholder (or a Shareholders' or Sponsor's Affiliate) or a director of the Licensee circumvents, overrides or is otherwise inconsistent with the principles set out in this paragraph.

For the purpose of this paragraph 5 only, the enforcement or waiver of any of the Licensee's rights or the commencement, discontinuation and/or settlement of any such dispute, litigation, arbitration claim or proceeding shall be considered to be material where the liability, cost or expense or loss of profit (**Loss**) incurred by the Licensee exceeds or the Loss to be incurred by the Licensee could reasonably be expected to exceed £5,000,000 (or equivalent in other currency or currencies). When determining the amount of any Loss incurred or to be incurred by the Licensee in relation to any such event, the amount of such Loss shall be calculated in aggregate in relation to such event.

#### 6. **Rating downgrade in respect of certain Acceptable Credit Support**

Unless the Secretary of State otherwise agrees in writing, if, at any time during which a Shareholder is required to procure and maintain Required Credit Support, a MFT Acceptable Credit Rating Event occurs with respect to Eni International B.V. as Acceptable Credit Support Provider providing Acceptable Credit Support pursuant to paragraph (a) of the definition of Acceptable Credit Support, the Licensee must procure that the Shareholder

replaces such Required Credit Support as soon as possible (or, in any event, no later than ten (10) Business Days) thereafter with alternative Acceptable Credit Support.

## 7. **Provision and content of MFT Compliance Certificate**

7.1 The Licensee must, on each date it is to deliver a Compliance Certificate under (and as defined in) the Financing Documents, deliver a MFT Compliance Certificate to the Regulator.

7.2 The MFT Compliance Certificate must:

- (a) set out in reasonable detail computations as to compliance with paragraph 1 (Regulatory Asset Ratio) and paragraph 2 (Lock-up) of the Mandated Financing Terms as at the most recent Test Date; and
- (b) confirm that:
  - (i) the contents of such certificate is accurate in all material respects; and
  - (ii) no breach of the Mandated Financing Terms has occurred that has not been waived or remedied in accordance with the Liaison Agreement and the Licence; and
- (c) be signed by two directors or a director and the company secretary of the Licensee.

## 8. **Defined terms**

8.1 Subject to paragraph 8.2, in these Mandated Financing Terms:

**Acceptable Credit Support** means:

- (a) a parent company guarantee from Eni International B.V.;
- (b) a parent company guarantee from an entity with (i) a credit rating of (I) BBB or higher in the case of S&P or Fitch; and/or (II) Baa2 or higher in the case of Moody's (as applicable); and (ii) either total assets valued at or above £10 billion, or funds under management valued at or above £5 billion;
- (c) a letter of credit from a bank or financial institution with a long-term unsecured debt obligations rating of (i) A- or higher by S&P or Fitch; and/or (ii) A3 or higher by Moody's (as applicable); or
- (d) cash collateral deposited in an account secured in favour of the Security Trustee;

**Acceptable Credit Support Provider** has the meaning given in the Master Definitions Agreement;

**Acceptable Alternative Operating Arrangement** means the Licensee self-performing the operation of the Project and (i) such arrangements have been approved by (A) the Secretary of State under the Government Support Package and (B) the NSTA under the Storage Permit and (ii) the arrangements are sufficient to enable the Licensee to issue a Certificate 1R or Certificate 2R for the purpose of Standard Condition B14;

**Affiliates** has the meaning given in the Master Definitions Agreement;

**Base Equity Funding** has the meaning given in the Shareholder Support Agreement;

**Change of Control** has the meaning given in the Discontinuation Agreement;

**Closing Date** has the meaning given in the Common Terms Agreement;

**Committed Shareholder Funding** has the meaning given in the Shareholder Support Agreement;

**Common Terms Agreement** has the meaning given to it in the Master Definitions Agreement;

**Debt Service** has the meaning given to it in the Master Definitions Agreement;

**Default** has the meaning given in the Master Definitions Agreement;

**Eni Group Companies** means Eni S.p.A. and each chain of persons in which each person in the chain holds all of the voting shares of the entity immediately below it in the chain (other than up to two persons in the chain provided that they hold at least 50 per cent or more of the voting shares of the entity immediately below it in the chain) and **Eni Group Company** shall be interpreted accordingly;

**Equity Cure Amount** has the meaning given in the Master Definitions Agreement;

**Equity Lock-in Period** means the period from the date of the Common Terms Agreement until the conclusion of the First Regulatory Period;

**First Regulatory Period** has the meaning given in the Master Definitions Agreement;

**Full Revenues** has the meaning given in the Master Definitions Agreement;

**Issuer** means (if applicable) a limited liability company incorporated as an Affiliate of the Licensee for the purposes of the issuance of any listed bonds or notes in connection with the financing of the T&S Network and the on-lending of the proceeds thereof to the Licensee;

**MFT Acceptable Credit Rating Event** means a public announcement by any of S&P, Moody's or Fitch (or, if applicable, any other rating agency appointed by or with the consent of Eni International B.V. or Eni SpA) that:

- (a) any credit rating of Eni International B.V.'s long-term unsecured debt obligations maintained or solicited by Eni International B.V. has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni International B.V.); and
- (b) where Eni International B.V. does not solicit or maintain a credit rating in respect of its long-term unsecured debt obligations from any of S&P, Moody's or Fitch, any credit rating of Eni SpA's long-term unsecured debt obligations maintained or solicited by Eni SpA has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni SpA);

**MFT Compliance Certificate** means a certificate delivered in accordance with paragraph 7 (Provision and content of MFT Compliance Certificate) of the Mandated Financing Terms;

**Historic ADSCR** has the meaning given in the Common Terms Agreement;

**HoldCo** means Eni CCUS Holding Limited;

**Interim Service Support Arrangements** means the arrangements between the Licensee and HoldCo for the provision of services by HoldCo to the Licensee, as well as various secondment arrangements entered into by the Licensee with Eni S.p.A., Eni International Resources Limited and EniProgetti S.p.A. or any other Eni Group Companies for the provision of secondees to the Licensee;

**Master Definitions Agreement** means the Master Definitions Agreement entered into between, amongst others, the Security Trustee, the Secretary of State and the Licensee on or about the date of Licence Award;

**Net Cash Flow** has the meaning given in the Master Definitions Agreement;

**Non-Related Shareholder** means, in respect of a Related Party Contract, any Sponsor who is not a Related Party Shareholder;

**Permitted Payment** has the meaning given in the Discontinuation Agreement;

**Project** has the meaning given in the Master Definitions Agreement;

**Project Document** has the meaning given in the Master Definitions Agreement;

**Projected ADSCR** means, in respect of a Projected Test Period, the ratio of (a) Net Cash Flow projected to be received in such Projected Test Period to (b) Debt Service projected to fall due in such Projected Test Period;

**Projected Test Period** means for the purpose of determining the Projected ADSCR, each period of twelve (12) months commencing on (but excluding) a Test Date;

**Related Party Contract** means any Transaction Document entered into by the Licensee with a Sponsor or Sponsor's Affiliate;

**Related Party Shareholder** means any Sponsor that is itself, or is a Sponsor's Affiliate of, a counterparty to a Related Party Contract;

**Relevant Obligor** means each of the Licensee and (if applicable) the Issuer;

**Required Credit Support** has the meaning given in the Shareholder Support Agreement;

**Restricted Payment** has the meaning given in the Master Definitions Agreement;

**Restricted Payments Account** has the meaning given in the Common Terms Agreement;

**Shareholder** has the meaning given to the term "Funding Shareholder" in the Master Definitions Agreement;

**Shareholder Support Agreement** has the meaning given in the Master Definitions Agreement;

**SID Appointment Date** means the date that is the earliest of:

- (a) three months after Licence Award; and
- (b) the date on which two SIDs are appointed;

**Sponsor** means the "Initial Investor" (as defined in the Master Definitions Agreement) or any subsequent (direct or indirect) owner of share capital in the Licensee;

**Test Date** means each 31 March, 30 June, 30 September and 31 December; and

**Transaction Documents** has the meaning given in the Master Definitions Agreement.

## 8.2 Interpretation

- (a) In this Part 2 of the Financial Settlement Document, except to the extent otherwise defined in paragraph 8.1 or as the context otherwise requires, words and phrases shall bear the respective meanings given to them in the Licence.
- (b) In this Part 2 of the Financial Settlement Document, where the terms used (and set out in paragraph 8.1) have been assigned meanings given to corresponding terms or definitions in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement or the Shareholder Support Agreement, those corresponding terms or definitions shall be as set out in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement and the Shareholder Support Agreement as at Licence Award, unless the Secretary of State has expressly consented to any amendment to any such definition.
- (c) For the purpose of paragraph 8.2(b), the Secretary of State shall be deemed to have expressly consented to any amendment to any such corresponding term or definition if it has provided its consent or approval of such amendment by way of the approval in accordance with any entrenched rights under the Financing Documents.