

PRESS RELEASE

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Thames Water Removed from infra300[®] Index; UK Power Networks to Replace

In a notable shift within the infrastructure investment landscape, Thames Water will be removed from the infra300[®] market index, effective July 1, 2024. Thames Water had been included in the USD290bn index, which tracks the performance of 300 infrastructure assets in 20 countries, since its inception date 24 years ago. This decision follows the recent draft price determination and the imposition of a special administration regime on Thames Water, both of which have generated considerable uncertainty regarding the company's ability to attract equity investors to sustain its status as a viable private infrastructure investment. By June 30, 2024, the company's market capital, as reported in infraMetrics[®], had plummeted by 51.8% compared to the previous quarter.

Scientific Infra & Private Assets (SIPA), which calculates and administers the infra300 index and is an ESMA-registered market benchmark for private infrastructure investments, has been closely monitoring the evolving regulatory environment affecting Thames Water. Recent developments have raised concerns about the company's ability to operate as a private infrastructure business under current and anticipated regulatory conditions. These factors have led to a comprehensive review and the subsequent removal of Thames Water from the infra300 index which is used by a range of investors representing close to USD500bn of infrastructure assets under management.

UK Power Networks, a renowned electricity distribution network operator, will replace Thames Water in the infra300 index. UK Power Networks has demonstrated strong operational performance, regulatory compliance, and resilience, making it a highly suitable addition to the index. This inclusion aligns with the infra300's objective of providing investors with exposure to a representative set of infrastructure assets.

Frederic Blanc-Brude, CEO of SIPA, commented on the change: "The infra300 index provides a measure of the financial risks taken by investors in infrastructure. The decision to remove Thames Water was not taken lightly. However, given the increasing regulatory uncertainties and challenges facing the company, the SIPA index committee wanted to ensure that the infra300 continues to represent the private infrastructure investment universe. UK Power Networks is a

suitable replacement in the UK and corresponds to the same segment (IC80, Network Utilities) in the TICCS classification of infrastructure companies."

UK Power Networks delivers electricity across London, the South East, and the East of England. With more than GBP 2 billion in turnover, GBP 15 billion in total assets, and a profit of GBP 600 million in 2023, the company exemplifies stability and growth.

Replacing Thames Water with UK Power Networks will not alter the representation of the flagship infra300 Index, which is equal-weighted. On a value-weighted basis, the weight of network utilities (IC80) in the infra300 is expected to increase by approximately 2.3%. SIPA will continue to monitor the regulatory landscape and make adjustments as necessary to maintain its commitment to representing the investible universe of unlisted infrastructure companies.

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About the infra300® Index

The Infra300® Equity Index is a comprehensive global index that represents the monthly total return of 300 unlisted infrastructure companies. This index is meticulously designed to provide an accurate reflection of the performance of the unlisted infrastructure sector. It achieves this by tracking the various TICCS® segments, ensuring a broad and detailed representation of the unlisted infrastructure universe. By capturing the market risks and returns of the asset class on a monthly basis, this index has become a standard risk management tool for investors. It provides important insights into the risk-return profile of the global unlisted infrastructure landscape, enabling investors to navigate its complexities with better understanding and greater confidence.

Access the [infra300® factsheet](#) and the [Index methodology](#) and the [TICCS](#) classification.

About SIPA

Scientific Infra & Private Assets Ltd emanated from the research developed at the EDHEC Infrastructure & Private Assets Research Institute, established in 2016 by EDHEC Business School. In 2019, this academic research was transformed into the commercial enterprise Scientific Infra and Private Assets (SIPA), providing services like private market indices, benchmarks, valuation analytics, and climate risk metrics. We take pride in our unique dual identity, bridging scientific research and market applications. We offer a solution to the main data challenge investors face in private markets: an endemic lack of risk and performance data restricting best practices and obfuscating investment decisions. More about SIPA: <https://scientificinfra.com>

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