

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 AND ARTICLE 17 OF THE MARKET ABUSE REGULATION (EU) 596/2014

**High Speed Rail Finance (1) PLC**  
*(a company incorporated in England with its registered office at 5th Floor, Kings Place, 90 York Way, London, England, N1 9AG and company number 08346271)*

**Track Access Charges**

**13 July 2020**

High Speed Rail Finance (1) PLC (the "**Company**") today provides an update regarding the group's operating company and a guarantor of the senior secured bonds issued by the Company, HS1 Limited ("**HS1**").

**Background and Context.**

HS1's primary source of revenue is the charges that it levies for granting access to the High Speed 1 rail network to train operating companies ("**Train Operators**"). HS1 has granted London and South Eastern Railway ("**LSER**") and Eurostar International Limited ("**EIL**") access to the High Speed 1 network through the relevant Track Access Agreements. Certain revenues obtained by HS1 from LSER are underpinned by HMG's Department for Transport.

HS1 is responsible for managing the Working Timetable of High Speed 1 being the number and timing of trains run on the network. Train Operator's Train Slots are protected insofar as they are based on Firm Rights, being the quantum of train paths set out in their Track Access Agreement with HS1. Firm Rights must be asserted at least 22 weeks before the Timetable Change Date in order to be accommodated in the next Working Timetable. Train Operators also have the right to make Spot Bids for Train Slots after this date, which rank lower in priority for accommodation on the network. Track access charges for Firm Rights are billed quarterly in advance whereas track access charges for Spot Bids are usually billed quarterly in arrears but can be billed monthly in arrears.

LSER made an Access Proposal to HS1 to assert its Firm Rights in respect of the next Working Timetable, which operates between December 2020 and May 2021. There has been no material change to the assertion of LSER's Firm Rights since the previous Working Timetable. This provides certainty to HS1 until May 2021 in respect of track access charges for LSER.

**HS1 has received a nil Access Proposal from EIL.**

The date by which Train Operators must have asserted Firm Rights for accommodation in the next Working Timetable was 10 July 2020. EIL has submitted an Access Proposal to HS1 with nil train paths in respect of the next Working Timetable.

EIL will therefore not be required to pay any Track Access Charges in advance. EIL is able to book Spot Bids as a replacement of its previous Firm Rights booked Train Slots; as a result, HS1 would receive revenues in arrears rather than in advance.

**Expectation in relation to EIL's Spot Bids.**

We are discussing the situation (including in relation to traffic expectations and reallocation of our fixed costs) with EIL, our regulators and other parties. We note as well that EIL has advertised, and is taking passenger bookings in respect of, a substantial future train timetable. Although these advertised trains could be cancelled in the future it is expected that EIL will book Spot Bids for such services where they have material passenger bookings and to meet customer demand and requirements. We are engaging constructively with EIL as to their expected number of Train Slots required, as the effects of COVID-19-related restrictions are lifted.

**Consequences of EIL's move from Firm Rights to Spot Bids.**

Track access charges from LSER accounted for approximately 68% of HS1's track access cashflows for the year ended 31 March 2020 and are themselves currently sufficient to allow the HS1 Security Group to meet debt service on its debt obligations. Track access charges from EIL accounted for approximately 32% of HS1's track access cashflows for the same period. We understand that EIL intends to run trains and Spot Bid Train Slots as required to service its customers but is moving to Spot Bids so that it has more flexibility. This will allow EIL to adjust to the emerging profile of passenger bookings as there is a return to normal service after COVID-19.

The Company reports that as of today, each of the Company, HS1 and the HS1 Security Group remain able to meet all their respective debt obligations for the next twelve months as they become due and payable in full.

Enquiries:

Investor Relations: [Investor-Relations@highspeed1.co.uk](mailto:Investor-Relations@highspeed1.co.uk)

Press Office: [HS1@Pagefield.co.uk](mailto:HS1@Pagefield.co.uk)

Identity of the person making this notification:

Mark Farrer  
CFO, HS1 Limited  
on behalf of the HS1 Security Group and the Company

Date and time of this notification:

13 July 2020, 2:00pm