

# Compliance Certificate

To: Deutsche Trustee Company Ltd as Security Trustee

cc: Moody's Investor Services  
Standard & Poor's Rating Services  
Fitch Ratings Ltd  
Assured Guaranty

From: Anglian Water Services Financing Plc (the "**Issuer**")  
Anglian Water Services Limited ("**AWS**")

16 June 2021

Dear Sirs

**Common Terms Agreement dated 30 July 2002 between, among others, the Issuer, AWS and Deutsche Trustee Co Ltd (the "Security Trustee") (the "Common Terms Agreement")**

Capitalised terms not defined in this certificate have the meaning given to them in the Common Terms Agreement.

1. We refer to the Common Terms Agreement. This is a Compliance Certificate.
2. We confirm that in respect of the most recently occurring Calculation Date (31 March 2021) the financial ratios are:
  - (a) the Class A RAR is 72.0%;
  - (b) the Senior RAR is 82.0%
  - (c) the Class A ICR is 3.7:1;
  - (d) the Class A PMICR<sup>1</sup> is N/A;
  - (e) the Senior PMICR<sup>1</sup> is N/A;
  - (f) the ratio of Net Cash Flow minus Capital Maintenance Expenditure to Class A Debt Interest is 2.4:1;
  - (g) the Conformed Class A PMICR is 1.5:1;
  - (h) the Conformed Senior PMICR is 1.2:1.

(together the "**Ratios**").

<sup>1</sup> CCD and IRC are no longer used as the depreciation of RCV.

3. We confirm that each of the above Ratios and each of the Senior Average PMICR<sup>2</sup>, Class A Average PMICR<sup>2</sup>, Conformed Senior Average PMICR and Conformed Class A Average PMICR have been calculated with respect to the Test Periods for which they are required to be calculated under the Common Terms Agreement and have not breached the Trigger Event Ratio Levels and have not caused Paragraph 20 (Ratios) of Part 2 of Schedule 7 (Events of Default) to be breached.

<sup>2</sup> CCD and IRC are no longer used as the depreciation of RCV.

4. We set out below the computation of the Ratios set out in Paragraph 2 above for your information:

#### Interest Cover Ratios (ICR)



	Period to 31 Mar 21 £m
Income	1,292.9
Operating expenditure	(638.6)
Tax	(25.4)
<b>Pre capital maintenance cashflows</b>	<b>628.9</b>
Capital Maintenance Expenditure	(218.3)
Regulatory Depreciation	(379.9)
<b>Post-Maintenance cashflow for PMICR</b>	<b>249.0</b>
<b>Post-Maintenance cashflow for ratio (h)</b>	<b>410.6</b>
Net Interest	(206.2)
Enhancement Capital Expenditure	(204.0)
Ordinary Dividends	(0.0)
<b>Pre-financing cashflows</b>	<b>0.4</b>
<b>Interest Payable on Class A Debt</b>	
Class A Interest Paid	(172.4)
Less Interest Receivable	2.9
Total Net Class A debt interest	(169.5)
<b>Interest Payable on Class B Debt</b>	
Class B Bonds	(36.7)
<b>Total Net Interest Payable on Senior Debt</b>	<b>(206.2)</b>
<b>Interest Cover Ratios:</b>	
Class A ICR	3.7:1
Conformed Senior PMICR	1.2:1
Conformed Class A PMICR	1.5:1
Ratio of Net Cash Flow minus Capital Maintenance Expenditure to Class A Debt Interest	2.4:1

## Regulatory Asset Ratios (RAR)



	As at 31 Mar 21 £m
<b>Class A gross debt:</b>	
Finance leases	(7.7)
Vehicle Leases	(2.8)
Class A	<u>(5,992.9)</u>
<b>Total Class A Gross Debt</b>	<b>(6,003.4)</b>
<b>Less cash balances and Authorised investments</b>	<u>285.9</u>
<b>Total Class A Net Debt</b>	<b>(5,717.5)</b>
Class B	(794.2)
Total Senior Net Debt	<u><b>(6,511.8)</b></u>
<b>Regulatory Asset Value (RAV)</b>	<b>7,943.0</b>
<b>Regulatory Asset Ratios:</b>	
Senior RAR	82.0%
Class A RAR	72.0%

5. We also confirm that:
- (a) no Default or Potential Trigger Event is outstanding; and
  - (b) that AWS's insurances are being maintained in accordance with:
    - (i) Schedule 16 (Insurance) of the Common Terms Agreement; and
    - (ii) the provisions of the Finance Leases.
6. Please note the RCV number used for the year end position at March-21 was published by Ofwat in June 2021. However, following evaluation of this methodology Anglian is of the position that an element of the calculation does not reflect full RPI indexation of the RPI linked part of RCV and therefore the RCV number at this date should be a higher value by around £15m. The company is currently in discussions with stakeholders on this matter.

Yours faithfully,

Director   
Director Zarin Patel  
Director Peter Sump  
Director 

For and on behalf of  
ANGLIAN WATER SERVICES  
FINANCING PLC

Director   
Director Zarin Patel  
Director Peter Sump  
Director 

For and on behalf of  
ANGLIAN WATER SERVICES LIMITED