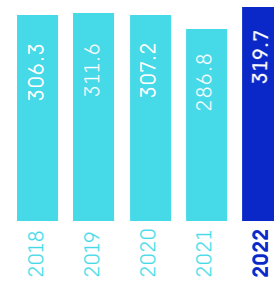


Performance highlights continued

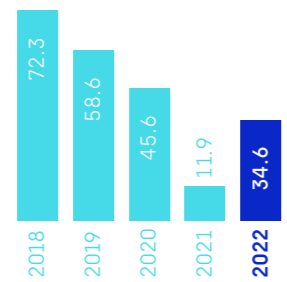
In 2021/22 a number of external factors such as high inflation and the rising cost of energy has had an impact on the business.

Financial

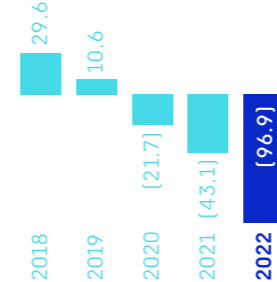
Revenue £m



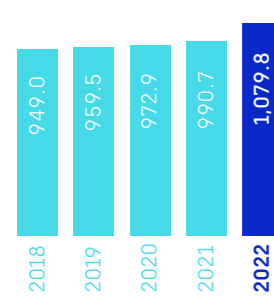
Operating profit £m



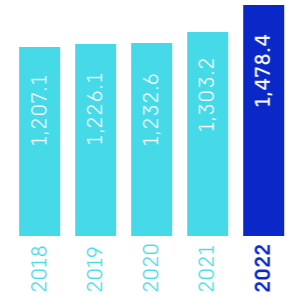
Profit/(loss) for the year £m



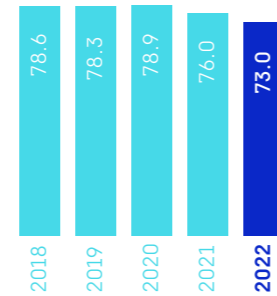
Net Debt £m



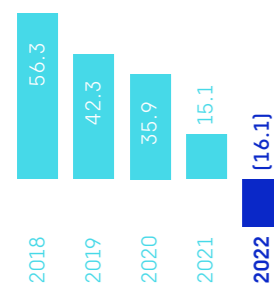
Regulatory Capital Value (RCV) £m



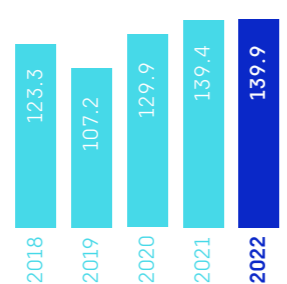
Gearing %



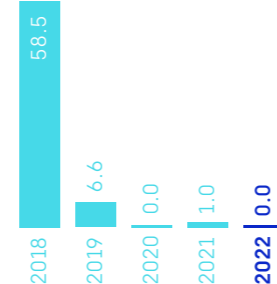
Cash flow £m



Capital investment £m



Dividends paid £m



Credit ratings

| | Class A | Class B | Corporate family |
|-------------------|---------|---------|------------------|
| Moody's | A3 | Baa3 | Baa1 |
| Standard & Poor's | BBB+ | BBB- | N/A |
| Fitch | BBB+ | BBB- | N/A |

All of our ratings have been confirmed and remain investment grade, with no changes from prior year (Fitch, October 2021; Standard & Poor's, April 2022; Moody's, May 2022).

The **£96.9m** loss for 2021/22 is as a result of:

Operating profit

£34.6m

Finance costs

£(86.9m)

Fair value loss on derivatives

£(3.3m)

Taxation

£(41.3m)

Finance costs have been impacted by increased inflation, as a number of our bonds are index-linked.

Taxation includes an additional deferred tax charge for the increase in tax rate from **19% to 25%** effective from 1 April 2023.

Please refer to **page 40** for more information on our **financial performance for 2021/22**.



Affinity Water issues first Green Bond in 2021/22

In 2021/22, we announced that our financing subsidiary, Affinity Water Finance PLC, issued a Class A £130 million 0.01% CPI-linked private placement due September 2038.

The issuance is Affinity Water's first green bond. The proceeds will be used to finance expenditure outlined in our recently published Green Finance Framework, which is available on our website.

The Green Finance Framework aligns Affinity Water's strategic and sustainability priorities with its funding and financial strategy.

Affinity Water has selected several key focus areas for green investments that are fundamental to its Sustainability Strategy, and will deliver tangible environmental and indirect positive impacts on society, alongside contributing to the UNSDGs.

The Green Finance Framework has helped to attract investors who are supportive of these goals, and who will act as valuable partners in supporting our journey to a more sustainable society.

The Framework covers several different initiatives including: sustainable water management; pollution prevention and control; terrestrial and aquatic biodiversity conservation; and energy efficiency.



We are delighted to have issued our first green bond instrument; this aligns our financing strategy with our sustainability focus.

This journey brings with it great opportunity. We are investing in our assets and services, and collaborating across the industry to ensure we leave more water in our rare, precious chalk streams, and move towards a net zero carbon future."

Michael Blake,
Affinity Water Treasurer

Our genes

- Stewards of the local environment
- Helping customers use water better
- Giving customers an exceptional experience

Customer outcomes

- Making sure you have enough water, whilst leaving more water in the environment

UNSDGs

