



## **Investor Report**

**For the six months ended 30 September 2024**

# Important Notice

This report is being distributed in fulfilment of a document, the Common Terms Agreement (CTA), which governs the Company's obligations to its bond holders and other financial creditors. It is directed to, and intended for, existing investors in the Company. No persons should act or rely on it (except as provided in the CTA). The Company makes no representation as to the accuracy of forecast information or any other information in this report (other than as set out in the CTA). These forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forecasts. This unaudited report should not be relied on as a guide to future performance, and should not be relied on in deciding whether to undertake future investment in the Company. For the purposes of the financial promotions regime under the Financial Services and Markets Act 2000, this report is given on the basis of the exemption provided in Article 69 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as it relates to bonds which are already admitted to trading on a relevant market).

Nothing in this report constitutes an offer of securities for sale in the United States or any other jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document.

This report is being made available to you on the basis that you are a person into whose possession this report may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to deliver or otherwise make available this report to any other person. The distribution of this report may be restricted by law and therefore persons into whose possession this report comes should inform themselves about, and observe, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities or other laws of any such jurisdiction.

References to the "Company," "Dŵr Cymru" and "Welsh Water" in this document relate to Dŵr Cymru Cyfyngedig, the sole operating company in the whole business securitisation formed by the Glas Cymru Anghyfngedig group. References to "Glas Cymru" and the "Group" refer, respectively, to Glas Cymru Anghyfngedig and the group of which it is the parent.

# Contents

	<b>Page</b>
General overview and business update	1
Consolidated cash flow (unaudited)	7
Consolidated debt service payments (unaudited)	8
Glas Cymru notes principal balance reconciliation (unaudited)	9
Glas Cymru bank account movements (unaudited)	10
Interest cover ratio (ICR) – 5 years to 31 March 2025 (unaudited)	11
Regulatory asset ratio (RAR) – 5 years to 31 March 2025 (unaudited)	12
Income statement (unaudited)	13
Statement of comprehensive income (unaudited)	14
Statement of changes in reserves (unaudited)	14
Balance sheet (unaudited)	15
Compliance certificate	16

## General overview and business update

This six-monthly Investor Report covers the six-month period ended 30 September 2024. The Investor Report has been prepared to comply with the specific requirements of the Common Terms Agreement (CTA) which governs Glas Cymru's obligations to its bondholders and other financial creditors.

The financial information in this report is drawn from the Group's accounting records, applying the accounting policies as per the Group's statutory accounts, but is presented in a modified form for investors as required by the CTA.

## Financial performance (unaudited)

Summary financial results for the six months to 30 September are as follows:

	6 months to 30 September 2024 £m	6 months to 30 September 2023 £m	Change
Turnover	459	463	(1%)
Operating costs	(193)	(191)	1%
EBITDA (before infrastructure renewals expenditure)	<b>266</b>	<b>272</b>	(2%)
Net interest (excluding indexation)	(61)	(55)	11%
Capital expenditure (before grants and contributions)	(304)	(210)	45%

Operating profit before interest, tax, depreciation, amortisation and infrastructure renewals expenditure (EBITDA) for the six months to 30 September 2024 was £6 million lower than last year.

## General overview and business update (continued)

### Financial performance (unaudited) (continued)

Turnover in the six months to 30 September decreased by 1% (£4 million). The reduction reflected compensation for customers for supply interruptions and leakage during previous years.

Operating costs (excluding depreciation, amortisation and infrastructure renewals expenditure) were £2m higher at £193m (2023: £191 million). Inflation on employment costs accounts for the majority of the increase.

Net interest payable (excluding non-cash indexation and fair value movements on interest rate swaps) in the period increased by 11% (to £61 million), reflecting higher levels of debt. Net interest payable including non-cash indexation was £86 million (2023: £124 million) reflecting a reduction in RPI towards more normalised levels from recent historic highs.

The Group raised £725m of new funding, issuing £600m of Class B bonds and a £125m bank loan. The proceeds will be used to fund requirements in AMP8.

The fair value liability of the Group's interest rate swaps has increased by £7 million to £404 million compared to March 2024 (£397 million). This change is driven by financial market movements and timing of £40m cash receipts received in April 2024. If held to maturity, the fair value of these instruments will be zero.

The regulatory gearing (the ratio of net debt to regulatory capital value) of the Group was as follows:

£m	6 months to 30 September 2024 £m	6 months to 30 September 2023 £m
Net debt	4,664	4,375
Regulatory capital value	7,604	7,359
<b>'Financial reserves'</b>	<b>2,940</b>	<b>2,984</b>
Regulatory gearing	61%	59%

On Glas Cymru's acquisition of Welsh Water in May 2001, gearing stood at 93%. Since then, the financial position of the Group has improved markedly, such that gearing is 61% and 'financial reserves' (RCV less net debt) were £2.9 billion as at 30 September 2024.

## **General overview and business update (continued)**

### **Capital investment programme**

Capital investment (including infrastructure renewals expenditure) before grants and contributions totalled £304 million (2023: £210 million), £94 million higher than last year. The increase in expenditure is in line with our financial plans to invest to support the improvement in our business performance and we remain on track to deliver our £2 billion AMP7 capital programme.

### **Prospective financial ratio tests**

As required by the CTA to demonstrate compliance with prospective financial ratio tests (regulatory asset ratio and interest cover ratios), this report includes projected ratios to 31 March 2025. These projected ratios are derived from Glas Cymru's 2025 financial plan (which has been prepared by the Group) and are in the format specified by the CTA. On this basis, the prospective financial ratios are better than the "trigger" and "default" levels as defined in the CTA (see pages 11 and 12). It should be noted that the Group's business plan and the projected ratios have not been reviewed by the Group's auditor and the reader's attention is drawn to the important notice at the front of this document.

### **Gearing policy**

The Board has approved a regulatory gearing policy (being the ratio of net debt to regulatory capital value) of around 60%.

### **Credit ratings**

The business has retained credit ratings that remain amongst the highest in the UK water sector. On 15 April 2024 Fitch affirmed the class B debt at A and the Class C at BBB+, both with 'stable' outlook. On 21 March 2024 Moody's updated credit analysis confirmed the class B debt at A3 and the class C at Baa2, both with 'stable' outlook. On 1 November 2022, S&P affirmed the class B senior secured debt at A- and the class C subordinated debt at BBB and revised the outlook from 'stable' to 'negative' (the class A bonds, which are subject to a financial guarantee from Assured Guaranty UK Ltd, are unaffected by this action). S&P cited the impact of inflation on the Group's inflation-linked debt portfolio and on the high level of capital expenditure as the reasons for the change and stated that they expect the ratios to gradually recover by the end of AMP7.

## General overview and business update (continued)

### Credit ratings (continued)

The ratings of the Company's bonds are shown in the table below:

<b>Bond class</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
<b>A<sup>1</sup></b>	A1	AA	A
<b>B</b>	A3	A-/negative	A
<b>C</b>	Baa2	BBB/negative	BBB+
<b>Date of confirmation</b>	21 March 2024	1 November 2022	15 April 2024

### Environmental, social and governance (ESG)

The Group's performance on environmental, social and governance (ESG) issues was reviewed by Sustainable Fitch in October 2023 and concluded that the Group 'evidences a good ESG profile' with a score of 2 (where 1 = 'excellent', 5 = 'poor'). The full report from Sustainable Fitch can be found on the Group's Investors website.

In August 2024 the Group published its Sustainable Finance Framework which will allow it to generate the finance required to deliver the AMP 8 capital investment programme in green, blue and sustainability formats.

### Customer Return of Value

The Group's corporate structure enables surpluses to be applied for the benefit of Welsh Water's customers. The Board seeks to return value to customers while maintaining gearing at around 60% and preserving strong credit ratings and financial resilience for the longer-term benefit of customers. During AMP7 our non-shareholder model – the Glas Cymru Advantage – has enabled us to commit to investing additional funds of £160 million for the benefit of our customers. This is through a combination of accelerated investment to help improve service delivery and social tariffs to support our most vulnerable customers during AMP7 and also additional discretionary capital investment of £100m to address river water quality, in particular phosphate removal at Special Area of Conservation (SAC) rivers, that will take place during AMP7 and AMP8.

---

<sup>1</sup> The credit ratings of the Company's class A bonds, which are guaranteed by Assured Guaranty UK Ltd ("AG") (A2/AA/NR-), carry the higher of either Glas or AG's rating; Moody's and S&P therefore revert to the higher AG credit rating but Fitch reflects the underlying rating of the Glas bonds.

## **General overview and business update (continued)**

### **2024 regulatory price review (PR24)**

Ofwat issued the draft determination for PR24 on 11 July and Dŵr Cymru submitted representations on 28 August 2024. The current timetable is for Ofwat to issue its Final Determination on 19 December 2024.

### **Financing and liquidity**

On 17 May 2024 the Group raised a new bank loan for £125m for 5 years.

On 3 September 2024 the Group successfully priced £600 million of 20-year class B Sustainability Senior bonds at a fixed rate of 5.75%. Formal issuance and cash drawdown took place on 10 September 2024.

As at 30 September 2024, the Group's cash and undrawn credit facilities totalled £1,092 million, including a revolving credit facility available to the Group (£400 million) all of which was undrawn at the period end.

In line with prudent policies approved by the Board, cash is invested in AAA-rated liquidity funds and bonds, National Westminster Bank (as the Group's Account Bank) and additional banks that are subject to minimum short-term rating criteria of A1/P1/F1. The Group has a treasury policy which restricts its investments to those counterparties that demonstrate an acceptable level of ESG risk. The Group also has an undrawn special liquidity facility of £135 million which is available to be drawn in the event of a standstill being declared by the Security Trustee. The facility is provided on a rolling five-year 'evergreen' basis.

### **Investor meetings**

The Group held its annual investor meeting in London in July. The Group's Chair, CEO and CFO presented the Group's results and strategy to attendees representing 16 different lenders and bondholders. During the 6 months to 30 September 2024, management have engaged with 47 individual investors. The focus of these meetings has been company performance, PR24 and the bond issue in September.



## Changes to the Board

On 10 September 2024 it was announced that Alastair Lyons, who was appointed as a director in May 2016, will retire as Chair of Glas Cymru (the Group's parent company, at the end of the calendar year (31 December 2024) and, after a comprehensive process involving both internal and external candidates, Jane Hanson has been appointed as his successor with effect from 1st January 2025. Jane has been a non-executive director and Chair of the Audit Committee at Dŵr Cymru since 2021 and has over 30 years' experience of working at Board level in FTSE 100, regulated, not-for-shareholder and charitable organisations.

On 1 October 2024 it was announced that Barbara Moorhouse will stand down as a Non-Executive Director of Glas Cymru at the end of the year (31 December 2024). Barbara is leaving her role with Glas Cymru to pursue new opportunities.

<b>Consolidated cash flow (unaudited)</b>	<b>6 months ended 30 September 2024 £m</b>	<b>6 months ended 30 September 2023 £m</b>
Revenue	458.7	462.6
Operating expenses	(193.0)	(190.5)
<b>Earnings before interest, taxation, depreciation, and amortisation</b>	<b>265.7</b>	<b>272.1</b>
Working capital movements	(6.4)	(71.7)
Non-bond-related interest paid	(2.7)	(2.6)
Interest capitalised in accordance with IAS 23	(8.8)	(11.9)
Interest received	6.2	10.1
<b>Net operating cash flow and interest received</b>	<b>254.0</b>	<b>196.0</b>
<b>New borrowings:</b>		
Class B bonds	597.7	-
Bank loan	125.0	-
<b>Utilisation of reserves:</b>		
Cash transferred to capex reserve	(319.1)	(250.6)
Cash utilised from capex reserve	319.1	250.6
Net cash utilised from other reserves	6.9	20.2
<b>Capital expenditure:</b>		
Net profit on disposal of assets	0.1	0.3
Infrastructure renewals expenditure	(75.6)	(51.1)
Non-infrastructure maintenance	(82.7)	(76.4)
Enhancement expenditure	(137.0)	(79.3)
<b>Net cash flow after capital expenditure, new borrowings and reserve drawings</b>	<b>688.4</b>	<b>9.7</b>
Transfer to debt service payments account	(31.7)	(64.9)
Principal repayments	(129.1)	(34.9)
<b>Net cash flow after debt service</b>	<b>527.6</b>	<b>(90.1)</b>
Free cash balances brought forward	127.8	361.9
<b>Free cash balances carried forward</b>	<b>655.4</b>	<b>271.8</b>

<b>Consolidated debt service payments (unaudited)</b>	<b>Payments due and made in 6 months ended 30 September 2024 £m</b>	<b>Amount accrued 30 September 2024 £m</b>
<b>Liquidity facility:</b>		
Liquidity facility commitment fee	-	0.3
<b>Interest on senior debt:</b>		
Lease liability interest	-	19.3
A1 interest payments	-	10.5
A4 interest payments	10.3	
A5 interest payments	3.0	0.1
A6 interest payments	-	2.2
B3 interest payments	6.2	-
B4 interest payments	3.3	0.1
B5 interest payments	0.7	-
B6 interest payments	4.3	-
B7 interest payments	-	3.8
B8 interest payments	-	2.1
B9 interest payments	-	1.9
European Investment Bank loan interest payments	9.9	4.8
KfW IPEX-Bank GmbH loan interest payments	0.8	-
Assured Guaranty wrapping fee	-	-
Natwest loan interest and commitment fees	4.9	2.7
Miscellaneous fees	0.2	-
Revolving credit facility interest and commitment fees	1.0	-
	<b>44.6</b>	<b>47.8</b>
Interest rate swaps	(0.4)	-
RPI bond swaps	(14.8)	-
Creditor payments	0.8	-
<b>Senior interest payments</b>	<b>30.2</b>	<b>47.8</b>
<b>Interest on junior debt:</b>		
C3 interest payments	-	1.6
C4 interest payments	-	3.6
RPI bond swaps	(21.1)	-
	<b>(21.1)</b>	<b>5.2</b>
<b>Total debt service payments</b>	<b>9.1</b>	<b>53.0</b>

## Glas Cymru principal balance reconciliation (unaudited)

	Credit rating <sup>1</sup>	Opening balance	New issues	Repayment	Indexation	Closing balance
		1 April 2024				30 September 2024
		£m	£m	£m	£m	£m
Finance leases <sup>2</sup>		176.3	-	-	-	176.3
<b>Class A bonds<sup>3</sup></b>						
A1 notes	A3/A/A	455.8	-	-	10.0	465.8
A4 notes		577.5	-	-	5.9	583.4
A5 notes		169.2	-	-	(0.5)	168.7
A6 notes <sup>4</sup>		191.8	-	-	1.9	193.7
<b>Class B bonds</b>						
B1 notes	A3/A/A	-	-	-	-	-
B3 notes		280.2	-	-	2.8	283.0
B4 notes		149.3	-	-	(0.4)	148.9
B5 notes		95.9	-	-	1.0	96.9
B6 notes		451.0	-	-	11.2	462.2
B7 notes		300.0	-	-	-	300.0
B8 notes		390.7	-	-	8.6	399.3
B9 notes		-	600.0	-	-	600.0
<b>Class C bonds</b>						
C3 notes		260.5	-	-	5.7	266.2
C4 notes		385.0	-	-	8.4	393.4
Authorised Loans		705.3	125.0	(49.1)	4.9	786.1
Revolving Credit Facility		80.0	-	(80.0)	-	-
Local authority loans		0.2	-	-	-	0.2
		<b>4,668.7</b>	<b>725.0</b>	<b>(129.1)</b>	<b>59.5</b>	<b>5,324.1</b>

<sup>1</sup> Moody's/S&P/Fitch.

<sup>2</sup> Guaranteed by Assured Guaranty UK Ltd rated A1/AA/NR. Class A bond ratings for Fitch therefore default to their underlying ratings of A.

<sup>3</sup> The class A1, A6, B8, C3 and C4 notes were issued at a fixed rate and swapped to an effective index-linked rate; cumulative indexation has been recognised in this table

## Glas Cymru bank account movements (unaudited)

	Opening balance				Closing balance
	1 April 2024	Interest received	Deposits	Payments	30 September 2024
	£m	£m	£m	£m	£m
<b>Free cash balances:</b>					
Receipts account	93.5	-	465.5	(477.2)	81.8
Payments account	32.5	-	2,223.3	(1,697.1)	558.7
Other bank accounts	1.8	6.2	1,794.5	(1,787.6)	14.9
	<b>127.8</b>	<b>6.2</b>	<b>4,483.3</b>	<b>(3,961.9)</b>	<b>655.4</b>
<b>Debt service payments account:</b>					
Debt service ledger	5.5	-	31.7	(9.1)	28.1
Insurance proceeds ledger	-	-	-	-	-
	<b>5.5</b>	<b>-</b>	<b>31.7</b>	<b>(9.1)</b>	<b>28.1</b>
<b>Capex reserve account</b>	<b>-</b>	<b>-</b>	<b>319.1</b>	<b>(319.1)</b>	<b>-</b>
<b>Customer payments account</b>	<b>15.1</b>	<b>-</b>	<b>-</b>	<b>(6.9)</b>	<b>8.2</b>
	<b>148.4</b>	<b>6.2</b>	<b>4,834.1</b>	<b>(4,297.0)</b>	<b>691.7</b>

## Interest cover ratio (ICR) – 5 years to 31 March 2025 (unaudited)

(See important notice at the front of the document)

	Actual				Projection
	Year to 31 March 2021 £m	Year to 31 March 2022 £m	Year to 31 March 2023 £m	Year to 31 March 2024 £m	Year to 31 March 2025 £m
Income	788	823	853	939	952
Operating expenditure	(359)	(345)	(427)	(397)	(405)
Other operating income	-	6	5	5	5
<b>Pre capital maintenance cash flows</b>	<b>429</b>	<b>484</b>	<b>431</b>	<b>547</b>	<b>552</b>
Base maintenance	(212)	(190)	(218)	(267)	(317)
<b>Post capital maintenance cash flows</b>	<b>217</b>	<b>294</b>	<b>213</b>	<b>280</b>	<b>235</b>
Net interest paid (excluding indexation and capitalisation)	(108)	(114)	(136)	(107)	(108)
Enhancement expenditure	(122)	(131)	(172)	(197)	(240)
Customer rebates	(31)	(25)	(23)	(29)	(14)
<b>Pre-financing cash flows</b>	<b>(44)</b>	<b>24</b>	<b>(118)</b>	<b>(53)</b>	<b>(127)</b>
<b>Interest payable:</b>					
Fixed interest swap	11	11	6	1	1
Lease liability RPI swaps	8	40	57	8	(1)
Lease liability interest	5	6	16	29	12
A1 Bonds	8	8	9	10	10
B1 Bonds	22	-	-	-	-
B7 Bonds	8	8	8	8	8
Other index-linked bonds	43	45	49	54	58
RPI-linked senior bond	(3)	(6)	(4)	(4)	(7)
RPI-linked junior bond	(3)	(5)	(9)	(10)	(9)
New borrowings	-	-	-	-	10
Wrapping fees	5	5	5	5	5
Term-loan interest	5	4	12	24	36
Other fees	4	2	2	3	2
Interest receivable	(5)	(4)	(15)	(21)	(17)
<b>Net interest payable</b>	<b>108</b>	<b>114</b>	<b>136</b>	<b>107</b>	<b>108</b>
Senior interest cover pre capital maintenance (trigger 2.0, default 1.6)	3.9x	4.8x	3.5x	5.8x	5.7x
Senior interest cover post capital maintenance (trigger 1.0)	2.0x	2.9x	1.7x	3.0x	2.4x
Total interest cover pre capital maintenance	4.0x	4.2x	3.1x	5.1x	5.1x
Total interest cover post capital maintenance	2.0x	2.6x	1.5x	2.6x	2.2x

## Regulatory asset ratio (RAR) – 5 years to 31 March 2025 (unaudited)

	Actual				Projection
	As at 31 March 2021 £m	As at 31 March 2022 £m	As at 31 March 2023 £m	As at 31 March 2024 £m	As at 31 March 2025 £m
<i>(See important notice at the front of the document)</i>					
<b>Senior gross debt:</b>					
Lease liabilities	411	396	378	176	126
Class A bonds <sup>1</sup>	1,108	1,164	1,300	1,394	1,440
Class B bonds <sup>1</sup>	1,382	1,449	1,589	1,667	2,511
Authorised loans	675	637	609	786	746
Net interest accrual on senior debt	52	51	51	-	11
<b>Total senior gross debt</b>	<b>3,628</b>	<b>3,697</b>	<b>3,927</b>	<b>4,023</b>	<b>4,834</b>
Less: cash and cash equivalents	(209)	(502)	(364)	(149)	(742)
<b>Total senior net debt</b>	<b>3,419</b>	<b>3,195</b>	<b>3,563</b>	<b>3,874</b>	<b>4,092</b>
<b>Junior net debt:</b>					
Class C bonds <sup>1</sup>	203	541	614	629	666
<b>Total net debt<sup>2</sup></b>	<b>3,622</b>	<b>3,736</b>	<b>4,177</b>	<b>4,503</b>	<b>4,758</b>
Regulatory capital value (RCV)	<b>6,010</b>	<b>6,460</b>	<b>7,161</b>	<b>7,476</b>	<b>7,649</b>
Customer Reserves (RCV less total net debt)	<b>2,388</b>	<b>2,724</b>	<b>2,984</b>	<b>2,973</b>	<b>2,891</b>
Senior gearing	<b>56.9%</b>	<b>49.5%</b>	<b>49.8%</b>	<b>51.8%</b>	<b>53.5%</b>
Total gearing/RAR	<b>60.3%</b>	<b>57.8%</b>	<b>58.3%</b>	<b>60.2%</b>	<b>62.2%</b>

Projected increase in cash and cash equivalents at 31 March 2025 reflects timing on additional funding assumed to be drawn in advance of investment in capital programme at the start of AMP 8. Projected gearing remains below the 65% threshold for ratings agencies.

<sup>1</sup> For the purpose of calculating regulatory gearing, cumulative indexation relating to the class A1, A6, B8, C3 and C4 notes is included above; these were issued at fixed rates and swapped to effective index-linked rates.

<sup>2</sup> Total debt reported, excluding cash and cash equivalent, differs to page 9 "Glas Cymru notes principal balance reconciliation (unaudited)" as it includes £17m net interest accrual.

## Income statement (unaudited)

	6 months ended 30 September 2024 £m	6 months ended 30 September 2023 £m
Turnover	458.7	462.6
Operating expenditure	(193.0)	(190.5)
<b>EBITDA</b>	<b>265.7</b>	<b>272.1</b>
Infrastructure renewals expenditure	(75.0)	(48.8)
Depreciation	(192.0)	(186.5)
Profit on disposal of fixed assets	0.1	0.3
<b>Operating (loss) / profit</b>	<b>(1.2)</b>	<b>37.1</b>
Interest payable	(70.8)	(65.3)
Indexation of index-linked debt	(24.9)	(69.2)
Interest receivable	9.6	10.4
Fair value gains on financial instruments	32.6	65.7
<b>Loss before tax</b>	<b>(54.7)</b>	<b>(21.3)</b>
<b>Taxation</b>	<b>12.4</b>	<b>4.0</b>
<b>Loss after tax</b>	<b>(42.3)</b>	<b>(17.3)</b>



## Statement of comprehensive income (unaudited)

	6 months ended 30 September 2024	6 months ended 30 September 2023
	£m	£m
(Loss)/profit for the period	(42.3)	(17.3)
Actuarial gain in the pension scheme	12.2	43.4
Movement on related deferred tax asset	(3.1)	(16.7)
Amount reclassified to revaluation reserve	15.1	126.5
<b>Total recognised (losses)/gains for the period</b>	<b>(18.1)</b>	<b>135.9</b>

## Statement of changes in reserves (unaudited)

	6 months ended 30 September 2024	6 months ended 30 September 2023
	£m	£m
Reserves at start of period	1,494.9	1,500.2
Revaluation net of tax	15.1	126.5
Loss for the period	(42.3)	(17.3)
Actuarial gain	9.1	26.7
<b>Reserves at end of period</b>	<b>1,476.8</b>	<b>1,636.1</b>

## Balance sheet (unaudited)

	At 30 September 2024		At 31 March 2024	
	£m	£m	£m	£m
<b>Fixed assets</b>		<b>7,604.6</b>		<b>7,494.5</b>
<b>Current assets and liabilities:</b>				
Debtors and prepayments	488.3		670.4	
Creditors and accruals	(1,223.0)		(1,367.4)	
		(734.7)		(697.0)
<b>Total assets less current liabilities</b>		<b>6,869.9</b>		<b>6,797.5</b>
<b>Financing liabilities:</b>				
Bonds	(3,893.0)		(3,273.1)	
Lease liabilities	(176.3)		(176.3)	
Bank loans (EIB, KfW)	(786.1)		(785.3)	
Other	(0.2)		(0.2)	
	(4,855.6)		(4,234.9)	
Net interest accrual	(54.2)		(24.2)	
	(4,909.8)		(4,259.1)	
<b>Cash and cash equivalents:</b>				
Receipts account	81.8		93.5	
Payments account	558.7		32.5	
Debt service payments account	28.1		5.5	
Customer payments account	8.2		15.1	
Other bank accounts	14.9		1.8	
	691.7		148.4	
<b>Net debt</b>		<b>(4,218.1)</b>		<b>(4,110.7)</b>
Derivative financial instruments		(404.0)		(397.4)
Provisions for liabilities and charges		34.9		18.8
<b>Net assets before deferred tax</b>		<b>2,282.7</b>		<b>2,308.2</b>
Deferred tax		(805.9)		(813.3)
<b>Net assets</b>		<b>1,476.8</b>		<b>1,494.9</b>

To: Deutsche Trustee Company Limited

31 October 2024

Dear Sirs

**Common Terms Agreement dated 10 May 2001 between Dŵr Cymru Cyfyngedig, ("DCC") and the Deutsche Trustee Company Limited (the "DCC Security Trustee" and the "Issuer Security Trustee") ("the Common Terms Agreement")**

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

We refer to the Common Terms Agreement and pursuant to Paragraph 1.5 of Schedule 3 of that Agreement hereby confirm that as of today's date, DCC is in compliance with the RAR, the Historical RAR, the Historical Senior RAR, the Projected RAR, the Projected Senior RAR and the Historical ICR, the Historical Senior ICR and the Projected Senior ICR (together the "**Ratios**").

The calculations of the ratios are set out on pages 11 to 12 of the Investor Report issued on today's date.

We also confirm that in the period to 30 September 2024:

- (a) no DCC Potential Event of Default, DCC Event of Default, Potential Trigger event or Trigger Event has occurred; and
- (b) DCC's insurances are being maintained in accordance with:
  - (i) Paragraph 4.2.1 of Schedule 3 of the Common Terms Agreement; and
  - (ii) the provisions of each DCC Finance Lease

Yours faithfully

for and on behalf of Dŵr Cymru Cyfyngedig



P D Perry  
Director



P M Davis  
Director