

Indicative Wholesale Charges for Businesses from 1 April 2023

Statement of Assurance

We confirm the Board has reviewed the Company's indicative wholesale charges for business customers that will apply from 1 April 2023 and has approved them for publication.

We confirm the indicative charges are based on the following:

- Allowed revenue for financial year 2023-24 as published in Ofwat's Final Determination for SES Water on 16 December 2019;
- Revenue under-recovery for the financial year 2021-22;
- Draft revenue adjustments based on regulatory performance for the 2021-22 financial year (currently under consultation with Ofwat)
- Latest inflation rates;
- Forecast of customer numbers and volume consumption based on the latest data available.

The Board notes these charges are subject to uncertainty as the inflation rate and forecast customer numbers and volume consumption will require to be updated ahead of finalisation of charges in early 2023. In addition, the Board notes Ofwat's review of our 2021-22 regulatory performance is still in the consultation stage, and finalisation of this consultation will also impact final tariffs.

The Board certifies in relation to the charges presented in the Indicative Wholesale Charges Scheme:

- the Company has complied with its legal obligations (including competition law);
- such charges are expected to apply from April 2023, subject only to differences arising from new information that will become available between now and January 2023 when final charges will be published;
- the Board has assessed the effects the indicative charges would have on customers' bills for a range of different customer types, and notes there would be significant increases in charges (classified as % increased from prior year above 5%) and therefore the Company will conduct a formal impact assessment and developed handling strategies if required should such indicative charges increases remain in place on finalisation of charges in early 2023;
- the Company has appropriate systems and processes in place to make sure the information upon which the charges are based is accurate; and
- the Company has consulted CCW in a timely and effective manner on the indicative wholesale charges.

In making this statement of assurance the Board has relied upon the risk management, monitoring and control systems and processes described in the Company's 2022 Annual Performance Report, available on the Company's website. Indicative charges have been internally assured and prior to publication of final wholesale charges in January 2023 the Company will conduct external assurance.

Approved by the Board of Directors and signed on their behalf on 13 October 2022.

Ian Cain



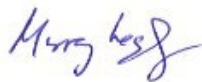
(Group Chief Executive Officer)

Paul Kerr



(Group Chief Financial Officer)

Murray Legg



(Non-Executive Director and Chair of the Audit Committee)