Yorkshire Water Financing Group

Investors Report

For the year ended 31 March 2026

YorkshireWater

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- This report is being distributed in fulfilment of a document, the Common Terms Agreement dated 24 July 2009 (as amended and restated on 3 December 2011, 26 September 2012, 11 March 2014, 15 July 2015, 16 August 2018 and 20 April 2020, and as further amended and restated on 10 January 2022) (the CTA), which governs the obligations of the Company to the holders of bonds issued under the Programme and other Secured Creditors. Capitalised terms used but not defined in this report shall have the meaning ascribed to them in the Master Definitions Agreement (the MDA) dated 24 July 2009 (as amended and restated on 3 August 2010, 13 December 2011, 26 September 2012, 11 March 2014, 15 July 2015, 16 August 2018 and 20 April 2020, and as further amended and restated on 10 January 2022). This report is directed to, and intended for, existing Secured Creditors of the YWFG. No other persons should act or rely on it. 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 may 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.
- 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).
- A copy of this report may be obtained at www.keldagroup.com.

Contents

1. General

The information provided in this report for the Yorkshire Water Financing Group (YWFG) is sourced primarily from the audited Yorkshire Water Services Limited (YW or the Company) Annual Report and Financial Statements (ARFS) for the year ended 31 March 2026.

2. Business overview

The 2026 financial year has been one of both progress and challenge.

We have invested more than ever before across Yorkshire as part of the biggest and most ambitious programme we have ever undertaken.

We are seeing the improvements we all want from this investment as projects complete, but there remains still more to do to reach the levels of performance we want to deliver.

Investment in Yorkshire

AMP8 will see the highest levels of investment in our history, with £8.3 billion to be spent across the five years, equivalent to around £3.2m every day. This has been the first year of the AMP and the investment is progressing well. We have spent £989.8m on capital programmes across the county, which has resulted in increased wastewater storage, reduced discharges to rivers, and improved water resilience.

We have also recruited record numbers of colleagues into the business, with over 1,200 new joiners with the aim of providing a better experience for our customers, from finding and fixing more leaks, to preventing more pollution incidents, and responding more quickly to customer issues.

We are pleased to have seen improvements in the year in the form of a reduced number of discharges from storm overflows, lower leakage, and an improved run rate on serious pollutions in the second half of the 2025 calendar year.

We are pleased with the progress we are seeing, but we know that there is more to do. We have experienced a drought in the year which led to a hosepipe ban for our customers, our total number of pollutions has gone up, and we have had to increase customer bills in the year in order to fund the record levels of investment we are now making. We understand that our stakeholders are impatient to see real improvement. We are encouraged that where we have made investments, we are seeing improvements, but we also recognise that we cannot invest in everything at once, and therefore change takes time.

Many of the projects we are undertaking to improve services are multi-year projects, which take time to deliver, and there can often be disruption for the local community while we are completing our work. We are conscious of the need to communicate better with our customers and communities to let them know what we are doing, how long it will take, and what the benefits will be, and we have invested in the year in a communications team particularly to focus in this area.

Significant investment

We have made significant investments during the year right across Yorkshire. We have replaced 174.7km of water mains across our region, which exceeded our target for the year and is more than twice the length of mains replaced in the whole of the previous five years. Replacing pipes make our network more resilient and reduces the risk of leaks.

We have completed 88 investment projects across the region over the past year, and started many more. These include investments to replace sewers, reduce discharges of untreated wastewater through increased storage and increased treatment capacity, reduce the amount of phosphorus entering local watercourses, improve reservoir safety, and install new boreholes in Malton, Brayton and East Ness.

Regulatory reform

In July 2025 the Independent Water Commission published their final report on the water sector and proposed a series of regulatory reforms for the sector. We have welcomed the proposals, which align to many of the changes we were hoping to see to improve regulation for the benefit of customers and the environment. We are monitoring developments closely and will ensure that we support the new regulator when this is formed.

Investor changes

In February 2026 we announced that two of the four shareholders in our ultimate parent company, Kelda Holdings Limited, were selling their shares, and that EQT were acquiring a 42% stake in the group as a result. This transaction has completed post year-end and we are pleased to welcome EQT as new investors. This transaction signals confidence in our management team and in our plans for the future. It also improves our financial resilience as a business as we can be confident that a remaining intercompany loan balance of over £600m, including interest, will be repaid before the end of March 2027. We look forward to working with EQT on our journey to improve outcomes for customers and the environment, and to improve transparency for all stakeholders.

Financial resources

Total dividends of £85.1m were paid in the year to 31 March 2026 (2025: £52.5m). This equates to a dividend yield of approximately 2.8% based on regulatory equity at 31 March 2026. None of the dividends paid by YW were distributed to the ultimate shareholders.

YW's liquidity has been strengthened in the financial year to date through a dual tranche £700m UK public bond issuance in July. As at 31 March 2026, YW held liquidity across cash balances and revolving credit facilities totalling £1,282.2m and comfortably in excess of the internal target to maintain at least 15 months of forecast future requirements.

Upcoming debt service payments, including debt maturities and accretion paydown under certain inflation linked swaps, due during the course of FY27 and totalling approximately £440m are fully factored into forecast future requirements and were covered in full by available liquidity as at 31 March 2026.

Ofwat published the Monitoring Financial Resilience Report for the year ended March 2025 during November 2025. YW remains at elevated concern as Ofwat continues to monitor delivery of the intercompany loan undertakings. A final £437m repayment plus accrued interest, settling the remaining loan, is planned by March 2027, satisfying in full an undertaking agreed by YW with Ofwat.

3. Business strategy

To execute the AMP8 investment programme, Yorkshire Water has implemented changes to ensure that teams have the resources they need and are structured to deliver the best results possible.

We have recruited a significant number of people into our business over the last year with over 1,200 new colleagues coming into the business, and over 500 colleagues changing role within the business as part of their career progression. During this financial year, we have continued the development and growth of our graduate programmes. Later this year 53 new graduates will join the business, representing our largest graduate intake to date. In addition, we welcomed 42 new apprentices to the business in September 2025, with a further 33 apprentice roles in active recruitment for our September 2026 intake.

We have restructured our operational teams internally to make it quicker and easier for customers to have issues properly assessed when they contact us, and the right colleagues sent out to resolve problems the first time. This has included some senior changes, where new members have been added to the executive team.

4. Operational performance

Drought

This year has been one of exceptional weather, with a drought declared in Yorkshire from June to December, and less than 50% of the normal rainfall occurring from February to September. This created some major challenges for us and our stakeholders, with an increased demand for water and reservoir levels falling as low as 30.6% in some areas. We took a number of actions to mitigate the risk to our customers:

- We used our regional grid system to balance the supply and demand for water across Yorkshire, and used drought permits, granted by the Environment Agency, to extract more water from rivers where necessary.

- We invested in increasing our work to fix leaks. We recruited 80 additional colleagues into our Leakage team, and fixed over 11,000 leaks between April and September, which was a 15% increase on the same period in the previous year. We also reduced the time it takes to fix a leak by 36% over the same period.

- We asked our customers for support by not using their hosepipes during the drought and we are very grateful for the response we received, with the vast majority of our customers helping to reduce domestic consumption by 10% which helped to ensure there was enough water for those most in need.

We are now reviewing our Water Resources Management Plan, which is updated regularly, to ensure we are in the best position to respond to the growing pressures of climate change and to prioritise future investment in the right way to ensure we have a resilient water supply over the longer-term.

When the drought was over we experienced the wettest three months for over 150 years between November and January. This also brought challenges, particularly for our wastewater network, which treats the rainwater that enters our combined sewers. The investment mentioned above is part of our ongoing plan to keep as much of this wastewater as possible in our pipes by minimising discharges and flooding.

Pollution performance

We reported last year that we were taking significant steps to improve our pollution performance. Our progress this year has not been as we had hoped, with more total pollution incidents than in the prior year, and the same number of serious incidents. We have spent considerable time in the year visiting our wastewater assets, identifying issues and taking steps to prevent these from becoming more serious incidents, so we knew that this would impact upon the number of reported pollutions in the year, but we are very disappointed that our performance has not been better.

We are also conscious that the requirements in relation to pollution reporting are changing, so we expect that numbers will grow again in 2027, although we will try to disclose results on a like-for-like basis where we can, to enable a comparison.

We are continuing to take steps to improve, and now have much greater visibility of our assets through installing more monitors, so that we can identify more potential issues earlier and prevent these from becoming pollution incidents. We have also recruited more colleagues, with a dedicated Pollution Incident team now in place and 80 additional colleagues in our Customer Field Services team, who amongst other things respond to pollution incidents.

We are also using new technology in the form of products such as SewerBall® which is a small ball that floats through the sewer network collecting data to identify issues before they lead to an incident.

Customer experience

We have worked hard during the year to improve our customer experience but are disappointed that our customer experience C-MeX rating has fallen from 10th to 12th out of 17 companies during the year. This is not where we want to be, and we are continuing to engage with our customers and listen to feedback to try to keep improving and responding to our customer needs.

We have restructured our operational teams internally to make it quicker and easier for customers to have issues properly assessed when they contact us, and the right colleagues sent out to resolve problems the first time.

We are also investing in digitising more of our customer journeys, such as internal and external sewer flooding, blocked toilets, water quality, burst pipes, and no water, so that customers can contact us and resolve more matters online if they would prefer to do that, but with a Yorkshire voice at the end of the telephone if a customer would still like to speak to us.

We also understand that the increase in water bills this year has been difficult for some of our customers. We want to help those who are struggling and we have multiple schemes available to provide support for those on low incomes, which have supported 246,000 customers in the year, with customers on the lowest incomes paying less.

5. Financial performance

The key financial performance indicators for the year ended 31 March 2026 are as follows:

	Year ended 31 March 2026	Year ended 31 March 2025	Change
Revenue	£1,639.8m	£1,299.4m	26.2%
Operating costs	£(1,175.6)m	£(975.2)m	20.5%
Operating profit	£464.2m	£324.2m	43.2%
Profit after tax	£78.9m	£315.4m	(75.0)%
Adjusted profit[1]	£152.8m	£83.2m	83.7%
EBITDA[2]	£882.2m	£686.4m	28.5%

[1] *Adjusted profit (profit after tax adjusted for fair value derivative movements) is reconciled to profit before taxation in the appendix*

[2] *EBITDA (earnings before interest, tax, depreciation, amortisation, and exceptional items) is reconciled to profit before taxation in the appendix*

Revenue was higher by £340.4m for the year (26.2% increase), driven largely by higher regulatory revenues allowed as part of our AMP8 Final Determination, offset by lower usage as a result of the Temporary Use Ban in place from July to December 2025 as a result of the drought.

Operating costs have increased by £200.4m from £975.2m to £1,175.6m in the year. Excluding depreciation, impairment and amortisation of £418.0m (2025: £362.2m), our underlying operating costs have increased from £613.0m in 2025 to £757.6m. This increase includes higher staff costs (25% increase) due to additional headcount and increased hired and contracted services (53% increase), driven by significantly increased investment in the network for AMP8, alongside standard inflationary rises on business as usual services. We continued to strengthen our cost control across the business throughout the year which has mitigated additional operational pressures resulting from the drought conditions experienced over the year.

Overall, the net impact of the above movements is an increase to EBITDA of £195.8m (28.5% increase) and an increase in operating profit of £140.0m year on year (43.2% increase).

Net fair value movements shifted from a £309.6m credit to a £98.5m charge. The £309.6m credit in the year to 31 March 2025 was predominantly due to an increase in forecast future interest rates during that year, combined with a decrease in forecast inflation, resulting in favourable derivative valuation movements. In the year to 31 March 2026, movements in forecast future interest rates were more muted, while forecast inflation rose, resulting in the

£98.5m charge. Net interest payable increased by £47.7m, driven by interest due on new fixed rate debt issued.

We are therefore reporting a profit for the financial year of £78.9m (2025: £315.4m), a decrease of £236.5m. This corresponds to an adjusted profit after taxation of £152.8m (2025: £83.2m).

6. Director and Leadership Team changes

There has been a number of Director and Leadership Team changes during the year.

- Paul Inman retired from his role as CFO at YW, leaving the business on 31 May 2025.

- Martin Gee was appointed as the CFO of YW on 1 June 2025. Martin joined YW from Lanes Group, where he held roles as both COO and CFO, having previously worked in various finance roles within United Utilities for over 18 years. Martin brings strong financial, operational and infrastructure experience to the Board and is a member of the Institute of Chartered Accountants in England and Wales.

- One of our investors directors, Russ Houlden, stepped down from the Board in June 2025, following a change of fund management for one of our ultimate shareholders. Russ has brought much sector expertise to the business and made a significant contribution to our PR24 Business Plan, for which we are very grateful.

- Nicola Medalova joined the Board of YW as an Independent Non-Executive Director in September 2025.

- Ray O'Toole rejoined the Board of YW as a Non-Executive Director in September 2025, having previously been an Independent Non-Executive Director for Yorkshire Water from June 2014 to July 2023.

Following the end of the year and in light of the significant investment programme ahead and the new ownership arrangements, YW has undertaken a review of its Board. The current Board has successfully led the Company through an important period, including the PR24 Price Review process and established the foundations for the significant investment programme now underway. As YW now enters its next phase of development, it is natural that the Board transitions.

Vanda Murray, who has chaired the Company since September 2021, will stand down at the end of September 2026. Independent Non-Executive Directors Wendy Barnes and Nicola Medalova stood down at the end of June 2026, and Andrew Wyllie will stand down at the end of his full term in August 2026.

Andrew Merrick and Furqan Alamgir will remain on the YW Board. New appointments to the Board, including the role of Chair, have been identified and will be announced in due course, subject to successful completion of the required regulatory processes.

In addition, Kunal Koya joined the YW Board for EQT on 30 June 2026 with Ray O'Toole and Isabelle Caumette (who both represented DWS) leaving the Board following the completion of the EQT transaction on 17 June 2026. Simon Beer who has represented TCorp is leaving and his replacement will be announced in due course.

YW is managed by the YW Executive Team, which, as at 31 March 2026, included:

• Nicola Shaw	Chief Executive Officer
• Martin Gee	Chief Financial Officer
• Martyn Hattersley	Director of Corporate Affairs & Partnerships
• Tim Hawkins	Director of Regulatory Reform
• Richard Heighington	Group Information Director
• Peter Jacques	Director of Health, Safety & Environment
• Michelle Naisbitt	Director of People
• Matt Pinder	Director of Customer, Distribution & Collection
• Steph Pullan	Director of Asset Management
• Kathy Smith	Company Secretary
• Richard Stuart	Director of Asset Delivery & Engineering

And from June 2026:

• Matthew Rice	Executive Director of Service Delivery

7. Permitted Subsidiaries acquired pursuant to a Permitted Acquisition

There were no Permitted Subsidiaries acquired pursuant to a Permitted Acquisition during year to 31 March 2026.

8. Regulated capital investment

Capital investment in the year to 31 March 2026 was £989.8m, an increase of 11% compared to the prior year (£889.8m) and included upgrades to clean water and wastewater treatment works, and creation of additional stormwater storage capacity of 30,500m^3. This increase is set to continue throughout the AMP as YW delivers its largest enhancement programmes to date. Almost 90% of the AMP8 capital investment programme is already in the design stage, with over 1,500 projects either being designed, built or completed. Almost a quarter of projects are already onsite being delivered, with 88 projects completed.

9. Outsourcing

YW continues to monitor and comply with its Outsourcing Policy as detailed under the CTA which states, amongst other things, that YW will act as reasonably prudent water and sewerage undertaker and in accordance with good industry practice.

Significant outsourcing developments during the year include:

- A **Specialist Modelling Framework** with a maximum term of eight years and framework value of £120m was awarded during the year to cover urban drainage and river flow and water quality modelling services. It underpins YW's ability to comply with the Environment Act and to meet regulatory obligations as it delivers its AMP8 commitments.

- A **Technical Services & Assurance Framework** was put to tender during the year. The framework will replace separate arrangements with an integrated model supporting AMP8 delivery through improved governance, cost control, and access to engineering, design, and assurance capability. The contract term is a maximum of six years with a value of £53m.

- A **Contingent Labour Framework** was awarded during the year to cover contingent labour services to deliver improved governance, cost control, compliance, and scalability in support of AMP8 delivery. The contract term is a maximum of four years with a value of £50m.

10. Financing

The Company received net proceeds from £700m sustainability bond issuances in July 2025, with £375m maturing in 2033 and £325m in 2040.

As noted in the previous Investor Report, during July 2025 the Company entered into new RPI to CPI swaps with a notional value of £600m, maturing in 2030, to hedge basis risk exposure on RCV indexation. Total RPI to CPI/CPIH hedging undertaken by the Company amounts to £1,250m.

Also during July 2025, the Company entered into a new fixed to floating interest rate swap with a notional value of £1bn, maturing in 2026, which has the impact of fixing the floating receive legs of the Company's inflation linked swaps. Consequently, the current level of fixed and inflation linked debt held by the Company has reduced to approximately 102%.

Sustainable Finance

YW launched its Sustainable Finance Framework (the Framework) in January 2019 and subsequently published an updated version in November 2023. Since launch the Company has raised £3.35bn in sustainability loans and bonds from the platform. The majority of YW's debt will continue to be issued in accordance with the framework.

The Allocation Report for the Framework for the year ended 31 March 2025 was released during October 2025. The key information contained within the Allocation Report is assured by a third party, DNV Business Assurance Services UK Limited.

Derivatives Portfolio

YW has the following portfolios of derivatives at 31 March 2026 (excluding energy swaps):

Swap Type	Notional Value	MtM	Fair Value	Hedging	Designated Hedge
Inflation Linked	£1,088.6m	£(1,450.5)m	£(1,250.1)m[1]	Inflation linked income	No
RPI to CPI	£1,250.0m	£(3.6)m	£(3.5)m	Inflation basis risk	No
Fixed to Floating Interest Rate	£1,000.0m	£(0.9)m	£(0.9)m	Fixed debt	No
Fixed to Floating Interest Rate	£430.0m	£(29.8)m	£(28.9)m	Fixed rate bonds	Yes
Floating to Fixed Interest Rate	£45.0m	£(3.0)m	£(2.9)m	N/A[2]	No
	Total	**£(1,487.8)m**	**£(1,286.3)m**		

[1] *Fair Value of Inflation Linked swaps includes net assets of £54.5m unamortised 'day one' deferred losses arising from historic restructures*

[2] *Floating to Fixed Interest Rate swaps are legacy instruments that economically hedged early repaid finance leases*

At 31 March 2026, the total Mark to Market (MtM) was £(1,487.8)m, reflecting a increase of £7.4m since the valuation of £(1,480.4)m at 31 March 2025.

Derivatives are held with eligible counterparties in accordance with the CTA's Hedging Policy.

The maturity profile of the non-inflation linked portfolios is:

RPI to CPI Swaps (no breaks)	Notional Value	MtM
by Maturity		
2030	£1,250.0m	£(3.6)m
Total RPI to CPI/(H) swaps	**£1,250.0m**	**£(3.6)m**

Interest Rate Swaps (no breaks)	Notional Value	MtM
by Maturity		
2026[1]	£1,000.0m	£(0.9)m
2029[2]	£340.0m	£(21.1)m
2030[3]	£20.0m	£(1.3)m
2032[3]	£25.0m	£(1.8)m
2033[2] (Class B)	£90.0m	£(8.6)m
Total £ vanilla swaps	**£1,475.0m**	**£(33.7)m**

[1] *Fixed to Floating – Not Designated Hedges*
[2] *Fixed to Floating – Designated Hedges*
[3] *Floating to Fixed – Not Designated Hedges*

The maturity profile of the inflation linked portfolio is:

Break Date	Maturity Date	Notional	MtM	PV of future accretion
None				
	2038	£144.5m	£(98.7)m	£(119.5)m
	2041	£15.4m	£(19.2)m	£(20.3)m
	2043	£318.6m	£(432.4)m	£(387.8)m
	2048	£225.5m	£(355.8)m	£(364.1)m
	2063	£115.5m	£(297.7)m	£(112.5)m
		£819.6m	*£(1,203.9)m*	*£(1,004.1)m*
2028				
	2043	£57.4m	£(76.4)m	£(63.0)m
	2048	£7.2m	£(6.6)m	£(19.0)m
	2058	£22.6m	£(36.2)m	£(59.7)m
	2063	£23.0m	£(40.8)m	£(29.8)m
		£110.2m	*£(160.0)m*	*£(171.6)m*
2030				
	2038	£19.4m	£(5.7)m	£(17.7)m
	2043	£31.3m	£(5.2)m	£(29.3)m
	2048	£41.0m	£(2.4)m	£(38.3)m
	2058	£12.8m	£0.5m	£(11.9)m
	2063	£13.0m	£2.3m	£(12.4)m
		£117.5m	*£(10.5)m*	*£(109.6)m*
2033				
	2048	£5.1m	£(11.8)m	£(8.4)m
	2058	£18.0m	£(30.0)m	£(28.2)m
	2063	£18.2m	£(34.3)m	£(31.4)m
		£41.3m	*£(76.0)m*	*£(68.1)m*
		£1,088.6m	**£(1,450.5)m**	**£(1,353.3)m**

Inflation Linked Swaps (ILS)

YW's portfolio of ILS has the following cash flow characteristics:

1) YW pays semi-annual coupons linked to movements in RPI; and
2) YW receives semi-annual Sterling Overnight Index Average (SONIA) linked coupons; and
3) YW pays RPI-linked accretion on
    a. maturity (bullet); or
    b. at specific intervals, known as pay as you go (PAYG).

At 31 March 2026, the total MtM of ILS was £(1,450.5)m, of which £(1,353.3)m (93.3%) represented the present value of forecast accretion payments calculated with reference to prevailing market rates. Historical unpaid accretion to date on ILS's is reported in YW's statutory financial statements and included as indebtedness when calculating gearing for covenants reported under the Finance Documents.

The ratio of ILS MtM to RCV was 14.3% at 31 March 2026, down from 15.2% at 31 March 2025.

Commodity Price Risk

YW is exposed to commodity price risk, especially energy prices. The risk is managed by fixing contract prices where possible and operating within an energy purchasing policy designed to manage price volatility risk. As at the date of this report, YW has hedged approximately 97% of forecast baseload wholesale energy requirements for AMP8 through a combination of forward commodity hedges, financial energy swaps and forecast self generation. YW leaves up to an additional 10% of the total purchased electricity volume to the Day Ahead index to make allowances for variations in volume due to operational factors.

11. Ratings

YW and its financing subsidiaries have credit ratings assigned by three rating agencies, Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and S&P Global Ratings (S&P). The latest published ratings in relation to the YWFG are shown in the table below:

Rating Agency	Class A rating	Class B rating	Outlook	Date of latest publication
Fitch	BBB+	BBB-	Stable	April 2025
Moody's	Baa2	Ba1	Stable	December 2025
S&P Global	BBB+	BBB-	Stable	February 2025

There were no changes to the credit ratings during the year ended 31 March 2026.

The most recent credit ratings reports for all three of the ratings agencies that assign credit ratings to the YWFG can be found within the Investors section of the Kelda Group website at www.keldagroup.com.

12. Surplus

YW has a dividend policy, in compliance with Condition P31 of it's Instrument of Appointment, that requires that distributions will only be made after an appropriate financial resilience analysis has been undertaken, that dividends will be adjusted to reflect and recognise company performance and benefit sharing from service and efficiency performance. The policy ensures that delivery for customers and the environment is not just considered but factored into any amounts that are to be paid out as dividends.

Our dividend policy has been reviewed during the year and the Board has considered that there have been no events during the year, or additional guidance provided by Ofwat, that warrant a change to the dividend policy.

When approving dividends to be paid in a financial year, the Board assesses both company performance to date within the year, together with performance expected across the full financial year in question and that expected for the whole of the AMP. As such, dividend payments are considered within the longer-term context of the business and not just on the basis of the previous 12 months. There is explicit consideration of the ability of the business to be able to deliver into the future.

The company's approach to recommending a dividend included the following steps:

- Determining an appropriate base dividend level reflecting the company's actual capital structure;
- Applying an 'in-the-round' adjustment to reflect the wider considerations required by our dividend policy and Condition P31; and
- Ensuring that the company remains financially resilient and that there are sufficient profits available for distribution in the foreseeable future.

During the financial year, Yorkshire Water paid dividends totalling £85.1m (2025 £52.5m), equating to a dividend yield of approximately 2.8% (2025: 1.9%). All dividends paid during the year were compliant with the current Board approved dividend policy and Condition P31, which was modified in May 2023 with the clause number subsequently being updated in August 2025.

None of the dividends in the current year were paid to the shareholders of Kelda Holdings Limited (2025: £nil), YW's ultimate parent company, as they continue to support the company's financial resilience and improvement plan.

13. Bank and liquidity facilities held by the YWFG

YWFG had a combination of cash and committed undrawn revolving credit facilities totalling £1,282.2m at 31 March 2026. This comprised £710.0m undrawn revolving credit facilities and £572.2m of cash and bank deposits. The cash and bank deposits balance comprised £570.9m Authorised Investments and £1.3m operating bank account balances.

At 31 March 2026, no amounts were drawn on either the Company's £630.0m RCF or the £80.0m committed credit facility.

At 31 March 2026, no amounts were drawn against the YWFG standby credit facilities, being the £155.0m O&M liquidity facility and £250.0m DSR liquidity facility.

14. Non-Participating YWSF Bond Reserve

The balance on the Non-Participating YWSF Bond Reserve at 31 March 2026 was £8.0m.

15. Authorised Investments

Authorised Investments at 31 March 2026 totalled £578.9m. This comprised £230.3m invested in various AAA rated low volatility net asset value money market funds, £340.6m on term deposit with A rated or above relationship banks and £8.0m on term deposit with an A rated bank standing to the credit of the Non-Participating YWSF Bond Reserve.

16. Ratios

The YWFG confirms that in respect of the Calculation Date on 31 March 2026, by reference to the most recent financial statements that the YWFG is obliged to deliver in accordance with Paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 4 (Covenants) to the Common Terms Agreement, the Ratios are as detailed in the tables below.

Date	31/03/2026	31/03/2027	31/03/2028	31/03/2029	31/03/2030
	Actual	Forecast	Forecast	Forecast	Forecast
Class A RAR	69.4%	64.0%	65.7%	65.2%	64.8%
Senior RAR	72.8%	67.2%	68.6%	68.1%	67.3%

Test Period	31/03/2026	31/03/2027	31/03/2028	31/03/2029	31/03/2030
	Actual	Forecast	Forecast	Forecast	Forecast
Class A ICR	4.51x	3.92x	4.11x	3.99x	4.13x
Class A Adjusted ICR	4.51x	3.92x	4.11x	3.99x	4.13x
Senior Adjusted ICR	4.18x	3.71x	3.92x	3.83x	3.98x
Class A Average Adjusted ICR	4.18x	4.01x	4.08x	4.08x	4.08x
Senior Average Adjusted ICR	3.93x	3.82x	3.91x	3.91x	3.91x
Conformed Class A Adjusted ICR	1.67x	1.67x	1.90x	2.01x	2.21x
Conformed Senior Adjusted ICR	1.55x	1.58x	1.81x	1.93x	2.12x
Conformed Class A Average Adjusted ICR	1.75x	1.86x	2.04x	2.04x	2.04x
Conformed Senior Average Adjusted ICR	1.65x	1.77x	1.96x	1.96x	1.96x
Re-profiled Class A ICR	4.51x	3.92x	4.11x	3.99x	4.13x
Re-profiled Class A Adjusted ICR	1.67x	1.67x	1.90x	2.01x	2.21x
Re-profiled Senior Adjusted ICR	1.55x	1.58x	1.81x	1.93x	2.12x
Re-profiled Class A Average Adjusted ICR	1.75x	1.86x	2.04x	2.04x	2.04x
Re-profiled Senior Average Adjusted ICR	1.65x	1.77x	1.96x	1.96x	1.96x

The YWFG confirms that each of the above ratios has been calculated in respect of each of the relevant periods for which it is required under the CTA and has not breached the Trigger Event Ratio Levels and has not caused

Paragraph 17 (Ratios) of Part 2 (Events of Default - Non-YWH) of Schedule 6 (Events of Default) to the CTA to be breached.

For information, the computations of the ratios are shown on the following pages.

Test Period Class A and Adjusted ICR		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Net Cash Flow divided by	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Class A Debt Interest	£m	168.0	233.1	258.3	310.1	333.1
Class A ICR	**times**	**4.51**	**3.92**	**4.11**	**3.99**	**4.13**
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Class A Debt Interest	£m	168.0	233.1	258.3	310.1	333.1
Class A Adjusted ICR	**times**	**4.51**	**3.92**	**4.11**	**3.99**	**4.13**
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Senior Debt Interest	£m	181.5	246.8	271.2	323.2	346.0
Senior Adjusted ICR	**times**	**4.18**	**3.71**	**3.92**	**3.83**	**3.98**
Year 1 Class A Average Adjusted ICR	times	4.51	3.92	4.11	4.11	4.11
Year 2 Class A Average Adjusted ICR	times	3.92	4.11	3.99	3.99	3.99
Year 3 Class A Average Adjusted ICR	times	4.11	3.99	4.13	4.13	4.13
Class A Average Adjusted ICR	**times**	**4.18**	**4.01**	**4.08**	**4.08**	**4.08**
Year 1 Senior Average Adjusted ICR	times	4.18	3.71	3.92	3.92	3.92
Year 2 Senior Average Adjusted ICR	times	3.71	3.92	3.83	3.83	3.83
Year 3 Senior Average Adjusted ICR	times	3.92	3.83	3.98	3.98	3.98
Senior Average Adjusted ICR	**times**	**3.93**	**3.82**	**3.91**	**3.91**	**3.91**

Test Period Conformed ICR		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Less RCV run off (Depreciation)	£m	(476.6)	(525.0)	(571.9)	(612.5)	(641.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	0.0	0.0	0.0	0.0	0.0
Fast/Slow Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	281.3	389.5	491.1	624.9	734.7
Class A Debt Interest	£m	168.0	233.1	258.3	310.1	333.1
Conformed Class A Adjusted ICR	**times**	**1.67**	**1.67**	**1.90**	**2.01**	**2.21**
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Less RCV run off (Depreciation)	£m	(476.6)	(525.0)	(571.9)	(612.5)	(641.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	0.0	0.0	0.0	0.0	0.0
Fast/Slow Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	281.3	389.5	491.1	624.9	734.7
Senior Debt Interest	£m	181.5	246.8	271.2	323.2	346.0
Conformed Senior Adjusted ICR	**times**	**1.55**	**1.58**	**1.81**	**1.93**	**2.12**
Year 1 Conformed Class A Average Adjusted ICR	times	1.67	1.67	1.90	1.90	1.90
Year 2 Conformed Class A Average Adjusted ICR	times	1.67	1.90	2.01	2.01	2.01
Year 3 Conformed Class A Average Adjusted ICR	times	1.90	2.01	2.21	2.21	2.21
Conformed Class A Average Adjusted ICR	**times**	**1.75**	**1.86**	**2.04**	**2.04**	**2.04**

Test Period Conformed ICR		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Year 1 Conformed Senior Average Adjusted ICR	times	1.55	1.58	1.81	1.81	1.81
Year 2 Conformed Senior Average Adjusted ICR	times	1.58	1.81	1.93	1.93	1.93
Year 3 Conformed Senior Average Adjusted ICR	times	1.81	1.93	2.12	2.12	2.12
Conformed Senior Average Adjusted ICR	**times**	**1.65**	**1.77**	**1.96**	**1.96**	**1.96**

Test Period Re-profiled Class A ICR		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Profiling (Revenue Re-profiling) Adjustment	£m					
Re-profiled Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Class A Debt Interest	£m	168.0	233.1	258.3	310.1	333.1
Re-profiled Class A ICR	**times**	**4.51**	**3.92**	**4.11**	**3.99**	**4.13**
Net Cash Flow	£m	757.9	914.6	1,063.0	1,237.4	1,376.1
Less Depreciation (RCV run off)	£m	(476.6)	(525.0)	(571.9)	(612.5)	(641.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	0.0	0.0	0.0	0.0	0.0
Fast/Slow (PAYG) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Profiling (Revenue Re-profiling) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Re-profiled Adjusted Net Cash Flow divided by	£m	281.3	389.5	491.1	624.9	734.7
Class A Debt Interest	£m	168.0	233.1	258.3	310.1	333.1
Re-profiled Class A Adjusted ICR	**times**	**1.67**	**1.67**	**1.90**	**2.01**	**2.21**

Test Period Re-profiled Class A ICR		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Net Cash Flow	£m	757.9	914.6	1063.0	1237.4	1376.1
Less Depreciation (RCV run off)	£m	(476.6)	(525.0)	(571.9)	(612.5)	(641.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	0.0	0.0	0.0	0.0	0.0
Fast/Slow (PAYG) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Profiling (Revenue Re-profiling) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Re-profiled Adjusted Net Cash Flow divided by	£m	281.3	389.5	491.1	624.9	734.7
Senior Debt Interest	£m	181.5	246.8	271.2	323.2	346.0
Re-profiled Senior Adjusted ICR	**times**	**1.55**	**1.58**	**1.81**	**1.93**	**2.12**
Year 1 Re-profiled Class A Average Adjusted ICR	times	1.67	1.67	1.90	1.90	1.90
Year 2 Re-profiled Class A Average Adjusted ICR	times	1.67	1.90	2.01	2.01	2.01
Year 3 Re-profiled Class A Average Adjusted ICR	times	1.90	2.01	2.21	2.21	2.21
Re-profiled Class A Average Adjusted ICR	**times**	**1.75**	**1.86**	**2.04**	**2.04**	**2.04**
Year 1 Re-profiled Senior Average Adjusted ICR	times	1.55	1.58	1.81	1.81	1.81
Year 2 Re-profiled Senior Average Adjusted ICR	times	1.58	1.81	1.93	1.93	1.93
Year 3 Re-profiled Senior Average Adjusted ICR	times	1.81	1.93	2.12	2.12	2.12
Reprofiled Senior Average Adjusted ICR	**times**	**1.65**	**1.77**	**1.96**	**1.96**	**1.96**

Test Period Gearing		31/03/2026 Actual	31/03/2027 Forecast	31/03/2028 Forecast	31/03/2029 Forecast	31/03/2030 Forecast
Class A debt	£m	7,801.7	7,892.3	8,739.0	9,216.8	9,726.1
Less Cash balances	£m	(572.2)	(517.8)	(558.7)	(566.1)	(894.4)
Class A Net Debt	£m	7,229.5	7,374.5	8,180.4	8,650.7	8,831.7
Class B debt	£m	356.3	365.4	371.6	377.7	340.0
Senior Net Debt	£m	7,585.7	7,739.9	8,551.9	9,028.5	9,171.6
Regulatory Capital Value (RCV)	£m	10,423.6	11,516.0	12,457.6	13,258.0	13,635.4
Class A RAR	**%**	**69.4%**	**64.0%**	**65.7%**	**65.2%**	**64.8%**
Senior RAR	**%**	**72.8%**	**67.2%**	**68.6%**	**68.1%**	**67.3%**

Under the terms of the CTA, Compliance Certificates are completed for the whole YWFG and therefore certain adjustments that are required to be made to the financial information contained within YW's financial statements when calculating the current period ratios as reported in the above tables. The tables below detail these adjustments.

Net debt	Reference	31/03/2026 Actual
		£m
YWS net debt at 31 March 2026	Note 16 to YWS's ARFS	6,473.3
Net amounts owed from group companies	Note 16 to YWS's ARFS	437.2
Fair value adjustment to amounts owed to subsidiary companies	Note 16 to YWS's ARFS	27.2
Unamortised issue costs	Note 16 to YWS's ARFS	128.8
Intercompany loans to / (from) other members of the YWFG that reverse on consolidation	Note 16 to YWS's ARFS	(6.0)
RPI-accretion accrued on swaps	Note 17 to YWS's ARFS	526.1
Yorkshire Water Finance Plc cash at bank		(0.9)
Senior Net Indebtedness		**7,585.7**
of which Class A Net Indebtedness		***7,229.5***

Cash Flow	Reference	31/03/2026 Actual
		£m
YWS EBITDA excluding exceptional items	YWS's ARFS Strategic Report	882.2
Exclude profit on sale of assets	Table 1D Line 8 YWS's APR	(2.8)
Tax paid / received	Note 8 to YWS's ARFS	0.0
Recoverable VAT included in changes in working capital	-	10.8
Changes in working capital	Table 1D Lines 5 & 7 YWS's APR	(132.3)
Net Cash Flow		757.9
Less Depreciation (RCV run off)	YWS's FD (inflated to outturn)	(476.6)
Adjusted Cash Flow		**281.3**

Interest	Reference	31/03/2026 Actual
		£m
Net interest paid	Table 1D Line 10 YWS's APR	215.1
Intercompany amortising loan repayments to fund interest payments on exchange bonds issued by subsidiary companies	Note 16 to YWS's ARFS	2.8
Derivatives interest	Table 1D narrative YWS's APR	(36.2)
Inter-company loan margin paid to Yorkshire Water Finance Plc included in net interest paid		(0.1)
Senior Debt Interest		**181.5**
of which Class A Debt Interest		***168.0***

The YWFG certifies that on 31 March 2026 the Annual Finance Charge for the twelve months to 31 March 2027 is forecast at £251.1m. Excess Funds of £23.1m were held in the Debt Service Payment Account (DSP Account) as at 31 March 2026. Therefore, the Monthly Payment Amount is forecast at £19.0m.

This Investors Report also confirms that:

(a) no Default or Potential Trigger Event is outstanding; and

(b) that YW's insurances are being maintained in accordance with:

(i) the CTA; and

(ii) the provisions of the Finance Leases.

Yours faithfully

For and on behalf of
Yorkshire Water Services Limited

Martin Gee
Chief Financial Officer

For and on behalf of
Yorkshire Water Services Finance Limited

Martin Gee
Director

For and on behalf of
Yorkshire Water Finance Plc

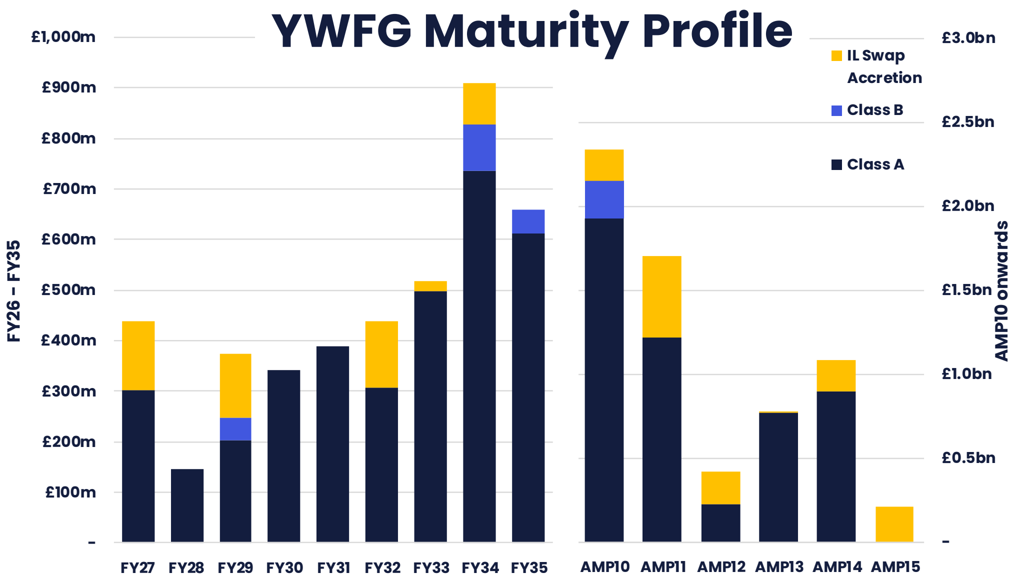
Martin Gee
Director

17. Appendix

17.1 YWFG Capital Structure at 31 March 2026

*Source: Management analysis as at 31 March 2026. * Outstanding at time of issue.*

17.2 YWFG Debt Maturity Profile at 31 March 2026



Source: Management analysis as at 31 March 2026
1.Proforma analysis assumes long term CPI and RPI at 2%
2. Includes existing and forecast inflation on IL Bonds and IL Swaps through to maturity (assumes mandatory breaks are manage
3. Excludes amounts drawn on committed bank and liquidity facilities
Note: The above is not representative of Financial Indebtedness as calculated in accordance with Schedule 4 Covenants, Part 3 General Covenants, Clause 11 Financial Indebtedness of the Common Terms Agreement

17.3 Reconciliations to EBITDA and Adjusted profit

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA is calculated as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit before taxation	**113.8**	429.6
Add back net interest payable	**251.9**	204.2
Add back/(deduct) fair value movements	**98.5**	(309.6)
Operating profit	**464.2**	324.2
Add back depreciation and impairment	**346.3**	311.7
Add back amortisation of intangible assets	**71.7**	50.5
EBITDA	**882.2**	686.4

Adjusted profit after taxation

Adjusted profit after taxation excludes fair value derivative movements. This excludes volatile balances and provides a more stable view of profitability to management.

Adjusted profit for the period is calculated as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit before taxation	**113.8**	429.6
Add back/(deduct) fair value movements	**98.5**	(309.6)
Adjusted profit before the effects of taxation	**212.3**	120.0
Effects of taxation*	**(59.5)**	(36.8)
Adjusted profit after taxation	**152.8**	83.2

* Effects of taxation represents the total tax charge (current and deferred tax) on adjusted profit before the effects of taxation. This is calculated by adjusting the total tax charge included in the profit and loss account as shown in the Financial Statements for the deferred tax associated with the fair value movements items noted above.

Contact Details

For further information regarding this Investors Report please contact:

debtIR@keldagroup.com

keldagroup.com

YorkshireWater