

COMPLIANCE CERTIFICATE

To: Deutsche Trustee Company Limited as Security Trustee
cc: Fitch Ratings, Moody's Investors Service and S&P Global Ratings
From: Yorkshire Water Finance Plc (the "Issuer")
Yorkshire Water Services Finance Limited ("YWSF")
Yorkshire Water Services Limited ("YWS")

24 July 2024

Dear Sirs

Amended and Restated Common Terms Agreement dated 10 January 2022 between, among others, the Issuer, YWSF, YWS and Deutsche Trustee Company Limited (the "Security Trustee") (the "Common Terms Agreement")

Capitalised terms not defined in this certificate have the meaning given to them in the Master Definitions Agreement.

1. We refer to the Common Terms Agreement. This is a Compliance Certificate.
2. We confirm that the ratios are as detailed in the table below in respect of the Calculation Date of 31 March 2024.

| Date | 31/03/2024 | 31/03/2025 |
|-------------|------------|------------|
| | Actual | Forecast |
| Class A RAR | 67.1% | 71.3% |
| Senior RAR | 70.8% | 75.1% |

| Test Period | 31/03/2024 | 31/03/2025 |
|--|------------|------------|
| | Actual | Forecast |
| Class A ICR | 5.63x | 4.32x |
| Class A Adjusted ICR | 5.63x | 4.32x |
| Senior Adjusted ICR | 4.94x | 3.94x |
| Class A Average Adjusted ICR | 4.79x | 4.79x |
| Senior Average Adjusted ICR | 4.28x | 4.28x |
| Conformed Class A Adjusted ICR | 1.68x | 1.62x |
| Conformed Senior Adjusted ICR | 1.47x | 1.48x |
| Conformed Class A Average Adjusted ICR | 1.67x | 1.67x |
| Conformed Senior Average Adjusted ICR | 1.49x | 1.49x |
| Re-profiled Class A ICR | 5.48x | 4.14x |
| Re-profiled Class A Adjusted ICR | 1.53x | 1.44x |
| Re-profiled Senior Adjusted ICR | 1.35x | 1.31x |
| Re-profiled Class A Average Adjusted ICR | 1.52x | 1.52x |
| Re-profiled Senior Average Adjusted ICR | 1.36x | 1.36x |

(together the “**Ratios**”).

3. We confirm that each of the above Ratios has been calculated in respect of the relevant period(s) for which it is required to be calculated under the Common Terms Agreement 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 to be breached.
4. We set out below the computation of the following ratios set out in the table in Paragraph 2 above for your information.

| Test Period | | 31/03/2024 | 31/03/2025 |
|-------------------------------------|--------------|---------------|-----------------|
| Class A and Adjusted ICR | | Actual | Forecast |
| Net Cash Flow divided by | £m | 600.4 | 683.4 |
| Class A Debt Interest | £m | 106.7 | 158.4 |
| Class A ICR | times | 5.63 | 4.32 |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less CCD and IRC | £m | 0.0 | 0.0 |
| Adjusted Cash Flow divided by | £m | 600.4 | 683.4 |
| Class A Debt Interest | £m | 106.7 | 158.4 |
| Class A Adjusted ICR | times | 5.63 | 4.32 |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less CCD and IRC | £m | 0.0 | 0.0 |
| Adjusted Cash Flow divided by | £m | 600.4 | 683.4 |
| Senior Debt Interest | £m | 121.5 | 173.4 |
| Senior Adjusted ICR | times | 4.94 | 3.94 |
| Year 1 Class A Average Adjusted ICR | times | 4.42 | 4.42 |
| Year 2 Class A Average Adjusted ICR | times | 5.63 | 5.63 |
| Year 3 Class A Average Adjusted ICR | times | 4.32 | 4.32 |
| Class A Average Adjusted ICR | times | 4.79 | 4.79 |
| Year 1 Senior Average Adjusted ICR | times | 3.95 | 3.95 |
| Year 2 Senior Average Adjusted ICR | times | 4.94 | 4.94 |
| Year 3 Senior Average Adjusted ICR | times | 3.94 | 3.94 |
| Senior Average Adjusted ICR | times | 4.28 | 4.28 |

| Test Period | | 31/03/2024 | 31/03/2025 |
|--|--------------|-------------|-------------|
| Conformed ICR | | Actual | Forecast |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less RCV run off (Depreciation) | £m | (339.0) | (346.7) |
| Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation | £m | (82.4) | (80.8) |
| Fast/Slow Adjustment | £m | (0.0) | (0.0) |
| Adjusted Cash Flow divided by | £m | 179.0 | 255.9 |
| Class A Debt Interest | £m | 106.7 | 158.4 |
| Conformed Class A Adjusted ICR | times | 1.68 | 1.62 |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less RCV run off (Depreciation) | £m | (339.0) | (346.7) |
| Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation | £m | (82.4) | (80.8) |
| Fast/Slow Adjustment | £m | (0.0) | (0.0) |
| Adjusted Cash Flow divided by | £m | 179.0 | 255.9 |
| Senior Debt Interest | £m | 121.5 | 173.4 |
| Conformed Senior Adjusted ICR | times | 1.47 | 1.48 |
| Year 1 Conformed Class A Average Adjusted ICR | times | 1.71 | 1.71 |
| Year 2 Conformed Class A Average Adjusted ICR | times | 1.68 | 1.68 |
| Year 3 Conformed Class A Average Adjusted ICR | times | 1.62 | 1.62 |
| Conformed Class A Average Adjusted ICR | times | 1.67 | 1.67 |
| Year 1 Conformed Senior Average Adjusted ICR | times | 1.53 | 1.53 |
| Year 2 Conformed Senior Average Adjusted ICR | times | 1.47 | 1.47 |
| Year 3 Conformed Senior Average Adjusted ICR | times | 1.48 | 1.48 |
| Conformed Senior Average Adjusted ICR | times | 1.49 | 1.49 |

| Test Period | | 31/03/2024 | 31/03/2025 |
|---|--------------|-------------|-------------|
| Re-profiled Class A ICR | | Actual | Forecast |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Profiling (Revenue Re-profiling) Adjustment | £m | (15.3) | (28.0) |
| Re-profiled Net Cash Flow | £m | 585.1 | 655.4 |
| Class A Debt Interest | £m | 106.7 | 158.4 |
| Re-profiled Class A ICR | times | 5.48 | 4.14 |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less Depreciation (RCV run off) | £m | (339.0) | (346.7) |
| Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation | £m | (82.4) | (80.8) |
| Fast/Slow (PAYG) Adjustment | £m | (0.0) | (0.0) |
| Profiling (Revenue Re-profiling) Adjustment | £m | (15.3) | (28.0) |
| Re-profiled Adjusted Net Cash Flow divided by | £m | 163.7 | 227.9 |
| Class A Debt Interest | £m | 106.7 | 158.4 |
| Re-profiled Class A Adjusted ICR | times | 1.53 | 1.44 |
| Net Cash Flow | £m | 600.4 | 683.4 |
| Less Depreciation (RCV run off) | £m | (339.0) | (346.7) |
| Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation | £m | (82.4) | (80.8) |
| Fast/Slow (PAYG) Adjustment | £m | (0.0) | (0.0) |
| Profiling (Revenue Re-profiling) Adjustment | £m | (15.3) | (28.0) |
| Re-profiled Adjusted Net Cash Flow divided by | £m | 163.7 | 227.9 |
| Senior Debt Interest | £m | 121.5 | 173.4 |
| Re-profiled Senior Adjusted ICR | times | 1.35 | 1.31 |
| Year 1 Re-profiled Class A Average Adjusted ICR | times | 1.58 | 1.58 |
| Year 2 Re-profiled Class A Average Adjusted ICR | times | 1.53 | 1.53 |
| Year 3 Re-profiled Class A Average Adjusted ICR | times | 1.44 | 1.44 |
| Re-profiled Class A Average Adjusted ICR | times | 1.52 | 1.52 |
| Year 1 Re-profiled Senior Average Adjusted ICR | times | 1.41 | 1.41 |
| Year 2 Re-profiled Senior Average Adjusted ICR | times | 1.35 | 1.35 |
| Year 3 Re-profiled Senior Average Adjusted ICR | times | 1.31 | 1.31 |
| Reprofiled Senior Average Adjusted ICR | times | 1.36 | 1.36 |

| Test Period | | 31/03/2024 | 31/03/2025 |
|--------------------------------|----------|--------------|--------------|
| Gearing | | Actual | Forecast |
| Class A debt | £m | 6,175.1 | 6,788.5 |
| Less Cash balances | £m | (50.3) | (225.8) |
| Class A Net Debt | £m | 6,124.8 | 6,562.8 |
| Class B debt | £m | 342.6 | 349.2 |
| Senior Net Debt | £m | 6,467.4 | 6,911.9 |
| Regulatory Capital Value (RCV) | £m | 9,132.2 | 9,203.3 |
| Class A RAR | % | 67.1% | 71.3% |
| Senior RAR | % | 70.8% | 75.1% |

5. The Common Terms Agreement requires that Compliance Certificates are completed for the whole YW Financing Group and therefore certain adjustments need to be made to the financial information contained within the financial statements of YWS when calculating the current period ratios as reported in the above tables. The table below detail these adjustments.

| Net debt | Reference | 31/03/2024 Actual |
|--|-----------------------|----------------------|
| | | £m |
| YWS net debt at 31 March 2024 | Note 16 to YWS's ARFS | 5,318.8 |
| Net amounts owed from group companies | Note 16 to YWS's ARFS | 537.2 |
| Fair value adjustment to amounts owed to subsidiary companies | Note 16 to YWS's ARFS | 31.6 |
| Unamortised issue costs | Note 16 to YWS's ARFS | 116.2 |
| Intercompany loans to / (from) other members of the YWFG that reverse on consolidation | Note 16 to YWS's ARFS | (8.9) |
| RPI-accretion accrued | Note 17 to YWS's ARFS | 473.2 |
| Yorkshire Water Finance Plc cash at bank | | (0.7) |
| Senior Net Indebtedness | | 6,467.4 |
| of which Class A Net Indebtedness | | 6,124.8 |

| Cash Flow | Reference | 31/03/2024 |
|---|---------------------------------|--------------|
| | | Actual |
| | | £m |
| YWS EBITDA excluding exceptional items | YWS's ARFS Strategic Report | 611.9 |
| Exclude profit on sale of assets | Table 1D Line 8 YWS's APR | (2.4) |
| Tax received | Table 1D Line 11 YWS's APR | 0.1 |
| Recoverable VAT included in changes in working capital | - | (0.4) |
| Changes in working capital | Table 1D Lines 5 & 7 YWS's APR | (8.8) |
| Net Cash Flow | | 600.4 |
| Less Depreciation (RCV run off) | CMA model (inflated to outturn) | (339.0) |
| Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation | | |
| • FD Allowance | CMA model | (82.4) |
| • IRE already deducted | - | 0.0 |
| | | (82.4) |
| Fast/Slow (PAYG) Adjustment | CMA model (inflated to outturn) | 0.0 |
| Profiling (Revenue Re-profiling) Adjustment | CMA model (inflated to outturn) | (15.3) |
| Re-profiled Adjusted Net Cash Flow | | 163.7 |

| Interest | Reference | 31/03/2024 |
|--|----------------------------|--------------|
| | | Actual |
| | | £m |
| Net interest paid | Table 1D Line 10 YWS's APR | 89.4 |
| Interest received on subordinated intercompany loans | Note 6 to YWS's ARFS | 27.9 |
| Intercompany amortising loan repayments to fund interest payments on exchange bonds issued by subsidiary companies | Note 16 to YWS's ARFS | 2.7 |
| Debt refinancing fee included in Net interest paid | Note 16 to YWS's ARFS | (1.4) |
| Settlement timing difference on interest paid | - | 2.9 |
| Senior Debt Interest | | 164.0 |
| of which Class A Debt Interest | | 146.4 |

We also confirm that:

- (a) no Default or Potential Trigger Event is outstanding;
- (b) YWS's insurances are being maintained in accordance with:
 - (i) the Common Terms Agreement; and

- (ii) the provisions of the Finance Leases;
- (c) the aggregate amount of all accretions by indexation to the original notional amounts of any Super-Senior RPI Linked Hedging Agreements is 5.18% of RCV as at 31 March 2024; and
- (d) no Event of Default or event which would be (with the expiry of a grace period, the giving of notice or the making of any determination or any combination thereof) an Event of Default under any Non-Participating YWSF Bond Debt has occurred and is outstanding.

Yours faithfully

**For and on behalf of
Yorkshire Water Services Limited**



Nicola Shaw
Chief Executive Officer



Paul Inman
Chief Financial Officer

**For and on behalf of
Yorkshire Water Services Finance Limited**



Nicola Shaw
Director



Paul Inman
Director

**For and on behalf of
Yorkshire Water Finance Plc**



Nicola Shaw
Director



Paul Inman
Director