

SUPPLEMENT DATED 17 JANUARY 2025 TO THE PROSPECTUS DATED 29 AUGUST 2024



YORKSHIRE WATER FINANCE PLC

(incorporated with limited liability in England and Wales with registered number 11444372)

£8,000,000,000

**Multicurrency programme for the issuance of Guaranteed Bonds
financing**

Yorkshire Water Services Limited

(incorporated in England and Wales with limited liability with registered number 02366682)

This supplement (this “**Supplement**”) is prepared as a supplement to, and must be read in conjunction with, the base prospectus dated 29 August 2024 (the “**Prospectus**”, which definition includes the Prospectus and all information incorporated by reference therein) relating to the multicurrency programme for the issuance of up to £8,000,000,000 Guaranteed Bonds (the “**Programme**”) established by Yorkshire Water Finance plc (the “**Issuer**”). This Supplement together with the Prospectus constitutes a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”). This Supplement constitutes a supplementary prospectus for the purposes of Article 23 of the UK Prospectus Regulation.

Unless otherwise defined in this Supplement, terms defined in the Prospectus have the same meaning when used in this Supplement. Unless stated otherwise, page numbers referred to in this Supplement refer to pages in the Prospectus.

This Supplement has been approved by the Financial Conduct Authority (the “**FCA**”), as competent authority under the UK Prospectus Regulation, as a supplement to the Prospectus in compliance with the UK Prospectus Regulation. The FCA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Bonds that are the subject of this Supplement and the Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

Each of the Issuer and the other Obligors accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and each of the other Obligors the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

The purpose of this Supplement is to update the Prospectus:

- (i) to supplement the disclosure following the publication of the PR24 final determination by Ofwat;
- (ii) to reflect the currently applicable credit ratings for the Class A Unwrapped Bonds and the Class B Unwrapped Bonds;
- (iii) to incorporate by reference interim financial statements of the Issuer, YWS and YWSF; and
- (iv) to update the “Significant or Material Change” statements in Chapter 13 “*General Information*”.

Update regarding PR24 Final Determination

- (A) The following sentence will be added to the end of the third paragraph of the risk factor in Chapter 4 “*Regulatory and Competition Risks – PR24*” of the Prospectus:

On 19 December 2024, Ofwat published its PR24 final determination dated 18 December 2024 (the “**PR24 Final Determination**”) which YWS are currently reviewing in detail (see further details in Chapter 6 “*Regulation of the Water and Wastewater Industry in England and Wales – Economic Regulation – PR24 Final Determination*” below). YWS have until 18 February 2025 to decide whether to refer the PR24 Final Determination to the CMA (as defined below).

- (B) The sentence “The Ofwat final determination is expected in December 2024” in Chapter 5 “*Description of the YW Financing Group – CMA Referral of Ofwat’s AMP7 Final Determination – Financeability assessment*” of the Prospectus will be replaced with the following paragraph:

Ofwat published the PR24 Final Determination on 19 December 2024 which YWS are currently reviewing in detail (see further details in Chapter 6 “*Regulation of the Water and Wastewater Industry in England and Wales – Economic Regulation – PR24 Final Determination*” below). YWS have until 18 February 2025 to decide whether to refer the PR24 Final Determination to the CMA.

- (C) The following disclosure will be added to Chapter 6 “*Regulation of the Water and Wastewater Industry in England and Wales – Economic Regulation*” of the Prospectus, after the section headed “*PR24 Draft Determination*” before the section headed “*Key features of the AMP7 and AMP8 price limit framework*”:

PR24 Final Determination

On 19 December 2024, Ofwat published its PR24 final determination dated 18 December 2024 (the “**PR24 Final Determination**”) which YWS are currently reviewing in detail.¹ The PR24 Final Determination recognises the strength of YWS’s plan and supports the investments set out for the next five years. The focus of YWS’ review will be ensuring its plans are deliverable, financeable and deliver the service required by customers. YWS have until 18 February 2025 to decide whether to refer the PR24 Final Determination to the CMA.

- (D) Unless otherwise updated by this Supplement, references in the Prospectus to the PR24 Final Determination being due to be published in December 2024 shall be deemed to be updated by virtue of the new disclosure regarding the publication of the PR24 Final Determination on 19 December 2024.

Credit Rating updates

- (A) The table on page (ii) of the Prospectus shall be deleted and replaced with the following:

Class	S&P Global Ratings UK Limited (“S&P”)	Moody’s Investors Service Limited (“Moody’s”)	Fitch Ratings Ltd. (“Fitch”)
Class A Unwrapped Bonds	A- (Credit Watch negative)	Baa2 (negative)	A- (stable)
Class B Unwrapped Bonds	BBB (Credit Watch negative)	Ba1 (negative)	BBB- (stable)

¹ The Overview of YWS’s PR24 Final Determination can be found here: [Overview-of-Yorkshire-Waters-PR24-final-determination.pdf](#). The contents of this website are for information purposes only and do not form part of this Supplement.

- (B) The addition of the words underlined below and deletion of the words struck through below shall be made in the second paragraph of the risk factor in Chapter 4 “*Legal Risks – Impact of Ofwat adopting tighter regulatory measures to achieve financial resilience*” of the Prospectus:

Please see Chapter 4 “*Risks Relating to the Bonds – Rating of the Bonds*” for further information on the latest credit rating actions taken by Moody’s and S&P, and anticipated further rating action following the publication of the PR24 Final Determination. Should the current Moody’s rating of the Class A Unwrapped Bonds of Baa2 with negative outlook remain in place on 1 April 2025, the cash lock-up will apply unless Ofwat agree to any waiver. These modifications to the ring-fencing licence conditions ~~could~~ increase the likelihood of YWS not being able to pay a dividend, affecting the equity proposition that YWS presents. These factors could potentially give rise to increases in associated funding costs, affect YWS’s business, results of operations and overall financial condition, and its ability to raise finance, comply with its obligations under the licence and legislation and ultimately affect the Issuer’s ability to meet its obligations under the Bonds issued under the Programme.

- (C) The addition of the paragraph below between paragraphs four and five of the risk factor in Chapter 4 “*Risks Relating to the Bonds – Rating of the Bonds*” of the Prospectus:

On 12 November 2024 S&P issued an update to place the ratings of Class A Unwrapped Bonds and Class B Unwrapped Bonds on credit watch with negative implications (from negative outlook), indicating that S&P’s existing ratings could be lowered by one or two notches in the next few months. In addition, on 13 November 2024, Moody’s issued a credit update placing the ratings of the Class A Unwrapped Bonds and Class B Unwrapped Bonds on negative outlook. It is anticipated that one or more rating agencies may further revise the ratings and/or outlook assigned or expected to be assigned to each Class of Unwrapped Bonds once they have reviewed the PR24 Final Determination and/or once YWS has determined whether or not it will refer the PR24 Final Determination to the CMA.

Information Incorporated by reference

The following additional financial statements shall be added to the list of documents incorporated by reference starting on page xii of the Prospectus:

- (i) the unaudited condensed interim financial statements of the Issuer for the six-month period ended 30 September 2024;
- (ii) the unaudited condensed interim financial statements of YWSF for the six-month period ended 30 September 2024; and
- (iii) the unaudited condensed interim financial statements of YWS for the six-month period ended 30 September 2024 ((i), (ii) and (iii) together, the “**Interim Financial Statements**”).

Copies of the Interim Financial Statements have been filed with the FCA and, by virtue of this Supplement, the Interim Financial Statements are incorporated in, and form part of, the Prospectus. The Interim Financial Statements have been properly prepared on the basis stated and the basis of accounting is consistent with the accounting policies of the Issuer, YWS and YWSF. Copies of the Interim Financial Statements are available at: <https://www.keldagroup.com/investors/document-library/yorkshire-water-financial-statements/>.

Significant or Material Change

The significant change paragraphs (being the last six paragraphs in Chapter 13 “*General Information – Significant or Material Change*”) shall be updated as follows in light of the publication of the Interim Financial Statements:

Since 30 September 2024, there has been no significant change in the financial position or financial performance of the YW Financing Group.

Since 30 September 2024, there has been no significant change in the financial position or financial performance of YWS or its subsidiaries (which consist of the Issuer and YWSF).

Since 30 September 2024, there has been no significant change in the financial position or financial performance of YWSF.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in this Supplement and (b) any other statement in or incorporated by reference in the Prospectus prior to the date of this Supplement, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

If documents which are incorporated by reference to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference or where this Supplement is specifically defined as including such information.

The date of this Supplement is 17 January 2025