



Anglian Water Services Financing Plc

(incorporated with limited liability in England and Wales under the United Kingdom Companies Act 1985, as amended from time to time, with registered number 4330322)

€10,000,000,000

Global Secured Medium-Term Note Programme unconditionally and irrevocably guaranteed by, *inter alios*,

Anglian Water Services Limited

(incorporated with limited liability in England and Wales with registered number 2366656)

This Supplement (the “**Supplement**”) to the prospectus dated 10 October 2023 (the “**Base Prospectus**”) (which comprises a base prospectus together with supplementary prospectuses dated 13 December 2023, 15 February 2024, 22 February 2024 and 21 June 2024 (together with the Base Prospectus, the “**Prospectus**”)) constitutes a supplement to the prospectus for the purposes of Article 23 of the UK Prospectus Regulation and is prepared in connection with the €10,000,000,000 Global Secured Medium Term Note Programme (the “**Programme**”) established by Anglian Water Services Financing Plc (the “**Issuer**”). When used in this Supplement, “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer. The purpose of this Supplement is to update:

- (i) paragraph 1.1.1 (*Investigations*) under the section entitled “Risk Factors” and the paragraph entitled “*FFT*” under the section entitled “*Litigation*” in Chapter 4 (*Anglian Water Business Description*) on page 124 of the Base Prospectus, in each case, to reflect certain announcements from Ofwat relating to “flow to full treatment” investigations;
- (ii) paragraph 1.1.3 entitled “*Economic Regulations*” in the section entitled “Risk Factors” and paragraph 11.7.2 entitled “*Price controls*” in Chapter 11 (*Regulation of the Water and Water Recycling Industry in England and Wales*), in each case, to reflect the publication by Ofwat of Anglian Water’s PR24 draft determination; and
- (iii) the paragraph entitled “*CPO litigation*” under the section entitled “*Litigation*” in Chapter 4 (*Anglian Water Business Description*) on page 124 of the Base Prospectus, to reflect certain updates in connection with the CPO litigation.

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.

The Issuer and each of Anglian Water Services Limited (“**AWS**”), Anglian Water Services Holdings Limited and Anglian Water Services UK Parent Co Limited (together with the Issuer, being the “**Obligors**”) accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and 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.

1 Flow to Full Treatment

- 1.1 The following paragraph shall be included at the end of paragraph 1.1.1 (*Investigations*) under the section entitled “*Risk Factors*”:

“There is a risk that Ofwat wishes to, and does, issue an Enforcement Order in respect of Anglian Water following the Flow to Full Treatment (FFT) investigation it has been conducting. At this point in time, Ofwat has only issued draft notices in respect of Thames Water, Yorkshire Water and Northumbrian Water, each of which contains a proposed Enforcement Order. If an Enforcement Order were issued in respect of Anglian Water, it could be subject to a potential fine and ongoing additional expenditure in implementing any required remediation plans. Ofwat’s published draft notices in respect of the above three water and wastewater companies give an indication of the potential fine (as they range from 5 per cent. to 9 per cent. of the relevant turnover from wastewater business, albeit there is no certainty that Ofwat would propose a fine within this range). However, there is no indication or detail in these draft notices as to the amount of any required additional expenditure for any remediation plans, the timing of when it must be incurred and how it would be funded. Therefore, even if an enforcement notice were issued for Anglian Water, the aggregate financial impact of any such Enforcement Order is equally unknown.”

1.2 The paragraph entitled “FFT” under the section entitled “Litigation” in Chapter 4 (Anglian Water Business Description) on page 124 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

“Flow to Full Treatment (FFT)

On 18 November 2021 Ofwat and the Environment Agency announced investigations into all water and wastewater companies in England and Wales. This was after some companies had explained that they might not be treating as much sewage at their wastewater treatment works as they should be, and that this could be resulting in sewage discharges into the environment at times when it should not be happening.

In 2022 Ofwat opened enforcement cases against six water and wastewater companies, of which Anglian Water was one. In July 2024 Ofwat announced that had opened four more enforcement cases into the remaining water and wastewater companies (being Dŵr Cymru Welsh Water, Hafren Dyfrdwy, Severn Trent and United Utilities) as part of its ongoing investigation into how companies manage their wastewater treatment works and networks. On 6 August 2024 Ofwat announced, by way of draft notices (the “**Published Draft Notices**”), that it proposes to fine Thames Water (9 per cent. of its relevant turnover from its wastewater business, approximately £104.5m), Yorkshire Water (7 per cent. of its relevant turnover from its wastewater business, approximately £47.15m) and Northumbrian Water (5 per cent. of its relevant turnover from its wastewater business, approximately £17m) for failing to manage their wastewater treatment works and networks. In particular, Ofwat has cited the following breaches: (i) under Regulation 4(4), Regulation 4(2) and Schedule 2 of the Urban Waste Water Treatment (England and Wales) Regulations 1994 (as amended, the “**UWWTR**”), (ii) general duties under section 91 of the WIA by systematically breaching UWWTR duties and thereby failing effectually to provide drainage and deal with the contents of sewers, and (iii) contravening Condition P in relation to the adequacy of resources and systems of planning and internal control to enable the carrying out of regulated activities, particularly in relation to obligations under Regulation 4 of and Schedule 2 to the UWWTR. Each Published Draft Notice includes a form of Enforcement Order which Ofwat is proposing to issue.

The investigation in respect of Anglian Water is ongoing. Ofwat has not provided Anglian Water with any information regarding the date on which the investigation is expected to conclude or the likely outcome of this investigation. Should Ofwat publish a draft notice substantially similar to the Published Draft Notices and an Enforcement Order is subsequently issued in respect of Anglian Water on substantially similar terms, there are two potential key consequences for Anglian Water:

- (i) Ofwat has the power to fine a Regulated Company up to 10 per cent. (for each respective breach) of its entire regulated turnover in the preceding 12 months if it fails to comply with certain of its statutory duties or the terms of its licence or fails to meet standards of performance. The penalty must also be reasonable in all the circumstances. Any potential fine issued to Anglian Water (assuming it were in line with those issued to Northumbrian Water, Yorkshire Water and Thames Water (respectively)) would result in the following: £43.62m (assuming 5 per cent.), £61.07m (assuming 7 per cent.) and £78.52m (assuming 9 per cent.). There is no certainty that Ofwat would propose a fine within this range.
- (ii) Anglian Water could be required to implement a series of remediation and other plans, each of which would require significant expenditure. It is uncertain at this stage what the total estimated or actual expenditure could be, how that expenditure would be funded and the timing for incurring that expenditure and implementing all such plans.”.

2 PR24 and draft determination

- 2.1 Paragraph 1.1.3 entitled “Economic Regulations” in the section entitled “Risk Factors” on page 20 of the Base Prospectus shall be updated by replacing the sentence reading: “The next price review (“PR24”) is expected to set price controls for the period 1 April 2025 to 31 March 2030.” and the remainder of the same paragraph, with the following:

“The 2024 price review (“PR24”) is on course to set price controls for the period 1 April 2025 to 31 March 2030. On 11 July 2024, Ofwat published for consultation the PR24 draft determinations for each Regulated Company. As part of this consultation process, Anglian Water has considered the information contained in Anglian Water’s draft determination and published its response to Ofwat on 28 August 2024. A key element of the response was that, to achieve the scale of work needed, Anglian Water’s Final Determination, and indeed the sector as a whole, needs to be investable. There is no guarantee that current and/or future price controls (including the Final Determination for PR24) will permit the generation of sufficient revenues to enable Anglian Water to meet its obligations under the Bonds (including the payment of principal and interest to investors). See Chapter 11.3.4 “Regulation of the Water and Water Recycling Industry in England and Wales — Licences — Principal Licence Conditions recently modified” and Chapter 11.7 “Regulation of the Water and Water Recycling Industry in England and Wales — Economic Regulation” for more detail.”

- 2.2 Paragraph 11.7.2 entitled “Price controls” in Chapter 11 (Regulation of the Water and Water Recycling Industry in England and Wales) on page 387 of the Base Prospectus shall be updated by replacing the entire paragraph starting: “The next price review (“PR24”) is expected to set price controls for the period 1 April 2025 to 31 March 2030...”, with the following:

“The 2024 price review (“PR24”) is on course to set price controls for the period 1 April 2025 to 31 March 2030. Regulated Companies were required to submit their draft business plans in respect of PR24 by 2 October 2023. Ofwat published for consultation its draft determinations for the AMP8 Period on 11 July 2024, with Final Determinations expected in December 2024. As part of this consultation process, Anglian Water has considered the information contained in Anglian Water’s draft determination and published its response to Ofwat on 28 August 2024. A key element of the response was that, to achieve the scale of work needed, Anglian Water’s Final Determination, and indeed the sector as a whole, needs to be investable. The PR19 regulatory framework is discussed below along with proposed changes for PR24, the framework for which was published in December 2022.”

3 CPO litigation

The paragraph entitled “CPO litigation” under the section entitled “Litigation” in Chapter 4 (Anglian Water Business Description) on page 124 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

“In December 2023, Professor Carolyn Roberts (acting as “Proposed Class Representative”) issued opt-out collective proceedings against Anglian Water (and AWGL, as the parent of Anglian Water) on behalf of relevant customers of Anglian Water in the period from 1 April 2020, alleging that Anglian Water has abused (and continues to abuse) its dominant position, in breach of section 18 of the Competition Act 1998. Parallel proceedings have also been issued against five other UK water and sewage companies (“WASCs”). Professor Roberts alleges that the WASCs have provided misleading information to the Environment Agency and to Ofwat with the result that Ofwat has allowed the water companies to charge customers higher prices for sewerage services than would otherwise have been permitted. As it is proposed that the claims are brought as collective proceedings in the Competition Appeal Tribunal, the claims must be certified as eligible for inclusion in collective proceedings and a collective proceedings order granted before they can proceed. The application for a collective proceedings order to hear the certification issues has been listed by the Competition Appeal Tribunal in the week commencing 23 September 2024.”

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

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

If documents which are incorporated by reference into 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.

This Supplement has been approved by the FCA, which is the United Kingdom competent authority for the purposes of Article 23 of the UK Prospectus Regulation in the United Kingdom, as a base prospectus supplement issued 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, and such approval should not be considered as an endorsement of the Issuer.