



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**”), as supplemented on 13 December 2023 (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 sub-section 1.4.2 entitled “*Special Administration*” in the section entitled “*Risks relating to the Issuer - Legal Considerations*” under Risk Factors and the sub-section entitled “*Special Administration powers and the Transfer Scheme*” in section 11.5 entitled “*Special Administration Orders*” in Chapter 11 (*Regulation of the Water and Water Recycling Industry in England and Wales*), to reflect the publication of certain statutory instruments related to Special Administration.

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 Base Prospectus.

The Issuer and each of Anglian Water Services Limited, 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. Risk Factors

- 1.1 The sub-section 1.4.2 entitled “*Special Administration*” in the section entitled “*Risks relating to the Issuer - Legal Considerations*” under Risk Factors on page 32 of the Base Prospectus shall be updated by replacing the following sentence reading “*It is not known at this stage whether the recent parliamentary inquiries into the water sector and the role of Ofwat as regulator will have an impact on Ofwat’s approach to enforcing its special administration powers*” with the following:

“The FWM Act amends the special administration regime in the WIA to bring it in line with modern insolvency practice in unregulated industries. The FWM Act also streamlines the procedures for transferring a failing company to new owners. The previous regime only enabled the Special Administrator to transfer the appointment and assets of a failing water company onto one or more new owners. The changes enable the Special Administrator to pursue the goal of rescuing the Regulated Company as a going concern if this is reasonably practicable. Some of these provisions are in force as of 12 January 2024 by virtue of the Flood and Water Management Act 2010

(Commencement No. 10) Order 2024 (see “Updates to the Special Administration Regime” under “Special Administration Orders” in Chapter 11 (Regulation of the Water and Water Recycling Industry in England and Wales)).”

2. Regulation of the Water and Water Recycling Industry in England and Wales (Chapter 11)

2.1 Paragraph (c) entitled “*Special Administrator Powers and the Transfer Scheme*” of the sub-section 11.5 “*Special Administration Orders*” in Chapter 11 (*Regulation of the Water and Water Recycling Industry in England and Wales*) on page 383 of the Base Prospectus shall be updated by replacing the sentence reading “*The relevant provisions are not yet in force.*” with the following:

“Some of these provisions are in force as of 12 January 2024 by virtue of the Flood and Water Management Act 2010 (Commencement No. 10) Order 2024, as further described below (see “Updates to the Special Administration Regime”).”

2.2 The sub-section 11.5 entitled “*Special Administration Orders*” in Chapter 11 (*Regulation of the Water and Water Recycling Industry in England and Wales*) on page 384 of the Base Prospectus shall be updated by adding the following sub-section (d):

“(d) Updates to the Special Administration Regime

On 12 January 2024 the Flood and Water Management Act 2010 (Commencement No. 10) Order 2024 came into force. On 15 January 2024 the Water Industry Act 1991 (Amendment) Order 2024 and Water Industry (Special Administration) Regulations 2024 (together, the “**Draft Regulations**”) were laid before parliament in draft form. DEFRA has noted that further statutory instruments are expected in the coming months.

The Flood and Water Management Act 2010 (Commencement No. 10) Order 2024 brings into force certain changes which were made or envisaged by Schedule 5 of FWM Act and the Corporate Insolvency and Governance Act 2020, but which have laid dormant on the statute book until now. Key changes which are in force as of 12 January 2024 include:

- (a) updating the statutory objectives of the regime where it is commenced on the grounds of insolvency to include as a primary objective the “rescue of the company as a going concern” and providing that in such circumstances the existing going concern transfer objective only applies if the Special Administrator thinks that: (a) it is not likely to be possible to achieve the rescue objective; or (b) transfer is more likely to secure more effective performance of the functions or activities of the water undertaker;
- (b) the ability to utilise the existing transfer scheme by way of a ‘hive down’, whereby a going concern transfer may be effected by transferring all or part of the company’s undertaking to a wholly-owned subsidiary and then transferring the shares in that subsidiary to another company; and
- (c) the ability for a Special Administrator to propose a company voluntary arrangement under the Insolvency Act or a scheme of arrangement or restructuring plan under the Companies Act 2006 in furtherance of the priority rescue objective.

Key changes within the Draft Regulations, which are not yet in force, include:

- (a) the application of a modified form of the “new” style administration law under Schedule B1 to the Insolvency Act 1986, as opposed to the current position which applies a modified form of the “old” administration regime under the pre-September 2003 version of the Insolvency Act, which was in force prior to the significant overhaul and modernisation of the administration regime introduced by the Enterprise Act;
- (b) a number of proposed changes to the Insolvency Act and the Companies Act 2006 to give DEFRA and Ofwat enhanced oversight where company voluntary arrangements, schemes of arrangement or restructuring plans (as applicable) are used;
- (c) an express prohibition on Special Administrators disposing of Protected Land without the consent of the Secretary of State;
- (d) providing for the ranking of expenses and HM Treasury funding, HM Treasury loans, grants guarantees or indemnities rateably with other liabilities arising under contracts entered into by the Special Administrator and in priority to remuneration and expenses of the Special Administrator;

- (e) updates to the ability to challenge the conduct of a Special Administrator such that, in addition to creditors and members, the Secretary of State or Ofwat will also be able to apply to the court, on certain grounds and in certain circumstances, to challenge the conduct of a Special Administrator. This includes standalone rights for the Secretary of State or Ofwat to challenge conduct (or proposed conduct) of the Special Administrator that is contrary to the conditions of the company's instrument of appointment or other statutory requirements imposed on water companies, alongside updates to provide that the court cannot grant a remedy in respect of a challenge made by creditors or members unless the Secretary of State and Ofwat have been given a reasonable opportunity to make representations. Changes are also made to bring the challenge provisions broadly in line, with modifications, with the equivalent provisions under Schedule B1 to the Insolvency Act; and
- (f) including clarity as to the options available for ending the Special Administration (e.g., via a creditors' voluntary liquidation, dissolution or court application) broadly by the Special Administrator with the consent of the Secretary of State or Ofwat or, in relation to the court route only, on the application of the Secretary of State or Ofwat."

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.