



*(incorporated with limited liability in England and Wales, with registered number 13677506)*

*(Legal Entity Identifier: 549300BHN1HB5BNG2R96)*

**£10,000,000,000**

**Multicurrency Programme for the Issuance of Guaranteed Bonds Financing**

**Southern Water Services Limited**

*(incorporated with limited liability in England and Wales with registered number 2366670)*

This Supplement (the "**Supplement**") to the prospectus dated 10 November 2025 (the "**Prospectus**") constitutes a supplement to the Prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**") and is prepared in connection with the £10,000,000,000 Multicurrency Programme for the issuance of guaranteed bonds (the "**Programme**") established by SW (Finance) I PLC (the "**Issuer**") and unconditionally and irrevocably guaranteed by *inter alios* Southern Water Services Limited ("**SWS**"). This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus subsequently issued by the Issuer.

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 purpose of this Supplement is to:

- (i) incorporate by reference into the Prospectus the Interim Financial Statements (as defined below);
- (ii) incorporate by reference into the Prospectus the information contained in the RNS Announcements (as defined below); and
- (iii) update:
  - a. Chapter 3 (Risk Factors) by updating the section entitled "*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise*" in relation to the Compliance Certificate published on 29 November 2025;
  - b. Chapter 3 (Risk Factors) by updating the section entitled "*Risks Relating to SWS – Failure to Meet Costs Allowed under the Price Controls*" in relation to the outcome of the CMA review of PR24;
  - c. Chapter 5 (*Description of the SWS Financing Group*) by updating the section entitled "*PR24 Final Determination and Responses*" in relation to the outcome of the CMA review of PR24; and
  - d. Chapter 13 (*General Information*) by updating the section entitled "*Significant or Material Change*" in respect of SWS.

The Issuer and each of SWS, SWS Holdings Limited, SWS Group Holdings Limited and SW (Finance) II Limited (together with the Issuer, being the "**Obligors**") accept 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 Financial Results**

SWS has prepared an interim report for the six months ended 30 September 2025 which includes its un-audited financial statements for the six months ended 30 September 2025 and the auditors' independent review report thereon contained in pages 11 to 46 (inclusive) (accessible at [https://www.southernwater.co.uk/media/0okl3p5h/interim\\_report\\_2025.pdf](https://www.southernwater.co.uk/media/0okl3p5h/interim_report_2025.pdf)) (the "**Interim Financial Statements**").

A copy 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 SWS.

## 2 RNS Announcements

The information contained in the following RNS announcements is incorporated in, and forms part of, the Prospectus:

- (a) RNS announcement released by the Issuer on 13 November 2025 (which is available at: <https://www.londonstockexchange.com/news-article/BU33/notice-of-transaction-effective-date/17326479>);
- (b) RNS announcement released by the Issuer on 3 December 2025 (which is available at: <https://www.londonstockexchange.com/news-article/BU33/liquidity-update/17357231>);
- (c) RNS announcement released by the Issuer on 30 December 2025 (which is available at <https://www.londonstockexchange.com/news-article/BU33/further-equity-commitments/17393526>); and
- (d) RNS announcement released by the Issuer on 31 March 2026 (which is available at: <https://www.londonstockexchange.com/news-article/BU33/equity-commitment-draw-down/17528782>).

(collectively, the “**RNS Announcements**”).

## 3 Other Information

- 3.1 The sub-section “Financial Ratios” in the section entitled “*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise*” shall be updated by replacing the paragraphs and table on pages 26-27 of the Prospectus starting from the paragraph beginning “*The last published levels of the key financial ratios*” to and including the paragraph beginning “*Therefore, given that such last published levels...*” with the following:

“The last published levels of the key financial ratios (as per the Compliance Certificate dated 29 November 2025 in respect of the calculation date of 30 September 2025) as against the Trigger Event thresholds are set out below:

	31 March 2025	31 March 2026	31 March 2027	31 March 2028	31 March 2029	31 March 2030	Trigger Event
Conformed Class A Adjusted ICR	-0.3	1.3	1.9	1.6	1.4	1.4	1.30x
Conformed Class A Average Adjusted ICR	-0.3	1.6	1.6	1.5	1.4	1.4	1.40x
Class A ICR	3.4	3.1	3.8	3.2	2.9	2.9	N/A
Net Cash Flow minus Capital Maintenance Expenditure to Class A Debt Interest	1.2	N/A	N/A	N/A	N/A	N/A	N/A
Class A RAR	0.740	0.685	0.689	0.711	0.712	0.714	0.75x
Senior RAR	0.740	0.685	0.689	0.711	0.712	0.714	0.90x

These conformed adjusted interest cover ratios are expected to have negative headroom until March 2026 and therefore SWS is expected to continue to be in a Trigger Event until that date.”

- 3.2 The paragraph starting “After a detailed review of PR24 final determination published by Ofwat” in section 3.1 of the section “Risks Relating to SWS – Failure to Meet Costs Allowed under the Price Controls” entitled “Price Controls” on page 39 of the Prospectus shall be updated and replaced with the following:

*“After a detailed review of PR24 final determination published by Ofwat on 19 December 2024 (the “FD”), SWS’s board requested Ofwat to refer the FD for independent review by the CMA. The final determination of the CMA review was published on 26 March 2026 and allows SWS to increase customer bills by an average of a further 2.5 per cent. above Ofwat’s original allowance. These changes will not affect customer bills until 2027-2028.*

*Whilst a CMA determination of an Ofwat final determination is typically final, meaning there is no statutory right of appeal on the merits, the determination may be challenged on public law grounds by way of judicial review in the High Court of England and Wales. A challenge by way of judicial review must be brought promptly and, in any event, within 3 months of the date of the CMA determination.”*

- 3.3 The following paragraph shall be inserted after the paragraph starting “On 19 December 2024...” in Chapter 5 (Description of the SWS Financing Group) under the section entitled “PR24 Final Determination and Responses” on page 85 of the Prospectus:

*“After a detailed review of the FD, SWS’s board requested Ofwat to refer the FD for independent review by the CMA. The final determination of the CMA review was published on 26 March 2026 and allows SWS to increase customer bills by an average of a further 2.5 per cent. above Ofwat’s original allowance. These changes will not affect customer bills until 2027-2028.*

*Whilst a CMA determination of an Ofwat final determination is typically final, meaning there is no statutory right of appeal on the merits, the determination may be challenged on public law grounds by way of judicial review in the High Court of England and Wales. A challenge by way of judicial review must be brought promptly and, in any event, within 3 months of the date of the CMA determination.”*

- 3.4 The paragraph starting “The FD allows SWS to collect £6.6 billion” and the following paragraph in Chapter 5 (Description of the SWS Financing Group) under the section entitled “PR24 Final Determination and Responses: Customer Bills” on pages 85-86 of the Prospectus shall be updated and replaced with the following:

*“The FD allows SWS to collect £6.6 billion through bills from both households and businesses over the 2025-30 period. This will recover a share of the cost of historical expenditure, as well as a portion of the £8.7 billion expenditure planned for 2025-30. Overall, this will increase average household bills by £267 (64%) from 2024-25 to 2029-30 for SWS’s customers (before inflation). However, due to Ofwat’s challenge on SWS’s costs and the speed that revenue is recovered from customers, average bills will be lower than those originally proposed by SWS in its business plan submission.*

*Ofwat proposes to apply a delivery mechanism for SWS so that customers will not pay until the company has provided greater clarity on the timing and profile of elements of its business plan. If the mechanism is triggered, this would increase average 2029-30 bills by a further £4.”*

- 3.5 The paragraph starting “(iii) there has been no significant change in the financial performance or financial position of SWS” in Chapter 13 (*General Information*) under the section entitled “Significant or Material Change” on page 330 of the Prospectus shall be updated and replaced with the following:

*“(iii) there has been no significant change in the financial performance or financial position of SWS since the date of its last published interim financial statements, being 30 September 2025 nor any material adverse change in the prospects of SWS since the date of its last published audited annual financial statements, being 31 March 2025;”*

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. Such approval should not be considered as an endorsement of either the Issuer or the Obligors or the quality of the Bonds that are the subject of this Supplement and investors should make their own assessment as to the suitability of investing in the Bonds.