



THAMES WATER UTILITIES FINANCE PLC

(incorporated with limited liability in England and Wales with registered number 02403744)

(Legal Entity Identifier: 213800ESMPQ4RQ7G8351)

£15,000,000,000 Multicurrency programme for the issuance of Guaranteed Bonds financing

Thames Water Utilities Limited

(incorporated with limited liability in England and Wales with registered number 2366661)

This supplement ("this **Supplement**") is prepared as a supplement to, and must be read in conjunction with the base prospectus dated 12 October 2023 (the "**Base Prospectus**"), as supplemented on 15 January 2024 (the "**First Supplement**") (the Base Prospectus together with the First Supplement, the "**Prospectus**", which definition includes all information incorporated by reference within the Base Prospectus and the First Supplement) relating to the £15,000,000,000 multicurrency programme for the issuance of up to £15,000,000,000 Guaranteed Bonds (the "**Programme**") established by Thames Water Utilities 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 sub section entitled "*Special Administration Orders*" in the section entitled "*Licenses*" in Chapter 6 (*Regulation of the Water and Wastewater Industry in England and Wales*), to reflect the publication of certain statutory instruments related to Special Administration, as described further below.

1 REGULATION OF THE WATER AND WASTEWATER INDUSTRY IN ENGLAND AND WALES (CHAPTER 6)

The sub-section entitled "*Special Administration Orders*" in the section entitled "*Licenses*" on page 146 of the Base Prospectus shall be updated by adding the following sub-section (d) on page 148:

"(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 The Flood and Water Management Act 2010 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:

- (i) 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;
- (ii) 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
- (iii) 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:

- (i) the application of a modified form of the “new” style administration law under Schedule B1 to the Insolvency Act, 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;
- (ii) a number of proposed changes to the Insolvency Act and the Companies Act to give Defra and Ofwat enhanced oversight where company voluntary arrangements, schemes of arrangement or restructuring plans (as applicable) are used;
- (iii) an express prohibition on Special Administrators disposing of Protected Land without the consent of the Secretary of State;
- (iv) 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;
- (v) 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
- (vi) 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.”

2 General Provisions

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. An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.

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 19 January 2024.