SUPPLEMENTARY PROSPECTUS DATED 30 July 2025

SW (FINANCE) I PLC

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

(Legal Entity Identifier: 549300BHN1HB5BNG2R96)

£6,000,000,000
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 18 October 2024, as supplemented on 1 November 2024 (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 £6,000,000,000 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.

This Supplement also operates as a supplement to the listing particulars dated 18 October 2024, as supplemented on 1 November 2024 ("**Listing Particulars**") relating to the Programme for the purposes of LR 23.4.1 of the UK Listing Rules of the Financial Conduct Authority ("**FCA**") and section 81 of the Financial Services and Markets Act 2000 in relation to the PSM Bonds as defined in the Listing Particulars. For the purpose of any PSM Bonds issued under the Programme, this document does not constitute a supplemental prospectus within the meaning of Article 23 of the UK Prospectus Regulation. This Supplement is supplemental to, and should be read in conjunction with, the Listing Particulars and any other supplements to the Listing Particulars subsequently issued by the Issuer. References herein to the Prospectus include the Listing Particulars, except where the context requires otherwise.

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 Financial Statements (as defined below).

(ii) incorporate by reference into the Prospectus the information contained in the RNS Announcements (as defined below).

(iii) update:

a. Chapter 3 (*Risk Factors*), by updating the section entitled "*Risks Relating to SWS – Financial Ratios and Credit Ratings*" in relation to the key financial ratios, the credit ratings assigned by S&P, Moody's and Fitch to the Class A Unwrapped Bonds and the risks associated with the Equity Raise;

b. in Chapter 3 (*Risk Factors*), the sub-section entitled "*Investigations*" in the section entitled "*Risks Relating to SWS – Regulatory, Legislative and Political Risks*" and in Chapter 5 the sub-section entitled "*The EA*" in the section entitled "*Ofwat, EA, DWI and Other Investigations*";

c. in Chapter 3 (*Risk Factors*), the sub-section entitled "*Damage to Corporate Reputation or Brand Perception*" in the section entitled "*Risks Relating to SWS – Regulatory, Legislative and Political Risks*";

d. in Chapter 3 (*Risk Factors*), the sub-section entitled "*Thames Water and the UK Water Sector*" in the section entitled "*Risks Relating to SWS – Regulatory, Legislative and Political Risks*";

e. in Chapter 3 (*Risk Factors*), the sub-section entitled "*Price Controls*" in the section entitled "*Risks Relating to SWS – Failure to Meet Costs Allowed under the Price Controls*";

f. in Chapter 3 (*Risk Factors*), the sub-section entitled "*Performance Commitments and Incentives*" in the section entitled "*Risks Relating to SWS – Failure to Meet Costs Allowed under the Price Controls*";

g. in Chapter 3 (*Risk Factors*), the section entitled "*Risks Relating to the Issuer – Financing Considerations*" by inserting a new sub-section entitled "*Material Uncertainty Related to Going Concern*";

h. in Chapter 3 (Risk Factors), the sub-section entitled "*Limited Liquidity of the Bonds; Absence of Secondary Market for the Bonds*" in the section entitled "*Risks Relating to all Bond Issuances*";

i. in Chapter 4 (*Financing Structure*), the section entitled "*History and Background*" in relation to the acquisition by Sandstone Bidco Limited of all of the shares in Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc;

j. in Chapter 5 (*Description of the SWS Financing Group*), Chapter 6 (*Regulation of the Water and Wastewater Industry in England and Wales*) and Chapter 7 (*Summary of the Financing Agreements*) various sub-sections following the final determination for PR24 published by Ofwat on 19 December 2024, recent regulatory developments and to update for the Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement; and

k. in Chapter 13 (*General Information*), the sections entitled "*Significant or Material Change*" and "*Material Contracts*".

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

Each of SWS, SWS Holdings Limited, SWS Group Holdings Limited, SW (Finance) II Limited and the Issuer has prepared its respective annual report for the twelve months ended 31 March 2025 including:

(a) the financial statements and auditor report contained in pages 204 to 256 (inclusive) of the annual report of SWS for the financial year ended 31 March 2025 (accessible at https://www.southernwater.co.uk/media/lophbgtb/southern-water-annual-report-and-financial-statements-2024-25.pdf);

(b) the financial statements and auditor report contained in pages 6 to 18 (inclusive) of the annual report of SWS Holdings Limited for the financial year ended 31 March 2025 (accessible at https://www.southernwater.co.uk/media/ahmh3q3f/swsholdings-31-3-25-v6-pbse.pdf);

(c) the financial statements and auditor report contained in pages 6 to 18 (inclusive) of the annual report of SWS Group Holdings Limited for the financial year ended 31 March 2025 (accessible at: https://www.southernwater.co.uk/media/axgjdzau/swsgh-31-3-25-v9-pbse.pdf);

(d) the financial statements and auditor report contained in pages 8 to 23 (inclusive) of the annual report and financial statements of SW (Finance) II Limited for the financial year ended 31 March 2025 (accessible at https://www.southernwater.co.uk/media/phwboeig/swfii-31-03-25-v8-pbse.pdf); and

(e) the financial statements and auditor report contained in pages 8 to 29 (inclusive) of the annual report of the Issuer for the financial year ended 31 March 2025 (accessible at https://www.southernwater.co.uk/media/5zbmvw3c/swfi-31-03-25-v9-pbse.pdf)

(collectively, the "**Financial Statements**").

Copies of the Financial Statements have been filed with the FCA and, by virtue of this Supplement, the Financial Statements are incorporated in, and form part of, the Prospectus. The Financial Statements have been properly prepared on the basis stated and the basis of accounting is consistent with the accounting policies of each of SWS, SWS Holdings Limited, SWS Group Holdings Limited, SW (Finance) II Limited and the Issuer.

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 8 July 2025 (which is available at: https://www.londonstockexchange.com/news-article/BU33/equity-raise-lock-up-agreement-signed/17124643); and

(b) RNS announcement released by the Issuer on 8 July 2025 (which is available at: https://www.londonstockexchange.com/news-article/BU33/liquidity-update/17124653)

(c) RNS announcement released by the Issuer on 15 July 2025 (which is available at https://www.londonstockexchange.com/news-article/BU33/liquidity-update-launch-of-stid-proposal/17136082) (the "**STID RNS**" and collectively, the "**RNS Announcements**").

3 Risk Factors (Chapter 3)

3.1 The heading of section 1 "*Risks Relating to SWS – Financial Ratios and Credit Ratings*" shall be renamed "*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise".*

3.2 The sub-section "Financial Ratios" in the section to be entitled "*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise*" shall be updated by replacing the paragraphs and table on pages 24-25 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 July 2025 in respect of the calculation date of 31 March 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	-0.4	1.4	2.3	1.5	1.4	1.3	1.30x
Conformed Class A Average Adjusted ICR	-0.4	1.7	1.7	1.4	1.3	1.3	1.40x
Class A ICR	3.4	3.2	4.4	3.0	2.8	2.7	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	0.679	0.679	0.702	0.705	0.701	0.75x
Senior RAR	0.740	0.679	0.679	0.702	0.705	0.701	0.90x

Therefore, given that such last published levels are below the Trigger Event threshold, as at the date of this Prospectus, a Trigger Event in relation to SWS's Conformed Class A Adjusted ICR and Conformed Class A Average Adjusted ICR has occurred and is continuing. The adjusted interest cover ratio is expected to have negative headroom until at least March 2026 and therefore SWS is expected to continue to be in a Trigger Event until at least that date."

3.3 The sub-section "*Credit Ratings*", in the section entitled "*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise*" shall be updated as follows:

(a) The table of current ratings of the Class A Unwrapped Bonds shall be amended so that the rating ascribed to Standard & Poor's is BBB- (CreditWatch Negative), to Moody's is Ba1 (stable) and to Fitch is BBB- (stable).

(b) by adding the following at the end of the paragraph starting "*A Licence Cash Lock-Up stops*….":

*"*It is an Event of Default under the Common Terms Agreement if the shadow rating of the Class A Wrapped Bonds or the rating of the Class A Unwrapped Bonds, in each case ascribed by any two Ratings Agencies is below the minimum required for Investment Grade (the "**Ratings EoD**"). Therefore, a further downgrade of the shadow rating of the Class A Wrapped Bonds or the rating of the Class A Unwrapped Bonds by one of Standard & Poor's and Fitch below its current rating will be an Event of Default unless Moody's has previously restored its credit rating to Investment Grade. Such a downgrade would also breach the rating condition in SWS's Licence (see Risk Factor entitled 4 *"Breach of Licence*" and Chapter 6 ("*Regulation of Water and Wastewater Industry in England and Wales")).* Failure to comply with the Licence in all material respects save to the extent that Ofwat has waived or approved such non-compliance (if required) to the reasonable satisfaction of the Security Trustee will also be an Event of Default under the Common Terms Agreement. It is expected that, in connection with the Equity Raise, the Ratings EoD will be permanently removed, conditional upon (among other things) SWS receiving all funds pursuant to the Initial AMP8 Equity Commitment (see new section entitled "*Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement"* below and Risk Factor below entitled "*Risks relating to the Equity Raise")*. If the relevant conditions are satisfied, and the Ratings EoD is permanently removed an Event of Default would no longer occur under the Common Terms Agreement if the shadow rating of the Class A Wrapped Bonds or the rating of the Class A Unwrapped Bonds, in each case ascribed by any two Ratings Agencies, were to fall below the minimum required for Investment Grade. Accordingly, the rights and remedies available to bondholders in a Standstill Period which would otherwise have arisen if the Ratings EoD had not been permanently removed will not be available to them. Conversely, if the relevant conditions are not satisfied, and the Ratings EoD is not permanently removed, the Company will continue to be at risk of a future Event of Default (as described above).*"*

3.4 A new sub-section entitled "*Equity Raise*" shall be added at the end of the sub-section "*Credit Ratings*" in the section entitled "*Risks Relating to SWS – Financial Ratios, Credit Ratings and Equity Raise*" as follows:

"Equity Raise: On 8 July 2025, SWS announced that it had accepted an offer of equity support backed by a consortium led by funds managed by Macquarie Asset Management ("**MAM**") to support its AMP8 investment programme by signing up to the terms of an equity commitment letter (the "**ECL**") from Sandstone Bidco Limited (the "**Sponsor**"), a special purpose company established by MAM for the purpose of acquiring control of the SWS Financing Group through its acquisition on 4 July 2025 of the issued share capital of Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc from Greensands (UK) Limited (in administration). The ECL comprises a legally binding equity commitment from the Sponsor of £655 million (the "**Initial AMP8 Equity Commitment**") and confirmation of intent to provide further equity commitments of up to a further £545 million - and with a minimum of £245 million - by December 2025 (in total, the "**Equity Raise**"). The injection into SWS of the Initial AMP8 Equity Commitment is subject to the satisfaction of certain conditions set out in the ECL (the "**ECL Conditions**") (see Chapter 5 "*Description of the SWS Financing Group*" under "*Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement*"). In particular, the Initial AMP8 Equity Commitment is conditional on the sanctioning of the SWS Scheme (as defined below). The sanctioning of the SWS Scheme will require approval by a majority in number and at least 75% in value of each class of creditors who vote on the scheme (see Chapter 5 "*Description of the SWS Financing Group*" under "*Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement – SWS Scheme*"). Whilst SWS has entered into the lock-up agreement referred to in Chapter 5 with creditors representing a substantial proportion of its creditors by value for the purpose of supporting the SWS Scheme, there is no guarantee or assurance that the requisite votes by value and number for each class in the SWS Scheme will be obtained and that the SWS Scheme will be sanctioned. Failure to satisfy the SWS Scheme Condition or any other ECL Condition (as described in Chapter 5 "*Description of the SWS Financing Group*" under "*Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement*") will result in the Initial AMP8 Equity Commitment ceasing to be available to SWS. If such failure were to occur, it is likely the shadow ratings of the Class A Wrapped Bonds and the ratings of the Class A Unwrapped Bonds would be downgraded, possibly by multiple notches, below Investment Grade and that a Ratings EoD under the Common Terms Agreement would occur. In addition, even if the Initial AMP8 Equity Commitment is received, there can be no guarantee that the shadow rating of the Class A Wrapped Bonds or the rating of the Class A Unwrapped Bonds will improve or that there will not be further ratings downgrades. Furthermore, in connection with the Equity Raise, creditors have committed under the lock-up agreement to approve certain additional amendments to the Common Documents (*see Chapter 5 – Description of the SWS Financing Group – Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement –STID Proposals*). The creditor support for, and the effectiveness of, these additional amendments are not contingent upon SWS receiving the full proceeds of the Initial AMP8 Equity Commitment – only, in respect of certain of these additional amendments, a portion of the proceeds. Accordingly, subject to the satisfaction of certain other conditions, creditors (including Bondholders) could be subject to the amended terms of the Common Documents, notwithstanding the fact that not all of the Initial AMP8 Equity Commitment had been received."

3.5 The paragraph starting "*As has also been reported* …" in section 2.1 entitled "*Investigations*" on page 27 of the Prospectus shall be updated and replaced with the following:

"As has also been reported previously, SWS continues to cooperate with the EA in its separate investigation into legacy issues relating to wastewater sampling compliance for the period 2013 to 2017. The investigation stage has now concluded, and charges against the company are expected. In light of the uncertainties regarding the timing for bringing of any charges, and the related quantum and seriousness, the SWS Board has concluded that it is not yet possible to

make a reliable estimate of any financial obligation that may arise from the bringing of such charges, but will keep the situation under review.

Proceedings have also been commenced by the EA in relation to various events at Margate and Broadstairs that took place during a three-year period between 2019 and 2021. There are 13 charges covering both sites, some of which are 'specimen' charges and only some of which are for categorised pollution events. At a court appointment on 22 April 2025 SWS pleaded guilty to the charges, although two of these remain in dispute. The sentencing hearing is not expected to take place until 2026. There is a range of possible outcomes which reflects the general level of uncertainty at this time, the disputed levels of culpability and environmental harm, the extent of the applicability of the Sentencing Council's Guidelines for Environmental Offences to SWS which vary widely, and their timing. Further, as SWS is a Very Large Organisation (as defined in the Sentencing Council's Guidelines), there is a requirement for the court to examine the financial circumstances of the organisation in the round. However, SWS recognises that there will be a probable liability associated with the proceedings and has therefore recognised a provision of £2.0 million reflecting an amount for possible fines and an allowance for legal costs. The court has a broad discretion to determine how a fine is assessed and the level of fine imposed, and the provision that SWS has made is not intended to indicate or predict any particular level of fine. The SWS Board will continue to review the level of provision made as more information becomes available."

3.6 The paragraph beginning with "*These reputational risks…*" in section 2.2 entitled "*Damage to Corporate Reputation or Brand Perception*" on page 29 of the Prospectus shall be updated by replacing the sentences beginning with "*For example, in response*…" and the subsequent sentences in this paragraph with the following:

*"For example, in response to increasing concerns of customers and other stakeholders, Ofwat has introduced (as part of the 2024 price review ("**PR24**")) common performance commitments for serious pollution incidents and discharge permit compliance performance commitments with the expectation that all water companies will comply by 2030. Such scenarios could adversely affect regulatory relationships and increase costs and capital expenditure requirements."*

3.7 The second paragraph of section 2.11 entitled "*Thames Water and the UK Water Sector*" on page 34 of the Prospectus shall be updated and replaced with the following:

"On 20 September 2024, Thames Water announced that it would run out of liquidity by the end of December 2024. On 25 October 2024, certain of its creditors entered into an agreement to underwrite the provision of new money and to permit Thames Water to have access to £400,000,000 of otherwise restricted cash, which would extend the liquidity runway until March 2025.

In order to allow for the injection of new money before the expiry of the liquidity runway, in December 2024 the parent company of Thames Water proposed a restructuring plan to its creditors pursuant to Part 26A of the Companies Act 2006. Despite sustained opposition by a group of subordinated creditors, the English court sanctioned the restructuring plan on 18 February 2025. The decision was appealed by the subordinated creditors but the appeal was dismissed by the Court of Appeal on 17 March 2025. The restructuring plan was intended as a bridge to a more holistic recapitalisation of the Thames Water group through an equity-raise process and likely further restructuring plan in later 2025. If this is unsuccessful, the risk of special administration remains. The special administration regime has not previously been used for a UK water company, and its potential application could lead to a temporary and/or permanent decrease in investor confidence for companies in the UK water sector, particularly those with higher levels of gearing."

3.8 Section 3.1 entitled "*Price Controls*" on page 35 of the Prospectus shall be updated by:

(a) adding the following after the paragraph starting with "*On 11 July 2024* …":

*"After a detailed review of PR24 final determination published by Ofwat on 19 December 2024 (the "**FD**"), SWS's board has requested Ofwat to refer the FD for independent review by the CMA. The outcome of the CMA review was expected to complete within 6 months from the date of the formal reference by Ofwat, but in April 2025, the CMA requested Ofwat for an extension until 17 March 2026, which was granted. SWS expects to receive the CMA's provisional determinations in September 2025 and final determinations in December 2025 or January 2026.*

In response to structural challenges in the UK water sector and public and government concerns over the performance of the water companies, the current government launched 'The Cunliffe Review' an Independent Commission into the water sector and its regulation. Sir Jon Cunliffe's final report of the Independent Commission was published on 21 July 2025 and includes a total of 88 recommendations for reform of the water sector in England and Wales, including the consolidation of Ofwat and the merger of its functions (plus those of the EA (in part), DWI and Natural England) into a unified "super-regulator" (see Chapter 6 – Regulation of the Water and Wastewater Industry in England and Wales – Regulatory Developments – the Cunliffe Review).

On 1 July 2025, SWS announced that it had secured an offer of equity support from a consortium led by funds managed by Macquarie Asset Management to support its investment programme for the AMP8 Period, comprising a legally binding equity commitment of £655 million provided on the terms of an equity commitment letter and subject to certain conditions, and confirmation of intent to provide further equity commitments of up to a further £545 million - and with a minimum of £245 million - by December 2025. Any delay in or failure to complete the Equity Raise could negatively

impact SWS's business, overall financial condition and covenant requirements under the Common Terms Agreement and to raise finance, comply with its obligations under the Instrument of Appointment and legislation. This could negatively affect the Issuer's and SWS's ability to make timely payments of principal and interest under the Bonds."

(b) In the paragraph beginning "*In order for SWS to continue to deliver its services*", the words ", *SWS's plan assumed the provision of a further £650 million of equity in AMP8*", shall be deleted.

3.9 The sentence starting with "*SWS has proposed mechanisms*…" in the paragraph starting with "*Although Ofwat has a duty*…" under section 3.1 entitled "*Price Controls*" on page 36 of the Prospectus shall be deleted and replaced with the following:

"The FD has set out a number of mechanisms that Ofwat could use in its decision for dealing with the uncertainties, including: (i) notified items – whereby if specific items materially increase in cost, SWS may seek an interim determination; (ii) large scheme gated process – whereby large schemes can have their funding allowances adjusted following the completion of various stage gates; and (iii) storm overflows uncertainty mechanism – whereby a funding reconciliation is provided at PR29 if additional overflow schemes and discharges are delivered during the AMP8 Period (and certain conditions are met). Ofwat also has indexation approaches where labour and energy prices vary by more than allowances (assessed using national indices). Notwithstanding these mechanisms, SWS may be adversely impacted if the revenues and allowances received do not match the costs incurred in relation to its committed delivery requirements."

3.10 The paragraph starting "*The DD response* …" in section 3.4 entitled "*Performance Commitments and Incentives*" on page 37 of the Prospectus, shall be amended by deleting the last sentence in the paragraph commencing with "The DD response for AMP8" and replacing it with the following:

"There are still large variances between Ofwat's view in the FD and SWS's view of performance expectations in AMP8."

3.11 A new risk factor to be added at the start of Section 6 "*Risks relating to the Issuer – Financing Considerations*" as section 6.1, with the subsequent sections to be renumbered accordingly, to be included as follows:

"**Material Uncertainty Related to Going Concern**

Each of the Obligors prepared their financial statements for the period ending 31 March 2025 on a basis of going concern with material uncertainty.

SWS has a significant level of expenditure planned to continue to enhance its assets, improve operational performance and begin delivering its plans for AMP8.

To assist in financing its investment programme for the AMP8 Period, on 8 July 2025, SWS accepted an offer of equity support from a consortium led by funds managed by Macquarie Asset Management by way of the Equity Raise.

However, as at the date of finalisation of the financial statements of each of the Obligors, the Initial AMP8 Equity Commitment remained subject to a number of conditions and whilst the consortium led by funds managed by MAM had indicated their support to SWS to confirm their intent to provide commitments up to a further £545 million, these additional commitments had not been received. The directors of each Obligor were of the opinion that the proceeds of the Initial AMP8 Equity Commitment would be received, but given it had not been received at the date of the financial statements and its commitment was not within the directors' control, the directors believed that the risk that the equity was not received constituted a material uncertainty that may cast significant doubt about each of the Obligor's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, notwithstanding the material uncertainty above, on the basis of their assessment of each Obligor's overall financial position, and the board approved latest cash flow forecast, the directors had a reasonable expectation that each Obligor had adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. This assessment includes consideration of the forecast cash flows over the 12 months to July 2026 of each Obligor, and the capital structure of each Obligor and financing needs for the period. For this reason, the directors continued to adopt the going concern basis of accounting in preparing the annual financial statements for each Obligor.

If the Obligors were unable to operate as a going concern this may lead to the making of a Special Administration Order in respect of SWS (see Chapter 6 "*Regulation of the Water and Wastewater Industry in England and Wales – Special Administration Orders*") or the winding up in respect of the other Obligors, which could also have an adverse impact the other Obligors and reduce the amount available to the Issuer to repay the Bondholders and the Bondholders may not recover the full amount owing to them under the Bonds."

3.12 The following paragraph shall be inserted after the paragraph beginning with "There can be no assurance that a secondary market…" in section 8.2 entitled "Limited Liquidity of the Bonds; Absence of Secondary Market for the Bonds" on page 56 of the Prospectus:

*"In particular, SWS and the other Obligors entered into a lock-up agreement on 8 July 2025 (the "**SWS LUA**") with, among others, beneficial or economic owners of Class A Debt. If any such owners of Class A Debt purchase any Bonds issued after the date of this Prospectus (or any purchasers of Bonds so issued accede to the SWS LUA), the liquidity and market value of such Bonds may be adversely affected."*

4 Financing Structure (Chapter 4)

The section entitled "History and Background" on pages 64-69 of the Prospectus shall be updated to add the following, and Chapter 4 (Financing Structure) shall read accordingly:

*"On 4 July 2025, Sandstone Bidco Limited ("**Bidco**") acquired all of the shares in Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc through a sale, with the full support of their creditors. Bidco is currently 100% indirectly owned by MSCIF Luxembourg C Holdings S.A.R.L."*

5 Description of the SWS Financing Group (Chapter 5)

5.1 The section entitled "SWS's Strategy and vision for AMP7 and beyond" on pages 72 - 73 of the Prospectus shall be updated in its entirety and replaced with the following:

"***SWS's Strategy and vision for AMP8 and beyond***

Water is essential to every aspect of people's lives; however, securing future water supplies and minimising environmental impact presents significant challenges. The population of the South East is growing fast, and climate change may bring droughts and more extreme weather. The future may see more people needing water and wastewater services, with less water to go around and greater need to protect the environment. The vital nature of water, and the need to keep it flowing far into the future is what SWS reflected in its AMP8 plan.

To help create the AMP8 plan, SWS has contacted hundreds of thousands of its current customers, businesses, independent experts, regulators, as well as young people who might be customers themselves one day. Their expectations were clear. SWS should:

(a) focus on the basics such as customer service, water quality and affordable bills;

(b) protect the environment;

(c) make sure it uses water wisely (and help its customers to do the same); and

(d) make sure SWS is fit for whatever the future might bring.

Alongside what SWS does, stakeholders also care deeply about how SWS does it. Stakeholders want SWS to deliver great services with good communication, to work together with other organisations and with its customers, and to use the latest smart technology to keep the water flowing and avoid, mitigate or remediate negative environmental impacts, where possible."

5.2 The section entitled "*PR24 Draft Determination and Responses*" on page 80 of the Prospectus shall be updated in its entirety and replaced with the following:

"***PR24 Final Determination and Responses***

Introduction

*On 19 December 2024 (republished by Ofwat on 10 April 2025), Ofwat published its final determination (the "**FD**") for the 2024 Periodic Review covering the period from 1 April 2025 to 31 March 2030, which can be accessed here: https://www.ofwat.gov.uk/publication/overview-of-southern-waters-pr24-final-determination/ (but does not form part of this Prospectus). The FD was published following a period of consultation, with water companies, customers and stakeholders on a draft determination (the "**DD**") published on 1 July 2024. This price review results in the largest investment in the water sector, and for SWS in particular, of any five-year period since privatisation. Much of this investment is necessary to meet environmental and water quality requirements.*

*Since submission of its business plan in October 2023, and draft determination response (the "**DDR**") in August 2024, Ofwat has scrutinised SWS's proposed costs so that customers do not pay more than is necessary for the service they receive and are not double charged for work which should have already been delivered. Ofwat has also sought to*

align the interests of SWS's investors with customers, by ensuring the returns that investors earn reflect the performance delivered for customers and the environment.

Ofwat believes its FD will enable SWS to deliver the investment that is required and will incentivise SWS to go beyond its performance targets to achieve better outcomes for customers and the environment.

Ofwat's FD provides SWS with a total expenditure allowance of £8.6 billion over the 2025-30 period (of which approximately £8 billion qualifies for cost sharing) which means that the proposed allowances are 11% lower than in SWS's DDR. Ofwat also assessed that SWS's DDR had improved its plan enough to meet Ofwat's minimum expectations and as a result remove the "inadequate" categorisation and financial penalty of £54 million.

Ofwat's key expectations, allowances and commitments for SWS are set out in further detail below.

Customer Bills

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 £8.6 billion expenditure planned for 2025-30. Overall, this will increase average household bills by £221 (53%) 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 £19."

5.3 The paragraph starting "*As has also been reported*…" in the section entitled "*The EA*" on page 86 of the Prospectus shall be updated and replaced with the following:

"As has also been reported previously, SWS continues to cooperate with the EA in its separate investigation into legacy issues relating to wastewater sampling compliance for the period 2013 to 2017. The investigation stage has now concluded, and charges against the company are expected. In light of the uncertainties regarding the timing for bringing of any charges, and the related quantum and seriousness, the SWS Board has concluded that it is not yet possible to make a reliable estimate of any financial obligation that may arise from the bringing of such charges, but will keep the situation under review."

5.4 A new section entitled "*Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement"* shall be added immediately after the section entitled "PR24 Final Determination and Responses" as follows:

"***Equity Raise, Scheme of Arrangement, STID Proposals and Lock-up Agreement***

Equity Commitment Letter

On 8 July 2025 SWS accepted an offer of equity support backed by a consortium led by funds managed by MAM to support its AMP8 investment programme by signing up to the terms of the ECL from the Sponsor, a special purpose company established by MAM for the purpose of acquiring control of the SWS Financing Group through its acquisition on 4 July 2025 of the issued share capital of Greensands Junior Finance Limited and Southern Water (Greensands) Financing plc from Greensands (UK) Limited (in administration). The ECL comprises, subject to the satisfaction of conditions, a legally binding equity commitment from the Sponsor of £655 million (the "**Initial AMP8 Equity Commitment**") and confirmation of intent to provide further equity commitments of up to a further £545 million - and with a minimum of £245 million - by December 2025.

As at the date of this Supplement, the Initial AMP8 Equity Commitment remains subject to the following conditions (the "**ECL Conditions**"):

(a) in respect of certain holding companies of the SW Financing Group:

(i) the completion of a debt for equity exchange (the "**Holdco Debt Exchange**") in respect of existing indebtedness of Southern Water (Greensands) Financing plc, Greensands Holdings Limited, Greensands (UK) Limited, Greensands Junior Finance Limited and Greensands Senior Finance Limited (the "**Holdco Obligors**") (the "**Holdco Condition**"); and

(ii) the irrevocable satisfaction of all conditions (excluding any condition relating to the delivery of any portion of the Initial AMP8 Equity Commitment) to the completion of a restatement of indebtedness terms relating to Greensands Finance Limited ("**Midco**"), Greensands Finance Holdings Limited and Greensands Finance PLC (together with Midco, the "**Midco Obligors**") (the "**Midco Debt Restatement**") and, insofar as is required to achieve the Midco Debt Restatement, the delivery of a final sanction order to Companies

House in respect of a scheme of arrangement in respect of Midco pursuant to Part 26 or Part 26A of the Companies Act 2006 (the "**Midco Scheme**") in order to bind the existing term facility lender to Midco to the Midco Debt Restatement (the Midco Debt Restatement and Midco Scheme, together the "**Midco Conditions**"); and

(iii) until such time as the Holdco Condition and the Midco Conditions are satisfied, there being no termination of the lock-up agreement dated 8 July 2025 between, among others, the Sponsor, the Holdco Obligors, the Midco Obligors and the creditors of those companies listed therein (the "**Holdco/Midco LUA**") other than its automatic termination on the fulfilment of the Holdco Condition and the Midco Condition (the "**Holdco/Midco LUA Condition**"); and

(b) in respect of the SW Financing Group:

(i) SWS delivering a final sanction order to Companies House in respect of the SWS Scheme, as defined in the section entitled "*SWS Scheme of Arrangement*" (the "**SWS Scheme Condition**"); and

(ii) until such time as the SWS Scheme Condition is satisfied:

(A) there being no termination in full of the SWS LUA (as defined below) other than its automatic termination due to the occurrence of the Transaction Effective Date (as defined therein) (the "**SWS LUA Condition**");

(B) no downgrade of the Class A Wrapped Bonds or the Class A Unwrapped Bonds by one or both of S&P or Fitch below Investment Grade or there being no occurrence of the Ratings EoD (the "**IG Condition**" and together with SWS Scheme Condition and the SWS LUA Condition, the "**SWS Conditions**"); and

(c) satisfaction of the ECL Conditions by 5:00 p.m. on 31 October 2025.

SWS Lock-up Agreement

Parties and access

SWS and the other Obligors have entered into a lock-up agreement on 8 July 2025 (the "**SWS LUA**") with, among others, the Sponsor, MSCIF Luxembourg C Holdings S.A.R.L (the "**Investor**"), and beneficial or economic holders of Class A Debt (the "**Consenting Creditors**") representing as at the date of this Supplement approximately £5.5 billion and more than 72 per cent. by value of the outstanding principal amount of Class A Debt (which percentage by value includes 100 per cent. of the Liquidity Facility Providers, 98 per cent. of Hedge Counterparties and approximately 65 per cent. of other Class A Debt). For the purposes of the SWS LUA, certain Consenting Creditors form part of a group comprising Bondholders, any Financial Guarantor of Wrapped Debt and holders of PP Debt (the "**Bond Group**") and certain other Consenting Creditors form part of a group (the "**Bank and Hedge Counterparty Group**").

Additional creditors may accede to the LUA after 8 July 2025 by delivering an Accession Letter (as defined in the SWS LUA) to Kroll Issuer Services Limited (the "**Lock-Up Agent**").

The SWS LUA includes a number of provisions governing the Consenting Creditors' Locked-up Debt (as defined in the SWS LUA), including the following:

(a) subject to customary limitation provisions, the Consenting Creditors are prohibited from transferring any rights, obligations, title, interest, or benefits related to Locked Up Debt or the Lock-Up Agreement (i) except as otherwise permitted by relevant Finance Documents and (ii) unless and until both the Consenting Creditor and the transferee (other than a Qualified Market Maker) deliver a duly executed Transfer Notice (as defined in the SWS LUA) to the Lock-Up Agent by no later than one (1) Business Day before the record date for the purposes of the SWS Scheme (the "**Record Date**"), ensuring the transferee is either a Consenting Creditor or agrees to accede to the Lock-Up Agreement;

(b) the Consenting Creditors are restricted from sub-participating their rights in a manner that would transfer voting rights to a sub-participant (i) except as otherwise permitted by relevant Finance Documents and (ii) in the case of a proposed sub-participant who is not a Consenting Creditor, unless and until the Consenting Creditor delivers a duly completed and signed Sub-Participant's Letter (as defined in the SWS LUA) to the Lock-Up Agent confirming the amount of that Consenting Creditor's Locked-Up Debt that is subject to the sub-participation agreement with the proposed sub-participant;

(c) transfers to Qualified Market Makers (as defined in the SWS LUA) are permissible, provided that the Qualified Market Maker intends to act in such capacity provided that: (i) the Consenting Creditor shall make such Transfer conditional on the transferee of the Qualified Market Maker either already being a Consenting Creditor or agreeing to execute and deliver an Accession Letter; (ii) the Consenting Creditor shall procure that the Qualified

Market Maker transfers the Locked-Up Debt within five (5) Business Days of settlement to the transferee and (iii) no such Transfer is made within six (6) Business Days of the earlier of the Scheme Meetings and the Record Date;

(d) the Consenting Creditors may acquire additional Class A Debt, which automatically becomes Locked-Up Debt, contingent upon the submission of an Increase/Decrease Notice or Transfer Notice to the Lock-Up Agent;

(e) the Consenting Creditors must endeavour to recover Class A Debt subject to Repo Arrangements Makers (as defined in the SWS LUA) prior to the Record Date, with new arrangements permissible post-Unblocking Date. No new Repo Arrangements in the period from five (5) Business Days before the Record Date to the Unblocking Date (as defined in the SWS LUA);

(f) the Consenting Creditors are obligated until the Unblocking Date to settle Open Positions Makers (as defined in the SWS LUA) related to Class A Debt as soon as possible and notify the Lock Up Agent of any Open Positions with other Consenting Creditors by no later than one (1) Business Day before the Record Date.

The SWS LUA is available through the website set-up by the Lock-Up Agent at https://deals.is.kroll.com/southernwater. Unless otherwise defined in the summary below or in the MDA, terms defined in the SWS LUA bear the same meanings when used in the summary below.

Purpose, Support Undertakings and Forbearance

The principal purpose of the SWS LUA is to obtain the support of the Consenting Creditors for the SWS Scheme and the STID Proposals (as defined below) so as to facilitate the injection by the Sponsor into SWS of the Initial AMP8 Equity Commitment (the "**Transaction**"). Ultimately, the sanctioning of the SWS Scheme will require approval by a majority in number and at least 75% in value of each class of creditors who vote on the scheme

Permanent removal of the Ratings EoD is conditional on SWS receiving the full amount of the Initial AMP8 Equity Commitment in cash pursuant to the ECL on or before 31 March 2026 (the "**Funding Condition**"). Prior to receipt of the full amount, the Ratings EoD will be conditionally waived from the period starting once SWS receives £505 million of the Initial AMP8 Equity Commitment (the "**Initial Equity Injection**"), which SWS expects to receive by early November with a long-stop date of no later than 28 November 2025 and ending when the Funding Condition is satisfied. SWS is contractually obliged under the SWS LUA to draw all of the Initial AMP8 Equity Commitment so as to receive the full amount on or before 31 March 2026.

Additionally, the waiver and amendment contemplated by the SWS Scheme will be conditional on satisfaction of the ECL Conditions.

Parties to the SWS LUA undertake, amongst other things, to support the Transaction. This includes undertakings from the Investor to the Consenting Creditors to comply with its obligations under the ECL. In addition, consent of the Consenting Creditors will be required to amend or waive any of the terms of the ECL and related equity commitment documents.

Consenting Creditors undertake to vote in favour of the SWS Scheme and, insofar as they are entitled to vote under the STID, the STID Proposals (as defined below), and not to take any enforcement action and forebear in relation to any breaches of the Finance Documents which occur as a result of the Transaction.

Consent Fees

Each Creditor Party and any other Class A Debt Provider that accedes to the SWS LUA by 5.00 p.m. on the date falling one (1) Business Day prior to the Record Date is entitled to a fee of £1,000.

Termination

Automatic Termination

The SWS LUA will terminate automatically on the earlier of the following occurring:

(a) the date (the "**Transaction Effective Date**") on which each of the following conditions are satisfied:

(i) completion of the HoldCo Debt Exchange;

(ii) completion of the MidCo Debt Restatement;

(iii) the occurrence of the Scheme Effective Date, being the date on which a copy of the final sanction order in respect of the SWS Scheme is delivered to Companies House;

(iv) each of the ECL Conditions being satisfied or irrevocably waived;

(v) each of the documents facilitating and implementing the Transaction becoming unconditionally effective (excluding any conditions subsequent to be satisfied at a later date) in accordance with their respective terms (or where any such terms have been waived); and

(vi) SWS receiving the Initial Equity Injection;

(b) the date on which the ECL is amended, terminates or is terminated or otherwise ceases to be in full force and effect (other than with respect to amendments permitted in accordance with SWS LUA);

(c) the date on which the Sponsor or any of its Affiliates makes a statement expressly repudiating the ECL or its commitment to provide the Initial AMP8 Commitment; and

(d) the Longstop Time(being 28 November 2025 or such later date as may be agreed between the relevant Approving Parties).

Majority Creditor Termination

The Majority Consenting Creditors may terminate the SWS LUA with immediate effect by written notification to SWSH if:

(a) the Sponsor or any Company Party does not comply with the SWS LUA in any material respect;

(b) subject to a requirement for any breach to be reasonably expected to have an adverse consequence for the Consenting Creditors and the expiry without remedy of a specified grace period, certain representations made by the Sponsor or any Company Party proves to have been incorrect or misleading in any material respect when made and, except as otherwise provided, with the result that there is a material impact on the ability of any member of the Group to implement or consummate the Transaction;

(c) subject to a remedy period, an order of a Governmental Body or court of competent jurisdiction is issued restraining or otherwise preventing the implementation of the Transaction;

(d) an Insolvency Event occurs in relation the Sponsor or any of its Subsidiaries;

(e) acting reasonably and in good faith, they determine that a Material Adverse Effect exists or occurs following the date of the SWS LUA;

(f) the SWS Scheme fails or is formally withdrawn by SWSH;

(g) SWSH ceases to be a Subsidiary of the Sponsor;

(h) an Event of Default under the Common Terms Agreement occurs;

(i) if by 31 August 2025, 100 per cent. of the creditors to Midco have not acceded to the Holdco/Midco LUA and a practice statement letter for the Midco Scheme has not been issued;

(j) the Holdco/Midco LUA terminates or is terminated without the Transaction Effective Date having occurred; or

(k) any Company Party, the Sponsor, the Investor or any of their respective Affiliates publicly states that it will no longer be supporting the Transaction, or in the case of the Sponsor, the Holdco Debt Exchange and/or the Midco Debt Restatement.

In addition, each of (a) the Majority Bondholder and Financial Guarantor Consenting Creditors and (b) the Majority Bank and Hedge Counterparty Consenting Creditors may terminate the SWS LUA with immediate effect by written notice to SWSH if the Majority Consenting Creditors do not terminate the SWS LUA where they are entitled to do so within 10 Business Days of first becoming entitled to do so.

Company Party Termination

The Company Party may terminate the SWS LUA with immediate effect by written notice to the Consenting Creditors if (a) it ceases to have the support of enough of the Approving Parties to consummate the Transaction or (b) any Consenting Creditor is in breach of a material provision of the SWS LUA rendering it impossible to implement the Transaction.

Termination by Individual Consenting Creditor

An individual Consenting Creditor may terminate its participation in the SWS LUA if

(a) an amendment is proposed to the SWS LUA which (i) imposes a more onerous obligation on that Consenting Creditor when compared to other Consenting Creditors or class of Consenting Creditors; (ii) withdraws or reduces a material legal or economic right of that Consenting Creditor when compared to other Consenting Creditors or class of Consenting Creditors; or (iii) affects any Consenting Creditor disproportionately in comparison to other Consenting Creditors of the same class; or

(b) any amount due under a Finance Document is not paid by SWS or any other Obligor on the due date to the individual Consenting Creditor which would, subject to any applicable grace period, constitute an Event Default under paragraph 1 (*Non-Payment*) of Part 2 (*Events of Default (SWS and the Issuer)*) of Schedule 7 (*Events of Default*) of the Common Terms Agreement.

Termination by Individual Consenting Interest Rate Hedge Counterparties

An individual Consenting Interest Rate Hedging Provider may terminate its participation in the SWS LUA in respect of its Locked-Up Swap Debt if any event relating to non-payment occurs and is continuing under its Hedging Agreement.

SWS Scheme

In connection with facilitating the provision of the Initial AMP8 Equity Commitment by the Sponsor to SWS pursuant to the ECL, SWSH is seeking the consent of the Class A Debt Providers pursuant to a scheme of arrangement proposed by SWSH pursuant to Part 26 of the Companies Act to amend the CTA to suspend the operation of the Ratings EoD from the Transaction Effective Date until the earlier of:

(a) the date on which the Initial AMP8 Equity Commitment has been made available and contributed in full in accordance with the terms of the Equity Commitment Letter, whereupon paragraph 19 (*Rating*) of Part 2 (*Events of Default (SWS and the Issuer)*) of Schedule 7 (*Events of Default*) to the Common Terms Agreement will be deleted to permanently remove the Ratings EoD; and

(b) 1 April 2026, whereupon the suspension of the operation of the Ratings EoD shall cease to apply.

(the "**SWS Scheme**")

The scheme creditors will form separate classes for the purposes of voting on the SWS Scheme, with consideration for the rights they have going into and coming out of the SWS Scheme. Details of the proposed composition of the classes for the SWS Scheme will be made available to Bondholders when the practice statement letter for the SWS Scheme is delivered to them. The SWS Scheme will become effective in accordance with its terms following:

(a) approval of the SWS Scheme by a majority in number (i.e. more than 50 per cent.) representing at least 75 per cent. in value of Scheme Creditors in each Scheme Class present (in person or by proxy) and voting at each scheme class meeting;

(b) the granting by the High Court of the sanction order; and

(c) the delivery of a copy of the Sanction Order to Companies House.

If the SWS Scheme becomes effective in accordance with its terms pursuant to the above, all scheme creditors (including those who did not vote in favour of the SWS Scheme or those who did not vote at all) will be bound by the terms of the SWS Scheme as a matter of English law, irrespective of the jurisdiction in which the scheme creditor resides or has their seat, along with SWSH.

STID Proposals

Preliminary STID Proposal

On 14 July 2025, SWS launched a STID Proposal (the "**Preliminary STID Proposal**") to obtain the consent of the Majority Creditors (as defined in the STID) to certain waivers in respect of certain technical Events of Default that may arise under the CTA by virtue of SWS launching the SWS Scheme. The Preliminary STID Proposal also requests Majority Creditor consent to:

(a) amendments to the Standstill Cash Management provisions in the CTA with the effect of permitting SWS to remain as Cash Manager during a Standstill Period until the earlier of (a) 20 Business Days following notification by the Security Trustee that Class A DIG Representatives representing at least 66 2/3% of the Outstanding

Principal Amount of Qualifying Class A Debt have directed the appointment of the independent Standstill Cash Manager to commence and (b) 18 months from the commencement of the Standstill Period (following which the independent Standstill Cash Manager shall be appointed); and

(b) the inclusion of certain technical provisions reflecting provisions customarily included in finance documentation as policy requirements of UK, European and US regulated banks and financial institutions in relation to bail-in and qualifying financial contracts regulations.

The Preliminary STID Proposal was passed on 28 July 2025 and has been implemented on 29 July 2025.

On 15 July 2025, SWS launched a further STID proposal (for details see the STID RNS incorporated herein by reference). This proposal was passed on 29 July 2025 and implemented on 30 July 2025.

Ancillary Amendments STID Proposal

SWS intends, prior to or concurrent with the launch of the SWS Scheme, to launch a consent request through a further STID Proposal (the "**Ancillary Amendments STID Proposal**" and together with the Preliminary STID Proposal, the "**STID Proposals**") to obtain Majority Creditor Consent (for which the requisite support has been provided under the terms of the SWS LUA) to amend the Common Agreements as follows (to take effect on the Transaction Effective Date):

(a) the deletion of the words "to the reasonable satisfaction of the Security Trustee" in paragraph 7 paragraph 7(b) (*Compliance with laws and Instrument of Appointment*) of Part 3 of Schedule 5 (*Covenants*) to the CTA, which requires SWS to comply in all material respects with the terms and conditions of the Instrument of Appointment "save to the extent Ofwat has waived or approved such non-compliance to the reasonable satisfaction of the Security Trustee";

(b) the deletion of the condition precedent in paragraph 4 (*Rating Agencies*) of Schedule 2 (*Conditions Precedent to Future Bond Issues or Wrapped Debt*) to the CTA that the Security Trustee receives a confirmation from the Rating Agencies that any Class A Wrapped Bonds, when issued, will be rated AAA by S&P, Aaa by Moody's and AAA by Fitch and that any Class A Unwrapped Bonds, when issued, will be rated A- by S&P, A3 by Moody's and A- by Fitch; and

(c) the inclusion of certain additional provisions in the CTA (or the amendment documents relating thereto) that are required to reflect the terms of the Transaction under the SWS LUA, including the inclusion of the following provisions in the CTA relating to the ECL:

(i) a new undertaking from SWS (a) to exercise and diligently enforce its rights under the ECL; (b) to issue a funding request to ensure the full remaining balance of the Initial AMP8 Equity Commitment is funded no later than 31 March 2026; and (c) not to agree to any amendment or waiver of the terms of the ECL without the consent of the Security Trustee; and

(ii) a new Event of Default for breach of any of the above undertakings to the extent (if capable of remedy) such breach has not been remedied within a specified remedy period.

As a result of the support provided under the SWS LUA, the Majority Creditor approval is expected to be obtained within 10 Business Days of the launch of the Ancillary Amendments STID Proposal with its implementation becoming effective upon the occurrence of the Transaction Effective Date."

6 Regulation of the Water and Wastewater Industry in England and Wales (Chapter 6)

6.1 The sentence beginning with "*The rate of sharing*" and the subsequent sentences in this paragraph in sub-section (iii) "*Cost sharing*" on page 121 of the Prospectus shall be updated and replaced with the following:

"The rate of sharing is determined by Ofwat within the final determination, based on Ofwat's view of efficient costs compared to those included in company plans. For AMP8, Ofwat will apply different cost sharing rates to different expenditure classes. For base costs, the sharing rate for SWS is 50:50, meaning that 50% of any under or overspend is borne by the company, the remaining is shared / borne by customers. For general enhancement expenditure, the sharing factor is 40:40 (i.e., 60% of any overspend is shared with customers and 60% of any underspend is returned to customers). For WINEP/NEP investigations and continuous water monitoring, the factor is 40:10 (i.e., 60% of any overspend is shared with customers and 90% of any underspend is returned to customers). For schemes designated for the large scheme gated process or enhanced engagement, and IED enhancement and the Environmental Permitting (England and Wales) Regulations 2016 ("EPR") for land application and abstraction and discharge consent charges, the factor will be 25:25. For business rates, the factor will be 10:10. For AMP8, the sharing rate determined for SWS is 36:64, meaning that 36% of any underspend and 64% of any overspend is borne by the company, the remaining share being borne by customers. Cost sharing is affected through an adjustment to revenues and/or RCV at the subsequent price review. A cost-sharing mechanism has also been applied for PR24."

6.2 The paragraph under sub-section (iv) "*Revenue Forecasting Incentive ("RFI")*" on page 121 of the Prospectus, all references to "AMP7" shall be deleted and replaced with "AMP8" and shall read as follows:

"The AMP8 framework includes an incentive to set tariffs to closely recover the allowed revenue while also providing a protection mechanism so that any over or under recovery of revenue can be carried forward to the subsequent years. For Water Resources and both Network Plus price controls, the same mechanism applies in AMP8. There is no equivalent mechanism for Bioresources. The RFI allows a deadband where revenue forecasting errors of between +/- 2% of allowed revenue attract no penalties. Should forecasting errors exceed 2%, a penalty rate is applied to the amount of the error and this penalty charge will be deducted from allowed revenue in subsequent years with the usual two-year lag i.e., penalties relating to forecasting errors in 2022/23 would reduce allowed revenue in 2024/25. In the case where forecasting errors exceeded 6% of allowed revenue, SWS would have to furnish an explanation to Ofwat in addition to incurring the penalty rate charge. For PR24, Ofwat has set a RFI mechanism that covers the water resources and network plus water and wastewater controls, but not the bioresources control, retail controls and site specific developer services revenues. Bioresources and retail will have their own revenue reconciliations models as per PR19 while site specific developer services revenues will be outside the revenue control."

6.3 Sub-section (b) "Individual Wholesale Price Controls" on pages 121 - 126 of the Prospectus, shall be updated and replaced in its entirety with the following:

(b) Individual Wholesale Price Controls

The four individual wholesale price controls are described in more detail below:

(i) ***Water Resources Price Control***

The scope of the water resources price control covers all activities associated with water resource management. The activities include abstraction licenses, raw water abstraction, raw water transport, raw water storage and ancillary activities, with all water networks and treatment being excluded.

SWS's AMP8 strategy for water resources includes reducing the nitrate concentration in its treated network, enhancing disinfection, cleaning reservoirs and improving the safety of its surface water reservoirs. SWS uses its "Water Resources Management Plan" to invest in water reuse projects. The strategy provides a further £80 million for strategic water solutions from Ofwat which is contingent on passing through Ofwat's funding gates.

The Net Totex for water resources for AMP8 is £485 million. The table below ("**Table 1**") illustrates the allowed AMP8 expenditure in respect of water resources:

Year	**FD Opex**	**FD Capex**
	(£m)	
2025 – 2026	52.7	46.4
2026 – 2027	48.2	72.7
2027 – 2028	35.7	54.9
2028 – 2029	35.2	60.6
2029 – 2030	35.7	42.8

SWS has Key Performance Commitments to fulfil. These are shown in the table ("**Table 2**") below:

	2025-26	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Per capita consumption ("PCC") litres/per person/per day	125.9	124.1	122.9	121.7	120.3
Business Demand (Ml/d)	106.9	106.6	106.0	105.4	104.9

Further to Table 2 above, the PCC has penalties of £463,000 per litre per head per day ("**l/h/d**") and rewards of £463,000 per l/h/d with enhanced rewards and penalties at £926,000 per l/h/d. The Business Demand has penalties of £179,000 per l/h/d) and rewards of £179,000 per l/h/d.

(ii) ***Water Network Plus Price Control***

The scope of the water network plus price control covers all activities associated with the water network and water treatment. The activities include raw water transport, raw water storage, water treatment, treated water distribution, with all water resource activities excluded.

SWS's AMP8 strategy for water network plus includes upgrading large water treatment works such as the locations in Otterbourne and Testwood, having smart networks to provide calmer networks (which

includes mains renewal to reduce leakage, bursts, interruptions and discolouration), reducing the nitrate concentration and the number of lead pipes in SWS's treated water network, investment in surface water reservoirs safety, investment in growth to fund new mains and additional reservoir storage capacity and a plan to deliver the WINEP.

The Net Totex for water network plus for AMP8 is £1,980 million. The table below ("**Table 3**") illustrates the allowed AMP8 expenditure in respect of water networks:

Year	FD Opex	FD Capex
	(£m)	
2025 – 2026	155.3	237.4
2026 – 2027	153.8	288.2
2027 – 2028	158.2	267.8
2028 – 2029	166.7	219.0
2029 – 2030	169.6	164.0

SWS has Key Performance Commitments to fulfil. These are shown in the table ("**Table 4**") below:

	2025-26	2026-27	2027-28	2028-29	2029-30
Compliance risk index ("CRI")	1.83	1.67	1.50	1.25	1.00
Water supply interruptions (HH:MM)	05:00	05:00	05:00	05:00	05:00
Leakage 3 year average (Ml/d)	102.2	93.8	86.9	80.0	73.1

Further to Table 4 above, the CRI has a penalty-only ODI of £708,000 per index point. Water supply interruptions has penalties at £536,000 per minute and rewards of £536,000 per minute. Leakage has penalties of £688,000 per mega litres per day ("**Ml**") and rewards are £688,000 per Ml with enhanced rewards and penalties at £1,376,000 per Ml.

Wastewater Network Plus Price Control

The scope of the wastewater network plus price control covers all activities associated with wastewater networks and wastewater treatment. The activities include the collection of foul sewage, surface water and highway drainage, sewage treatment, disposal and sludge liquors.

A significant part of SWS's AMP8 strategy for wastewater network is the delivery of the WINEP environmental programme, reducing the use of storm overflows and the levels of nutrients in its rivers (such as nitrogen and phosphorus). WINEP investment trebles in scale enabling significant benefits to be delivered for SWS's local environment, customers and communities.

In addition, there is a strong focus on driving further improvements in performance through the delivery of a "Pollution Reduction" plan to improve resilience in SWS's network assets at priority locations. In addition to improving reliability through the maintenance excellence programme, SWS will be further enhancing its condition based monitoring and predictive capabilities to identify issues before they occur. The "Flooding Reduction" plan reduces both internal and external flooding. A core part of this strategy is the control room transformation to maximise benefits from the 24,000 sewer level monitors now in operation.

The Net Totex for wastewater network plus for AMP8 is £4,308 million. The table below ("**Table 5**") illustrates the allowed AMP8 expenditure in respect of wastewater networks:

Year	FD Opex	FD Capex
	(£m)	
2025 – 2026	235.3	504.7
2026 – 2027	248.6	778.1
2027 – 2028	241.2	605.2
2028 – 2029	240.4	722.9
2029 – 2030	255.7	476.1

SWS has Key Performance Commitments to fulfil. These are shown in the table ("**Table 6**") below:

	2025-26	2026-27	2027-28	2028-29	2029-30
Internal sewer flooding (no/per 10,000 connections)	1.54	1.46	1.39	1.31	1.23
External sewer flooding (no. /per 10,000 connections)	17.37	16.88	16.39	15.9	15.41

Pollution incidents (no/per 10,000 km sewer)	25.02	23.42	21.82	20.23	18.63
Discharge permit compliance .	100%	100%	100%	100%	100%

Further to Table 6 above, internal sewer flooding has penalties of £12.345 million per incident per 10,000 properties and rewards of £12.345 million per incident per 10,000 properties. The external sewer flooding has penalties of £3,388 per incident and rewards of £3,388 per incident. Pollution incidents have penalties of £984,000 per incident per 10,000km and rewards of £984,000 per incident per 10,000km with treatment works compliance having a penalty, ODI only, of £1,079,000 per percentage.

(iii) ***Bioresources Price Control***

The scope of the bioresources price control covers all activities associated with sludge transport, treatment and disposal. The activities include energy generation and sludge thickening to greater than 10%, with all wastewater networks, treatment activities and return liquors excluded.

SWS's AMP8 strategy for bioresources is focused on:

i. reducing the risk related to the industry's ability to recycle treated sludge (biosolids) to agriculture by enhancing the quality of biosolids through the conversion of a proportion of its operation to Advanced Digestion and by building additional covered storage for periods of lower biosolids demand from farmers;

ii. getting SWS's newly permitted sites compliant with new requirements from the IED;

iii. increasing SWS's energy recovery capability by replacing end-of-life, inefficient and undersized Combined Heat and Power ("**CHP**") engines whilst exploring the potential for biomethane generation and gas-to-grid option; and

iv. improving SWS's overall asset resilience by replacing other type of end-of-life and poorly performing assets (e.g. centrifuges, lime plants) and by increasing its maintenance & inspection regime for digestion and other biogas assets.

The Net Totex for bioresources for AMP8 is £462 million. The AMP8 allowed expenditure in respect of bioresources is shown in the table below ("**Table 7**"):

Year	**FD Opex**	**FD Capex**
	(£m)	
2025 – 2026	33.8	77.1
2026 – 2027	33.2	76.6
2027 – 2028	33.6	56.9
2028 – 2029	33.8	39.3
2029 – 2030	35.6	41.8

There are no specific ODIs for Bioresources price control in AMP8 but PCDs apply to two programmes (IED and WINEP Cake Storage) for late or non-delivery.

Retail Household Price Limit

The retail household control is materially different in structure to the wholesale controls. The retail household control does not have an RCV or K factor and is not adjusted for inflation. The control sets a total recoverable revenue for each year of the AMP in nominal terms. The total recoverable revenue is adjusted for any variations in the assumed number of customers served.

The scope of the retail household price control covers all activities within the retail household business. The activities include any direct interaction with a customer such as billing, debt management, meter reading and customer side leakage, with all wholesale activities excluded.

SWS AMP8 strategy is to focus on being more proactive with our communications to customers, driving more customers to an online and digital experience and embedding new operational service partners. This will help reduce cost to serve, improve cash collection and drive up CSAT in Customer Services. Additionally SWS will be driving efficiency improvements in the Capita contract via process improvement.

The Total spend for retail is £356 million in 2022-2023 prices and, in addition, there is a margin allowance of £85 million. When factoring in the AMP7 retail adjustments, it means there will be a net retail revenue of £422.66 million. The AMP 8 allowed retail expenditure is shown in the table below ("**Table 8**"):

Year	Residential retail revenue
	(£m)
2025 – 2026	71.5
2026 – 2027	85.9
2027 – 2028	88.0
2028 – 2029	88.3
2029 – 2030	88.9

SWS has Key Performance Commitments to fulfil. These are shown in the table ("**Table 9**") below:

	2025-26	2026-27	2027-28	2028-29	2029-30
C-MeX	16th	16th	15th	15th	15th
Void Properties	2.38	2.28	2.18	2.12	2.06

C-MeX has new methodology for AMP8, moving away from a 50% split on Customer Experience Survey ("**CES**") & Customer Service Survey ("**CSS**") to a 66% CSS and 33% CES. The new methodology means penalty will no longer be calculated against Allowable Retail Revenue, but will now be calculated against RoRE. The industry will also now be benchmarked against All Sector UKCSI (with an adjustment of -5 Y1-3 & -4 Y4-5) as well as the Water UKCSI median. Maximum risk exposure for AMP8 is £78 million vs. £28 million in AMP7 under the old methodology.

Further to Table 9 above, C-MeX has penalties and rewards based on the whole industries water company customer service experience and SWS's own customer service performance - the penalties rate is £1.832m per C-MeX unit score and reward rate of £1.832m. The performance commitment target is set retrospectively and if SWS score is above the target SWS will receive a reward and vice versa.

Restrictions on the Charging

Under the WIA, Regulated Companies must charge for water supplied, or sewerage services provided, to dwellings in accordance with a Charges Scheme and must comply with any requirements prescribed by the Secretary of State. Regulated Companies are prohibited from disconnecting dwellings and certain other premises for non-payment of charges for water supply.

In April 2019, Ofwat published a letter to Regulated Companies providing advice on compliance with competition law and charging rules obligations with respect to the self-lay market for new connections. This was largely in response to several complaints over the previous 12 months in which it has been alleged that incumbent Regulated Companies, through their charges, contractual terms and/or actions, have made it difficult for self-lay providers to compete and operate efficiently in the developer services markets. The charging rules for new connection services explicitly require Regulated Companies in England to set their charges (including any income offsets) and asset payments in accordance with the principle that they should promote effective competition for contestable work. Regulated Companies are also required to publish their charges in a clear and accessible manner and explain how each charge has been calculated or derived so that it is clear what services are covered by each charge. Ofwat wrote to all incumbent Regulated Companies to remind them that, given their position of dominance in a number of markets in their appointment areas, each company has a special responsibility to ensure that its conduct in those markets does not prevent, restrict or distort competition.

6.4 The sub-section entitled "*PR24 Draft Determination and Responses*" under the section entitled "*Adjustments to Revenue to Reflect Performance*" on page 133-135 of the Prospectus shall be updated in its entirety and replaced with the following:

"***PR24 Final Determination***

The final determination commits SWS to deliver significant improvements on current performance for a range of measures affecting customers and the environment over the next few years to meet its legal obligations on lower pollution, healthier rivers and waterways, and climate change. In some areas, Ofwat have challenged SWS to deliver more stretching improvements than it proposed in the business plan submission.

Ofwat expects SWS to reduce the use of storm overflows by 30% by 2029-30, compared to 2021-22. This will improve river quality, protect public health, and increase people's enjoyment of the environment. The final determination also includes a non-financial target for SWS to reduce the amount of phosphorus entering rivers from water company

activities by 39%, compared to 2020 levels as well as setting a sector-wide target to conserve and enhance biodiversity. There are stretching performance targets to reduce pollution incidents by 30% whilst maintaining the current target of zero serious pollution incidents.

Ofwat also expects the company to play its part in meeting net zero by 2050, by limiting its increase of operational greenhouse gas emissions by a total of 5% for water and wastewater services combined.

To meet these targets, the final determination provides for expenditure allowances for SWS to undertake a significant investment programme to improve the environment over the 2025-30 period, worth £3.7 billion. This includes expenditure of:

- £1,011 million to reduce the use of storm overflows;
- *£627 million to reduce nutrient pollution in rivers;*
- *£40 million to monitor river water quality; and*
- *£68 million to improve biodiversity and conservation.*

Water Supplies

Pursuant to Ofwat's final determination, SWS has several commitments to help protect water supplies, including reducing leakage by 34%, household water use by 5% and business water use by 3% in the 2025-30 period. Ofwat proposes to allow SWS exceeding £1 billion to invest in its water resources over 2025-30 to help protect the region from drought, build new sources of water supply and help customers save water.

*The final determination also includes some major water projects. The delivery of these schemes may span a longer period than the next five years and may be delivered by a third party through the DPC or Specified Infrastructure Project Regulations ("**SIPR**") where suitable. Ofwat has set allowances in the price review for the pre-construction development of these projects, which comprise of the project development costs and the cost of developing the project for competitive delivery.*

The final determination allows the company £317 million to progress the development of schemes including:

- *Hampshire Water Transfer and Water Recycling Project;*
- *Aylesford re-use (Medway) and Ford re-use (Littlehampton) bundle;*
- *South-East Strategic Reservoir Option (SESRO); and*
- *Thames to Southern Transfer (T2ST).*

Customer Service

Ofwat's final determination proposes sector-wide improvements in the duration of interruptions to customers' water supply resulting in a challenge to SWS to improve on its average performance between 2023-24 by achieving a 94% reduction in such interruptions. SWS will need to reduce customer complaints about water quality by 30% based on its performance between 2020-23, and Ofwat expects SWS to deliver most of these improvements using its day-to-day expenditure allowance. However, the final determination allows an additional £102 million to enable SWS to improve the quality of drinking water.

In terms of wastewater, the final determination requires SWS to reduce internal sewer flooding by a further 13% compared to its target for in 2024-25 and to reduce the levels of external sewer flooding by 22% for the same period.

Over 2025-30, Ofwat also intends to increase financial incentives for SWS to deliver a step change in customer service, through measures of customer experience as well as increased social tariff provision from 6% of households in 2020-25 to 7% in 2025-30."

Asset Health & Resilience

Pursuant to Ofwat's final determination, SWS must maintain and improve its water network by targeting to reduce the repair bursts on its water mains by 11% over 2025-30, bringing down the number of sewer collapses by 3% and maintaining the current low level of unplanned outages of its water treatment works, so that SWS can maximise the production of drinking water and maintain supplies to customers.

SWS is expected to invest £627 million to increase the resilience of its assets. This investment will protect against the impact of power failures and extreme flooding. This investment includes £135 million which is expected to be used to improve security, including cyber security, and to meet new statutory requirements.

6.5 The section entitled "*Water (Special Measures) Bill" shall be deleted and replaced as follows.*

"***Water (Special Measures) Act 2025***

The Water (Special Measures) Act (the "**WSM Act**") received Royal Assent on 24 February 2025 and sets out various modification to the existing environmental regime governing Regulated Companies. The WSM Act seeks to ensure that water companies are better held to account where they have failed the environment and customers, and amongst other things includes provisions to (i) enable Ofwat to issue bonus prohibition orders for senior executives if companies breach environmental, consumer or financial resilience standards; (ii) introduce a fit and proper person test for water company executives and ensure customer representation on boards; (iii) modify the sanctions regime applicable to water companies and their executives by extending sentencing powers to include imprisonment for obstruction of investigations by the EA and DWI, enable automatic penalties for certain offences, and lower the burden of proof for imposing civil sanctions; (iv) introduce obligations related to pollution incident reduction plans and real time reporting of emergency overflows; (v) modify licences to recover shortfalls in funding for a special administration from consumers; and (vi) ensure the Secretary of State and Ofwat are notified ahead of any winding-up petitions. The key measures came into force between February and April 2025, with further sections phased in during 2025."

6.6 The section entitled "*PR19: Changes to Price Limits*" on pages 158-159 of the Prospectus, shall be deleted and replaced as follows.

"PR24: Changes to Price Limits

In PR24, Ofwat further evolved the PR19 regulatory framework. Specific changes made at PR24 include:

- *further standardisation of performance commitments, with far fewer bespoke measures being set for companies;*
- *an extensive 'Price Control Deliverable' (PCD) framework, whereby expenditure allowances are clawed back for certain schemes, if outputs are not delivered on time;*
- *a host of uncertainty mechanisms, including greater use of notified items, and project-specific mechanisms;*
- *a differentiated set of cost sharing rates depending on the types of costs being incurred;*
- *the use of aggregate sharing mechanisms – one for overall cost performance, and one for outcome delivery incentives; and*
- *indexation of revenues by CPIH rather than RPI and a transition to indexing the regulatory capital value by CPIH. For AMP8 the RCV is indexed by CPIH.*

Regulated Companies are also, in particular, required to: (a) explain in business plans how dividend policies in 2020-25 take account of how companies deliver for customers over the price control period; and (b) set out transparently in business plans for customers and wider society, how performance related executive pay will reward stretching delivery for customers."

6.7 A new section entitled "The Cunliffe Review" shall be added on page 161 of the Prospectus immediately before the section entitled "*Customers' Interests*" as follows.

"*On 21 July 2025 Sir Jon Cunliffe published his final report of the Independent Commission into the water sector and its regulation. The report includes a total of 88 recommendations for the reform of the water sector in England and Wales. Key recommendations include:*

- *Consolidating Ofwat and merging its functions (plus those of the EA (in part), DWI and Natural England) into a unified "super-regulator";*
- *Mandating the issue of compulsory smart water meters;*
- *Launching a real-time sewage spills map with automatic reporting and naming of offending companies;*
- *Establishing an independent Water Ombudsman with legal authority to recoup compensation for service failures;*
- *Creating 8 regional river-basin-based water system planners in England, incorporating citizen and community representation;*

- *Publishing a National Water Strategy setting long-term objectives, measurable targets, funding needs and timelines;*

- *Building a stronger supervisory arm within the regulator that assesses company-specific financial resilience, intervenes in ownership changes and which can compel equity raising if required;*

- *Requiring forward-looking, formal resilience assessments and health reporting on water assets;*

- *Evaluating governance and business model reforms to ensure water companies act in the public, not solely, private interest;*

- *Modernising environmental monitoring and enforcement through the use of digital tools.*

The UK Government has already committed to implementing five of the core reforms, including the consolidation of Ofwat and merging of its functions (plus those of the EA (in part), DWI and Natural England) into a unified "super-regulator", delivering sewage incident transparency and setting up regional planners. Broader areas including smart metering, legislation, strategy and investment frameworks are under active development with a White Paper expected in the Autumn of 2025. T*he implementation and impact of the reforms is uncertain and SWS will monitor the progress of these reforms"*

7 Summary of the Financing Agreements

7.1 The first two sentences in the section entitled "***Cash Management During a Standstill Period*****'** shall be deleted and replaced with the following:

"*The Common Terms Agreement as amended by the amendment agreement dated 29 July 2025 entered into by SWS and the Security Agent pursuant to the STID Proposal dated 14 July 2025 provides that notwithstanding the occurrence of a Standstill Period SWS will continue as Cash Manager during a Standstill Period until the earlier of (a) 20 Business Days following notification by the Security Trustee that Class A DIG Representatives representing at least 66 2/3% of the Outstanding Principal Amount of Qualifying Class A Debt have directed the appointment of the Standstill Cash Manager to commence and (b) 18 months from the commencement of the Standstill Period (following which the Standstill Cash Manager shall be appointed), whereupon the Standstill Cash Manager shall assume control of the Accounts. During a Standstill Period, SWS or, as applicable, the Standstill Cash Manager, will pay operating expenditure when if falls due and, on a monthly basis, calculate the aggregate of all payments falling to be made during the next following period of 12 months and shall calculate all net revenues received and/or expected to be received over that 12-month period."*

7.2 In the sentence beginning "*To the extent that forecast revenues…" the words "SWS or, as applicable," shall be inserted immediately before the words "Standstill Cash Manager".*

8 General Information (Chapter 13)

8.1 The section "*Significant or Material Change"* on pages 328 and 329 of the Prospectus shall be updated in its entirety and replaced with the following:

"As detailed in Chapter 3 'Risk Factors' under 'Risks Relating to SWS – Consequences of Trigger Events' and "Risks Relating to the Issuer – Financing Considerations" and the existence of material uncertainty related to going concern in the accounting policies of the audited unconsolidated financial statements of each of SWS, SWSH, SWSGH, the Issuer and SWFII for the financial year ended 31 March 2025:

(i) *A Trigger Event in relation to SWS's Conformed Class A Adjusted ICR and Conformed Class A Average Adjusted ICR and SWS's credit rating requirements has occurred and is continuing;*

(ii) *a future downgrade to a sub investment grade credit rating or a failure to meet its legal obligations could, depending on the circumstances and the approach of Ofwat, result in a breach of the SWS's Instrument of Appointment, which could possibly result in a consequent event of default under the terms of SWS's financing arrangements; and*

(iii) *SWS has a significant level of planned expenditure, over at least the next twelve months (and which will continue to March 2026) to improve operational performance, the resilience of its assets and reduce the impact on the environment from the treatment and processing of water and wastewater. This requires additional equity funding to finance it through the going concern period, some of which has not yet been committed or has been committed but is subject to the fulfilment of a number of conditions. Until these have been met there is no guarantee this equity will be received; and*

(iv) *failure to raise equity or debt funding, or significant operational under performance could lead to a potential Post Maintenance Interest Cover Ratio ("**PMICR**") covenant breach or ratings downgrade. A future downgrade to a sub-investment grade credit rating or breach of the PMICR covenant would result in an event of default under the terms of SWS's financing arrangements*

Except as set out above:

(i) *there has been no significant change in the financial performance or financial position of the Issuer, nor any material adverse change in the financial position nor any material adverse change in the prospects of the Issuer since the date of its last published audited annual financial statements, being 31 March 2025;*

(ii) *there has been no significant change in the financial performance or financial position of SWFII, nor any material adverse change in the financial position nor any material adverse change in the prospects of SWFII since the date of its last published audited annual financial statements, being 31 March 2025;*

(iii) *there has been no significant change in the financial performance or financial position of SWS 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;*

(iv) *there has been no significant change in the financial performance or financial position of SWSH, nor any material adverse change in the prospects of SWSH since the date of its last published audited annual financial statements, being 31 March 2025;*

(v) *there has been no significant change in the financial performance or financial position of SWSGH, nor any material adverse change in the prospects of SWSGH since the date of its last published audited annual financial statements, being 31 March 2025; and*

(vi) *there has been no significant change in the financial performance or financial position of the SWS Financing Group, nor any material adverse change in the prospects of the SWS Financing Group since the end of its last financial period for which financial information has been published, being 31 March 2025*."

8.2 The section *"Auditors"* on pages 329-330 of the Prospectus shall be updated in its entirety and replaced with the following:

The auditors of SWS are Deloitte LLP, of 2 New Street Square, London EC4A 3BZ who have audited SWS's accounts (i) without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial year ended on 31 March 2024 and (ii) without qualification (although with an emphasis of matter in relation to material uncertainty (see further, Chapter 3 "*Risk Factors*" under "*Risks Relating to the Issuer – Financing Considerations* ", sub-section "*Material Uncertainty Related to Going Concern*")), in accordance with the generally accepted auditing standard in the United Kingdom for the financial year ended 31 March 2023.

The auditors of SWSGH are Deloitte LLP, of 2 New Street Square, London EC4A 3BZ who have audited SWSGH's accounts (i) without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial year ended on 31 March 2024 and (ii) without qualification (although with an emphasis of matter in relation to material uncertainty(see further, Chapter 3 "*Risk Factors*" under "*Risks Relating to the Issuer – Financing Considerations* ", sub-section "*Material Uncertainty Related to Going Concern*")), in accordance with the generally accepted auditing standard in the United Kingdom for the financial year ended 31 March 2023.

The auditors of SWSH are Deloitte LLP, of 2 New Street Square, London EC4A 3BZ who have audited SWSH's accounts (i) without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial year ended on 31 March 2024 and (ii) without qualification (although with an emphasis of matter in relation to material uncertainty(see further, Chapter 3 "*Risk Factors*" under "*Risks Relating to the Issuer – Financing Considerations* ", sub-section "*Material Uncertainty Related to Going Concern*")), in accordance with the generally accepted auditing standard in the United Kingdom for the financial year ended 31 March 2023.

The auditors of the Issuer are Deloitte LLP, of 2 New Street Square, London EC4A 3BZ who have audited the Issuer's accounts (i) without qualification, , in accordance with generally accepted auditing standards in the United Kingdom for the financial year ended on 31 March 2024 and (ii) without qualification (although with an emphasis of matter in relation to material uncertainty(see further, Chapter 3 "*Risk Factors*" under "*Risks Relating to the Issuer – Financing Considerations* ", sub-section "*Material Uncertainty Related to Going Concern*")), in accordance with the generally accepted auditing standard in the United Kingdom for the period from 13 October 2021 to 31 March 2023.

The auditors of SWFII are Deloitte LLP, of 2 New Street Square, London EC4A 3BZ who have audited SWSH's accounts (i) without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial year ended on 31 March 2024 and (ii) without qualification (although with an emphasis of matter in relation to material uncertainty(see further, Chapter 3 "*Risk Factors*" under "*Risks Relating to the Issuer – Financing Considerations* ", sub-

section "*Material Uncertainty Related to Going Concern*")), in accordance with the generally accepted auditing standard in the United Kingdom for the financial year ended 31 March 2023.

8.3 The section "*Material Contracts"* on page 330 of the Prospectus shall be updated in its entirety and replaced with the following:

"Save as otherwise disclosed in this Prospectus (as supplemented as at the relevant time, if applicable), SWS has not entered into contracts outside the ordinary course of its business, which could result in SWS or any member of its group being under an obligation or entitlement that is material to SWS's ability to meet its obligation to holders of Bonds in respect of the Bonds being issued."

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.

This Supplement has been approved by the FCA, which is the United Kingdom competent authority for the purposes of LR 23.3 of the UK Listing Rules for listing particulars for the professional securities market and certain other securities, as supplementary listing particulars issued in compliance with the Listing Rules. The FCA only approves this Supplement as a supplement to the Listing Particulars as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation, as required by UKLR 23.2.3 of the Listing Rules. Such approval should not be considered as an endorsement of (a) either the Issuer or the Obligors or (b) the quality of the Bonds that are the subject of the Supplement. Investors should make their own assessment as to the suitability of investing in the Bonds.