

## **SOUTHERN WATER SERVICES LIMITED ANNOUNCES SUBSTITUTION OF ITS CAYMAN COMPANY**

30 September 2022

Southern Water Services Limited (“**SWS**”) announces today that, in furtherance of certain amendments described in a proposal dated 26 October 2021 (the “**STID Proposal**”), the following conditions have been satisfied:

- (a) Rating Agency confirmations from any two of the Rating Agencies confirming that the Transaction (as defined in the form of the STID Proposal appended at Schedule 3 to the Solicitation Memorandum) would not cause a downgrade or removal of the then current credit rating of the Bonds (or where a Rating Agency is not willing to provide its confirmation due to its prevailing policy regarding the issue of rating affirmations, a certificate in writing from SWS addressed to the Security Trustee certifying that, in its opinion (and where the relevant Rating Agency was prepared to consult with SWS, this opinion is based on consultation with such Rating Agency), the Transaction would not cause a downgrade or removal of the then current credit rating of the Bonds);
- (b) the approval of the STID Proposal and the announcement by the Security Trustee of such approval;
- (c) the execution of documentation in respect of the accession of each of the New UK Issuer and the New UK DebtCo to certain transaction documents;
- (d) the delivery to the Security Trustee of certain legal opinions of Linklaters LLP as to matters of capacity and enforceability of certain transaction documents;
- (e) certifications of Southern Water Services Limited as to certain matters set out more fully in the STID Proposal; and
- (f) the other conditions set out in paragraph 5 of the form of the STID Proposal ( appended at Schedule 3 to the Solicitation Memorandum),

(the “**Amendment Conditions**”).

Following satisfaction of the Amendment Conditions, accession and/or amendment documentation in respect of each of the CTA, MDA, STID, the SW Tax Deed of Covenant, the Bond Trust Deeds, the Agency Agreement, the Security Agreement, the CP Agreement and the Account Bank Agreement have been executed, and Southern Water Services (Finance) Limited (the “**Cayman Issuer**”) has been substituted with SW (Finance) II Limited, a private limited liability company incorporated in England and Wales, as a borrower under certain facility agreements, and SW (Finance) I PLC, a public limited liability company

incorporated in England and Wales, as the issuer of the debt issued by the Cayman Issuer, including for the following series of bonds:

- (a) Sub-Class A1 £350,000,000 6.192 per cent. Wrapped Bonds due 2029 (XS0172989252) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (b) Sub-Class A2a £150,000,000 Index-Linked Wrapped Bonds due 2034 (XS0173036194) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (c) Sub-Class A2b £35,000,000 Limited Indexed Wrapped Bonds due 2034 (XS0173059998) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (d) Sub-Class A4 £350,000,000 6.640 per cent. Unwrapped Bonds due 2026 (XS0172992637) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (e) Sub-Class A5 £150,000,000 Index-Linked Unwrapped Bonds due 2023 (XS0173041517) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (f) Sub-Class A8 £150,000,000 5.00 per cent. Wrapped Bonds due 31 March 2041 (XS0220566383) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited);
- (g) £200,000,000 Sub-Class A9 4.50 per cent. Wrapped Bonds due March 2052 (XS0271386244) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited); and
- (h) £300,000,000 Sub-Class A10 5.125 per cent. Wrapped Bonds due September 2056 (XS0308998144) (guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited).

In addition to the bonds listed above, SW (Finance) I PLC has replaced Southern Water Services (Finance) Limited as the issuer of all of the US private placement notes.

Capitalised terms used in this announcement and not defined herein shall have the meanings ascribed to them in the Solicitation Memorandum dated 26 October 2021 (the “**Solicitation Memorandum**”).

The next step will be to remove the Cayman Issuer from the SW Financing Group. Implementation of its removal will be announced as soon as practicable.

For further information, please contact Richard Manning (Company Secretary, +44 (0) 1903 272509)

This notice is given by:

SOUTHERN WATER SERVICES LIMITED

30 September 2022

This announcement is released by Southern Water Services Limited and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR"), encompassing information relating to the Proposals described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Richard Manning (Company Secretary) at Southern Water Services Limited.

Legal Entity Identifier numbers:

Southern Water Services Limited – 54930007FJKQFI3NF97

SW (Finance) I PLC – 549300BHN1HB5BNG2R96

Southern Water Services (Finance) Limited – 213800BTY35K1724Z452