

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

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Affinity Water Finance (2004) PLC announces a Tender Offer in respect of its outstanding Sub-Class 5.875 per cent. Guaranteed Notes due 2026 (ISIN: XS0195751523) and proposed issue of new sterling denominated fixed rate notes by Affinity Water Finance PLC (the "New Notes")

3 March 2025. Affinity Water Finance (2004) PLC¹ (the "**Company**") announces today an invitation to the holders of its outstanding Sub-Class 5.875 per cent. Guaranteed Notes due 2026 (ISIN: XS0195751523) unconditionally and irrevocably guaranteed by Affinity Water Limited, Affinity Water Holdings Limited and Affinity Water Finance Plc (the "**Programme Issuer**") (the "**Notes**") to tender any and all such Notes for purchase by the Company for cash (the "**Offer**").

The Offer is being made on the terms and subject to the conditions including, without limitation, the New Financing Condition (as defined below), contained in a tender offer memorandum dated 3 March 2025 (the "**Tender Offer Memorandum**") prepared by the Company, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined herein have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offer

Description of the Notes	ISIN/ Common Code	Outstanding Nominal Amount	Benchmark Security	Purchase Spread
Sub-Class 5.875 per cent. Guaranteed Notes due 2026	XS0195751523/ 019575152	£250,000,000	1.500 per cent. UK Treasury due 22 July 2026 (ISIN: GB00BYZW3G56)	+90 basis points

Rationale for the Offer

The purpose of the Offer and the planned issuance of New Notes (as defined below) is, amongst other things, to optimise the Financing Group's debt maturity profile. Furthermore, the Offer will provide liquidity to those holders whose Notes are accepted and purchased in the Offer.

¹ LEI: 213800VYLS4N8MFRDK46

The Company intends to cancel any Notes purchased by the Company pursuant to the Offer following the Settlement Date (as defined below).

Purchase Price and Accrued Interest Payment

Subject to the terms and conditions of the Offer (including the satisfaction (in the sole determination of the Company) or waiver of the New Financing Condition) as set out herein and in the Tender Offer Memorandum, the Company will, on the Settlement Date, pay for Notes validly tendered and accepted for purchase by the Company pursuant to the Offer:

- (i) the relevant cash purchase price (the "**Purchase Price**") expressed as a percentage of the nominal amount thereof, to be determined at the Pricing Time by reference to the annualised sum (the "**Purchase Yield**") of the Purchase Spread and the Benchmark Security Rate; and
- (ii) the relevant Accrued Interest Payment.

The final determination of the Purchase Price will be made in accordance with standard market convention (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards) at or around 11:00 a.m. (London time) on the Business Day following the Expiration Deadline (the "**Pricing Time**", expected to be on 12 March 2025), and is intended to reflect a yield to maturity of the Notes on the Settlement Date equal to the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including the maturity date for the Notes, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) the Accrued Interest. The determination of the Purchase Price in respect of the Notes will, in the absence of manifest error, be final and binding on all parties.

Any and All Offer

If the Company decides to accept any Notes for purchase, subject to satisfaction (in the sole determination of the Company) or waiver of the New Financing Condition, the Company intends to accept all validly tendered Notes for purchase in full pursuant to the Offer, with no *pro rata* scaling.

New Financing Condition

The Programme Issuer announced today its intention to issue one or more new series of sterling-denominated fixed rate notes (the "**New Notes**") under its £2,500,000,000 Multicurrency Programme for the Issuance of Guaranteed Bonds (the "**Programme**"), subject to market conditions. The New Notes are intended to be subscribed for by the joint bookrunners appointed in respect of the offering of the New Notes, and application will be made for the New Notes to be admitted on issue to the Official List of the FCA and to trading on the London Stock Exchange's Main Market.

Whether the Company will accept for purchase any Notes validly tendered in the Offer is subject, without limitation, to the successful completion (in the sole determination of the Company) of the issue of the New Notes (the "**New Financing Condition**") unless such condition is waived in the sole and absolute discretion of the Company.

Even if the New Financing Condition is satisfied (in the sole determination of the Company) or waived on or prior to the Settlement Date, the Company is not under any obligation to accept for purchase any Notes validly tendered pursuant to the Offer. The acceptance for purchase

by the Company of Notes validly tendered pursuant to the Offer is at the sole and absolute discretion of the Company and tenders may be rejected by the Company for any reason.

Allocation of the New Notes

The Programme Issuer may, in connection with the allocation of the New Notes, consider among other factors whether or not the relevant investor seeking an allocation of the New Notes has, prior to such allocation, validly tendered or given a firm indication to the Dealer Managers that they intend to tender their Notes pursuant to the Offer and, if so, the aggregate nominal amount of Notes tendered or intended to be tendered by such investor. Therefore, a Noteholder who wishes to subscribe for New Notes in addition to tendering its Notes for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Programme Issuer, priority in the allocation of the New Notes, subject to the issue of the New Notes and to the completion of the Offer and such Noteholder also making a separate application for the purchase of such New Notes to the Dealer Managers, and RBC Europe Limited (in their capacity as joint bookrunners of the issue of the New Notes) or to any other manager of the issue of the New Notes in accordance with the standard new issue procedures of such manager. However, the Programme Issuer is not obliged to allocate the New Notes to a Noteholder who has validly tendered or indicated a firm intention to tender Notes pursuant to the Offer and, if New Notes are allocated, the nominal amount thereof may be less or more than the nominal amount of Notes validly tendered by such holder and accepted by the Company pursuant to the Offer. Any such allocation will also, among other factors, take into account the minimum denomination of the New Notes (being £100,000).

All allocations of the New Notes, while being considered by the Programme Issuer as set out above, will be made in accordance with customary new issue allocation processes and procedures. In the event that a Noteholder validly tenders Notes pursuant to the Offer, such Notes will remain subject to such tender and the conditions of the Offer as set out in the Tender Offer Memorandum irrespective of whether that Noteholder receives all, part or none of any allocation of New Notes for which it has applied.

Noteholders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline for the Offer and any Noteholder that wishes to subscribe for New Notes in addition to tendering existing Notes for purchase pursuant to the Offer should therefore provide, as soon as practicable, to any Dealer Manager any indications of a firm intention to tender Notes for purchase pursuant to the Offer and the quantum of Notes that it intends to tender.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest Payment pursuant to, the Offer, Noteholders must validly tender their Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4:00 p.m. (London time) on 11 March 2025, unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum (the "**Expiration Deadline**"). See "*Procedures for participating in the Offer*" in the Tender Offer Memorandum.

Tender Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination*" in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of no less than £1,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of £1,000 thereafter.

Indicative Timetable for the Offer

The following sets out the expected times and dates of the key events relating to the Offer. The times and dates below are indicative only and subject to change.

Events

Times and Dates

(all times are London time)

Commencement of the Offer

Announcement of Offer and of the Programme Issuer's intention to issue New Notes, subject to market conditions. 3 March 2025
Tender Offer Memorandum available from the Tender Agent and notice of the Offer delivered to the Clearing Systems for communication to Direct Participants.
Commencement of the tender offer period.

Expiration Deadline

Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Noteholders to be able to participate in the Offer. 4:00 p.m. (London time) on 11 March 2025

Pricing Time for the Notes

Determination of the Benchmark Security Rate, and calculation of the Purchase Price for any Notes accepted for purchase pursuant to the Offer. At or around 11.00 a.m. (London time) on 12 March 2025

Announcement of Final Results and Pricing

Announcement of (i) whether the Company will accept (subject to satisfaction (in the sole determination of the Company) or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, (ii) the Final Acceptance Amount, (iii) the Purchase Yield, (iv) the Benchmark Security Rate, (v) the Purchase Price for any Notes accepted for purchase and (vi) the aggregate nominal amount of Notes expected to be outstanding after the Settlement Date. As soon as reasonably practicable after the Pricing Time

Events

Times and Dates

(all times are London time)

Expected Settlement Date

Subject to satisfaction (in the sole determination of the Company) or waiver of the New Financing Condition on or prior to such date, the expected Settlement Date for the Offer. 13 March 2025

The Company may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum) and the above times and dates are subject to the right of the Company to so extend, re-open, amend and/or terminate the Offer. Accordingly, the actual timetable may differ significantly from the timetable above.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this announcement and the Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.***

Announcements

Unless stated otherwise, announcements in connection with the Offer will be made by the Company (i) by publication through the website of the Regulatory News Service operated by the London Stock Exchange plc and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on the relevant Informa IGM Screen Insider service and/or by the issue of a press release to a Notifying News Service and/or by any other means. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are set out below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details set out below.

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for, participating in the Offer.

Further Information

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are set out below:

DEALER MANAGERS

Barclays Bank PLC

1 Churchill Place
London E14 5HP
United Kingdom

Tel: +44 20 3134 8515

Email: eu.lm@barclays.com

Attention: Liability Management Group

Lloyds Bank Corporate Markets plc

10 Gresham Street
London EC2V 7AE
United Kingdom

Telephone: +44 20 7158 1726 / 1719

Email:

lbcmliabilitymanagement@lloydsbanking.com

Attention: Liability Management

TENDER AGENT

Kroll Issuer Services Limited

The Shard

32 London Bridge Street

London SE1 9SG

United Kingdom

Telephone: +44 20 7704 0880

Attention: Arlind Bytyqi

Email: affinitywater@is.kroll.com

Tender Offer Website: <https://deals.is.kroll.com/affinitywater>

MARKET ABUSE REGULATION

This announcement is released by Affinity Water Finance (2004) PLC and contains information that qualified as inside information for the purposes of Article 7(1) of the Market Abuse Regulation (EU) 596/2014 ("MAR") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"), encompassing information relating to the Offer and proposed new issue of New Notes described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Adam Stephen, Director of Affinity Water Finance (2004) PLC.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial, investment, regulatory and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender such Notes pursuant to the Offer. None of the Company, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent, adviser or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any

protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Company, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent, adviser or affiliate of any such person has made or will make any assessment of the merits and risks of the Offer or of the impact of the Offer on the interests of the Noteholders either as a class or as individuals, and none of them makes any recommendation as to whether Noteholders should tender Notes in the Offer. None of the Company, the Dealer Managers or the Tender Agent (or any of their respective directors, officers, employees, agents or affiliates) is providing any Noteholder with any legal, business, financial investment, tax or other advice in this announcement and/or the Tender Offer Memorandum. Noteholders should consult their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

OFFER AND DISTRIBUTION RESTRICTIONS

This announcement and the Tender Offer Memorandum do not constitute an invitation to participate in the Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and the Tender Offer Memorandum comes are required by each of the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States: The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Accordingly, copies of this announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Neither this announcement nor the Tender Offer Memorandum is an offer to buy or sell, or a solicitation of an offer to sell or buy, any Notes or other securities in the United States. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United

States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S of the Securities Act).

Each holder of Notes participating in the Offer will represent that it is not located in the United States and it is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above two paragraphs, "**United States**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Italy: None of the Offer, this announcement or the Tender Offer Memorandum or any other documents or materials relating to the Offer has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). Noteholders or beneficial owners of the Notes that are resident and/or located in Italy may tender their Notes for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes, the Offer and/or the Tender Offer Memorandum.

United Kingdom: This announcement and the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to, and may only be acted upon by, those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (together, "**Relevant Persons**"). Any investment or investment activity to which this announcement and the Tender Offer Memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons (and is subject to other restrictions referred to in the Financial Promotion Order).

Belgium: The Offer is not being made, and will not be made or advertised, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and none of this announcement, the Tender Offer Memorandum nor any other documents or

materials relating to the Offer has been or shall be distributed, directly or indirectly, in Belgium to Belgian Consumers. In addition, none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority and, accordingly, the Offer may not be made in Belgium by way of a public takeover bid as defined in Article 3 of the Belgian law of 1 April 2007 on public takeover bids (the "**Belgian Takeover Law**"). Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**") and (ii) in circumstances set out in Article 6, §4 of the Belgian Takeover Law.

France: The Offer is not being made, directly or indirectly, in the Republic of France ("**France**") other than to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French *Code monétaire et financier* and defined in Article 2(e) of the Prospectus Regulation. This announcement, the Tender Offer Memorandum and any other offering material relating to the Offer may be distributed in France only to qualified investors (*investisseurs qualifiés*). Neither this announcement nor the Tender Offer Memorandum, nor any other such offering material has been nor will they be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

General: Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by the Dealer Managers or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

New Notes: Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in (i) the base prospectus dated 28 February 2025 (the "**Base Prospectus**") prepared in connection with the Programme and (ii) the final terms relating to each series of the New Notes (together, the "**Final Terms**") and no reliance is to be placed on any representations other than those contained in the Base Prospectus and the Final Terms. For the avoidance of doubt, the ability to purchase New Notes is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Noteholder and the selling restrictions set out in the Base Prospectus). It is the sole responsibility of each Noteholder to satisfy itself that it is eligible to purchase the New Notes. The New Notes are not being, and will not be, offered or sold in the United States. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Compliance information for the New Notes: **UK MiFIR professionals/ECPs-only/No EU PRIIPS or UK PRIIPs KID** - eligible counterparties and professional clients only (all distribution channels). No sales to retail investors in the EEA or the United Kingdom; no key information document has been or will be prepared. See the Base Prospectus and Final Terms for further information.

No action has been nor will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

DISCLAIMER – INTENDED ADDRESSEES

This announcement is a communication to the market. Nothing in this announcement constitutes an offer of securities for sale in the United States or any other jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document.

This announcement has been delivered to you on the basis that you are a person into whose possession this announcement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this announcement to any other person. The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

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