

Thames Water (Kemble) Finance Plc
Shareholder Funding and Lender Update

28 March 2024

Conditions for Thames Water shareholders to provide new equity not satisfied; Kemble Water Finance Limited and Thames Water (Kemble) Finance Plc to request continued support from lenders and noteholders

In July 2023 Thames Water Utilities Limited (**Thames Water**) announced that its shareholders (**Shareholders**) had agreed to provide a further £750 million in new equity funding across the current regulatory period (**AMP7**), the first £500 million tranche of which was anticipated by 31 March 2024.

This funding was subject to satisfaction of certain conditions, including the preparation of a business plan that underpins a more focused turnaround that delivers targeted performance improvements for customers, the environment and other stakeholders of Thames Water over the next three years and which is supported by appropriate regulatory arrangements.

There have been extensive discussions between Thames Water, Ofwat and other stakeholders leading up to and since the submission of Thames Water's PR24 Business Plan on 2 October 2023.

Based on the information provided by Ofwat to Thames Water, the conditions to providing Thames Water with further equity financing have not been met as the feedback from Ofwat does not constitute an investible proposition. As a result of the conditions remaining unsatisfied under the terms of the equity support letter, the first tranche of the new equity will not be invested by the Shareholders by 31 March 2024.

Absent an investible proposition for the Shareholders to provide new equity, Kemble Water Finance Limited (**KWF**) considers at the current time that it will not be possible to pay further interest payments and, unless an extension to the maturity of the facility is granted by lenders, it will not be able to refinance or repay a £190 million facility which matures on 30 April 2024.

In light of the above, KWF and Thames Water (Kemble) Finance Plc intend to approach their lenders and noteholders and request continued support in order to provide a stable platform while they engage with all key stakeholders. KWF and Thames Water (Kemble) Finance Plc have appointed Alvarez & Marsal to advise and assist them with their lender and noteholder engagement.

Further updates will be provided in due course.

For lender and noteholder enquiries please contact

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For media enquiries please contact

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Information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as amended (**MAR**) until the release of this announcement. For the purpose of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Henrik Onarheim (Director) at Thames Water (Kemble) Finance Plc.

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