

FINAL TERMS

25 August 2021

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (“UK MiFIR”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

UNITED UTILITIES WATER FINANCE PLC

LEI: 213800313INX42GDLR44

Issue of JPY 11,000,000,000 0.175 per cent. Fixed Rate Notes due 27 August 2030

unconditionally and irrevocably guaranteed by UNITED UTILITIES WATER LIMITED

under the EUR 7,000,000,000

Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 November 2020 and the supplements to it dated 5 July 2021 which together constitute a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (the “Offering Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- | | | | |
|----|-----|--|------------------------------------|
| 1. | (a) | Issuer: | United Utilities Water Finance PLC |
| | (b) | Guarantor | United Utilities Water Limited |
| 2. | (a) | Series Number: | 77 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Japanese Yen (“JPY”) |
| 4. | | Aggregate Nominal Amount: | |

- | | | |
|-----|---|--|
| (a) | Series: | JPY 11,000,000,000 |
| (b) | Tranche: | JPY 11,000,000,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (a) Specified Denominations: | JPY 100,000,000 and integral multiples of JPY 100,000,000 in excess thereof |
| | (b) Calculation Amount for Notes in definitive form (and in relation to calculation of interest for Notes in global form see Conditions): | JPY 100,000,000 |
| 7. | (a) Issue Date: | 27 August 2021 |
| | (b) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 27 August 2030 |
| 9. | Interest Basis: | 0.175 per cent. Fixed Rate (see paragraph 15 below) |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | (a) Status of the Notes: | Senior, unsecured |
| | (b) Status of the Guarantee: | Senior, unsecured |
| | (c) Date approval for issuance obtained: | 5 July 2021 |
| 14. | Method of Distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-----------------------------------|---|
| 15. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate of Interest: | 0.175 per cent. per annum payable semi-annually in arrear on each Interest Payment Date |

(b)	Interest Payment Date(s):	27 August and 27 February from and including 27 February 2022 in each year up to and including the Maturity Date
(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	JPY 175,000 per Calculation Amount
(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	Not Applicable
(e)	Day Count Fraction:	Actual/Actual (ICMA)
(f)	Determination Date(s):	27 August and 27 February in each year
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest/Redemption Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Notice periods for Condition 9.2:	Minimum period: 30 days Maximum period: 60 days
20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	JPY 100,000,000 per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons, indexation reasons or on event of default:	JPY 100,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
-----	----------------	--

25. New Global Notes (“NGN”) / New NGN Safekeeping Structure (“NSS”):
26. Additional Financial Centre(s): Not Applicable
27. Talons for future Coupons or Receipts to be attached to Definitive Notes: No
28. Redenomination applicable: Redenomination not applicable
29. Details Relating to Instalment Notes Not Applicable

THIRD PARTY INFORMATION

The description of the ratings in Part B, paragraph 2 of these Final Terms has been extracted from the websites of Moody’s, S&P and Fitch (each as defined below). Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by S&P, Moody’s and Fitch (as applicable), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: *B4 Murphy*

Duly authorised

Signed on behalf of the Guarantor:

By: *B4 Murphy*

Duly authorised

PART B - OTHER INFORMATION**1. LISTING**

- (a) Listing: London
- (b) Admission to trading: Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from the Issue Date.
- (c) Estimate of total expenses related to admission to trading: GBP 3,760

2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

A3 by Moody's Investors Services Ltd ("Moody's")

BBB+ by S&P Global Ratings UK Limited ("S&P")

A- by Fitch Ratings Limited ("Fitch")

Each of Moody's, S&P and Fitch is established in the UK and registered under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "CRA Regulation"). The ratings of Moody's, S&P and Fitch are endorsed by Moody's Deutschland GmbH ("Moody's Europe"), S&P Global Ratings Europe Limited ("S&P Europe") and Fitch Ratings Ireland Limited ("Fitch Europe") respectively in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") for use in the EU. Each of Moody's Europe, S&P Europe and Fitch Europe is established in the EU and registered under the CRA Regulation. As such, each of Moody's Europe, S&P Europe and Fitch Europe is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk> in accordance with the CRA Regulation.

Obligations rated 'A' by Moody's are judged to be upper-medium grade and are subject to low credit risk. The modifier '3' indicates that the obligation ranks in the lower end of its generic rating category. (Source: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

Obligations rated 'BBB' by S&P exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The addition of a plus (+) sign is to show relative standing within this rating category. (Source: https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352).

Obligations rated 'A' by Fitch are judged to indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The addition of a minus (-) sign is to denote its relative status within this rating category. (Source: <https://www.fitchratings.com/research/fund-asset-managers/rating-definitions-11-06-2020>).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-----|-------------------------|--|
| (a) | Reasons for the offer: | See "Use of Proceeds" in the Offering Circular |
| (b) | Estimated net proceeds: | JPY 11,000,000,000 |

5. YIELD

Indication of yield:	0.175 per cent. per annum semi-annual
----------------------	---------------------------------------

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INTEREST RATES

Not applicable.

7. OPERATIONAL INFORMATION

- | | | |
|-----|--------------|--------------|
| (a) | ISIN: | XS2380120159 |
| (b) | Common Code: | 238012015 |

- | | | |
|-----|--|--|
| (c) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (d) | Delivery: | Delivery against payment |
| (e) | Names and addresses of additional Paying Agent(s) (if any): | Not applicable |
| (f) | Intended to be held in a manner that would allow Eurosystem eligibility: | No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

8. BENCHMARKS REGULATION

Not Applicable

9. DISTRIBUTION

- | | | |
|-----|--|--------------------|
| (a) | If syndicated, names of Managers: | Not Applicable |
| (b) | If non-syndicated, name of relevant Manager: | Barclays Bank PLC |
| (c) | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D applicable |
| (d) | Prohibition of Sales to EEA and UK Retail Investors: | Not Applicable |
| (e) | Prohibition of Sales to Belgian Consumers: | Applicable |