

## FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “**retail investor**” means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a “**retail investor**” means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**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, 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 (“**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.

9 December 2024

**SOUTH WEST WATER FINANCE PLC**

*(incorporated with limited liability in in England and Wales with registered number 05722435)*

*(Legal entity identifier (LEI): 213800OV68U446W4NV89)*

Issue of

**£250,000,000 5.750 per cent. Guaranteed Notes due December 2032**

unconditionally and irrevocably guaranteed by

**SOUTH WEST WATER LIMITED**

*(incorporated with limited liability in England and Wales with registered number 2366665)*

*(Legal entity identifier (LEI): 213800FR2VAOKRYRHX45)*

under the

**£2,500,000,000**

**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 Base Prospectus dated 23 July 2024 (the “**Base Prospectus**”) and the supplement to it dated 28 November 2024 which together constitute a base prospectus for the purposes of the UK Prospectus Regulation. As used herein, “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus as so supplemented in order to obtain all the relevant information. The Base Prospectus and the supplement to it have been published on Pennon Group plc’s website at: <https://www.pennon-group.co.uk/investor-information/debt-investors>.

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|----|-----|--|---|
| 1. | (a) | Issuer:  | South West Water Finance Plc  |
|    | (b) | Guarantor:   | South West Water Limited  |
| 2. | (a) | Series Number:   | 2   |
|    | (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:                                      | Pounds sterling (“£”)   |
| 4. |     | Aggregate Nominal Amount:  |   |
|    | (a) | Series:  | £250,000,000  |
|    | (b) | Tranche:   | £250,000,000  |
| 5. |     | Issue Price:   | 99.962 per cent. of the Aggregate Nominal Amount  |
| 6. | (a) | Specified Denominations:   | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in |

definitive form will be issued with a denomination above £199,000

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|-----|--|--|
| (b) | Calculation Amount (in relation to calculation of interest in global form see Conditions): | £1,000   |
| 7.  | (a) Issue Date:  | 11 December 2024   |
|     | (b) Interest Commencement Date:  | Issue Date   |
| 8.  | Maturity Date:   | 11 December 2032   |
| 9.  | Interest Basis:  | 5.750 per cent. Fixed Rate<br>(see paragraph 14 below)   |
| 10. | Redemption/Payment Basis:  | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.000 per cent. of their nominal amount   |
| 11. | Change of Interest Basis:  | Not Applicable   |
| 12. | Put/Call Options:  | Issuer Call<br>Event Put Option<br>(see paragraphs 19 and 21 below)  |
| 13. | (a) Status of the Notes:   | Senior, unsecured  |
|     | (b) Status of the Guarantee:   | Senior, unsecured  |
|     | (c) Date of Board and Committee approvals for issuance of Notes and Guarantee obtained:    | The issue of the Notes by the Issuer has been approved by resolutions of the Board of Directors of the Issuer passed on 22 July 2024<br><br>The guarantee of the Notes by the Guarantor has been approved by resolutions of the Board of Directors of the Guarantor passed on 3 July 2024 and of a Committee appointed by the Board of Directors of the Guarantor passed on 22 July 2024 and 2 December 2024 |

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|--|--|
| 14. | Fixed Rate Note Provisions:  | Applicable   |
|     | (a) Rate(s) of Interest:   | 5.750 per cent. per annum payable in arrear on each Interest Payment Date                                      |
|     | (b) Interest Payment Date(s):  | 11 June and 11 December in each year from (and including) 11 June 2025 up to (and including) the Maturity Date |
|     | (c) Fixed Coupon Amount(s) (and in relation to Notes in global form see Conditions): | £28.75 per Calculation Amount  |

(d)	Broken Amount(s) (and in relation to Notes in global see Conditions):	Not Applicable
(e)	Day Count Fraction:	Actual/Actual (ICMA)
(f)	Determination Date(s):	11 June and 11 December in each year
15.	Floating Rate Note Provisions:	Not Applicable
16.	Zero Coupon Note Provisions:	Not Applicable
17.	Index Linked Interest/Redemption Note Provisions:	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 8.2 ( <i>Redemption for Tax Reasons</i> ):	Minimum period: 30 days Maximum period: 60 days
19.	Issuer Call:	Applicable
(a)	Optional Redemption Date(s):	Any Payment Day (as defined in Condition 7.7) in the period commencing on (and including) 11 September 2032 and ending on (but excluding) the Maturity Date
(b)	Optional Redemption Amount:	£1,000 per Calculation Amount
(i)	Minimum Optional Redemption Amount:	Not Applicable
(ii)	Maximum Optional Redemption Amount:	Not Applicable
(c)	If redeemable in part:	Not Applicable – redemption in whole only
(d)	Notice periods:	Minimum period: 15 days Maximum period: 30 days
20.	Investor Put:	Not Applicable
21.	Event Put Option:	Applicable
(a)	Optional Redemption Amount:	£1,000 per Calculation Amount
(i)	Minimum Optional Redemption Amount:	Not Applicable
(ii)	Maximum Optional Redemption Amount:	Not Applicable
22.	Clean-up Redemption Option:	Not Applicable
23.	Final Redemption Amount:	£1,000 per Calculation Amount
(a)	Minimum Final Redemption Amount:	Not Applicable

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|-----|---|-------------------------------|
| (b) | Maximum Final Redemption Amount:  | Not Applicable                |
| 24. | Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default: | £1,000 per Calculation Amount |
| (a) | Minimum Early Redemption Amount:  | Not Applicable                |
| (b) | Maximum Early Redemption Amount:  | Not Applicable                |

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

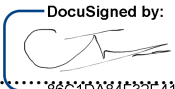
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|-----|---|--|
| 25. | Form of Notes:  |  |
| (a) | Form:   | Bearer Notes<br><br>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event |
| (b) | New Global Note:  | Yes  |
| 26. | Additional Financial Centre(s):                               | Not Applicable   |
| 27. | Talons for future Coupons to be attached to Definitive Notes: | No   |

### THIRD PARTY INFORMATION

The indicative rating descriptions of each of Moody's Investors Service Limited ("Moody's") and Fitch Ratings Limited ("Fitch") set out in Part B of these Final Terms has been extracted from the respective websites of those rating agencies. 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 the relevant rating agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

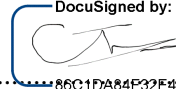
Signed on behalf of the Issuer:

**South West Water Finance Plc**

By: .....  
  
 Duly authorised

Signed on behalf of the Guarantor:

**South West Water Limited**

By: .....  
  
 Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been 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 to be listed on the Official List of the Financial Conduct Authority with effect from on or around the Issue Date
- (ii) Estimate of total expenses related to admission to trading: £5,850 + VAT

### 2. RATINGS

Ratings:

The Notes to be issued are expected to be rated:

Moody's: 'Baa1'

Fitch: 'A-'

A rating of 'Baa' by Moody's is described by it<sup>1</sup> as follows: "*Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics*". The modifier 1 is described by Moody's in the following context: "*The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category*".

A rating of 'A' by Fitch is described by it<sup>2</sup> as follows: "*'A' ratings denote expectations of low default risk. 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 modifier '-' is described by Fitch in the following context: "*an additional +/- for AA through CCC levels indicating relative differences of probability of default or recovery for issues*".

Each of Moody's and Fitch is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**") and included in the list of credit rating agencies published by the Financial Conduct Authority on its website (at <https://www.fca.org.uk/firms/credit-rating-agencies>). Neither Moody's nor Fitch is established in the EEA and they have not applied for

<sup>1</sup> Source: <https://ratings.moodys.com/rating-definitions>

<sup>2</sup> Source: <https://www.fitchratings.com/products/rating-definitions#about-rating-definitions>

registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings for the Notes assigned by Moody’s and Fitch have been endorsed by Moody’s Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, in accordance with the CRA Regulation. Each of Moody’s Deutschland GmbH and Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such each of Moody’s Deutschland GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

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

Save for the fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their 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 AND ESTIMATED NET PROCEEDS

- |                              |   |
|------------------------------|---|
| (i) Reasons for the offer:   | The Notes are Green Bonds. An amount equal to the net proceeds from the issue will be allocated by the Issuer to finance or refinance, in whole or in part, new or existing eligible projects as set out in Pannon Group plc’s Sustainable Financing Framework and as defined and as more fully described in the Base Prospectus – see “ <i>Use of Proceeds</i> ” in the Base Prospectus. |
| (ii) Estimated net proceeds: | £249,180,000  |

### 5. YIELD

- |                      |   |
|----------------------|---|
| Indication of yield: | 5.756 per cent. per annum (semi-annual basis)   |
|                      | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

### 6. OPERATIONAL INFORMATION

- |                   |   |
|-------------------|---|
| (i) ISIN:         | XS2956847805  |
| (ii) Common Code: | 295684780   |
| (iii) CFI:        | See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |

(iv)	FISN:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
(v)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
(vi)	Delivery:	Delivery against payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	<p>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.</p> <p>As used herein, “<b>ICSDs</b>” means Euroclear Bank SA/NV and Clearstream Banking S.A.</p>

## 7. DISTRIBUTION

(i)	Method of distribution:	Syndicated
(ii)	If syndicated, names of Managers:	Barclays Bank PLC Morgan Stanley & Co. International plc
(iii)	Stabilisation Manager(s) (if any):	Morgan Stanley & Co. International plc
(iv)	If non-syndicated, name of relevant Dealer:	Not Applicable
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D
(vi)	Prohibition of Sales to Belgian Consumers:	Applicable