

FINAL TERMS

3 April 2024

Northumbrian Water Finance Plc

Legal entity identifier (LEI): 213800JTFA6F3S7XX781

Issue of £100,000,000 2.490 per cent. Index-Linked Guaranteed Notes due 2039

Guaranteed by Northumbrian Water Limited

under the £6,000,000,000

Euro Medium Term Note Programme

UK MiFIR product governance / Professional investors and eligible counterparties only target market - Solely for the purposes of each 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 Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

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 more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "EU MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.

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 UK. For these purposes, a retail investor means a person who is one (or more) 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 EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

Consequently, no key information document required by the PRIIPs Regulation 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.

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 20 March 2024 which constitutes a Base Prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). 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 in order to obtain all the relevant information. The Base Prospectus is published on the website of the London Stock Exchange: (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).

1	(i) Series Number:	2024-02
	(ii) Tranche Number:	1
2	Specified Currency or Currencies:	Sterling (“£”)
3	Aggregate Nominal Amount of Notes admitted to trading:	£100,000,000
	(i) Series:	£100,000,000
	(ii) Tranche:	£100,000,000
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
4	Issue Price of Tranche:	100.00 per cent. of the Aggregate Nominal Amount
5	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000
	(ii) Calculation Amount:	£1,000
6	Issue Date and Interest Commencement Date:	5 April 2024
7	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8	Maturity Date:	5 April 2039
9	Interest Basis:	Index Linked Interest (further particulars specified in paragraph 16)
10	Redemption Basis:	Index Linked Redemption
11	Change of Interest Basis:	Not Applicable
12	Put/Call Options:	Change of Control Put Option Make-Whole Redemption by the Issuer Issuer Maturity Par Call (further particulars specified in paragraphs 18/19/22 below)
13	Date Board approval for issuance of Notes obtained:	20 March 2024

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions	Not Applicable
15	Floating Rate Note Provisions	Not Applicable
16	Index Linked Interest Note	Applicable
	(i) Index:	CPI
	(ii) Rate of Interest:	2.490 per cent. per annum payable annually in arrear on each Interest Payment Date and adjusted in accordance with Condition 8.2
	(iii) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Calculation Agent):	Not Applicable
	(iv) Specified Interest Payment Dates:	5 April in each year, commencing on 5 April 2025 up to and including the Maturity Date
	(v) First Interest Payment Date:	5 April 2025
	(vi) Interest Period(s):	The period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date, and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date
	(vii) Business Day Convention:	Following Business Day Convention
	(viii) Minimum Indexation Factor:	Not Applicable
	(ix) Business Centre(s):	London
	(x) Maximum Indexation Factor:	Not Applicable
	(xi) Limited Indexation Month(s) or Period for calculation of Limited Indexation Factor:	Not Applicable
	(xii) Base Index Figure (Condition 8.1):	131.60667
	(xiii) Day Count Fraction:	Actual/Actual (ICMA)
	(xiv) Index Figure applicable (Condition 8.1):	3 month lag applies
	(xv) Reference Gilt (Condition 8.1):	UKTI 0.125% due March 2039
	(xvi) Indexed Benchmark Gilt (Condition 8.1):	Not Applicable
17	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18	Call Option (Condition 6(d))	Applicable
	(i) Optional Redemption Date(s):	Any date during the period from (and including) the Issue Date to (but excluding) the Par Call Period Commencement Date
	(ii) Optional Redemption Amount(s) of each Note:	Make-Whole Amount applies If the Optional Redemption Date is prior to the Par Call Period Commencement Date, the Notes are redeemable in whole or in part at the Make-Whole Amount. If the Optional Redemption Date is on or after the Par Call Period Commencement Date, the Notes are redeemable in whole or in part at the Final Redemption Amount
	(A) Reference Bond:	UKTI 0.125% due March 2039
	(B) Redemption Margin:	+0.25 per cent.
	(C) Discount Basis:	Annual
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period:	As per Condition 6(d)
19	Issuer Maturity Par Call (Condition 6(e)):	Applicable
	(i) Notice period:	Minimum period: 15 days Maximum period: 30 days
	(ii) Par Call Period Commencement Date:	As per Conditions
20	Clean-up Call (Condition 6(f))	Not Applicable
21	Put Option (Condition 6(g))	Not Applicable
22	Change of Control Put Option (Condition 6(h))	
	(i) Change of Control Redemption Amount:	£1,000 per Calculation Amount
23	Final Redemption Amount of each Note In cases where the Final Redemption Amount is Index Linked:	

- (i) Index: CPI
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): Not Applicable
- (iii) Determination Date(s): The Final Interest Determination Date
- (iv) Payment Date: Maturity Date
- (v) Notice Periods (Condition 8.6): Minimum Period: 30 days
Maximum Period: 60 days

24 Early Redemption Amount:

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption: £1,000 per Calculation Amount (adjusted in accordance with Condition 8.2)
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: Yes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 (i) Form of Notes: **Bearer Notes:**
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
- (ii) New Global Note: Yes
- 26 Financial Centre(s): Not Applicable
- 27 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): No
- 28 Prohibition of Sales to EEA Retail Investors: Applicable
- 29 Prohibition of Sales to UK Retail Investors: Applicable
- 30 Singapore Sales to Institutional Investors and Accredited Investors only: Not Applicable

THIRD PARTY INFORMATION

Not Applicable.

Signed on behalf of the Issuer:

DocuSigned by:
By:Matt Williams.....
803179785657417...
Duly authorised

Signed on behalf of the Guarantor:

DocuSigned by:
By:Matt Williams.....
803179785657417...
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- | | |
|--|---|
| (i) Listing and Admission to trading: | Application has been made for Notes issued under the Programme to be admitted to the Official List of the Financial Conduct Authority and to be admitted to trading on the London Stock Exchange's main market with effect from 5 April 2024. |
| (ii) Estimate of total expenses related to admission to trading: | £5,850 |

2 RATINGS

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

Moody's: Baa1

An obligation rated Baa is subject to moderate credit risk. It is considered medium-grade and as such may possess speculative characteristics.

The modifier '1' indicates that the obligation ranks in the higher end of its generic rating category.

(Source: <https://ratings.moody's.io/ratings>)

Fitch: BBB+

An obligation rated 'BBB' indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

The modifier '+' appended to the rating denotes relative status within major rating categories.

(Source, Fitch Ratings,

<https://www.fitchratings.com/products/rating-definitions>)

Each of Moody's Investors Service Ltd. and Fitch Ratings Limited is established in the United Kingdom and is registered under the UK CRA Regulation. They are not registered under the EU CRA Regulation; however, the ratings given to the Notes by Moody's Investors Service Ltd. and Fitch Ratings Limited are endorsed by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the EEA and registered under the EU 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 and the Guarantor are aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer/use of proceeds: See "Use of Proceeds" in Base Prospectus

Estimated net proceeds: £99,650,000

5 FIXED RATE NOTES ONLY – YIELD

Indication of yield: Not Applicable

6 INDEX LINKED NOTES ONLY – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

Name of underlying index: UK Consumer Prices Index (CPI) (all items)
published by the Office for National Statistics

Information about the Index, its volatility and past and future performance can be obtained from: Information on CPI can be found at www.statistics.gov.uk

7 HISTORIC INTEREST RATES (Floating Rate Notes only)

Not Applicable.

8 OPERATIONAL INFORMATION

Trade Date: 27 March 2024
ISIN: XS2798081696
Common Code: 279808169
FISN: NORTHUM.WATER F/VAR MTN 20390405, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

CFI Code: DTVXFB, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A., the relevant address and the identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) if any:	Not Applicable
Custodian for Retained Notes	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the relevant Clearing Systems as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

9 DISTRIBUTION

(i) Method of distribution:	Syndicated
(ii) Date of Subscription Agreement:	3 April 2024
(iii) If syndicated, names and addresses of Managers:	Lloyds Bank Corporate Markets plc 10 Gresham Street London EC2V 7AE RBC Europe Limited 100 Bishopsgate London EC2N 4AA Bank of China Limited, London Branch 1 Lothbury London EC2R 7DB
(iv) Name(s) and address(es) of Stabilisation Manager(s) (if any):	Not Applicable
(v) If non-syndicated, name and address of Dealer:	Not Applicable
(vi) U.S. Selling Restrictions (Categories of potential investors to which the Notes are offered):	Reg. S Compliance Category 2; TEFRA D