FINAL TERMS

10 February 2023

Northumbrian Water Finance Plc

Legal entity identifier (LEI): 213800JTFA6F3S7XX781
Issue of £350,000,000 4.500 per cent. Guaranteed Notes due 2031
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 (as amended, 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 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2014/65/EU (as amended, "EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID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.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (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; or (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.

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.

SINGAPORE SFA PRODUCT CLASSIFICATION - In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.

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 19 October 2022 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 has been 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:	2
	(ii) Tranche Number:	1
2	Specified Currency or Currencies:	Sterling
3	Aggregate Nominal Amount of Notes admitted to trading:	
	(i) Series:	£350,000,000
	(ii) Tranche:	£350,000,000
4	Issue Price of Tranche:	99.566 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:	14 February 2023
7	Interest Commencement Date (if different from the Issue Date):	Not Applicable
8	Maturity Date:	14 February 2031
9	Interest Basis:	4.500 per cent. Fixed Rate (further particulars specified in paragraph 14)
10	Redemption 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:	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:	3 February 2023

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14 Fixed Rate Note Provisions	Applicable
(i) Rate(s) of Interest:	4.500 per cent. per annum payable in arrear on each Interest Payment Date
(ii) Interest Payment Date(s):	14 February in each year
(iii) Fixed Coupon Amount(s):	£45.00 per Calculation Amount
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	Actual/Actual – ICMA
(vi) Determination Dates:	14 February in each year
15 Floating Rate Note Provisions	Not Applicable
16 Index Linked Interest Note	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 date falling 90 days prior to the Maturity Date
(ii) Optional Redemption Amount(s) of each Note:	If the Optional Redemption Date is prior to the date falling 90 days prior to the Maturity 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 date falling 90 days prior to the Maturity Date, the Notes are redeemable in whole or in part at the Final Redemption Amount
(A) Reference Bond:	UKT 0.250% July 2031
(B) Quotation Time:	11:00 a.m. GMT
(C) Redemption Margin:	+0.25 per cent.
(D) Determination Date:	2 Business Days prior to the Optional Redemption Date
(E) 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	£1,000 per Calculation Amount
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
	(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:	Not Applicable
29	Prohibition of Sales to UK Retail Investors:	Not Applicable

THIRD PARTY INFORMATION

Not Applicable.

Signed on behalf of the Issuer:

By: DocuSigned by:
Mike Porter
E8C3EAA1D51F4F8...
Mike Porter
Duly authorised

Signed on behalf of the Guarantor:

By: DocuSigned by:
Mike Porter
E8C3EAA1D51F4F8...
Mike Porter
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i) Listing and Admission to trading:	Application has been made for the Notes 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 14 February 2023.
(ii) Estimate of total expenses related to admission to trading:	£5,500

2 RATINGS

Ratings:	The Notes have been rated:
	S&P: BBB An obligation rated 'BBB' exhibits 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. (Source: https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352)
	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.moodys.io/ratings)
	Each of S&P Global Ratings UK Limited and Moody's Investors Service Ltd. 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 S&P Global Ratings UK Limited and Moody's Investors Service Ltd. are endorsed by S&P Global Ratings Europe Limited and Moody's Deutschland GmbH, 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:	£347,168,500

5 FIXED RATE NOTES ONLY – YIELD

Indication of yield:	4.566 per cent. per annum

6 HISTORIC INTEREST RATES (Floating Rate Notes only)

Not Applicable.

7 OPERATIONAL INFORMATION

Trade Date:	3 February 2023
ISIN:	XS2585804946
Common Code:	258580494
FISN:	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:	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.

8 DISTRIBUTION

(i)	Method of distribution:	Syndicated
(ii)	Date of Subscription Agreement:	10 February 2023
(iii)	If syndicated, names and addresses of Managers:	Lloyds Bank Corporate Markets plc 10 Gresham Street London EC2V 7AE NatWest Markets Plc 250 Bishopsgate London EC2M 4AA Bank of China Limited, London Branch 1 Lothbury London EC2R 7DB Barclays Bank PLC 1 Churchill Place London E14 5HP RBC Europe Limited 100 Bishopsgate London EC2N 4AA
(iv)	Name(s) and address(es) of Stabilisation Manager(s) (if any):	Lloyds Bank Corporate Markets plc 10 Gresham Street London EC2V 7AE
(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