

FINAL TERMS

IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS –The Bonds 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**”) or in the United Kingdom (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 (11) of Article 4(1) of Directive 2014/65/EU as amended (“**MiFID II**”); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II 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 Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in point (11) of Article 4(1) of MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

Final Terms dated 22 December 2020

THAMES WATER UTILITIES FINANCE PLC

LEI 213800ESMPQ4RQ7G8351

Issue of US\$40,000,000 1.604 per cent. Class A Unwrapped Bonds due December 2027

under the £10,000,000,000 Guaranteed Bond 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 2 September 2020 which constitutes a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such base prospectus in order to obtain all the relevant information. The base prospectus is available on the website of the Irish Stock Exchange, trading as Euronext Dublin at: <https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=834&uID=7173&FIELDSORT=docId>.

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	(ii) Guarantors:	Thames Water Utilities Holdings Limited and Thames Water Utilities Limited
2	(i) Series Number:	31
	(ii) Sub-Class Number:	Not Applicable
3	Relevant Currency or Currencies:	United States Dollars (“US\$”)
4	Aggregate Nominal Amount:	
	(i) Series:	US\$40,000,000
	(ii) Sub-Class:	Not Applicable
	(iii) Tranche:	US\$40,000,000
5	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	\$39,968,000
6	(i) Specified Denominations:	US\$200,000
	(ii) Calculation Amount	US\$200,000
7	(i) Issue Date:	23 December 2020
	(ii) Interest Commencement Date (if different from the Issue Date):	Not Applicable
8	Maturity Date:	23 December 2027 adjusted for payment purposes only in accordance with the Following Business Day Convention
9	Instalment Date:	Not Applicable
10	Interest Basis:	1.604 per cent. per annum. Fixed Rate
11	Redemption/Payment Basis:	Redemption at par
12	Call Options:	Applicable Call Option
13	(i) Status:	Class A Unwrapped Bonds
	(ii) Date of Board approval for issuance of Bonds and Guarantee obtained:	7 July 2020 in respect of the Issuer, 25 June 2020 in respect of Thames Water Utilities Holdings Limited and 24 June 2020 in respect of Thames Water Utilities Limited

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Bond Provisions:	Applicable
	(i) Interest Rate:	1.604 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	23 December and 23 June in each year, from and including 23 June 2021, up to and including the Maturity Date adjusted for payment purposes only in

		accordance with the Following Business Day Convention
	(iii) Fixed Coupon Amounts:	\$1,604.00 per Calculation Amount
	(iv) Broken Amounts:	Not Applicable
	(v) Day Count Fraction:	30/360
	(vi) Determination Date:	Not Applicable
	(vii) Reference Gilt:	Not Applicable
15	Floating Rate Bond Provisions:	Not Applicable
16	Zero Coupon Bond Provisions:	Not Applicable
17	Indexed Bond Provisions:	Not Applicable
18	Dual Currency Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Issuer Maturity Call	Not Applicable
20	Call Option:	Applicable in accordance with Condition 8(b) with the applicable Reference Gilt being the U.S. Treasury 0.625% due 30 November 2027 (ISIN: US91282CAY75) and for these purposes, the Gross Redemption Yield shall be the sum of the Gross Redemption Yield as set out in Condition 8(b) plus 0.15%.
21	Final Redemption Amount:	Par

GENERAL PROVISIONS APPLICABLE TO THE BONDS

22	Form of Bonds:	Bearer
	(i) If issued in Bearer form:	Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond
	(ii) If Registered Bonds:	Not Applicable
23	Relevant Financial Centre(s):	London, New York and Tokyo
24	Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature):	No
25	Details relating to Instalment Bonds:	Not Applicable

26	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
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27	TEFRA rules:	TEFRA D
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ISSUER/TWUL LOAN TERMS

The Issuer will enter into one or more swap transactions in respect of the proceeds of the Bonds (“**XCCY Swaps**”) prior to on-lending such monies to TWUL. Pursuant to the XCCY Swaps, the proceeds of the Bonds will be converted into sterling.

28	Amount of relevant Term Advance/Index Linked Advances:	An amount equal to the sterling amount received under the XCCY Swaps
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29	Interest rate on relevant Term Advance/Index Linked Advances:	A rate equal to the rate under the XCCY Swaps
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30	Term of relevant Term Advance/Index Linked Advances:	Until 23 December 2027, or earlier if the Bonds are redeemed early.
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DISTRIBUTION

Method of distribution

Non-syndicated

31	(i) If syndicated, names of Managers:	Not Applicable
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	(ii) Stabilising Manager (if any):	Not Applicable
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32	If non-syndicated, name of Dealer:	NatWest Markets Plc
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33	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D
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Signed on behalf of the Issuer:

By: AJ Stevens
Duly authorised

Signed on behalf of Thames Water Utilities Limited:

By: AJ Stevens
Duly authorised

Signed on behalf of Thames Water Utilities Holdings Limited:

By: AJ Stevens
Duly authorised

PART B

OTHER INFORMATION

- 1 **Listing**
 - (i) Listing: Listed on the Official List of Euronext Dublin
 - (ii) Admission to trading: Application has been made for the Bonds to be admitted to trading on the Regulated Market of Euronext Dublin.
 - (iii) Estimate of total expenses related to admission to trading: EUR 1,000
- 2 **Ratings**

Ratings: The Bonds to be issued are expected to be rated:
S&P Global Ratings Europe Limited: BBB+
Moody's Investors Service Limited: Baa1

As defined by S&P, a BBB+ rating means that the obligations of the Obligors exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the Obligors' capacity to meet their financial commitments on the obligation. The addition of the plus (+) sign indicates a ranking in the higher end of the 'BBB' rating category.

As defined by Moody's, a Baa1 rating means that the obligations of the Obligors are considered medium grade and are subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier 1 indicates a ranking in the higher end of the 'Baa' generic category.
- 3 **Interests of Natural and Legal Persons involved in the Issue/Offer**

Save as discussed in Chapter 12, "Subscription and Sale" of the base prospectus, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.
- 4 **Reasons for the offer and estimated net proceeds**
 - (i) Reasons for the offer: Net proceeds from the issue of a Series of Bonds (the "**Green Bonds**") to a green portfolio (the "**Green Portfolio**") in order to finance, refinance and/or invest in Eligible Green Portfolio (as

defined below) meeting the Eligibility Criteria (as defined below).

“Eligible Green Projects” means sustainable water management projects with a reduced climate footprint and water recycling projects with a reduced climate footprint.

“Eligible Green Portfolio” means a portfolio of Eligible Green Projects.

“Eligibility Criteria” means the criteria prepared by the Issuer and/or TWUL. A third party consultant will review the Eligible Green Portfolio and issue a Green Portfolio Opinion based on the Eligibility Criteria. The Green Portfolio Opinion will be made available on the Issuer's website at www.thameswater.co.uk.

Pending allocation of the net proceeds for investment in the Eligible Green Portfolio, the Issuer and/or TWUL will hold such net proceeds in an Operating Account, at its discretion, in the form of cash or other investments (as permitted under the Common Terms Agreement). The balance of the Eligible Green Portfolio, until such amount is used in full, will be periodically adjusted to match allocations to Eligible Green Projects. The Issuer and/or TWUL will establish systems to monitor and account for the net proceeds for investment in the Eligible Green Portfolio meeting the Eligibility Criteria.

The Issuer is expected to issue a report on (i) the portfolio to which proceeds of Green Bonds have been allocated and the amounts allocated and (ii) the expected impact of the Eligible Green Portfolio on the environment. This report will be issued once a year until all Green Bonds are repaid in full or until the maturity date of those Green Bonds. The report will be reviewed by a third party consultant or with limited assurance by an independent auditor. In addition, the Issuer is expected to provide regular information through its website www.thameswater.co.uk on the environmental outcomes of the Eligible Green Portfolio.

(ii) Estimated net proceeds:	\$39,968,000
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5 **Fixed Rate Bonds only – Yield**

Indication of yield:

1.604 per cent. per annum

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

ISIN:

XS2278588343

Common Code:

227858834

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):

Not Applicable

Delivery:

Delivery against payment

Names and addresses of initial
Paying Agent(s):

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Names and addresses of additional Paying Agent(s) (if any):

Not Applicable

Intended to be held in a manner
which 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 Bonds are capable of meeting them the Bonds may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Bonds 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

7 Green Bonds

Applicable