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**UNITED UTILITIES WATER FINANCE PLC ANNOUNCES
TENDER OFFER IN RESPECT OF ITS
£450,000,000 2.00 PER CENT. FIXED RATE NOTES DUE 2025**

15 March 2024.

United Utilities Water Finance PLC (the **Company**) announces today its invitation to holders of its £450,000,000 2.00 per cent. Fixed Rate Notes due 2025 (ISIN: XS1769818227) ((£300,000,000 of which were issued on 14 February 2018, £50,000,000 of which were issued on 19 September 2018 and £100,000,000 of which were issued on 28 January 2019)) (the **Bonds**) to tender their Bonds for purchase by the Company for cash (the **Offer**). The Bonds are guaranteed by United Utilities Water Limited (the **Parent**).

The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 15 March 2024 (the **Tender Offer Memorandum**), prepared by the Company, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

Summary

A summary of certain terms of the Offer appears below:

Description of the Bonds	ISIN / Common Code	Coupon	Applicable Maturity Date	First Optional Redemption Date (Issuer Call at Par)	Outstanding Nominal Amount	Benchmark Security	Purchase Spread	Maximum Acceptance Amount
£450,000,000 2.00 per cent. Fixed Rate Notes due 2025	XS1769818227 / 176981822	2.00 per cent.	14 February 2025	14 November 2024	£450,000,000	UKT 0.25% due 31 January 2025 (ISIN: GB00BLPK7110)	45 bps	Subject as set out in the Tender Offer Memorandum, up to £200,000,000 in aggregate nominal amount

Rationale for the Offer

The Offer is designed to proactively manage the Company's debt maturity profile and to provide liquidity to current Bondholders. Any Bonds purchased by the Company pursuant to the Offer will be cancelled and will not be reissued or resold.

Purchase Price and Accrued Interest

The Company will pay for any Bonds validly tendered and accepted for purchase by the Company pursuant to the Offer a purchase price for such Bonds (the **Purchase Price**) to be determined at or around 12.00 p.m. (London time) on 22 March 2024

purchase price for each Bond (the **Purchase Price**) to be determined as of the Pricing Time (London time) on 21 March 2024 (the **Pricing Time**) in the manner described in the Tender Offer Memorandum by reference to the annualised sum (such sum, the **Purchase Yield**) of:

- a) the purchase spread of 45 bps (the **Purchase Spread**); and
- b) the Benchmark Security Rate.

The Purchase Price will be determined in accordance with market convention and expressed as a percentage of the nominal amount of the Bonds accepted for purchase pursuant to the Offer (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards) and is intended to reflect a yield to maturity of the Bonds on the Settlement Date based on the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal and interest up to and including the scheduled maturity date, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) any Accrued Interest.

The Company will also pay an Accrued Interest Payment in respect of any Bonds accepted for purchase pursuant to the Offer.

Maximum Acceptance Amount and Final Acceptance Amount

If the Company decides, in its sole and absolute discretion, to accept any validly tendered Bonds for purchase pursuant to the Offer, the Company currently proposes that the aggregate nominal amount of the Bonds that it will accept for purchase pursuant to the Offer will be no greater than £200,000,000 (the **Maximum Acceptance Amount**), although the Company reserves the right, in its sole and absolute discretion, to accept less or more than the Maximum Acceptance Amount, or to accept none of such Bonds, for purchase pursuant to the Offer (the final aggregate nominal amount of Bonds accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**).

Scaling

If the Company decides to accept any validly tendered Bonds for purchase pursuant to the Offer and the aggregate nominal amount of Bonds validly tendered for purchase is greater than the Final Acceptance Amount, the Company intends to accept such Bonds for purchase on a pro rata basis such that the aggregate nominal amount of Bonds accepted for purchase pursuant to the Offer is no greater than the Final Acceptance Amount, as further discussed in the Tender Offer Memorandum.

Announcements

The Company intends to announce, prior to the Pricing Time, the aggregate nominal amount of Bonds validly tendered pursuant to the Offer, together with a non-binding indication of the level at which it expects to set the Final Acceptance Amount and indicative details of any Scaling Factor applicable to valid tenders of Bonds that will be applied in the event that the Company decides to accept valid tenders of Bonds pursuant to the Offer.

The Company will then announce, as soon as reasonably practicable after the Pricing Time, its decision of whether to accept valid tenders of Bonds pursuant to the Offer and, if so accepted, the Final Acceptance Amount, the Benchmark Security Rate, the Purchase Yield, the Purchase Price and any Scaling Factor that will be applied to the Bonds, as applicable.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and Accrued Interest Payment pursuant to the Offer, Bondholders must validly tender their Bonds by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 21 March 2024, unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum (the **Expiration Deadline**).

Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold Bonds when such intermediary would need to receive instructions from a Bondholder in order for that Bondholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this announcement and the Tender Offer Memorandum.

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of the Bonds of no less than £100,000, being the minimum denomination of the Bonds, and may thereafter be submitted in integral multiples of £1,000. A separate Tender Instruction must be completed on behalf of each beneficial owner.

Indicative Timetable for the Offer

Events	Times and Dates (All times are London time)
<i>Commencement of the Offer</i>	
Offer announced. Tender Offer Memorandum available on the Offer Website and from the Tender Agent.	15 March 2024
<i>Expiration Deadline</i>	
Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Bondholders to be able to participate in the Offer.	4.00 p.m. on 21 March 2024
<i>Announcement of Indicative Results</i>	
Announcement by the Company of the aggregate nominal amount of Bonds validly tendered pursuant to the Offer, together with a non-binding indication of the level at which it expects to set the Final Acceptance Amount and indicative details of any Scaling Factor applicable to valid tenders of the Bonds that will be applied in the event that the Company decides to accept valid tenders of the Bonds pursuant to the Offer.	Prior to the Pricing Time on 22 March 2024
<i>Pricing Time</i>	
Determination of the Benchmark Security Rate, the Purchase Yield and the Purchase Price.	At or around 12.00 p.m. on 22 March 2024
<i>Announcement of Results and Pricing</i>	
Announcement of whether the Company will accept valid tenders of Bonds pursuant to the Offer and, if so accepted, the Final Acceptance Amount, the Benchmark Security Rate, the Purchase Yield, the Purchase Price and any Scaling Factor that will be applied to the Bonds, as applicable.	As soon as reasonably practicable after the Pricing Time on 22 March 2024
<i>Settlement Date</i>	
Expected Settlement Date for the Offer.	26 March 2024

This is an indicative timetable and may be subject to change. Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold Bonds when such intermediary would need to receive instructions from a Bondholder in order for that Bondholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in the Offer by the deadlines set out above and in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines set out above and in the Tender Offer Memorandum.

Unless stated otherwise, announcements in connection with the Offer will be made (i) by publication through RNS and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on the relevant Reuters Insider Screen and by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Bondholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Bondholders may contact the Dealer Managers for information using the contact details below.

The Dealer Managers and their respective affiliates, in the ordinary course of their respective businesses, make (without any obligation to do so) markets in securities of the Company, the Parent and their respective affiliates including the Bonds. As a result, from time to time, the Dealer Managers and the Tender Agent may own certain securities issued by the Company (including the Bonds) or the Parent and their respective subsidiaries or any of their respective affiliates. No submission or non-submission by the Dealer Managers or the Tender Agent of any Tender Instruction should be taken by any Bondholder or any other person as any recommendation or otherwise by the Dealer Managers or the Tender Agent, as the case may be, as to the merits of participating or not participating in the Offer.

Bondholders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offer.

For detailed terms of the Offer please refer to the Tender Offer Memorandum which (subject to distribution restrictions) can be obtained from the Tender Agent referred to below.

Deutsche Bank AG, London Branch (Telephone: +44 207 545 8011; Attention: Liability Management Group); and **RBC Europe Limited** (Attention: Liability Management; Telephone: +44 20 7029 7420; Email: liability.management@rbccm.com) are acting as Dealer Managers for the Offer.

Kroll Issuer Services Limited (Tel: +44 20 7704 0880; Attn: Owen Morris; Email: unitedutilities@is.kroll.com; Offer Website: <https://deals.is.kroll.com/unitedutilities>) is acting as Tender Agent.

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are above.

UK MAR: This announcement is released by the Company and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (**MAR**) as it forms part of UK domestic law by virtue of the EUWA (**UK MAR**), encompassing information relating to the Offer described above. For the purposes of UK MAR and Article 2 of the binding technical standards published by the Financial Conduct Authority in relation to MAR as regards Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Simon Gardiner, Company Secretary at the Company.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Bondholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Bonds pursuant to the Offer. None of the Company, the Parent, the Dealer Managers and the Tender Agent nor any of their respective directors, officers, employees, agents or affiliates makes any recommendation whether Bondholders should tender Bonds pursuant to the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Company, the Parent, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions. Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or a solicitation of an offer to sell the Bonds (and tenders of the Bonds in the Offer will not be accepted from Bondholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

In addition to the representations referred to below in respect of the United States, each Bondholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to below and generally as set out in the Tender Offer Memorandum. Any tender of the Bonds for purchase pursuant to the Offer from a Bondholder that is unable to make these representations will not be accepted.

United States. The Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. person (as defined in Regulation S of the Securities Act (each a **U.S. Person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States, to any person located or resident in the United States or to any U.S. Person, and the Bonds cannot be tendered in the Offer by any such use, means, instrumentality or facility or from within the United States or by any person located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Any purported tender of the Bonds in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of the Bonds made by any person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or by any U.S. Person or by use of such mails or any such means, instrumentality or facility will be invalid and will not be accepted.

Each holder of Bonds participating in the Offer will represent that it is not a U.S. Person and is not located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Italy. None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to

article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Bondholders or beneficial owners of the Bonds that are located in Italy can tender Bonds for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Bonds, the Offer, the Tender Offer Memorandum and/or this announcement.

United Kingdom. This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 and are not for general distribution and must not be passed on to the general public in the United Kingdom. The communication of such documents and materials is made only to and directed only at those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons falling within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as **Relevant Persons**) and the transaction contemplated herein will be available only to, and engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act on or rely on this announcement or the Tender Offer Memorandum or (in either case) any of its contents.

France. The Offer is not being made, directly or indirectly, to the public in the Republic of France. This announcement, the Tender Offer Memorandum and any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129. Neither this announcement nor the Tender Offer Memorandum has been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium. The Offer is not being made, and will not be made or advertised, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer has not been and shall not be distributed, directly or indirectly, in Belgium to Belgian Consumers.

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