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PENNON GROUP PLC

RESULTS OF RIGHTS ISSUE

18 February 2025

Pennon Group plc (the "**Company**") announces that the 13 for 20 Rights Issue of 185,928,002 New Ordinary Shares at 264 pence per New Ordinary Share announced on 29 January 2025 has closed for acceptances. The Company received valid acceptances in respect of 172,143,766 New Ordinary Shares, representing approximately 92.586 per cent. of the total number of New Ordinary Shares to be issued pursuant to the fully underwritten Rights Issue.

It is expected that the New Ordinary Shares will commence trading, fully paid, on the London Stock Exchange plc's main market for listed securities at 8:00 a.m. today.

It is expected that the New Ordinary Shares in uncertificated form will be credited to CREST accounts as soon as possible after 8:00 a.m. today, that definitive share certificates in respect of the New Ordinary Shares held in certificated form will be despatched no later than 4 March 2025, and that the online accounts for Shareholders who hold their New Ordinary Shares through the WaterShare+ Nominee and the Corporate Sponsored Nominee will be credited no later than 4 March 2025.

In accordance with their obligations as underwriters in respect of the Rights Issue as set out in the prospectus dated 29 January 2025 (the "**Prospectus**"), Barclays Bank PLC and Morgan Stanley & Co. International plc (together, the "**Underwriters**") will use reasonable endeavours to procure subscribers for the remaining 13,729,631 New Ordinary Shares not taken up by Qualifying Shareholders at the Rights Issue Price, failing which the Underwriters have agreed to subscribe themselves (in the agreed proportions), on a several basis, for any remaining New Ordinary Shares at the Rights Issue Price.

In addition to the New Ordinary Shares not taken up at the Rights Issue Price, the Underwriters will also place 54,605 New Ordinary Shares resulting from the aggregation of fractional entitlements of New Ordinary Shares following the Rights Issue. Holdings of Existing Ordinary Shares in certificated and uncertificated form, holdings of Existing Ordinary Shares through the Corporate Sponsored Nominee and holdings of Existing Ordinary Shares through the WaterShare+ Nominee, are each to be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The net proceeds from the placing of such New Ordinary Shares (after the deduction of the Rights Issue Price of 264 pence per New Ordinary Share and the expenses of procuring subscribers, including any applicable brokerage fees and commissions and amounts in respect of related irrecoverable VAT) will be paid (without interest) to those Shareholders whose rights have lapsed in accordance with the terms of the Rights Issue, pro rata to their lapsed provisional allotments, save that individual amounts of less than £5.00 will not be paid to such persons but will be paid to the Company and will become part of the WaterShare+ Proceeds.

A further announcement as to the number of New Ordinary Shares for which subscribers have been procured will be made in due course.

Unless the context requires otherwise, capitalised terms used but not otherwise defined in this announcement shall have the meanings set out in the Prospectus, which is available on the Company's website at: www.pennon-group.co.uk/investor-information.

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This announcement is an advertisement for the purposes of the Prospectus Regulation Rules of the FCA and does not constitute a prospectus (or prospectus equivalent document) and investors should not subscribe for, purchase, otherwise acquire, sell or otherwise dispose of any securities referred to in this announcement except on the basis of information in the Prospectus. Neither this announcement nor any part of it should form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. Nothing in this announcement should be interpreted as a term or condition of the Rights Issue.

A copy of the Prospectus is available on the Company's website at www.pennon-group.co.uk/investor-information. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement. The Prospectus provides further details of the securities being offered pursuant to the Rights Issue.

This announcement is for information purposes only and is not intended to constitute, and should not be construed as, an offer to sell or issue, or a solicitation of any offer to purchase, subscribe for or otherwise acquire, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares of the Company in the United States, New Zealand, China, Singapore, Hong Kong, South Africa, Japan, the United Arab Emirates or in any other jurisdiction where such offer or sale would be unlawful and, subject to certain exceptions, should not be distributed, forwarded to or transmitted in or into any jurisdiction, where to do so might constitute a violation of local securities laws or regulations. The distribution of this announcement, the Prospectus, and any other document relating to the offering or transfer of Nil Paid Rights, Fully Paid Rights or New Ordinary Shares into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement, the Prospectus, and/or any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, this announcement, the Prospectus and the provisional allotment letters should not be distributed, forwarded to or transmitted in or into the United States, New Zealand, China, Singapore, Hong Kong, South Africa, Japan, the United Arab Emirates, or any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Rights Issue. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

NOTICE TO ALL INVESTORS

Each of Barclays Bank PLC and Morgan Stanley & Co. International plc is authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA in the United Kingdom. Each of Barclays Bank PLC and Morgan Stanley & Co. International plc is acting exclusively for the Company and no one else in connection with this announcement and the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor

and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice to any person in relation to the Rights Issue or any other matter, transaction or arrangement referred to in this announcement.

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NOTICE TO US INVESTORS

This announcement does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States. The securities being offered pursuant to the Rights Issue have not been and will not be registered under the US Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or with any securities regulatory authority or under the relevant securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, taken up, exercised, renounced, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Any sale in the United States of the securities mentioned in this communication will be made solely to "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act. No public offering of the securities has been or will be made in the United States.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (b) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the offer of New Ordinary Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A, respectively, of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This announcement may contain projections and other forward-looking statements. The words "believe", "expect", "anticipate", "intend", "estimate", "intend" and "plan" and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, potential plans and potential objectives, are forward-looking statements.

None of the Company, its officers, advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur, in part or in whole.

By their nature, forward-looking statements involve assumptions, risks and uncertainties. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors, which may cause the Company's actual results, performance or achievements to be materially different from those expected, any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are advised to read the Prospectus and the information incorporated by reference therein in their entirety, and, in particular, the section of the Prospectus headed Part I (*Risk Factors*), for a further discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement, the Prospectus and/or the information incorporated by reference into the Prospectus may not prove to be accurate or may not occur. Prospective investors should therefore carefully review the Prospectus. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Nothing in this announcement is intended as a profit forecast or estimate for any period, and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for the Company.

The forward-looking statements in this announcement speak only as at the date of this announcement. To the extent required by applicable law or regulation (including as may be required by the Companies Act, the Prospectus Regulation Rules, the UK Listing Rules, MAR, the Disclosure Guidance and Transparency Rules and FSMA), the Company will update or revise the information in this announcement. Otherwise, neither the Company nor the Underwriters assume any obligation to update or provide any additional information in relation to such forward-looking statements. Additionally, statements of the intentions or beliefs of the Board and/or the Directors reflect the present intentions and beliefs of the Board and/or Directors, respectively, as at the date of this announcement and may be subject to change as the composition of the Board alters, or as circumstances require.

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