

7 May 2020
PENNON GROUP PLC

Publication of Circular and Notice of General Meeting in relation to the proposed disposal of Viridor

On 18 March 2020, Pennon Group plc ("Pennon", or the "Company") announced that it had entered into a conditional agreement to sell Viridor, its recycling and residual waste business, to Planets UK Bidco Limited, an entity established by funds advised by Kohlberg Kravis Roberts & Co. L.P. (the "Disposal").

The Disposal constitutes a Class 1 transaction for Pennon under the Listing Rules and is therefore conditional on, amongst other things, the approval of Pennon shareholders. Completion of the Disposal is expected to occur in early Summer 2020.

Pennon has today published a Class 1 circular in connection with the Disposal (the "Circular"), having been approved by the Financial Conduct Authority. The Circular (including the Notice of General Meeting) and Form of Proxy will be sent or made available to Pennon shareholders shortly.

The Circular contains further information on the Disposal and a notice convening a general meeting of the Company which is to be held at Peninsula House, Rydon Lane, Exeter, Devon, United Kingdom EX2 7HR at 11 a.m. on 28 May 2020 at which an ordinary resolution will be proposed for Pennon shareholders to approve the Disposal (the "General Meeting").

Due to the ongoing restrictions in place in connection with the COVID-19 pandemic, in particular the prohibition on public gatherings of more than two people and restrictions on non-essential travel, it will not be possible for shareholders to attend the General Meeting in person. An online/telephone facility will be available for shareholders who wish to listen to the proceedings of the General Meeting. Further details will be made available at www.pennon-group.co.uk/investor-information/viridor-disposal in due course.

The Circular and the Notice of General Meeting have been submitted to the Financial Conduct Authority's National Storage Mechanism (the "NSM") and will be available for inspection on the NSM's website at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. These documents will also be available on the Pennon website at <https://www.pennon-group.co.uk/investor-information> from the date of this Announcement up to the date of the General Meeting and for the duration of the General Meeting.

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Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Pennon and no one else in connection with the Disposal and will not be responsible to anyone other than Pennon for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Disposal or any other matter referred to in this announcement.

Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively as sponsor, financial adviser and corporate broker to Pennon and for no one else in connection with the Disposal and will not be responsible to anyone other than Pennon for providing the protections afforded to clients of Morgan Stanley or for providing advice in relation to the Disposal, the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement.