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18 September 2020

Pennon Group Plc

Publication of Prospectus – WaterShare+ Scheme

Pennon Group Plc (“Pennon”) is pleased to announce that South West Water (“SWW”) has launched its unique customer scheme, WaterShare+ (the “WaterShare+ Scheme”).

The WaterShare+ Scheme has been developed in direct response to feedback from SWW’s customers and will see £20 million being given to customers. The WaterShare+ Scheme was approved by shareholders at Pennon’s AGM on 31 July 2020.

Through the WaterShare+ Scheme customers will be able to benefit to the value of £20. Certain customers may be able to have the option choosing a minimum of £20 in Pennon shares.

A Prospectus has been produced in connection with the WaterShare+ Scheme Offer which has now been approved by the Financial Conduct Authority (the “FCA”). The Prospectus sets out the details of the WaterShare+ Scheme Offer and will shortly be available on Pennon’s website at www.pennon-group.co.uk/investor-information/watershare.

Further details, including information required to apply for the WaterShare+ Scheme Offer, will be posted to Eligible Customers (as defined in the Prospectus) from the 21 September 2020.

A copy of the Prospectus has also been submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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This announcement does not constitute an offer or invitation to participate in the WaterShare+ Scheme Offer in any jurisdiction, nor does it purport to give legal, tax or financial advice. Nothing contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity. The information, statements and opinions contained in this announcement do not constitute a public offer under any applicable legislation or an offer to sell, or a solicitation of an offer to buy, any shares in and are not for release, publication or distribution (directly or indirectly) in or into the United States, any Restricted Jurisdiction or any other jurisdiction where such distribution or offer is unlawful.

This announcement does not constitute a recommendation concerning the WaterShare+ Scheme Offer. The price and value of the shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the WaterShare+ Scheme Offer for the person concerned. You should not base your financial decision on this announcement.

The WaterShare+ Scheme Offer timetable may be subject to change. Pennon may decide not to go ahead with the WaterShare+ Scheme Offer. You should not base your financial decisions on Pennon's intentions in relation to the WaterShare+ Scheme Offer at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

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