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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

23 May 2024

National Grid plc

7 for 24 fully underwritten Rights Issue to raise c.£7.0 billion

New 5-year investment framework for FY25-29

Deliver £60bn investment in energy infrastructure

To fund a significant step up in capital investment to around £60 billion in energy network infrastructure, the Board of National Grid plc (**"National Grid"** or the **"Company"**) today announces a capital raise of approximately £7.0 billion by way of a fully underwritten Rights Issue of 1,085,448,980 New Shares at 645 pence per New Share on the basis of 7 New Shares for every 24 Existing Shares (the **"Rights Issue"**).

National Grid's results for the year ended 31 March 2024 have been released today in an accompanying announcement.

HIGHLIGHTS

- National Grid announces capital investment of around £60 billion over the next 5 years (FY25 to FY29), nearly double the previous 5-year period, to deliver a significant step-change in critical energy infrastructure in the UK and US in support of the energy transition and economic growth objectives

- As part of a comprehensive financing plan to deliver the investment, National Grid is announcing a 7 for 24 fully underwritten Rights Issue to raise net proceeds of approximately £6.8 billion

- National Grid's comprehensive financing plan comprises:

    - A c.£7.0 billion Rights Issue which provides shareholders with the pre-emptive opportunity to fund and benefit from our higher growth strategy;

        - the Issue Price of 645 pence per New Share represents a 34.7% discount to the theoretical ex-rights price based on the closing middle-market price on 22 May 2024 (being the last business day before the announcement of the terms of the Rights Issue) of 1,127.5 pence per Share, adjusted for the recommended final dividend for FY24 of 39.12 pence per Share

    - streamlining of the portfolio to focus on pureplay networks across regulated and competitive, onshore and offshore networks, with the intention to sell Grain LNG and National Grid Renewables; and

    - senior debt and future hybrid issuance to maintain balance sheet strength and investment flexibility

- The Board unanimously believes this comprehensive financing plan will allow the Group to fund a significant increase in capital investment, maintain its strong investment grade credit rating, deliver for customers, and continue to achieve attractive shareholders returns

- Alongside this, National Grid is announcing a new 5-year financial framework from FY25 to FY29, which will see it deliver:

    - Group asset growth of c.10% CAGR;

    - 6-8% underlying EPS CAGR from an FY25 baseline; and

    - continuing our progressive dividend policy, maintaining the total level of dividend following the Rights Issue. Aim to continue to grow the DPS in line with UK CPIH, from a rebased FY24 DPS level

- Overall, this makes National Grid one of the FTSE's biggest investors in the delivery of the energy transition, and positions the Company to become a pre-eminent pureplay networks business

John Pettigrew, Chief Executive, said:

"Today is a defining moment for National Grid as we announce £60 billion of investment, cementing our position as a leader in the energy transition in the UK and US northeast.

On both sides of the Atlantic, governments and regulators are moving with increased urgency to attract the levels of investment required to meet their decarbonisation targets. As economies become increasingly digital, electrified and decarbonised, the need for energy infrastructure has rarely been more pressing. Our investment will unlock significant economic growth and, by the end of the decade, National Grid is expected to support over 60,000 more jobs, while also decarbonising our energy systems, bolstering security of supply, and reducing consumer bills in the long term. Our strong track record of infrastructure delivery, positive engagement with our regulators and wider stakeholders, alongside clarity on the scale and profile of our capital investment positions National Grid to take advantage of the significant growth opportunities we see ahead."

SUMMARY OF BACKGROUND TO AND REASONS FOR THE RIGHTS ISSUE

National Grid plays a critical role in delivering the energy transition across our jurisdictions, by building and maintaining the transmission and distribution infrastructure to enable the connection of cleaner, more affordable renewable energy. Not only will this enable the decarbonisation of the economies we serve, it will also ensure we can meet the demand growth we anticipate from a more technology-enabled economy, as well as greater electrification of homes, heating and vehicles.

The opportunities presented by the growth of electricity demand, and the consensus among our regulators and jurisdictions of the urgent need for decarbonisation are unprecedented. It's against this backdrop that we expect to significantly increase our capital investment over the next five years.

Our geographic position and our work with governments and regulators provides us with an unprecedented growth opportunity that we expect will create substantial value for our shareholders. This investment in new infrastructure will enhance resiliency and enable the jurisdictions in which we operate to make meaningful progress in their journeys towards a decarbonised energy system. The step-up in investment as set out in our new 5-year financial framework underscores National Grid's position as one of the FTSE's biggest investors in the delivery of the energy transition. Over the last three years we have reshaped our portfolio and now have a mix of businesses that is increasingly weighted towards electricity transmission and distribution, making us well-placed to capture the significant network growth opportunities that lie ahead. With our operational and regulatory capabilities, combined with a strong track record of delivery, we are confident that we can deliver this step-up in new infrastructure that will provide greater levels of energy security and enable diversification of energy sources to help decarbonise the economies we serve.

The Board unanimously believes that raising net proceeds of approximately £6.8 billion through the Rights Issue will give the Group appropriate financial flexibility to deliver the Group's strategy over the 5-year financial framework, and funding clarity until at least the end of the RIIO-T3 period.

In particular, the Board believes it will allow the Group to fund a significant increase in capital investment and continue to deliver attractive returns to shareholders, whilst maintaining strong investment grade credit ratings for our operating companies and the Group overall.

The Rights Issue net proceeds of approximately £6.8 billion will principally be utilised to fund a higher-growth investment phase for the Group, with around £60 billion of capital investment expected during the 5-year period from FY25 to FY29. In the near term, to support efficient management of funding costs, approximately £750 million of the net proceeds will be used to refinance a portion of the Group's outstanding hybrid bonds that have first call dates in the next 15 months.

The Rights Issue provides shareholders with the pre-emptive opportunity to fund and, we believe, to benefit from our higher growth strategy. We believe that the Group will deliver an attractive mix of asset and earnings growth and dividend yield, while enabling the energy transition in our UK and US markets. This builds on our track record of having delivered an over 30% higher Total Shareholder Return compared with the FTSE 100 over the last decade.

Further details of energy policy and regulatory progress, as well as National Grid's planned infrastructure investments are set out in the full "Background To and Reasons For The Rights Issue" section further down this announcement.

Key highlights of our new 5-year financial framework, covering the period from 1 April 2024 to 31 March 2029 (FY25 to FY29), comprise:

- a significant increase in capital investment to around £60 billion over the period, with approximately 52% of expected spend to be in the United Kingdom and 48% in the United States. Around 85%, or £51 billion, is expected to be "green investment" aligned to the EU Taxonomy, and 98% of the total investment is in our regulated businesses, including around 80% in our electricity networks and approximately 10% in offshore; and

- a high asset growth phase which we anticipate will result in a compound annual growth rate ("**CAGR**") of around 10% in our group asset base, leading to a forecasted combined asset base of nearly £100 billion by 2029, of which we expect nearly 80% to be in our electricity networks, (based on an assumed average UK CPIH inflation rate of 2.5%);

- translating into a strong underlying earnings per share ("**EPS"**) growth CAGR of 6 to 8% from a FY25 baseline, following the issuance of New Shares

- We will continue our progressive dividend policy, maintaining the total level of dividend following the Rights Issue. Our aim is to grow Dividend Per Share ("**DPS"**) in line with UK CPIH inflation in keeping with the current dividend policy. We will aim to increase the FY25 DPS by UK CPIH following the rebase of the FY24 DPS of 58.52 pence, after taking account of the new shares issued following the Rights Issue[1]

At a business level, we expect investment over the period to comprise:

- around £23 billion into the UK Electricity Transmission business, representing a more than 250% increase in capital investment versus the prior 5-year period. This includes continued funding for our 17 Accelerated Strategic Transmission Investment ("**ASTI"**) projects;

- investment of around £8 billion in UK Electricity Distribution, representing a more than 30% increase in capital investment versus the prior 5-year period, as we continue to deliver the remaining four years of our RIIO-ED2 price control and invest to create the smart distribution network to enable the accelerated adoption of low carbon technologies, such as electric vehicles and heat pumps, by our customers;

- together these will help grow our UK regulated asset base to over £50 billion by 2029 (assuming average UK CPIH of 2.5%)

- In our US regulated businesses we will invest around £28 billion across New York and New England, comprising investment of approximately £17 billion in New York and £11 billion in New England, and reflecting a 60% increase in capital investment (excluding the Narragansett Electric Company, which was sold in FY23)

- With this we expect our combined US rate base to grow from approximately £25 billion today, to nearly £45 billion in 2029 (at an exchange rate of £1:$1.25)

- Committed investment of around £1 billion in our National Grid Ventures (NGV) business

We remain committed to a strong, overall investment grade credit rating. We expect to maintain credit metrics above our thresholds for current group credit ratings through to at least the end of the RIIO-T3 price control period, with current thresholds of 10% for S&P's FFO/adjusted net debt, and 7% for Moody's RCF/adjusted net debt. Following completion of the Rights Issue, we expect regulatory gearing to be in the low 60% range by March 2025, and then trend back towards the high 60% range by the end of RIIO-T3.

To maintain a resilient balance sheet and the strong investment grade credit rating referred to above, whilst enabling this material step-up in investment in the coming years, we are setting out a comprehensive plan of financing measures.

In addition to cashflow generated from operations, where we aim to continue our successful cost mitigation program by keeping controllable costs broadly flat as we continue the strong growth of our asset base, the principal elements of this plan are:

- Debt: we will continue to issue senior debt within the capital markets

- Hybrid capital: we expect to utilise further hybrid debt issuances later in the 5-year period to maintain balance sheet strength and enable investment flexibility

- Proceeds from the planned sales of our Grain LNG terminal and National Grid Renewables businesses

- Rights Issue: equity issuance of approximately £7.0 billion, as announced today

As regards dividends and dividend policy:

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[1] *Estimated rebase of 15%, from approximately 53 pence being the FY24 DPS adjusted to take account of the bonus element of the Rights Issue as calculated using the closing middle-market price on 22 May 2024 (being the last business day before the announcement of the terms of the Rights Issue) of 1,127.5 pence per Share, adjusted for the recommended final dividend for FY24 of 39.12 pence per Share.*

- We will maintain a progressive total level of dividend, growing from current levels of approximately £2,168 million which the Board has recommended for the year to 31 March 2024

- This equates to a final DPS of 39.12 pence, leading to a total DPS of 58.52 pence for FY24. This will then be rebased to take account of the new shares issued following the Rights Issue

- We then aim to grow DPS in line with UK CPIH, in keeping with the current dividend policy

- We will continue to offer a scrip dividend, given the continued high level of group asset growth we expect to deliver

Further details of National Grid's dividend policy are set out in the full "Background To and Reasons For The Rights Issue" section further down this announcement.

PROSPECTUS

A Prospectus setting out the full details of the Rights Issue is expected to be published on National Grid's website at www.nationalgrid.com later today.

The Prospectus will be submitted to the National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism following publication.

The preceding summary should be read in conjunction with the full text of the following announcement, together with the Prospectus.

Unless the context otherwise requires, words and expressions defined in the Prospectus shall have the same meanings in this announcement.

INDICATIVE SUMMARY TIMETABLE OF PRINCIPAL EVENTS

Announcement of Rights Issue	23 May 2024
Publication of the Prospectus	23 May 2024
Record date for entitlement under the Rights Issue	6.00 p.m. on 20 May 2024
Despatch of Provisional Allotment Letters (to Qualifying Certificated Shareholders only)	23 May 2024
Admission and commencement of dealings in New Shares, nil paid, on the London Stock Exchange	**8.00 a.m. on 24 May 2024**
Existing Shares marked "ex-rights" by the London Stock Exchange	**8.00 a.m. on 24 May 2024**
Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	**11:00 a.m. on 10 June 2024**
Expected date of announcement of results of the Rights Issue through a Regulatory Information Service	12 June 2024
Commencement of dealings in New Shares, fully paid, to commence on the London Stock Exchange	**8.00 a.m. on 12 June 2024**

The Rights Issue is fully underwritten by Barclays Bank PLC ("**Barclays**") and J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name J.P. Morgan

Cazenove) ("**J.P. Morgan**") acting as Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Underwriters.

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IMPORTANT NOTICES

This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its accuracy or completeness. The information in this announcement is subject to change without notice.

This announcement is not a prospectus but an advertisement. Neither this announcement nor anything contained in it shall form the basis of, or be relied upon in conjunction with, any offer or commitment whatsoever in any jurisdiction. Investors should not acquire any Nil Paid Rights, Fully Paid Rights or New Shares referred to in this announcement except on the basis of the information contained in the Prospectus to be published by the Company in connection with the Rights Issue.

A copy of the Prospectus will, following publication, be available from the registered office of the Company and on its website at www.nationalgrid.com provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to shareholders in the United States, Canada, Hong Kong, Japan, Singapore, South Africa 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. 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 will provide further details of the New Shares, the Nil Paid Rights and the Fully Paid Rights being offered pursuant to the Rights Issue.

This announcement does not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable 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 or other jurisdiction. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters or the New Shares in the United States. Subject to certain limited exceptions, Provisional Allotment Letters have not been, and will not be, sent to, and Nil Paid Rights have not been, and will not be, credited to the CREST account of, any Qualifying Shareholder with a registered address in or that is known to be located in the United States. None of the New Shares, the Nil Paid Rights, the Fully Paid Rights or the Provisional Allotment Letters, this announcement or any other document connected with the Rights Issue has been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares, the Nil Paid Rights, the Fully Paid Rights or the accuracy or adequacy of the Provisional Allotment Letters, this announcement or any other document connected with the Rights Issue. Any representation to the contrary is a criminal offence in the United States.

This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, Nil Paid Rights, Fully Paid Rights or New Shares or to take up any entitlements to Nil Paid Rights in any jurisdiction. No offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, Nil Paid Rights, Fully Paid Rights or New Shares or to take up any entitlements to Nil Paid Rights will be made in any jurisdiction in which such an offer or solicitation is unlawful. The information contained in this announcement is not for release, publication or distribution to persons in the United States, Canada, Hong Kong, Japan, Singapore, South Africa 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, and 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, the Provisional Allotment Letter and the offering or transfer of Nil Paid Rights, Fully Paid Rights or New Shares into jurisdictions other than the United Kingdom may be restricted by law, and therefore persons into whose possession this announcement 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 (once published) and the Provisional Allotment Letters (once printed) should not be distributed, forwarded to or transmitted in or into the United States, Canada, Hong Kong, Japan, Singapore, South Africa. Recipients of this announcement and/or the Prospectus should conduct their own investigation, evaluation and analysis of the business, data and property described in this announcement and/or if and when published the Prospectus.

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. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

INSIDE INFORMATION

This announcement contains inside information for the purposes of Article 7 of the UK Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of National Grid is Justine Campbell, Group General Counsel & Company Secretary.

NOTICE TO ALL INVESTORS

Barclays Bank PLC ("**Barclays**") and J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name J.P. Morgan Cazenove) ("**J.P. Morgan**") (together, the "**Banks**" or the "**Underwriters**") are each authorised by the Prudential Regulation Authority ("**PRA**") and regulated in the United Kingdom by the FCA and the PRA. The Banks are acting exclusively for the Company and acting for no one else in connection with the Rights Issue. They 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 their respective clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this announcement.

Robey Warshaw LLP (the "**Financial Adviser**"), which is authorised and regulated by the FCA in the UK, is acting exclusively as financial adviser to the Company and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Financial Adviser nor for providing advice in connection with the matters referred to herein.

Neither of the Underwriters nor the Financial Adviser, nor any of their respective subsidiaries, branches or affiliates, nor any of their respective directors, officers or employees accepts any responsibility or liability whatsoever for the contents of this announcement, (or whether any information has been omitted from the announcement), or makes any representation or warranty, express or implied, as to its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letter, the New Shares or the Rights Issue, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss arising from any use of this announcement or its contents or otherwise arising in connection therewith. Subject to applicable law, each of the Underwriters and the Financial Adviser accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement. Neither of the Underwriters nor the Financial Adviser, nor any of their respective subsidiaries, branches or affiliates, nor any of their respective directors, officers or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of the Underwriters or the Financial Adviser (as applicable) in connection with the Rights Issue, this announcement, any statement contained herein, or otherwise.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions, take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Shares in the Rights Issue as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Nil Paid Rights, Fully Paid Rights and New Shares) and may offer or sell such securities otherwise than in connection with the Rights Issue (including through coordinated action to dispose of any New Shares which they are required to subscribe for as underwriters), provided that the Underwriters and their respective affiliates may not engage in short selling for the purpose of hedging their commitments under the Underwriting Agreement (subject to certain exceptions contained in the Underwriting Agreement). Accordingly, references in the Prospectus to Nil Paid Rights, Fully Paid Rights and New Shares being offered or placed should be read as including any offering or placement of Nil Paid Rights, Fully Paid Rights and New Shares to either of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including margin loans) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Nil Paid Rights, Fully Paid Rights and New Shares. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

NOTICE TO INVESTORS IN CANADA

The offer and sale of the Nil Paid Rights, Fully Paid Rights and/or New Shares in Canada is being made on a private placement basis only and is exempt from the requirement that National Grid prepares and files a prospectus under applicable Canadian securities laws. Any resale of Nil Paid Rights, Fully Paid Rights and/or New Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which may impose restrictions, under certain circumstances, to resales of the Nil Paid Rights, Fully Paid Rights and/or New Shares outside of Canada.

Each Canadian investor who exercises its Nil Paid Rights or Fully Paid Rights and/or purchases New Shares will be deemed to have represented to the Company, the Underwriters and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. If you are an "accredited investor" and a "permitted client", in order to exercise your Nil Paid Rights or Fully Paid Rights and/or acquire any New Shares upon exercise thereof, you must sign and deliver an investor letter.

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 Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Nil Paid Rights, the Fully Paid Rights and the New Shares have been subject to a product approval process which has determined that each are: (i) 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 (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares may decline and investors could lose all or part of their investment; the Nil Paid Rights, the Fully Paid Rights and/or the New Shares offer no guaranteed income and no capital protection; and an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New 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 UK Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the UK 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 UK 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 Nil Paid Rights, the Fully Paid Rights and/or the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This announcement contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's (the Company) financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. This document also references climate-related targets and climate-related risks which differ from conventional financial risks in that they are complex, novel and tend to involve projection over long term scenarios which are subject to significant uncertainty and change. These forward-looking statements are not guarantees of National Grid's future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements or targets. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid's ability to control, predict or estimate precisely, such as changes in laws or regulations and decisions by governmental bodies or regulators, including those relating to current and upcoming price controls in the UK and rate cases in the US, as well as the future of system operation in the UK; the timing of construction and delivery by third parties of new generation projects requiring connection; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches or other incidents arising from the potentially harmful nature of its activities; network failure or interruption, the inability to carry out critical non-network operations and damage to infrastructure, due to adverse weather conditions including the impact of major storms as well as the results of climate change, due to counterparties being unable to deliver physical commodities; reliability of and access to IT systems, including or due to the failure of or unauthorised access to or deliberate breaches of National Grid's systems and supporting technology; failure to adequately forecast and respond to disruptions in energy supply; performance against regulatory targets and standards and against National Grid's peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, as well as against targets and standards designed to support its role in the energy transition; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. Other factors that could cause actual results to differ materially from those described in this announcement include fluctuations in exchange rates, interest rates and commodity price indices; restrictions and conditions (including filing requirements) in National Grid's borrowing and debt arrangements, funding costs and access to financing; regulatory requirements for the Company to maintain financial resources in certain parts of its business and restrictions on some subsidiaries' transactions such as paying dividends, lending or levying charges; the delayed timing of recoveries and payments in National Grid's regulated businesses, and whether aspects of its activities are contestable; the funding requirements and performance of National Grid's pension schemes and other post-retirement benefit schemes; the failure to attract, develop and retain employees with the necessary competencies, including leadership and business capabilities, and any significant disputes arising with National Grid's employees or breaches of laws or regulations by its employees; the failure to respond to market developments, including competition for onshore transmission; the threats and opportunities presented by emerging technology; the failure by the Company to respond to, or meet its own commitments as a leader in relation to, climate change development activities relating to energy transition, including the integration of distributed energy resources; and the need to grow the Company's business to deliver its strategy, as well as incorrect or unforeseen assumptions or conclusions (including unanticipated costs and liabilities) relating to business development activity, including the sale of a stake in its UK Gas Transmission and Metering business, its strategic infrastructure projects and joint ventures and the separation and transfer of the ESO to the public sector. For further details regarding these and other assumptions, risks and uncertainties that may impact National Grid, please the 'Risk Factors' section of the Prospectus. In addition, new factors emerge from time to time and National Grid cannot assess the potential impact of any such factor on its activities or the extent to which any factor, or combination of factors, may cause actual future results to differ materially from those contained in any forward-looking statement. Neither National Grid nor either of the Underwriters or the Financial Adviser are under any obligation to update or revise publicly any forward-looking statement contained within this announcement, whether as a result of new information, future events or otherwise, other than in accordance with their legal or regulatory obligations (including, for the avoidance of doubt, the Prospectus Regulation Rules, the Listing Rules and Disclosure Guidance and Transparency Rules).

INTRODUCTION TO THE RIGHTS ISSUE

Today we announced a proposed capital raising of approximately £7.0 billion by way of a fully underwritten Rights Issue of 1,085,448,980 New Shares at 645 pence per New Share on the basis of 7 New Shares for every 24 Existing Shares. The Issue Price represents a 34.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price on 22 May 2024 (being the last business day before the announcement of the terms of the Rights Issue) of 1,127.5 pence per Share, adjusted for the recommended final dividend for FY24 of 39.12 pence per Share.

The Rights Issue is fully underwritten by Barclays Bank PLC ("**Barclays**") and J.P. Morgan Securities plc (which conducts its UK investment banking activities under the marketing name J.P. Morgan Cazenove) ("**J.P. Morgan**") acting as Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Underwriters.

BACKGROUND TO AND REASONS FOR THE RIGHTS ISSUE

National Grid plc owns and operates the regulated high-voltage electricity transmission network in England and Wales, and the United Kingdom's largest regulated electricity distribution business. In New York and Massachusetts, National Grid owns and operates regulated electric transmission and distribution networks as well as regulated gas distribution networks. In addition to these networks, National Grid Ventures (NGV) owns and operates high-voltage electricity interconnectors between the United Kingdom and Europe, liquefied natural gas ("**LNG**") storage and regassification facilities and US competitive transmission, as well as US renewable and conventional generation.

Over recent years, governments' focus on the delivery of decarbonisation targets has increased markedly across the geographies in which we operate.

In Great Britain, the government is targeting a fully decarbonised electricity system by 2035 and has a legal obligation under the Climate Change Act 2008 to achieve net zero by 2050. Reflecting the importance of this ambition, the UK Office of Gas and Electricity Markets (Ofgem) has also been given a statutory duty to support the government in meeting its 2050 net zero obligation.

In New York and Massachusetts, the state governments have also set out decarbonisation ambitions. New York State is targeting a 100 per cent. zero-emission electricity sector by 2040, while Massachusetts has set out a net zero target by 2050.

National Grid's position in the energy sector means that we have a critical role to play in the energy transition across our jurisdictions: by providing the transmission and distribution infrastructure that will enable the connection of low carbon electricity generation, and networks capable of delivering power for electric vehicles and the decarbonisation of domestic heating, as these technologies are adopted by consumers over time. In addition, we must meet demands for new connections, such as the forecasted increased demand for computing power, given growth in artificial intelligence and the data centres needed to support it. The pathway each jurisdiction will take to meet the needs for new infrastructure will vary, as will the pace. But as discussed more fully below, we expect to deploy greater amounts of capital into building energy infrastructure in the years ahead compared to the levels of capital dedicated in the last decade in particular.

Energy policy and regulatory progress

We are seeing policy and regulatory activity on both sides of the Atlantic to foster the expansion of infrastructure. Governments and regulators are establishing frameworks that encourage the step-up in investment that will be required.

In the United Kingdom, government officials are focused on enabling the energy transition with urgency. The enactment of the Energy Act in October 2023 provides for an operationally independent system operator and planner to be established, introduced onshore competition for networks, and implemented a "net zero" duty for Ofgem. In addition to the act, in a paper we issued in May 2023, "Delivering for 2035 – Upgrading the grid for a secure, clean and affordable energy future", we urged the UK government to undertake fundamental reforms across a number of areas, including to timelines for delivering transmission infrastructure. Since then, the government has proceeded with a Transmission Acceleration Action Plan; updated energy National Policy Statements, which provide planning guidance for developers of nationally significant energy projects; and publication of a Connection Action Plan, to reform the process for projects connecting to the grid.

In December 2023, Ofgem published its Sector Specific Methodology Consultation which provides details around how it intends to adapt the framework in RIIO-T3, our upcoming rate setting proceedings; this consultation indicates the regulator's intent to provide certainty and assurance to investors that approved transmission projects are viable, investable and deliverable. Furthermore, and in line with its new duties following the enactment of the Energy Act 2023, Ofgem has set out a strategy update, with five pillars, one of which is "Enabling infrastructure for net zero at pace".

Taken together, these various initiatives are a mosaic of policies and regulations, all designed to enable transmission and distribution owners and operators to proceed with expansion of transmission and distribution networks. Having thoroughly reviewed these various developments, and, given the scale of energy transition investment required, we believe that Ofgem recognises the need for an appropriate financial framework for our future investments.

In the United States, the federal Infrastructure Investment and Jobs Act 2021 and Inflation Reduction Act 2022 have increased the number of renewable energy, electrification and clean energy manufacturing projects being brought forward. This provides positive signals for greater levels of network investment needed both to enable new renewable generation and support the development of a decarbonised gas system, which has fed into our conversations with regulators as we progress rate filings, and agree clean energy investment outside of rate cases.

We are also seeing action more locally, from our regulators in both New York and Massachusetts. In New York, the Public Service Commission has asked utilities to submit clean investment plans for 2030 in support of the state's Climate Leadership and Community Protection Act (CLCPA). On the back of this, National Grid has been awarded nearly $2.9 billion of investment to deliver new and upgraded transmission infrastructure.

In Massachusetts, in January, we filed for $2 billion of clean investment over the next five years as part of the commonwealth's Electric Sector Modernization Plan. This follows the Department of Public Utilities requesting all electric utilities in the state to outline what is required to upgrade the distribution and transmission systems to meet the Commonwealth's Clean Energy and Climate Plan 2050 policy objectives.

All of these policy and regulatory initiatives reinforce the momentum and support behind the energy networks we operate, and provide greater detail and precision around the expected investment levels and profile required to meet the needs of our customers, governments and regulators where we operate through the rest of this decade.

A step change in infrastructure investment is required

Over the last few years, National Grid has been preparing for a more extensive role in the energy transition. In May 2021, we outlined our first 5-year financial framework, and at our Capital Markets Day in November 2021, we set out our views of how the energy transition would provide National Grid with significant growth visibility over the medium and long term. Since then, the need for network investment has accelerated further both in the United Kingdom and the northeastern United States. Given this backdrop, National Grid has been developing the capabilities to deliver materially more extensive amounts of infrastructure over the latter half of the decade and beyond, including announcing in April 2023 the creation of our Strategic Infrastructure business unit dedicated to delivering major strategic UK transmission projects. In the United States, we have developed alliances with neighbouring utilities and public authorities to build new electric transmission capacity.

In the United Kingdom, 17 major projects, part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) framework, have been included within our electricity transmission licence obligations since October 2023. Our work to deliver these projects is progressing: in August we were awarded planning consent for the Eastern Green Link 2 project, an estimated £4.4 billion joint construction project with SSE (of which National Grid's share is £2.4 billion), with high-voltage direct current (HVDC) cable and converter station contracts signed in February 2024; in December, we signed contracts totalling £1.8 billion for HVDC cabling and converter stations for Eastern Green Link 1, a joint construction project with ScottishPower; and in March 2024, we received a development consent order for our Yorkshire GREEN project. In May 2024, we announced The Great Grid Partnership, which will initially focus on the network design and construction of nine of the onshore ASTI projects. This forms part of a £9 billion supply chain framework which will also support infrastructure projects beyond 2030. We have also launched an HVDC framework tender process to secure key cabling contracts, including for our Eastern Green Link 3, Eastern Green Link 4 and SEALink offshore projects within ASTI. We anticipate total capital investment across the 17 projects to be in the mid-to-high teens of billions of pounds range.

These initiatives feed into the ongoing work for our RIIO-T3 business plan, thereby providing a pathway for the ratemaking that will accompany these investments.

In March 2024, the Electricity System Operator (ESO) published its "Beyond 2030" report, which is a blueprint for a decarbonised electricity system in Great Britain. This report provides further guidance on the potential infrastructure investment for electricity transmission into the 2030s, whilst reaffirming the view that there should not be material additional incremental investment beyond ASTI for the rest of this decade. While the landscape of new energy demands and the speed of electrification may be variable, this is aligned with our view, following our ongoing work with our supply chains, and as we look at our delivery model over the longer term. This work will be included in our RIIO-T3 business plan assumptions, and in our new 5-year financial framework for the years FY25 through FY29 (as discussed more fully below). Coupled with the current RIIO-2 price control in our Electricity Distribution business, which runs through to 2028, we have good visibility into our investment requirements in the United Kingdom for much of the rest of the decade.

In the United States, we continue to update and renew our investment and operating plans for our regulated operating companies. We recently filed a Joint Proposal with the New York Public Service Commission for a new three-year rate plan, and accompanying capital plans for our downstate New York gas distribution companies (KEDNY and KEDLI), where we expect to invest around $5 billion over the three years. If approved, this Joint Proposal will outline our system investment plans through to 2027, allowing a return on equity (RoE) of 9.35 per cent., an increase from 8.8 per cent. in the previous rate plan, and an increase in capital investment of approximately 30 per cent. Additionally, the Joint Proposal will reflect an increase in minimum leak prone pipe removal targets, allowing us to further reduce methane emissions. Before summer we will file for new rates in our upstate New York Niagara Mohawk electricity and gas distribution businesses. We are engaged in dialogue with the regulator and stakeholders which is providing a good basis on which to plan for the level of investment in that service territory. In Massachusetts, we filed for new rates in our electricity distribution business last November, expected to be effective from October 2024. We will be filing for new rates in November 2024 in our Massachusetts gas distribution business, to become effective from October 2026.

Since 2021, we have also seen investment focused on clean energy infrastructure solutions progress in the United States outside our ordinary course of rate filings.

Drivers of growth are coming from New York transmission opportunities. In March, we announced our "Upstate Upgrade", plans to invest more than $4 billion in transmission network infrastructure in New York. The upgrade is a collection of more than 70 transmission enhancement projects through 2030 to deliver a modernised, stronger, and cleaner energy network in Upstate New York. This investment includes a combined $2.9 billion of approved CLCPA Phase 1 and 2 projects, with Phase 1 representing $800 million of investment before 2030, including circuit rebuild projects to support 330 MW of incremental renewable generation capacity. Phase 2 funding of $2.1 billion will help unlock around 2,200 MW of existing and 'shovel ready' generation through building around 400 miles of new transmission lines, also by 2030. In Massachusetts, we recently submitted our views on required additional clean electricity investment over the coming decades in our Electric Sector Modernization Plan. Our plan would see up to $2 billion of additional investment over the coming five years across areas such as: network infrastructure, with the upgrade of power lines, transformers, and substations; technology and platforms, delivering new planning tools and monitoring systems; and customer programmes, to help customers reduce their carbon footprint and drive smarter energy use. We believe the fact that regulators have solicited our plans and are approving them or actively deliberating on them is evidence of their commitment to having us invest capital in our utility systems for the future.

Elsewhere in the United States, and since 2021, the New York Transco joint venture (a partnership of the major New York utilities, which includes National Grid Ventures) has energised the NY Energy Solution transmission line upgrade, with National Grid's capital contribution being around $100 million. NY Transco has also been selected to deliver the Propel NY Energy transmission project by the New York Independent System Operator (NYISO). This will increase transmission capacity between the mainland and Long Island, with National Grid's capital contribution being around $340 million. This incremental clean energy investment, combined with our continuing rate filings, gives us good visibility on the scale and pace of investment required through the rest of this decade in the northeastern United States.

A new five-year financial framework

With greater clarity around the scale and profile of our investment programme, and further confidence around the regulatory frameworks to support these investments, we have put forward our plans for the quantum and pace of the required investment through the end of the decade. With our results on 23 May 2024, we have announced our new 5-year financial framework, alongside the updated financing strategy and investor proposition.

Key highlights of our new 5-year financial framework, covering the period from 1 April 2024 to 31 March 2029 (FY25 to FY29), comprise:

- a significant increase in capital investment to around £60 billion over the period, with approximately 52 per cent. of expected spend to be in the United Kingdom and 48 per cent. in the United States. Around 85 per cent., or £51 billion, is expected to be "green investment" aligned to the EU Taxonomy, and 98 per cent. of the total investment is expected to be in our regulated businesses, including around 80 per cent. in our electricity networks and approximately 10 per cent. in offshore; and

- a high asset growth phase which we anticipate will result in a compound annual growth rate ("**CAGR**") of around 10 per cent. in our group asset base, leading to a forecasted combined asset base of nearly £100 billion by 2029, of which we expect nearly 80 per cent. to be in our electricity networks, (based on an assumed average UK CPIH inflation rate of 2.5 per cent.);

- translating into a strong underlying earnings per share ("**EPS**") growth CAGR of 6 to 8 per cent. from an FY25 baseline, following the issuance of New Shares

- We will maintain a progressive total level of dividend. Our aim is to grow Dividend Per Share (DPS) in line with UK CPIH inflation in keeping with the current dividend policy. We will aim to increase the FY25 DPS by UK CPIH following the rebase of the FY24 DPS of 58.52 pence, after taking account of the new shares issued following the Rights Issue[2]

At a business level, we expect investment over the period to comprise:

- around £23 billion into the UK Electricity Transmission (UK ET) business, representing a more than 250 per cent. increase in capital investment versus the prior 5-year period. This includes continued funding for our 17 ASTI projects;

- investment of around £8 billion in UK Electricity Distribution (UK ED), representing more than a 30 per cent. increase in capital investment versus the prior 5-year period, as we continue to deliver the remaining four years of our RIIO-ED2 price control and invest to create the smart distribution network to enable the accelerated adoption of low carbon technologies, such as electric vehicles and heat pumps, by our customers;

[2] Estimated rebase of 15%, from approximately 53 pence being the FY24 DPS adjusted to take account of the bonus element of the Rights Issue as calculated using the closing middle-market price on 22 May 2024 (being the last business day before the announcement of the terms of the Rights Issue) of 1,127.5 pence per Share, adjusted for the recommended final dividend for FY24 of 39.12 pence per Share.

- Together these will help grow our UK regulated asset base to over £50 billion by 2029 (assuming average UK CPIH of 2.5 per cent.)

- In our US regulated businesses we will invest around £28 billion across New York and New England, comprising investment of approximately £17 billion in New York and £11 billion in New England, and reflecting a 60 per cent. increase in capital investment (excluding the Narragansett Electric Company, which was sold in FY23).

- With this we expect our combined US rate base to grow from approximately £25 billion today, to nearly £45 billion in 2029 (at an exchange rate of £1:$1.25).

- Committed investment of around £1 billion in our National Grid Ventures (NGV) business.

Updating our strategy to make National Grid a pureplay networks business

We see the networks we own and operate as a key enabler to helping our jurisdictions achieve their energy transition goals. We expect that onshore and offshore, competitive and regulated electricity transmission opportunities will continue to grow. As such, we intend to narrow the focus of National Grid Ventures to these types of projects and investments.

Our intention is to sell Grain LNG, our UK LNG terminal, as well as National Grid Renewables, our US onshore renewable energy business, and we expect to continue our record of crystalising good value from asset rotation. The focus for National Grid Ventures going forward will be interconnectors (including Offshore Hybrid Assets, a new asset type) in the United Kingdom and competitive electricity transmission projects in the United States. These will play a critical role in delivering the energy transition, and are businesses where we have world class capabilities and a track record of operational excellence and strong value creation. Whilst we have attractive opportunities in NGV, we will maintain our capital discipline, and look to fund any future growth beyond our current expected commitment through partnering of existing or future assets, or crystalising further value in NGV.

Maintaining investment grade credit ratings

We remain committed to a strong, overall investment grade credit rating. We expect to maintain credit metrics above our thresholds for current group credit ratings through to at least the end of the RIIO-T3 price control period, with current thresholds of 10 per cent. for S&P's FFO/adjusted net debt, and 7 per cent. for Moody's RCF/adjusted net debt. Following completion of the Rights Issue, we expect regulatory gearing to be in the low 60 per cent. range by March 2025, and then trend back towards the high 60 per cent. range by the end of RIIO-T3.

A comprehensive financing plan

To maintain a resilient balance sheet and the strong investment grade credit ratings referred to above, whilst enabling this material step-up in investment in the coming years, we are setting out a comprehensive plan of financing measures.

In addition to cashflow generated from operations, where we aim to continue our successful cost mitigation programme by keeping controllable costs broadly flat as we continue the strong growth of our asset base, the principal elements of this plan are:

- Debt: we will continue to issue senior debt within the capital markets.

- Hybrid capital: we expect to utilise further hybrid debt issuances later in the 5-year period to maintain balance sheet strength and enable investment flexibility.

- Proceeds from the planned sales of our Grain LNG terminal and National Grid Renewables businesses.

- Rights Issue: equity issuance of approximately £7.0 billion, as announced today.

Reasons for the Rights Issue and use of proceeds

The Board believes that raising net proceeds of £6.8 billion through the Rights Issue will give it appropriate financial flexibility to deliver the Group's strategy over the 5-year framework, and funding clarity until at least the end of the RIIO-T3 period. In particular, the Board believes it will allow the Group to fund a significant increase in capital investment and continue to deliver attractive returns to shareholders, whilst maintaining investment grade credit ratings for our operating companies and the Group overall.

The Rights Issue net proceeds of £6.8 billion will principally be utilised to fund a higher-growth investment phase for the Group, with around £60 billion of capital investment expected during the 5 year period from FY25 to FY29. In the near term, to support efficient management of funding costs, approximately £750 million of the net proceeds will be used to refinance a portion of the Group's outstanding hybrid bonds that have first call dates in the next 15 months.

The Rights Issue provides shareholders with the pre-emptive opportunity to fund and, we believe, to benefit from our higher growth strategy. We believe that the Group will deliver an attractive mix of asset and earnings growth and dividend yield, while enabling the energy transition in our UK and US markets. This builds on our track record of having delivered an over 30% higher Total Shareholder Return compared with the FTSE 100 over the last decade.

Our geographic position and our work with governments and regulators provides us with an unprecedented growth opportunity that we expect will create substantial value for our shareholders. We believe this investment in new infrastructure will enhance resiliency and enable the jurisdictions in which we operate to make meaningful progress in their journeys towards a decarbonised energy system. The step-up in investment as set out in our new 5-year financial framework underscores National Grid's position as one of the FTSE's biggest investors in the delivery of the energy transition. Over the last three years, we have reshaped our portfolio and now have a mix of businesses that is increasingly weighted towards electricity transmission and distribution, making us well-placed to capture the significant network growth opportunities that lie ahead. With our operational and regulatory capabilities, combined with a strong track record of delivery, we are confident that we can deliver this step-up in new infrastructure that will provide greater levels of energy security and enable diversification of energy sources to help decarbonise our societies.

DIVIDENDS AND DIVIDEND POLICY

- We will maintain a progressive total level of dividend, growing from current levels of approximately £2,168 million the Board has recommended for the year to March 2024.
- This equates to a total DPS of 58.52 pence for FY24. This will then be rebased to take account of the new shares issued following the Rights Issue.
- We then aim to grow DPS in line with UK CPIH, in keeping with the current dividend policy, as detailed below
- We will continue to offer a scrip dividend, given the continued high level of group asset growth we expect to deliver

As described above, and following the rebasing of the FY24 DPS following the Rights Issue, the Board will aim to grow the annual DPS in line with UK CPIH, thus maintaining the DPS in real terms. The Board will review this policy regularly, taking into account a range of factors including expected business performance and regulatory developments.

The scrip dividend alternative will continue to be offered, and we do not expect to buy back Shares whilst we continue to deliver strong asset growth.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the Rights Issue, the Company is proposing to offer 1,085,448,980 New Shares to Qualifying Shareholders, other than, subject to certain exceptions, Qualifying Shareholders with a registered address, or resident in, one of the United States or the Excluded Territories. The offer is to be made at 645 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 10 June 2024 in the case of Qualifying Certificated and CREST Shareholders, and by 5.00 p.m. on 7 June 2024 in the case of Qualifying Corporate Sponsored Nominee Participants. The Rights Issue is expected to raise proceeds of approximately £6.8 billion, net of expenses. The aggregate costs and expenses of the Rights Issue and Admission (including the listing fees of the FCA and the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) payable by the Company are estimated to be £165 million. The Issue Price represents a 34.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price on 22 May 2024 (being the last business day before the announcement of the terms of the Rights Issue) of 1,127.5 pence per Share, adjusted for the recommended FY24 Final Dividend of 39.12 pence per Share.

The Rights Issue will be made on the basis of:

7 New Shares at 645 pence per New Share for every 24 Existing Shares

held by Qualifying Shareholders (at 6.00 p.m. on the Record Date).

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company except for participants in the Corporate Sponsored Nominee. Any fractional entitlements for participants in the Corporate Sponsored Nominee will be pro-rated and issued to participants. Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in the Prospectus.

The Rights Issue will result in 1,085,448,980 New Shares being issued (representing approximately 29.2 per cent. of the existing issued share capital and 22.6 per cent. of the enlarged issued share capital (excluding treasury shares) immediately following completion of the Rights Issue).

The Rights Issue is conditional, *inter alia,* upon:

i. the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission; and

ii. Admission becoming effective by not later than 8.00 a.m. on 24 May 2024 (or such later time and date as the Joint Global Co-ordinators and the Company may agree).

Certain resolutions authorising the allotment of further shares in the Company and the waiver of pre-emption rights in connection with a rights issue were passed at an annual general meeting of the Company held on 10 July 2023. These authorities will be relied upon for the purposes of the Rights Issue.

The New Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Shares, save for the right to receive the recommended FY24 Final Dividend of 39.12 pence per Share which shall only be paid in respect of the Existing Shares. Application will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the London Stock Exchange will commence at 8.00 a.m. on 24 May 2024.

Some questions and answers, together with details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in the Prospectus and, where relevant, will also be set out in the Provisional Allotment Letter.

Overseas Shareholders should refer to paragraph 2.5 of Part III (Terms and Conditions of the Rights Issue) of the Prospectus for further information on their ability to participate in the Rights Issue.

DIRECTORS' INTENTIONS

The Directors are fully supportive of the Rights Issue and believe that the Rights Issue is in the best interest of the Company and the Shareholders as a whole. Each of the Directors who holds Shares will, to the extent that he or she is able to, take up his or her rights in respect of his or her Shares to subscribe for New Shares under the Rights Issue as set out in the Prospectus.