

## **SJW Group's Texas Subsidiary Reaches Agreements that will add customers and significant water supply to the rapidly growing service area**

The application has been filed with the Public Utilities Commission of Texas ("PUCT") using the new Texas Applied Rate Doctrine

**SAN JOSE, Calif. – Jan. 24, 2023** — SJW Group (NYSE: SJW) today announced that its Texas subsidiary, SJWTX Inc., which does business as Canyon Lake Water Service Company, has reached agreements to acquire KT Water Development Ltd and KT Water Resources L.P., which are both located in Comal County, Texas. The pending acquisitions will add more than 550 customers and a 50% increase in the total available system-wide water supply for current customer needs and future growth.

Eric W. Thornburg, chairman, president and CEO of SJW Group, stated, "Not only are we eager to serve the customers of KT Water Development as part of our Canyon Lake Water Service Company, but we are also pleased that adding KT Water Resources to our existing water supply portfolio will put our Texas operation in great shape to meet future customer growth and demand. If approved by the PUCT, this transaction will benefit our customers through increased scale and greater resources. We look forward to delivering exceptional high-quality drinking water service to them in the future."

KT Water Development Ltd, a privately held-investor-owned water utility, currently serves approximately 560 customers in southern Comal County, Texas, with possible expansion for an additional 150 connections.

KT Water Resources L.P. is a wholesale groundwater resource supplier to KT Water Development Ltd. The acquisition of KT Water Resources L.P. by SJWTX will significantly increase system resiliency and improves SJWTX's position to provide ample water for projected customer growth through 2070.

Thomas Hodge, president of SJWTX, stated, "The combination of KT Water Development and KT Water Resources with SJWTX brings together both additional customers into our system that can take advantage of state-of-the-art customer experience solutions, but also a more effective and sustainable use of our precious water resources in our fast-growing communities. The acquisition will increase the efficiency and resilience of the operations and bring SJWTX's experience of managing and supporting rapid growth."

SJWTX has filed an application for the acquisition of KT Water Development Ltd with the PUCT. If approved by the PUCT as submitted, the acquisitions are expected to be final by the 3rd quarter of 2023.

SJWTX, located in the growth pathway between San Antonio and Austin serves customers in three of the five fastest growing counties in the United States. The company has closed more than 15 acquisitions since 2006 and has more than quadrupled the number of customers it serves from 6,500 to 26,000.

**About SJWTX dba Canyon Lake Water Service Company**

SJWTX, a subsidiary of SJW Group, is a public water utility situated in the Texas Hill Country between Austin and San Antonio providing service to approximately 78,000 people through approximately 26,000 water and wastewater service connections. With three of the five fastest-growing counties in the United States, SJWTX serves customers in Comal, Blanco, Kendall, Bandera, Medina, Hays, and Travis counties.

**About KT Water Development Ltd**

KT Water Development Ltd is an investor-owned water utility providing water to approximately 1,500 people through over 500 service connections in the Rockwall Ranch subdivision in southern Comal County, Texas.

**About KT Water Resources L.P.**

KT Water Resources L.P. is a private-held company formed to develop wholesale water supplies for the fast-growing utilities of Comal County, Texas.

**About SJW Group**

SJW Group is among the largest investor-owned pure-play water and wastewater utilities in the United States, providing life-sustaining and high-quality water service to about 1.5 million people. SJW Group's locally led and operated water utilities - San Jose Water Company in California, The Connecticut Water Company in Connecticut, The Maine Water Company in Maine, and SJWTX, Inc. (dba Canyon Lake Water Service Company) in Texas - possess the financial strength, operational expertise, and technological innovation to safeguard the environment, deliver outstanding service to customers, and provide opportunities to employees. SJW Group remains focused on investing in its operations, remaining actively engaged in its local communities, and delivering continued sustainable value to its shareholders. For more information about SJW Group, please visit [www.sjwgroup.com](http://www.sjwgroup.com).

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**Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the

use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. These forward-looking statements involve a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the effect of water, utility, environmental and other governmental policies and regulations, including actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures and other decisions; (2) changes in demand for water and other services; (3) the impact of the Coronavirus (“COVID-19”) pandemic on our business operations and financial results; (4) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (5) climate change and the effects thereof, including but not limited to, droughts and wildfires; (6) unexpected costs, charges or expenses; (7) our ability to successfully evaluate investments in new business and growth initiatives; (8) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (9) the risk of work stoppages, strikes and other labor-related actions; (10) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or similar occurrences; (11) changes in general economic, political, business and financial market conditions; (12) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (13) legislative and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Results for a quarter are not indicative of results for a full year due to seasonality and other factors. Other factors that may cause actual results, performance or achievements to materially differ are described in SJW Group’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements are not guarantees of performance, and speak only as of the date made. SJW Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.