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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE EVEN IF THE PRE-CONDITIONS ARE SATISFIED OR WAIVED.

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE**

7 May 2021

ST. MODWEN PROPERTIES PLC

Possible offer for St. Modwen

The Board of St. Modwen Properties PLC ("St. Modwen" or "the Company") announces that on 6 May 2021 it received a non-binding conditional proposal from one or more of the investment funds ("Blackstone Funds") advised by affiliates of The Blackstone Group Inc. ("Blackstone") regarding a possible cash offer of 542 pence per share for the entire issued and to be issued share capital of St. Modwen (the "Possible Offer"). The Possible Offer follows a series of unsolicited proposals received from the Blackstone Funds.

The Possible Offer represents a premium of approximately:

- 21.1 per cent. to St. Modwen's closing share price of 448 pence on 6 May 2021;
- 33.7 per cent. to the volume weighted average St. Modwen share price of 405 pence over the 90-day period ending on 6 May 2021;
- 37.2 per cent. to the volume weighted average St. Modwen share price of 395 pence over the 180-day period ending on 6 May 2021; and
- 23.8 per cent. to St. Modwen's reported 2020 EPRA Net Tangible Assets Per Share of 438 pence.

Having considered the Possible Offer, the Board of St. Modwen has indicated to Blackstone that the Possible Offer is at a value the Board would be willing to recommend unanimously, should a firm intention to make an offer pursuant to Rule 2.7 of the Code be announced on such terms. The Possible Offer is subject to a number of pre-conditions, including the satisfactory completion of confirmatory due diligence which is currently underway by Blackstone. St. Modwen and Blackstone are working closely together to complete Blackstone's confirmatory due diligence as soon as practicable. Blackstone has confirmed that the Possible Offer is not subject to any financing pre-condition.

A further announcement will be made as appropriate.

The person responsible for arranging release of this announcement on behalf of St. Modwen is Lisa Minns, General Counsel & Company Secretary.

Takeover Code notes

This announcement has been made by St. Modwen with Blackstone's consent. There can be no certainty that any firm offer will be made for the Company even if the pre-conditions referred to above are satisfied or waived. Blackstone has reserved its right to waive, in whole or in part, any pre-condition at any time and at its sole discretion.

In accordance with Rule 2.6(a) of the Code, the Blackstone Funds are required, by no later than 5.00 p.m. (London time) on 4 June 2021, being 28 days after today's date, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that they do not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

In accordance with Rule 2.5 of the Code, the Blackstone Funds reserve the right to introduce alternative forms of consideration. The Blackstone Funds also reserve the right to make an offer on less favourable terms than those described in this announcement:

- a) to the extent that St. Modwen declares, makes or pays any dividend or distribution or other payment to its shareholders (in which case the Blackstone Funds reserve the right to make an equivalent reduction to the proposed price); and/or
- b) with the agreement and recommendation of the Board of St. Modwen; and/or
- c) following the announcement by St. Modwen of a whitewash transaction pursuant to the Code.

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Sources and bases

In this announcement:

1. all prices and closing prices for St. Modwen's shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL);
2. volume weighted average prices are derived from Bloomberg;
3. St. Modwen's reported 2020 EPRA Net Tangible Assets information has been extracted, subject to rounding adjustments, from the audited annual report and accounts for St. Modwen for the year ended 30 November 2020; and
4. certain figures included in this announcement have been subject to rounding adjustments.

If the Possible Offer results in an offer being made, any offer document or scheme document published in connection with such offer will contain, except with the consent of the Takeover Panel, in accordance with Rule 29 of the Takeover Code, either an updated portfolio valuation in respect of St. Modwen's property portfolio or a no material difference statement in respect of the last reported valuation of St. Modwen's property portfolio.

Disclaimer

Lazard & Co., Limited ("Lazard"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to St. Modwen and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this announcement. Neither Lazard nor any of its affiliates 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 Lazard in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

Rule 26.1 Disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.stmodwen.co.uk/investors, by no later than 12 noon (London time) on 10 May 2021. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Code, as at the close of business on 6 May 2021 (being the business day prior to the date of this announcement), St. Modwen confirms that it had in issue 222,626,988 ordinary shares of GBP 0.10 each with voting rights and admitted to trading on the main market of the London Stock Exchange under the ISIN code GB0007291015.