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FOR IMMEDIATE RELEASE

6 August 2021

RECOMMENDED INCREASED CASH OFFER

for

WM MORRISON SUPERMARKETS PLC

by

OPPIDUM BIDCO LIMITED

(a newly formed company indirectly owned by
funds managed or advised by affiliates of Fortress Investment Group,
LLC)

**Increased Fortress Offer of 270 pence per Morrisons Share plus 2 pence
Special Dividend**

No change to Bidco's intention statements regarding Morrisons business

Morrisons Directors re-confirm unanimous recommendation

1. Introduction

On 3 July 2021, the boards of directors of Wm Morrison Supermarkets PLC ("**Morrisons**") and Oppidum Bidco Limited ("**Bidco**") announced that they had reached agreement on the terms of a recommended all cash offer by Bidco for the entire issued, and to be issued, share capital of Morrisons (the "**Original Fortress Offer**").

The Original Fortress Offer was announced after extensive negotiations between the Morrisons Board and Fortress. However, Bidco notes the speculation regarding a possible counter-offer by CD&R. Bidco remains committed to becoming the new owner of Morrisons and to being a responsible long-term steward of this great British company through the next stage of its evolution. Accordingly, Bidco has engaged with the Morrisons Board and its advisers in relation to the value of the Original Fortress Offer.

Today, the boards of Morrisons and Bidco are pleased to announce that they have reached agreement on the terms of an increased cash offer at an increased offer value of 272 pence for each Morrisons Share (comprising increased Cash Consideration of 270 pence for each Morrisons Share and the

Special Dividend of 2 pence for each Morrisons Share) (the **"Increased Fortress Offer"**) for the entire issued and to be issued share capital of Morrisons, which has been recommended by the Morrisons Board.

The Morrisons Directors believe that the Increased Fortress Offer is in the best interests of Morrisons Shareholders as a whole, and accordingly unanimously recommend that Morrisons Shareholders vote in favour of the resolutions required to implement the Increased Fortress Offer to be proposed at the Court Meeting and the General Meeting which are due to be held on 16 August 2021.

Capitalised terms used and not defined in this announcement have the meanings given to them in the scheme document in respect of the Original Fortress Offer published and made available to Morrisons Shareholders on 22 July 2021, which stated that each Morrisons Shareholder would be entitled to receive 254 pence for each Morrisons Share, comprising 252 pence in cash from Bidco and the Special Dividend of 2 pence for each Morrisons Share (the **"Scheme Document"**).

2. Increased Fortress Offer

Under the terms of the Increased Fortress Offer, Morrisons Shareholders will be entitled to receive **272 pence for each Morrisons Share (the "Increased Fortress Offer Value") comprising:**

for each Morrisons Share:	270 pence in cash from Bidco (the "Cash Consideration")
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and

the Special Dividend of 2 pence

The Increased Fortress Offer values the entire issued and to be issued share capital of Morrisons at approximately Â£6.7 billion on a fully diluted basis. The Increased Fortress Offer Value represents an increase of approximately Â£0.4 billion to the offer value under the Original Fortress Offer.

The Increased Fortress Offer Value represents a premium of approximately:

- 52 per cent. to the Closing Price of 178 pence per Morrisons Share on 18 June 2021 (being the last Business Day before the commencement of the Offer Period);
- 51 per cent. to the volume-weighted average Closing Price of 180 pence per Morrisons Share for the three-month period ended 18 June 2021 (being the last Business Day before the commencement of the Offer Period); and
- 7 per cent. to the Original Fortress Offer value of 254 pence for each Morrisons Share.

Morrisons Shareholders will remain entitled to receive the Special Dividend of 2 pence for each Morrisons Share on the same terms and conditions as set out in Scheme Document.

The Scheme will be modified to reflect the terms of the Increased Fortress Offer. Save as set out in this announcement, the Increased Fortress Offer will

be subject to the same terms and conditions as the Original Fortress Offer, as set out in the Scheme Document, except that references to the Cash Consideration shall be to the cash amount of 270 pence for each Morrisons Share, as adjusted in accordance with the terms set out in the Scheme Document and this announcement.

Bidco reserves the right to reduce the increased Cash Consideration payable under the terms of the Increased Fortress Offer for the Morrisons Shares by an amount up to the amount of any dividend, distribution or other return of capital or value (other than, or in excess of, the Special Dividend) which is announced, declared, made or paid by Morrisons or becomes payable by Morrisons in respect of the Morrisons Shares on or after the date of this announcement and before the Effective Date. In such circumstances, Morrisons Shareholders will be entitled to receive and retain any such dividend, distribution or other return of capital or value.

3. Recommendation

The Morrisons Directors, who have been so advised by Rothschild & Co as to the financial terms of the Increased Fortress Offer, consider the terms of the Increased Fortress Offer to be fair and reasonable. In providing its advice to the Morrisons Directors, Rothschild & Co has taken into account the commercial assessments of the Morrisons Directors.

The Morrisons Directors consider the Increased Fortress Offer to be in the best interests of the Morrisons Shareholders taken as a whole. The Morrisons Directors have also taken into account the interests of the Morrisons business, its management and employees, the Morrisons Pension Schemes and other stakeholders in Morrisons. Accordingly, the Morrisons Board recommends unanimously that Morrisons Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting, as the Morrisons Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 5,643,396 Morrisons Shares in aggregate representing approximately 0.23 per cent. of Morrisons' issued share capital on 4 August 2021 (being the last practicable date before the date of this announcement).

Further details of these irrevocable undertakings are set out in paragraph 6 of Part VIII (*Additional Information*) of the Scheme Document.

The Morrisons Directors note that the Panel Executive has ruled that, unless the Panel Executive consents otherwise, CD&R must, by 5.00 p.m. on 9 August 2021, either announce a firm intention to make an offer for Morrisons under Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer for Morrisons.

4. Financing of the Fortress Offer

On 28 July 2021, Bidco announced that Cambourne Life Investment Pte Ltd ("**Cambourne**") had agreed to provide financing to Bidco in respect of the Original Fortress Offer as a co-investor, in addition to CPP Investments and KREI. Cambourne is a nominated investment vehicle of GIC Special Investments Pte Ltd, which is a direct subsidiary of GIC Pte Ltd.

The increased Cash Consideration payable by Bidco to Morrisons Shareholders under the terms of the Increased Fortress Offer will be financed by a combination of: (i) Equity Capital to be invested by Fortress, CPP Investments,

KREI and Cambourne; and (ii) term loan and revolving facilities to be provided under the Interim Facilities Agreement.

Fortress, CPP Investments, KREI and Cambourne intend for their respective indirect investments in Bidco to be funded by the issuance of Equity Capital in the following proportions: (i) Fortress will provide 47 per cent. of the Equity Capital; (ii) CPP Investments will provide 29 per cent. of the Equity Capital; (iii) KREI will provide 15 per cent. of the Equity Capital; and (iv) Cambourne will provide 9 per cent. of the Equity Capital (each an "**Individual Commitment**").

As at the Effective Date, it is intended that the ordinary share capital of Bidco will be indirectly owned by Fortress, KREI and Cambourne in the following proportions: (i) Fortress will indirectly own 65 per cent. of Bidco; (ii) KREI will indirectly own 22 per cent. of Bidco; and (iii) Cambourne will indirectly own 13 per cent. of Bidco.

Fortress may further syndicate part of its Individual Commitment (and, subject to the terms of the Bid Conduct Agreement, part of CPP Investments', KREI's and Cambourne's respective Individual Commitments) to one or more other co-investors either before or after the Scheme becomes Effective. If such syndication occurs prior to the Scheme becoming Effective, an announcement will be made by Bidco in respect of this through a Regulatory Information Service. In addition, other potential investors may acquire indirect minority interests in Bidco during the Offer Period or after the Scheme becomes Effective.

In accordance with Rule 24.8 of the Takeover Code, HSBC and RBC (each in its capacity as financial adviser to Bidco) confirms that it is satisfied that sufficient resources are available to Bidco to satisfy in full the increased Cash Consideration payable to Morrisons Shareholders under the terms of the Increased Fortress Offer.

5. Shareholder Meetings and Timetable

The expected timetable of principal events for the implementation of the Scheme (as amended to reflect the terms of the Increased Fortress Offer) remains as set out on page 15 of the Scheme Document. If any of the dates or times for the expected implementation of the Scheme change, the revised dates or times will be notified by issuing an announcement through a Regulatory Information Service.

The Morrisons Directors remind Morrisons Shareholders that the Court Meeting and the General Meeting in connection with the Increased Fortress Offer will be held on 16 August 2021. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

Detailed instructions on the actions to be taken by Morrisons Shareholders at the Court Meeting and the General Meeting are set out on pages 11 to 14 of the Scheme Document and paragraph 17 of Part II (*Explanatory Statement*) of the Scheme Document.

Forms of Proxy in respect of the Court Meeting and the General Meeting should be returned so as to be received as soon as possible and in any event not later than:

- 11.00 a.m. on 12 August 2021 in respect of the Court Meeting; and

Re 11.15 a.m. on 12 August 2021 in respect of the General Meeting.

Morrisons CSN Participants are reminded that Forms of Instruction for the Court Meeting and the General Meeting must be received by 11.00 a.m. and 11.15 a.m. respectively on 11 August 2021.

Morrisons Shareholders and Morrisons CSN Participants who have already submitted Forms of Proxy or Forms of Instruction (as applicable) for the Court Meeting and the General Meeting and who do not wish to change their voting instructions need take no further action as their Forms of Proxy or Forms of Instruction (as applicable) will continue to be valid in respect of the Court Meeting and the General Meeting.

Morrisons Shareholders and Morrisons CSN Participants who have submitted Forms of Proxy or Forms of Instruction (as applicable) for the Court Meeting and the General Meeting **and who now wish to change their voting instructions** should either follow the instructions set out in the Scheme Document or telephone the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2849 from within the UK or +44 371 384 2849 if calling from outside the UK. International rates apply to calls from outside the UK. Calls may be randomly monitored for security and training purposes. The Shareholder Helpline cannot provide advice on the merits of the Increased Fortress Offer or give any financial, legal or tax advice.

Morrisons Shareholders are also reminded that completion and return of a Form of Proxy, or the appointment of a proxy electronically, will not prevent them from attending and voting at the Court Meeting and the General Meeting in person or remotely via the Virtual Meeting Platform. Please refer to pages 1 to 4 of the Scheme Document and the Virtual Meeting Guide for further information.

6. General

The Increased Fortress Offer does not change Bidco's intentions as regards the business of Morrisons (including locations of its operations), the management and employees of Morrisons, existing employment and pension rights, and the proposals in respect of the Morrisons Share Plans, as set out in the Scheme Document and the letters already sent to participants in the Morrison Share Plans informing them on the effect of the Scheme on their rights under the Morrisons Share Plans and, where applicable, containing appropriate proposals in respect of such rights.

RBC, HSBC, Rothschild & Co, Jefferies and Shore Capital have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

The Appendix to this announcement contains the sources and bases of certain information contained in this announcement.

This announcement should be read in conjunction with the full text of the Scheme Document, a copy of which is available on Morrisons' website at www.morrisons-corporate.com/investor-centre/offer-from-fortress and Fortress' website at www.fortress.com/offer-for-morrisons.

7. Documents available for inspection

Copies of the following documents will, by no later than 12 noon (London time) on the first Business Day following the date of this announcement, be published on Morrisons' website at www.morrisons-corporate.com/investor-centre/offer-from-fortress and Fortress' website at www.fortress.com/offer-for-morrisons until the end of the Offer Period:

- this announcement;
- an amendment to the Bid Conduct Agreement entered into by Bidco, Fortress, CPP Investments, KREI and Cambourne in connection with the Increased Fortress Offer;
- the Equity Commitment Letters (as amended) entered into by Fortress, KREI and Cambourne in connection with the Increased Fortress Offer;
- the financing agreements (as amended) entered into by Bidco in connection with the Increased Fortress Offer; and
- the consent letters from each of RBC, HSBC, Rothschild & Co, Jefferies and Shore Capital referred to above.

The contents of Morrisons' website and Fortress' website are not incorporated into and do not form part of this announcement.

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Slaughter and May is acting as legal adviser to Bidco and Fortress.

Ashurst LLP is acting as legal adviser to Morrisons.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Fortress Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Morrisons in any jurisdiction in contravention of applicable law. The Fortress Offer will be implemented solely pursuant to the terms of the Scheme Document (as modified by this announcement) (or, if the Fortress Offer is implemented by way of a Takeover Offer, the Fortress Offer Document), which contains the full terms and conditions of the Fortress Offer (as modified by this announcement), including details of how to vote in respect of the Fortress Offer. Any vote in respect of, or other response to, the Fortress Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Fortress Offer is implemented by way of a Takeover Offer, the Fortress Offer Document).

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

Disclaimers

RBC Europe Limited (trading as RBC Capital Markets) ("RBC"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom and is a wholly owned subsidiary of Royal Bank of Canada, is acting for Bidco and Fortress and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Bidco and Fortress for providing the protections afforded to clients of RBC, or for providing advice in connection with matters referred to in this announcement. Neither RBC nor its parent nor any of its subsidiaries or 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 RBC in connection with this announcement or any matter referred to herein.

HSBC Bank plc ("**HSBC**"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for Bidco and Fortress and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Bidco and Fortress for providing the protections afforded to clients of HSBC nor for giving advice in connection with matters referred to in this announcement. Neither HSBC nor any of its subsidiaries or 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 HSBC in connection with this announcement or any matter referred to herein.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Morrisons and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Morrisons for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Rothschild & Co in connection with this announcement, any statement contained herein, the Fortress Offer or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion of its advice in this announcement in the form and context in which it is included.

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser and joint corporate broker exclusively for Morrisons and no one else in connection with the Fortress Offer and will not be responsible to anyone other than Morrisons for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the Fortress Offer or any other matters referred to in this announcement. Neither Jefferies nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Jefferies in connection with this announcement, any statement contained herein, the Fortress Offer or otherwise.

Shore Capital Stockbrokers Limited ("**Shore Capital**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser and joint corporate broker exclusively for Morrisons and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Morrisons for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to any matter referred to herein. Neither Shore Capital nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Shore Capital in connection with this announcement, any statement contained herein, the Fortress Offer or otherwise.

Overseas jurisdictions

This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Takeover Code, and information disclosed may not be the same as that which would have been

disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements of their jurisdictions.

The availability of the Fortress Offer to Morrisons Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Morrisons Shares with respect to the Scheme at the Court Meeting or the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Fortress Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Fortress Offer will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Fortress Offer by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Fortress Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Fortress Offer. If the Fortress Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Fortress Offer is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA. Further details in relation to Overseas Shareholders are set out in the Scheme Document.

Additional information for US investors

The Fortress Offer relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is

not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Fortress Offer is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

The financial information included in this announcement and the Scheme Document (or, if the Fortress Offer is implemented by way of a Takeover Offer, the Fortress Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

However, if, in the future, Bidco exercises the right to implement the Fortress Offer by way of a Takeover Offer and determines to extend the Fortress Offer into the United States, the Takeover Offer will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act of 1934 and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by Bidco and no one else.

Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States nor any other US regulatory authority has approved the Fortress Offer, passed upon the fairness of the Fortress Offer or passed upon the adequacy or accuracy of this announcement or the Scheme Document. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Fortress Offer by a US holder of Morrisons Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and may also be a taxable transaction under applicable US state and local tax laws in the United States, as well as foreign and other tax laws. Each Morrisons Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Fortress Offer.

It may be difficult for US holders of Morrisons Shares to enforce their rights and any claims arising out of US federal laws, since Bidco and Morrisons are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Morrisons Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934 (if applicable), Bidco, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Morrisons Shares outside of the US, other than pursuant to the Fortress Offer, until the date on which the Fortress Offer and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934 (if applicable), each of Rothschild & Co, Jefferies, Shore Capital, HSBC and RBC will continue to act as an exempt principal trader in Morrisons Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at

negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Forward-looking statements

This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Fortress Offer, and other information published by Bidco and Morrisons contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Morrisons about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Fortress Offer on Bidco and Morrisons, the expected timing and scope of the Fortress Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Bidco and Morrisons believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Morrisons can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Fortress Offer; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Fortress Offer not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Morrisons operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco and Morrisons operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Bidco nor Morrisons, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Morrisons Group, there may be additional changes to the Morrisons Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither Bidco nor Morrisons is under any obligation, and Bidco and Morrisons expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. 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 Takeover 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 Takeover Code, any person who is, or becomes, interested in one per cent. 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(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) 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 Takeover 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 Takeover 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 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.

Publication on a website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Morrisons' website at www.morrisons-corporate.com/investor-centre/offer-from-fortress and Fortress' website at www.fortress.com/offer-for-morrisons by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.

No profit forecasts, estimates or quantified benefits statements

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Morrisons for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Morrisons.

Requesting hard copy documents

Morrisons Shareholders may request a hard copy of this announcement by contacting Morrisons' registrar, Equiniti Limited, by: (i) submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom; or (ii) calling 0371 384 2030 from within the United Kingdom or +44 (0)121 415 7047 from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 9.00 a.m. and 5.00 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents,

announcements and information to be sent to them in relation to the Fortress Offer should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Morrisons Shareholders, persons with information rights and other relevant persons for the receipt of communications from Morrisons may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

General

If the Fortress Offer is effected by way of a Takeover Offer, and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Morrisons Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Morrisons Shares otherwise than under any Takeover Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

APPENDIX

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

1. Morrisons' fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 2,456,672,899 Morrisons Shares, calculated as:
 - (A) 2,418,575,048 Morrisons Shares in issue as at the close of business on 4 August 2021 (being the last practicable date before the date of this announcement);
 - (B) up to 44,393,498 Morrisons Shares which are expected to be issued on or after the date of this announcement on the

exercise of options or vesting of awards under the Morrisons Share Plans, as at the close of business on 4 August 2021 (being the last practicable date before the date of this announcement) and assuming that the Scheme becomes Effective on the expected Effective Date of 26 August 2021; and

- (C) 6,295,647 Morrisons Shares which are held by the Morrisons Employee Benefit Trust as at the close of business on 4 August 2021 (being the last practicable date before the date of this announcement) which will be used to satisfy the exercise of options and vesting of awards granted under the Morrisons Share Plans.

- 2. The premium calculations to the price per Morrisons Share used in this announcement have been calculated by reference to:

- (A) the Closing Price on 18 June 2021 (being the last Business Day before the commencement of the Offer Period) of 178 pence derived from Bloomberg;
- (B) the volume weighted average Closing Price of 180 pence per Morrisons Share for the three-month period ended on 18 June 2021 (being the last Business Day before the commencement of the Offer Period) derived from Bloomberg; and
- (C) the Original Fortress Offer value of 254 pence for each Morrisons Share.

- 3. Certain figures included in this announcement have been subject to rounding adjustments.

- 4. Unless otherwise stated, the financial information of Morrisons is extracted (without material adjustment) from Morrisons' annual report and financial statements for the 52 weeks ended 31 January 2021, which were released on 12 May 2021 or, where applicable, Morrisons' annual report and financial statements for the 52 weeks ended 2 February 2020, which were released on 13 May 2020.