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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**7 FEBRUARY 2024**

**RECOMMENDED ALL-SHARE OFFER FOR THE COMBINATION**

**of**

**BARRATT DEVELOPMENTS PLC (“Barratt”)**

**and**

**REDROW PLC (“Redrow”)**

**Summary**

- The boards of Barratt and Redrow are pleased to announce that they have reached agreement on the terms of a recommended all-share offer for the combination of Barratt and Redrow, pursuant to which Barratt will acquire the entire issued and to be issued ordinary share capital of Redrow (the “**Combination**”). It is proposed that the Combination will be effected by means of a court-sanctioned scheme of arrangement of Redrow under Part 26 of the Companies Act as set out in this announcement (the “**Scheme**” or “**Scheme of Arrangement**”).
- The Combination will build on the excellent reputations for quality, service and sustainability that both Barratt and Redrow have developed, creating an exceptional UK homebuilder in those areas, accelerating the delivery of the homes this country needs.
- Under the terms of the Combination, each Redrow Shareholder will receive:

<b>for each Redrow Share</b>	<b>1.44 New Barratt Shares</b>
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- Under the terms of the Combination, Redrow Shareholders will, in aggregate, receive approximately 476,309,153 New Barratt Shares.
- On the basis of the closing price per Barratt Share of 530 pence on 6 February 2024 (being the last Business Day prior to the publication of this announcement), the terms of the Combination imply a value for the entire issued and to be issued ordinary share capital of Redrow of approximately £2,524 million and represent a premium of approximately 27.2 per cent. to the closing price per Redrow Share of 600 pence on 6 February 2024 (being the last Business Day prior to the publication of this announcement).
- Immediately following Completion, Redrow Shareholders will hold approximately 32.8 per cent. of the Combined Group and Barratt Shareholders will hold approximately 67.2 per cent. of the Combined Group.
- The Barratt Directors and the Redrow Directors believe that the Combination will create an exceptional UK homebuilder in terms of quality, service and sustainability, delivering

excellence and driving innovation for customers, employees, sub-contractors and the supply chain. The Combination will bring together two companies with highly complementary geographic footprints and three highly respected brands – Barratt Homes, David Wilson Homes and Redrow – with which to accelerate the delivery of much-needed homes across the UK and provide the opportunity for shareholders to participate in future value creation in the Combined Group.

- The Barratt Directors and the Redrow Directors believe the Combination is a uniquely compelling opportunity to:
  - bring together complementary offerings to create an exceptional UK homebuilder in terms of quality, service and sustainability that builds high-quality, sustainable homes and communities for customers across the UK, addressing the country's need for homes;
  - create a strong brand portfolio with three high-quality, complementary brands including Redrow positioned as its premium brand, offering customers a wider range of home types and price points and accelerating delivery on sites, a strategy that Barratt previously successfully executed through the acquisition of David Wilson Homes;
  - realise significant cost synergies from procurement savings and a rationalisation of divisional and central functions which are expected to drive a combined lower cost base;
  - maintain a robust balance sheet, better protected to operate through the cycle, and provide a strong platform from which to deliver improved shareholder returns over the medium term; and
  - deliver significant benefits for all of the Combined Group's wider stakeholders.
- The board of Barratt believes that the Combined Group can be expected to achieve pre-tax cost synergies of at least £90 million on an annual run-rate basis by the end of the third year following Completion, of which approximately 90 per cent. is expected to be delivered by the end of the second year following Completion.<sup>1</sup> The one-off costs of delivering these savings are expected to total approximately £73 million, with approximately 57 per cent. incurred in the first year following Completion, approximately 32 per cent. expected to be incurred in the second year following Completion and the remainder by the end of the third year following Completion. The Combination is expected to be accretive to Barratt and Redrow's respective adjusted earnings per share in the first year after Completion (excluding one-off costs of delivering synergies).
- The Barratt Directors and the Redrow Directors also note that Steve Morgan, Redrow's founder, is supportive of the Combination and Barratt has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting from Bridgemere Securities Limited, Steve Morgan's family investment vehicle and Redrow's largest shareholder, in respect of a total of 52,851,816 Redrow Shares representing, in aggregate, approximately 16 per cent. of Redrow's issued ordinary share capital as at 6 February 2024 (being the last Business Day prior to the date of this announcement).
- Commenting on the Combination, David Thomas, Group Chief Executive of Barratt, said:

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<sup>1</sup> This statement constitutes a quantified financial benefits statement for the purposes of the Takeover Code. Please see Appendix IV for further details of the estimated cost savings and synergies referred to in this announcement.

*“We have great respect for Redrow, its overall strategy, its leadership and employees, and its high-quality homes and communities. This is an exciting opportunity to bring together two highly complementary companies, creating an exceptional homebuilder in terms of quality, service and sustainability, able to build more of the high-quality homes this country needs. The Combined Group would leverage the respective strengths of both Barratt and Redrow, delivering significant benefits to our people, our supply chains, and – most importantly – our customers.”*

- Commenting on the Combination, Matthew Pratt, Group Chief Executive of Redrow, said:  
*“Redrow and Barratt combined creates a leading UK homebuilder. Together, we’ll be in a much better position to offer a broader range of high-quality and energy efficient homes to customers.*  
  
*The Redrow brand, with its premium, characterful homes, has an excellent reputation and will remain a key part of the Combined Group. As with Barratt, Redrow’s fifty-year success story is based on its people, products and supply chain partners. Both businesses are a great fit and there are many exciting opportunities to innovate and share knowledge across a range of different areas.”*
- Commenting on the Combination, Steve Morgan, Redrow’s founder said:  
*“During the 50 years since I founded Redrow, I could not be more proud of the unique reputation it has earned for building premium homes and thriving communities.*  
  
*Barratt is a home builder I have long admired due to their likeminded attention to quality. I am confident that the Barratt / Redrow combination with their three high-quality complementary brands, will create a standout home builder for the future and accelerate the delivery of much needed homes across the UK.”*

## **Information on the Combined Group**

### ***Business of the Combined Group***

- Following Completion and subsequent integration, the Combined Group will build upon the respective strengths and likeminded performance-driven cultures of both Barratt and Redrow, in particular a mutual focus on customers, quality and sustainability, to ensure the continued delivery of high-quality homes and communities that the country needs.
- The Combined Group will have a strong brand portfolio of three high-quality, complementary brands, including Redrow positioned as the premium brand therein. The portfolio will be able to meet customers’ needs across a wider range of price points, increasing the Combined Group’s addressable market. The Combined Group will continue to evolve and develop strong and innovative products across all three brands focused on design excellence and build quality.
- The Combined Group expects to be able to increase volumes through a three-brand strategy, with the potential to accelerate the delivery of homes from the combined and complementary land pipeline by introducing the Redrow brand on appropriate Barratt sites and vice versa. The Combined Group will take advantage of the complementary geographical footprints of Barratt and Redrow, with a total land pipeline of 92,345 plots as at 31 December 2023.<sup>2</sup>

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<sup>2</sup> The total land pipeline of 92,345 plots reflects the total of the land pipeline positions of Barratt and Redrow as at 31 December 2023, being 67,780 plots and 24,565 plots, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively.

- The Combined Group will provide an opportunity for both sets of shareholders to realise the benefits of significant cost synergies from procurement savings and a rationalisation of divisional and central functions which are expected to drive a combined lower cost base.

#### ***Board and executive leadership team of the Combined Group***

- Caroline Silver, Barratt's Non-Executive Chair, will lead the Combined Group as Non-Executive Chair. Barratt's Chief Executive, David Thomas, will be Group Chief Executive of the Combined Group. Mike Scott, Chief Financial Officer of Barratt, will be Chief Financial Officer of the Combined Group, and Steven Boyes, Chief Operating Officer and Deputy Chief Executive of Barratt, will be Chief Operating Officer and Deputy Chief Executive of the Combined Group.
- The board of directors of the Combined Group will be a combined board comprising the existing executive and non-executive directors of Barratt, with the addition of (i) Matthew Pratt, currently Group Chief Executive of Redrow, who will join the Combined Group and assume the role of Chief Executive Officer, Redrow, and Group Executive Director, and (ii) Nicky Dulieu, currently Senior Independent Director of Redrow, and Geeta Nanda, currently Non-Executive Director of Redrow, who will both join as Non-Executive Directors.
- Barbara Richmond, Group Finance Director of Redrow, has agreed to join the Combined Group to support the integration for a period of not less than 12 months to ensure continuity and with a view to realising the benefits of the Combination for both sets of shareholders.
- Any executive or non-executive directors of Redrow not appointed to the board of the Combined Group will step down from the Redrow board upon Completion.

#### ***Combined Group name***

- The Combined Group will be renamed "Barratt Redrow plc" from Completion.

#### ***Key financial information of the Combined Group***

- Barratt and Redrow generated aggregate revenue of £7,448 million in FY 2023, delivering total completions of 22,642.<sup>3</sup>
- The Combined Group is expected to benefit from a robust aggregated balance sheet, building on Barratt and Redrow's aggregate net cash position of £874 million as at 31 December 2023,<sup>4</sup> providing the Combined Group flexibility to manage the business for the long term, resilience through the cycle and the flexibility to respond to changing market conditions. The Combined Group will continue Barratt's and Redrow's existing practice of prudently managing the balance sheet and maintaining a highly selective approach to land buying. Furthermore, the Barratt Directors believe the Combined Group's robust balance sheet will allow the Combined Group to capitalise on future land opportunities.

#### ***Capital allocation and dividend policy of the Combined Group***

- It is intended that the Combined Group will maintain Barratt's existing dividend policy of 1.75x ordinary dividend cover based on adjusted earnings per share.

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<sup>3</sup> The aggregated revenue of £7,448 million reflects the total revenue of Barratt and Redrow during FY 2023, being £5,321 million and £2,127 million, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies. The aggregated completions of 22,642 reflects the total completions of Barratt and Redrow during FY 2023, being 17,206 and 5,436, respectively.

<sup>4</sup> The aggregated net cash position of £874 million reflects the total of the net cash positions of Barratt and Redrow as at 31 December 2023, being £753 million and £121 million, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

- The Barratt Directors believe that this would result in a significant uplift in dividend payments to Redrow Shareholders, with the scale and balance sheet strength of the Combined Group further underpinning its ability to maintain increased future dividend payments.
- The Barratt Directors recognise the importance of returning surplus capital to shareholders. Excess cash is expected to be returned to the Combined Group's shareholders via a share buyback or special dividend if appropriate following investment in the business and the payment of an ordinary dividend.

### ***Listing and trading of Barratt Shares and Redrow Shares***

- Prior to the Scheme becoming Effective, it is intended that applications will be made to the Financial Conduct Authority to cancel the listing of the Redrow Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Redrow Shares on the London Stock Exchange's Main Market for listed securities, to take effect on the Business Day following the Effective Date. Redrow is also expected to be re-registered as a private company after Completion.
- Barratt will seek approval for the New Barratt Shares to be admitted to the premium listing segment of the Official List (or, if there is no premium listing segment, the same listing segment as the Barratt Shares are trading on) and to trading on the Main Market of the London Stock Exchange alongside the existing Barratt Shares.

### **Dividends**

- Under the terms of the Co-operation Agreement, Barratt and Redrow have agreed that:
  - Redrow Shareholders will be entitled to receive a dividend of 5.0 pence per Redrow Share in respect of the six-month period ended 31 December 2023 as set out in the Redrow HY24 Results announced immediately before the publication of this announcement, scheduled to be paid on 8 April 2024 (the "**Redrow Interim Dividend**");
  - Barratt Shareholders will be entitled to receive a dividend of 4.4 pence per Barratt Share in respect of the six-month period ended 31 December 2023 as set out in the Barratt HY24 Results announced immediately before the publication of this announcement, scheduled to be paid on 17 May 2024 (the "**Barratt Interim Dividend**");
  - to the extent Completion occurs after the record date in respect of any Redrow dividend in respect of each of the successive six-month periods ending 30 June 2024, 31 December 2024 or 30 June 2025 (as relevant), Redrow Shareholders will be entitled to receive and retain any such dividend, provided in each case that it is in accordance with Redrow's existing dividend policy, consistent with past practice in relation to the payment of dividends and Redrow and Barratt have agreed the record date for such dividend (each such dividend a "**Redrow Additional Permitted Dividend**"); and
  - to the extent Completion occurs after the record date in respect of any Barratt dividend in respect of each of the successive six-month periods ending 30 June 2024, 31 December 2024 or 30 June 2025 (as relevant), Barratt Shareholders will be entitled to receive and retain any such dividend, provided in each case that it is in accordance with Barratt's existing dividend policy, consistent with past practice in relation to the payment of dividends and Redrow and Barratt have agreed the record date for such dividend (each such dividend a "**Barratt Additional Permitted Dividends**").

- If, on or after the date of this announcement and on or prior to the Effective Date, Redrow announces, declares, makes or pays: (i) the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend (as defined below), and the quantum of such dividend is in excess of the amount which Redrow is entitled to pay to Redrow Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Barratt shall be entitled to either:
  - adjust the Exchange Ratio by an amount equivalent to all or any part of such excess (in the case of the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend (as relevant)) or by the amount of all or part of any such other dividend, distribution or form of capital return, in which case references to the Exchange Ratio will be deemed to be a reference to the Exchange Ratio as so adjusted; or
  - pay an equalising dividend to Barratt Shareholders so as to reflect the value attributable to all or any part of such excess (in the case of the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend (as relevant)) or by the amount of all or part of any such other dividend, distribution or form of capital return (a “**Barratt Equalising Dividend**”), without any consequential change to the Exchange Ratio.

In such circumstances, Redrow Shareholders will be entitled to retain the full amount of any such excess or such other dividend, distribution or form of capital return declared, made, or paid.

- If, on or after the date of this announcement and on or prior to the Effective Date, Barratt announces, declares, makes or pays: (i) the Barratt Interim Dividend, a Barratt Additional Permitted Dividend or a Barratt Equalising Dividend, and the quantum of such dividend is in excess of the amount which Barratt is entitled to pay to Barratt Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Redrow shall be entitled to pay an equalising dividend to Redrow Shareholders so as to reflect the value attributable to all or any part of such excess (in the case of the Barratt Interim Dividend, a Barratt Additional Permitted Dividend or a Barratt Equalising Dividend (as relevant)) or by the amount of all or part of any such other dividend, distribution or form of capital return (a “**Redrow Equalising Dividend**”), without any consequential change to the Exchange Ratio. In such circumstances, Barratt Shareholders will be entitled to retain the full amount of any such excess or such other dividend, distribution, or form of capital return declared, made, or paid.
- Under the terms of the Co-operation Agreement, Barratt has undertaken not to declare, make or pay any dividend, distribution or form of capital return other than the Barratt Interim Dividend, any Barratt Additional Permitted Dividend and any Barratt Equalising Dividend.

### **Barratt Shareholder approval of the Combination**

- The Combination constitutes a Class 1 transaction for Barratt for the purposes of the Listing Rules. Accordingly, the Combination will be conditional on, amongst other things, the approval of Barratt Shareholders at the Barratt General Meeting.

### **Redrow Recommendation**

- The Redrow Directors, who have been so advised by Barclays and Peel Hunt as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. Peel Hunt is providing independent financial advice to the Redrow Directors for the purposes of Rule 3 of the Takeover Code. In providing their advice to the Redrow Directors,

Barclays and Peel Hunt have taken into account the commercial assessments of the Redrow Directors.

- Accordingly, the Redrow Directors intend to recommend unanimously that Redrow Shareholders vote in favour of both the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting, as those Redrow Directors who hold Redrow Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 161,913 Redrow Shares, representing, in aggregate, approximately 0.049 per cent. of the issued ordinary share capital of Redrow in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

### **Barratt Recommendation**

- The Barratt Directors consider the terms of the Combination to be in the best interests of Barratt and Barratt Shareholders as a whole. Accordingly, the Barratt Directors intend to recommend unanimously that Barratt Shareholders vote in favour of the Barratt Resolutions at the Barratt General Meeting, as those Barratt Directors who hold Barratt Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 1,690,704 Barratt Shares, representing, in aggregate, approximately 0.173 per cent. of the issued ordinary share capital of Barratt in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).
- The Barratt Directors have received financial advice from UBS and Morgan Stanley in relation to the Combination. In providing their advice to the Barratt Directors, UBS and Morgan Stanley have taken into account the commercial assessments of the Barratt Directors.

### **Irrevocable Undertakings**

#### ***Redrow Shares***

- Taking into account the irrevocable undertakings from each of the Redrow Directors who hold Redrow Shares and Bridgemere Securities Limited, Steve Morgan's family investment vehicle, described above, Barratt has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting in respect of a total of 53,013,729 Redrow Shares representing, in aggregate, approximately 16 per cent. of Redrow's ordinary share capital in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).
- Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

#### ***Barratt Shares***

- Taking into account the irrevocable undertakings from each of the Barratt Directors who hold Barratt Shares, Redrow has received irrevocable undertakings to vote in favour of the Barratt Resolutions at the Barratt General Meeting in respect of a total of 1,690,704 Barratt Shares representing, in aggregate, approximately 0.173 per cent. of Barratt's ordinary share capital in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).
- Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

### **Conditions and Timetable**

- It is intended that the Combination will be effected by means of a Court-approved Scheme of Arrangement between Redrow and Redrow Shareholders under Part 26 of the Companies Act

although Barratt reserves the right to implement the Combination by means of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement).

- The Combination is conditional on the approval of the requisite majority of Redrow Shareholders at the Court Meeting and at the Redrow General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of the Redrow Shareholders on the register of members of Redrow at the Voting Record Time who are present and vote, whether in person or by proxy, at the Court Meeting and who represent not less than 75 per cent. in value of the Redrow Shares voted by those Redrow Shareholders. In addition, special resolutions implementing the Scheme must be passed by Redrow Shareholders representing at least 75 per cent. of votes cast at the Redrow General Meeting.
- The Combination is also subject to the Conditions and terms set out in Appendix I to this announcement including, amongst other things, the approval by a simple majority of the votes cast by Barratt Shareholders at the Barratt General Meeting as a Class 1 transaction under the Listing Rules and the grant of authority to allot the New Barratt Shares. It is also conditional on the receipt of merger control clearance in the United Kingdom, as well as the further terms and conditions of the Scheme, which will be set out in full in the Scheme Document.
- The Scheme Document, containing further information about the Combination and notices of the Court Meeting and the Redrow General Meeting, will be sent to Redrow Shareholders (along with the Forms of Proxy for use in connection with the Court Meeting and Redrow General Meeting) in due course. For the purposes of paragraph 3(a) of Appendix 7 of the Takeover Code, the Panel has consented to an extension of the applicable date for posting.
- Barratt will prepare, publish and send to Barratt Shareholders the Barratt Circular (along with the Forms of Proxy for use in connection with the Barratt General Meeting) and will prepare and publish the Barratt Prospectus. The Barratt Circular will summarise the background to and reasons for the Combination and will include a notice convening the Barratt General Meeting containing the Barratt Resolutions to be proposed for the Combination. The Barratt Prospectus is required in connection with the Admission of the New Barratt Shares and will contain information relating to the Combination, the Combined Group and the New Barratt Shares.
- The Scheme Document, the Barratt Circular and the Barratt Prospectus will be made available by Barratt on its website at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and by Redrow on its website at <https://investors.redrowplc.co.uk>.
- As there is significant overlap between the Scheme Document, the Barratt Circular and the Barratt Prospectus, it is intended that the Scheme Document will be posted at the same time as the publication of the Barratt Circular and the Barratt Prospectus, both of which require review and approval by the FCA. Each of the Scheme Document, the Barratt Circular and the Barratt Prospectus are expected to be published by mid-April 2024 and on the same date and it is expected that the Court Meeting, the Redrow General Meeting and the Barratt General Meeting will be held by mid-May 2024 on the same date and at or around the same time. Subject to the satisfaction or (where applicable) waiver of the Conditions, the Combination is expected to become Effective during the second half of 2024.

### **Interim results and investor and analyst presentation**

- Barratt and Redrow have, immediately before the publication of this announcement, each published their results for the half year ended 31 December 2023.
- There will be an investor and analyst presentation at 8.30 a.m. on 7 February 2024 at Peel Hunt, 100 Liverpool Street, London, EC2M 2AT covering the Combination, the Barratt HY24



Results and the Redrow HY24 Results. There will be a live webcast of the investor and analyst presentation available on Barratt's website at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and on Redrow's website at <https://investors.redrowplc.co.uk>.

***This summary should be read in conjunction with the full text of this announcement. The Combination will be subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms set out in Appendix I to this announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix II to this announcement contains sources of information and bases of calculations of certain information contained in this announcement. A summary of the irrevocable undertakings received by Barratt and Redrow in relation to this Combination is set out in Appendix III to this announcement. Appendix IV to this announcement contains details of and bases of calculation of the anticipated quantified financial benefits of the Combination, together with the related reports from Barratt's reporting accountant, PricewaterhouseCoopers, and Barratt's financial advisers, UBS and Morgan Stanley as required under Rule 28.1(a) of the Takeover Code, and provides underlying information and bases for the reporting accountant's and advisers' respective reports. Each of PricewaterhouseCoopers, UBS and Morgan Stanley has given and not withdrawn its consent to the publication of its report in this announcement in the form and context in which it is included. Certain terms used in this summary and this announcement are defined in Appendix V to this announcement.***

***For the purposes of Rule 28 of the Takeover Code, the Quantified Financial Benefits Statement relating to cost savings and synergies arising out of the Combination contained in Part A of Appendix IV to this announcement is the responsibility of Barratt and the Barratt Directors and not of the Redrow Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Barratt Directors and not of the Redrow Directors.***

The person responsible for making this announcement on behalf of Barratt is Tina Bains, Barratt Group Company Secretary.

The person responsible for making this announcement on behalf of Redrow is Beth Ford, Redrow Group Company Secretary.

## **Enquiries**

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***Important Notices***

*UBS AG London Branch (“UBS”) is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting exclusively as sole corporate broker, lead financial adviser and sole sponsor to Barratt and no one else in connection with the Combination. In*

connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Combination, the contents of this announcement or any other matter referred to herein.

Morgan Stanley & Co. International plc ("**Morgan Stanley**"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively as financial adviser to Barratt and no one else in connection with the Combination and will not be responsible to anyone other than Barratt for providing the protections afforded to clients of Morgan Stanley nor for providing advice in connection with the Combination or any matter referred to herein.

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Redrow and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Redrow for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this announcement.

In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Redrow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and corporate broker to Redrow and for no one else in connection with the matters referred to in this announcement and will not be responsible to any person other than Redrow for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt 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 Peel Hunt in connection with the matters referred to in this announcement, or otherwise.

### **Further information**

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Combination or otherwise nor will there be any sale, issuance, exchange or transfer of securities of Barratt or Redrow pursuant to the Combination or otherwise in any jurisdiction in contravention of applicable law.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Combination including details of how to vote in respect of the Combination. Any decision by Redrow Shareholders in respect of, or other response to, the Combination (including any vote in respect of the resolutions to approve the Combination, the Scheme or related matters), should be made only on the basis of the information contained in the Scheme Document (or, in the event that the

*Combination is to be implemented by way of a Takeover Offer, the Offer Document) and the Barratt Prospectus.*

*This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the 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 and regulations of jurisdictions outside England and Wales.*

*The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

*Redrow will prepare the Scheme Document to be distributed to Redrow Shareholders and Barratt will prepare the Barratt Circular to be distributed to Barratt Shareholders and publish the Barratt Prospectus containing information about the New Barratt Shares and the Combined Group. Redrow urges Redrow Shareholders to read the Scheme Document and the Barratt Prospectus carefully when they become available because they will contain important information in relation to the Combination, the New Barratt Shares and the Combined Group. Barratt urges Barratt Shareholders to read the Barratt Circular and Barratt Prospectus when they become available because they will contain important information in relation to the Combination, the New Barratt Shares and the Combined Group. Any vote in respect of the resolutions to be proposed at the Court Meeting or the Redrow General Meeting to approve the Scheme, the Combination or related matters, should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Combination is to be implemented by way of a Takeover Offer, the Offer Document) and the Barratt Prospectus. Any vote in respect of the resolutions to be proposed at the Barratt General Meeting should be made only on the basis of the information contained in the Barratt Circular.*

*This announcement does not constitute a prospectus or prospectus exemption document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.*

### **Overseas shareholders**

*The availability of the Combination and/or the New Barratt Shares in, and the release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements or restrictions.*

*Unless otherwise determined by Barratt or required by the Takeover Code, and permitted by applicable law and regulation, the Combination or the New Barratt Shares to be issued pursuant to the Combination will not be made available, 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 Combination by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Combination 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 any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or form within any Restricted Jurisdiction.*

*The availability of the Combination, New Barratt Shares pursuant to the Combination and/or this announcement to Redrow Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such New Barratt Shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal and regulatory requirements. Redrow Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*The New Barratt Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdiction, or otherwise permitted under applicable securities laws of those jurisdictions.*

*The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

#### **Additional information for US investors**

*The Combination relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. 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 Exchange Act.*

*Accordingly, the Combination is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*However, if Barratt were to elect to implement the Combination by means of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, such Takeover Offer will be made in compliance with all applicable United States securities laws and regulations, including to the extent applicable the US Securities Act and Section 14(E) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Barratt and no one else.*

*The receipt of consideration by a US holder for the transfer of its Redrow Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each Redrow Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Combination applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.*

*In accordance with normal United Kingdom practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Barratt or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Redrow outside of the US, other than pursuant to the Combination, until the date on which the Combination and/or Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*This announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.*

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

*Financial information included in this announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The New Barratt Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or any other relevant securities laws of any state or territory or other jurisdiction in the United States and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of the securities laws of such state, district or other jurisdiction.*

*The Combination is intended to be carried out under a Scheme of Arrangement provided for under English company law (which requires the approval of Redrow Shareholders). If so, it is expected that any New Barratt Shares to be issued pursuant to the Scheme to Redrow Shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof.*

*For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Redrow will advise the Court that its sanctioning of the Scheme will be relied on by Barratt as an approval of the Scheme following a hearing on its fairness to Redrow Shareholders, at which Court Hearing all Redrow Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification will be given to all such holders.*

*Barratt and Redrow are organised under the laws of England and Wales. Some or all of the officers and directors of Barratt and Redrow, respectively, are residents of countries other than the United States. In addition, the assets of Barratt and Redrow are located outside the United States. As a result, it may be difficult for US shareholders of Redrow to effect service of process within the United States upon Barratt or Redrow or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United States. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment. It may not be possible to sue Barratt or Redrow or their respective officers or directors in a non-US court for violations of the US securities laws.*

### **Forward Looking Statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Combination, and other information published by Redrow, Barratt or any member of their respective groups contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Barratt, Redrow or the Combined Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward looking statements contained in this announcement relate to Barratt, Redrow or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Combination and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including*

the terms “believes”, “estimates”, “will look to”, “would look to”, “plans”, “prepares”, “anticipates”, “expects”, “is expected to”, “is subject to”, “budget”, “scheduled”, “forecasts”, “synergy”, “strategy”, “goal”, “cost-saving”, “projects” “intends”, “may”, “will”, “shall” or “should” or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Barratt’s, Redrow’s or the Combined Group’s operations and potential synergies resulting from the Combination; and (iii) the effects of global economic conditions and governmental regulation on Barratt’s, Redrow’s or the Combined Group’s business. 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. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove 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 Redrow, Barratt, 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 these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate 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 Combined Group, there may be additional changes to the Combined 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.

The forward looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to Barratt or Redrow, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Barratt and Redrow expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

### **No profit forecasts or estimates or quantified financial benefits statements**

Other than the Redrow Profit Forecast in paragraph 15.1, no statement in this announcement (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Barratt or Redrow, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Barratt or Redrow, as appropriate. Other than the Quantified Financial Benefits Statement set out in Appendix IV, no statement in this announcement (including any statement of estimated costs savings or synergies) is intended as a quantified financial benefits statement for the purposes of the Takeover Code.

### **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 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) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> 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 1 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (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.*

*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).*

*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 <http://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.*

### **Electronic Communications**

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

### **Publication on Website and Availability of Hard Copies**

*A copy of this announcement will be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Barratt's and Redrow's websites at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and <https://investors.redrowplc.co.uk> respectively by no later than*



12 noon (London time) on 8 February 2024. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this announcement.

Barratt Shareholders may request a hard copy of this announcement by contacting Tina Bains, Barratt Group Company Secretary at Barratt House Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF, or by telephoning +44 (0) 20 7404 5959. If you have received this announcement in electronic form or by it being published on Barratt's website, you will not receive a hard copy of this announcement unless you so request. You may also inform Tina Bains that you wish all future documents, announcements and information to be sent to you in relation to the Combination in hard copy form.

Redrow Shareholders may request a hard copy of this announcement by contacting Beth Ford, Redrow Group Company Secretary at Redrow House, St. David's Park, Ewloe, Flintshire CH5 3RX or by telephoning +44 (0) 1244 520044. If you have received this announcement in electronic form or by it being published on Redrow's website, you will not receive a hard copy of this announcement unless you so request. You may also inform Beth Ford that you wish all future documents, announcements and information to be sent to you in relation to the Combination in hard copy form.

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, accountant, fund manager or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or, if you are resident in a territory outside of the United Kingdom, from another appropriately authorised independent financial adviser.

### **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 the figures that precede them.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Takeover Code, Redrow confirms that, as at the date of this announcement, it has in issue 330,770,245 ordinary shares of 10.5 pence each (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00BG11K365.

In accordance with Rule 2.9 of the Takeover Code, Barratt confirms that, as at the date of this announcement, it has in issue 974,590,748 ordinary shares of 10 pence (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB0000811801.

**THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EXEMPTION DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW BARRATT SHARES OR TO ACQUIRE ANY REDROW SHARES OR BARRATT SHARES EXCEPT ON THE BASIS OF INFORMATION IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED BY REDROW AND THE BARRATT PROSPECTUS WHICH IS PROPOSED TO BE PUBLISHED BY BARRATT IN DUE COURSE**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**7 FEBRUARY 2024**

**RECOMMENDED ALL-SHARE OFFER FOR THE COMBINATION**

**of**

**BARRATT DEVELOPMENTS PLC (“Barratt”)**

**and**

**REDROW PLC (“Redrow”)**

**1 Introduction**

The boards of Barratt and Redrow are pleased to announce that they have reached agreement on the terms of a recommended all-share offer for the combination of Barratt and Redrow, pursuant to which Barratt will acquire the entire issued and to be issued ordinary share capital of Redrow (the “**Combination**”). It is proposed that the Combination will be effected by means of a court-sanctioned scheme of arrangement of Redrow under Part 26 of the Companies Act as set out in this announcement (the “**Scheme**” or “**Scheme of Arrangement**”).

**2 The Combination**

Under the terms of the Combination, which will be subject to the Conditions and further terms set out below and in Appendix I to this announcement and the full terms and conditions which will be set out in the Scheme Document, Redrow Shareholders will be entitled to receive:

**for each Redrow Share**

**1.44 New Barratt Shares**

Under the terms of the Combination, Redrow Shareholders will, in aggregate, receive approximately 476,309,153 New Barratt Shares.

On the basis of the closing price per Barratt Share of 530 pence on 6 February 2024 (being the last Business Day prior to the publication of this announcement), the terms of the Combination imply a value for the entire issued and to be issued ordinary share capital of Redrow of approximately £2,524 million and represent a premium of approximately 27.2 per cent. to the closing price per Redrow Share of 600 pence on 6 February 2024 (being the Business Day prior to publication of this announcement).

Immediately following Completion, Redrow Shareholders will hold approximately 32.8 per cent. of the Combined Group and Barratt Shareholders will hold approximately 67.2 per cent. of the Combined Group.

As there is significant overlap between the Scheme Document, the Barratt Circular and the Barratt Prospectus, it is intended that the Scheme Document will be posted at the same time as the publication of the Barratt Circular and the Barratt Prospectus, both of which require review and approval by the FCA. Each of the Scheme Document, the Barratt Circular and the Barratt Prospectus are expected to be published by mid-April 2024 and on the same date and it is expected that the Court Meeting, the Redrow General Meeting and the Barratt General Meeting will be held by mid-May 2024 on the same date and at or around the same time. Subject to the satisfaction or (where applicable) waiver of the Conditions, the Combination is expected to become Effective during the second half of 2024.

### **3 Background to and reasons for the Combination**

The Barratt Directors and the Redrow Directors believe that the Combination will build on the excellent reputations for quality, service and sustainability that both Barratt and Redrow have developed, creating an exceptional UK homebuilder in those areas, delivering excellence and driving innovation for customers, employees, sub-contractors and the supply chain. The Combination will bring together two companies with highly complementary geographic footprints and three highly respected brands – Barratt Homes, David Wilson Homes and Redrow – with which to accelerate the delivery of much-needed homes across the UK and provide the opportunity for shareholders to participate in future value creation in the Combined Group.

The Barratt Directors and the Redrow Directors believe the Combination is a uniquely compelling opportunity to:

#### **3.1 Bring together complementary offerings to create an exceptional UK homebuilder in terms of quality, service and sustainability**

The Barratt Directors and the Redrow Directors believe that the Combined Group will bring together two organisations with like-minded cultures and a shared commitment to customers, creating an exceptional UK homebuilder in terms of quality, service and sustainability, delivering excellence and driving innovation for customers, employees, sub-contractors and the supply chain.

The Combination brings together Barratt's and Redrow's highly complementary geographic footprints and product offerings to create an attractive portfolio of sites in progress, a strong total land pipeline of 92,345 plots,<sup>5</sup> and the capacity to accelerate delivery of homes and together build in excess of 22,000 homes per annum in the medium term.

Barratt and Redrow are companies which put the customer firmly at the heart of everything they do:

- **Quality:** Barratt is dedicated to delivering high-quality, sustainable homes which are built to the highest standards. Barratt's Site Managers have been awarded more Pride in the Job Awards than any other homebuilder for 19

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<sup>5</sup> The total land pipeline of 92,345 plots reflects the total of the land pipeline positions of Barratt and Redrow as at 31 December 2023, being 67,780 plots and 24,565 plots, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively.

years in a row. Redrow shares this commitment, also receiving a significant number (20) of Pride in the Job Awards in 2023.

- **Service:** Barratt is committed to putting its customers first and in 2023 was awarded a HBF 5-Star rating by its customers for the 14th successive year, more than any other homebuilder. Redrow also has a strong track record of achieving 5-Star HBF customer satisfaction ratings for 5 consecutive years.
- **Sustainability:** Barratt and Redrow share a commitment to sustainability. Barratt is included in the CDP A List for Leadership on sustainability and was awarded the 2023 Innovation Award for its eHome2 project which reflects Barratt's pioneering efforts towards a low carbon and climate resilient future. Redrow holds an AA MSCI ESG rating for its commitment to environmental, social and governance (ESG) investment standards and remains a constituent of the FTSE4Good Index Series for its continued demonstration of strong ESG practices.

### **3.2 Create a strong brand portfolio with three high-quality, complementary brands, including Redrow positioned as its premium brand**

Against the backdrop of a significant shortage of homes in the UK, the Combination creates an enhanced platform to accelerate the delivery of high-quality homes through a three-brand strategy. The Combined Group will add the Redrow brand to Barratt's existing brand portfolio (consisting of Barratt Homes and David Wilson Homes) to create a broader offering for customers, across a greater range of home types and price points.

The Barratt Directors and the Redrow Directors see potential to accelerate land pipeline utilisation by introducing Redrow brands on certain appropriate Barratt sites and vice versa. Multi-branded sites have strategic benefits, diversifying appeal to customers and in Barratt's experience its dual-branded sites have sales volumes that are meaningfully higher than single branded sites.

For example, Barratt successfully dual-branded the Greytowers Village site in the North-East of England in Nunthorpe, near Middlesbrough, meaningfully increasing completions and the reservation rate as a result. Greytowers Village was a David Wilson site when acquired and operated successfully as such from Barratt's 2016 through to 2020 financial years. Reflecting the impact of the COVID-19 pandemic, Barratt dual-branded Greytowers Village, adding Barratt homes and opening a Barratt sales outlet and show home suite to the site. Completions increased from the pre-pandemic average of 24 before the dual-branding to an average of 51 in Barratt's 2022 and 2023 financial years. In addition, the reservation rate increased from the pre-COVID rate of 0.47 to an average rate of 0.94 in FY 2022 and 2023.

Multi-branding sites will allow the Combined Group to drive increased output through higher outlet numbers, driving reservation rates across its combined pipeline, accelerating the delivery of the new homes the UK needs.

Barratt is committed to preserving and growing the Redrow brand within the broader Barratt brand stable. The Combined Group will be able to target a wider customer base with Barratt Homes continuing to serve first time buyers and families, David Wilson Homes providing beautifully-designed, larger homes, and the Redrow brand established as the premium brand in the portfolio. The Combination will also reinforce

the Combined Group's ability to meet customers' needs across a wider range of price points, increasing its addressable market and increasing volume delivery.

Barratt has a strong track record of nurturing and investing in brands it acquires – David Wilson Homes, Oregon Timber Frame and Gladman Developments.

- Barratt acquired David Wilson Homes in 2007, successfully integrating the business over a period of 18 months with original synergy targets exceeded and savings of at least £60 million delivered in that period.
  - Barratt has invested in and grown the David Wilson Homes brand since acquisition and been a good brand steward, improving the service and quality associated with it and dual-branding sites and divisions across England, Scotland and Wales.
  - Since its acquisition, David Wilson Homes has grown from 26 per cent. to 34 per cent. of Barratt completions, with David Wilson Homes delivering 5,849 homes in its most recent trading update.
- Barratt acquired Oregon Timber Frame in 2019, helping Barratt develop a timber frame manufacturing capability. The volume produced by Oregon has nearly doubled and new jobs have been created at Oregon Timber Frame's development sites, including a new state of the art manufacturing facility in Derby.
- Barratt acquired Gladman Developments in 2022, and has successfully integrated Gladman's land promotion and planning capabilities into the Barratt Group.

### **3.3 Realise significant cost synergies from procurement savings and a rationalisation of divisional and central functions which are expected to drive a combined lower cost base**

The Combination will provide the opportunity to realise the benefits of significant cost savings from procurement savings and a rationalisation of divisional and central functions which are expected to drive a combined lower cost base.

The Barratt Directors, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors they can influence, believe that the Combined Group can deliver at least £90 million of pre-tax cost synergies on an annual run-rate basis by the end of the third year following Completion, of which approximately 90 per cent. is expected to be delivered by the end of the second year following Completion.<sup>6</sup>

The level of synergies is consistent with precedent public homebuilder transactions in the UK. These synergies are deliverable through:

- procurement-related savings (primarily direct materials) driven by:
  - price harmonisation through moving existing business to the best price currently available to Barratt and Redrow; and
  - volume-based pricing savings across the Combined Group;

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<sup>6</sup> This statement constitutes a quantified financial benefits statement for the purposes of the Takeover Code. Please see Appendix IV for further details of the estimated cost savings and synergies referred to in this announcement.

- consolidation, subject to applicable informing and consultation requirements, of the divisional office structure, including employees and premises and associated headcount, lease and maintenance costs. This will be achieved by drawing on the best talent from both organisations to create the optimal group structure, geographical coverage and infrastructure for the Combined Group, ensuring a stable long-term employer across the UK; and
- consolidation of central and support functions, including board, senior management, duplicate public company costs and other third party costs.

Barratt management has a strong track record of integrating and delivering synergies from large scale transactions. The acquisitions of David Wilson Homes, Oregon Timber Frame and Gladman Developments are evidence of this. In the David Wilson Homes acquisition in 2007, the business was successfully integrated over a period of 18 months with original synergy targets exceeded and savings of at least £60 million delivered in that period.

### **3.4 Maintain a robust balance sheet, better protected to operate through the cycle, and provide a strong platform from which to deliver improved shareholder returns over the medium term**

The Combined Group is expected to benefit from a robust balance sheet, enhanced by the Combined Group's increased scale and expertise, building on Barratt and Redrow's aggregated net assets of £7,463 million as at 31 December 2023.<sup>7</sup> Based on the Barratt HY24 Results and Redrow HY24 Results, Barratt and Redrow have an aggregated net cash position of £874 million as at 31 December 2023.<sup>8</sup>

Going forward, the Combined Group intends to maintain a robust balance sheet consistent with Barratt's existing policy, targeting net cash including land creditors. The Combined Group's dividend policy will be consistent with Barratt's existing dividend policy of 1.75x ordinary dividend cover based on adjusted earnings per share. The Barratt Directors recognise the importance of returning surplus capital to shareholders. Excess cash is expected to be returned to the Combined Group's shareholders via a share buyback or special dividend if appropriate following investment in the business and the payment of an ordinary dividend.

### **3.5 Deliver significant benefits for all of the Combined Group's wider stakeholders**

As well as the benefits for shareholders identified above, significant benefits will accrue to the Combined Group's wider stakeholders.

The Combined Group's employees will benefit from the additional opportunities the Combined Group will provide for development and from being a part of an industry-leading homebuilder with an industry-leading employee reward programme. The Barratt Directors and the Redrow Directors believe there is a strong cultural fit between both businesses which will enable a smooth integration underpinned by shared values.

The Combined Group's supply chains will benefit from greater visibility and certainty of delivery and the acceleration of development through the deployment of brands on

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<sup>7</sup> The aggregated net assets of £7,463 million reflects the total of the net assets of Barratt and Redrow as at 31 December 2023, being £5,440 million and £2,023 million, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

<sup>8</sup> The aggregated net cash position of £874 million reflects the total of the net cash position of Barratt and Redrow as at 31 December 2023, being £753 million and £121 million, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

Barratt and Redrow's respective sites and land pipelines. This should give sub-contractors confidence to invest in developing the skilled labour pool and production facilities which are so important to the future of the sector.

Customers and the country as a whole will benefit from the Combined Group's ability to deliver more high-quality homes, across a broader product range, and to accelerate the creation of strong, sustainable communities across the UK. As a Combined Group, the business will be better placed to help tackle the country's current need for homes and drive economic growth across the country.

#### **4 Financial benefits and effects of the Combination and potential synergies**

The Combination is expected to be accretive to Barratt and Redrow's respective adjusted earnings per share in the first year after Completion (excluding one-off costs of delivering synergies).

The Barratt Directors, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors they can influence, believe that the Combined Group can deliver at least £90 million of pre-tax cost synergies on an annual run-rate basis by the end of the third year following Completion.

The quantified cost synergies, which are expected to originate from the cost bases of both Barratt and Redrow, are expected to be realised primarily from:

- procurement-related savings (primarily direct materials) driven by
  - price harmonisation through moving existing business to the best price currently available to Barratt and Redrow; and
  - volume-based pricing savings across the Combined Group,expected to contribute approximately 38 per cent. (£34 million) of the full run-rate pre-tax cost synergies;
- optimisation of the divisional office structure, expected to contribute approximately 37 per cent. (£33 million) of the full run-rate pre-tax cost synergies; and
- consolidation of central and support functions, including board, senior management, duplicate public company costs and other third party costs, expected to contribute approximately 25 per cent. (£23 million) of the full run-rate pre-tax cost synergies.

The Barratt Directors expect that approximately 50 per cent. (£45 million) of the annual run-rate pre-tax cost synergies will be realised by the end of the first year following Completion and approximately 90 per cent. of the annual run-rate pre-tax cost synergies will be realised by the end of the second year following Completion, with the full run-rate achieved by the end of the third year following Completion.

The Barratt Directors estimate that the realisation of the quantified cost synergies will result in one-off costs of approximately £73 million, with approximately 57 per cent. incurred in the first year following Completion, approximately 32 per cent. expected to be incurred in the second year following Completion and the remainder by the end of the third year following Completion.

Potential areas of dis-synergy expected to arise in connection with the Combination have been considered and were determined by the Barratt Directors to be immaterial to the above analysis.

The identified cost synergies will accrue as a direct result of the Combination, and would not be achieved on a standalone basis. The identified pre-tax cost synergies reflect both the beneficial elements and relevant costs.

These statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to herein may not be achieved, may be achieved later or sooner than estimated, or those actually achieved could be materially different from those estimated. For the purposes of Rule 28 of the Takeover Code, the statements of estimated cost savings and synergies contained in this announcement are solely the responsibility of Barratt and the Barratt Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is also an intention, belief or expectation of the Barratt Directors and not of the Redrow Directors.

These statements are not intended as a profit forecast and should not be interpreted as such. No part of these statements, or this announcement generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Barratt and/or Redrow for the relevant preceding financial period or any other period.

Appendix IV to this announcement includes a copy of these statements of anticipated cost savings and synergies arising out of the Combination and provides underlying information and bases of belief and calculation.

Appendix IV to this announcement also includes reports from Barratt's reporting accountant, PricewaterhouseCoopers, and its financial advisers, UBS and Morgan Stanley, in connection with the anticipated Quantified Financial Benefits Statement, as required pursuant to Rule 28.1(a) of the Takeover Code, and provides underlying information and bases for the reporting accountant's and advisers' respective reports. UBS and Morgan Stanley, as financial advisers to Barratt, have provided such reports for the purposes of the Takeover Code stating that, in their opinion and subject to the terms of the reports, the Quantified Financial Benefits Statement, for which the Barratt Directors are responsible, has been prepared with due care and consideration. Each of PricewaterhouseCoopers, UBS and Morgan Stanley has given and not withdrawn its consent to the publication of its report in this announcement in the form and context in which it is included.

## **5 Recommendations**

### ***Redrow Recommendation***

The Redrow Directors, who have been so advised by Barclays and Peel Hunt as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. Peel Hunt is providing independent financial advice to the Redrow Directors for the purposes of Rule 3 of the Takeover Code. In providing their advice to the Redrow Directors, Barclays and Peel Hunt have taken into account the commercial assessments of the Redrow Directors.

Accordingly, the Redrow Directors intend to recommend unanimously that Redrow Shareholders vote in favour of both the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting, as those Redrow Directors who hold Redrow Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 161,913 Redrow Shares, in aggregate, representing approximately 0.049 per cent. of the issued ordinary share capital of Redrow in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).



### ***Barratt Recommendation***

The Barratt Directors consider the terms of the Combination to be in the best interests of Barratt and the Barratt Shareholders as a whole. Accordingly, the Barratt Directors intend to recommend unanimously that Barratt Shareholders vote in favour of the Barratt Resolutions at the Barratt General Meeting, as those Barratt Directors who hold Barratt Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of, in aggregate, 1,690,704 Barratt Shares, representing approximately 0.173 per cent. of Barratt's issued ordinary share capital on 6 February 2024 (being the last Business Day prior to the date of this announcement).

The Barratt Directors have received financial advice from UBS and Morgan Stanley in relation to the Combination. In providing their advice to the Barratt Directors, UBS and Morgan Stanley have taken into account the commercial assessments of the Barratt Directors.

## **6 Background to and reasons for the Redrow Directors' recommendation**

### ***Background***

Redrow is a leading homebuilder across England and Wales with a reputation for building premium, characterful homes and thriving communities. Headquartered in Wales, Redrow is committed to giving people a better way to live. Redrow differentiates itself from its competitors by offering home buyers a unique proposition that combines the character of older homes with quality, energy efficiency and modern open plan interiors. This approach also extends to place-making. Supported by eight design principles, Redrow puts people at the centre of its planning, building, sales and aftercare process, allowing communities to thrive.

The country's market for homes has experienced considerable uncertainty in recent years, in particular as a result of the steep rise in mortgage rates. This, combined with the removal of the Help to Buy scheme and an unprecedented cost of living crisis, have had a negative impact on the market for homes.

The Redrow Directors believe the country's planning system is, at present, underfunded and under-resourced, and continues to struggle with an increasing regulatory burden and an uncertain policy direction which has moved away from a presumption in favour of development. The planning system in its current form is unlikely to grant sufficient planning permissions to meet current and future need for homes.

### ***Redrow performance and Redrow Directors' considerations***

Notwithstanding this context, Redrow has performed strongly in recent years and, against this background, the Redrow Directors remain confident in the ongoing execution of Redrow's strategy as an independent homebuilder and believe Redrow remains well placed to continue to deliver its stated strategy to create long-term value for its stakeholders by developing thriving communities with high-quality homes. This is underpinned by the strength of the leadership team, and is based on Redrow's growth potential and position as a leading homebuilder of high-quality homes.

However, while the Redrow Directors believe in the standalone prospects for Redrow, in considering the Combination, they have carefully considered the significant benefits of scale and other efficiencies provided by the Combination and strong potential to create significant value for Redrow Shareholders over the medium term against alternative strategies, and in the context of the structural features presented by, and recent uncertainty surrounding, the UK market for homes (as described above).

The Redrow Directors believe that the Combination represents a compelling opportunity to create a leading high-quality UK homebuilder with complementary geographic breadth to meet both the current challenges facing the homebuilding sector and the opportunities to offer a broader range of high-quality and energy efficient homes, with three highly respected brands in Barratt Homes, David Wilson Homes and Redrow, and Redrow remaining a symbol of excellence in homebuilding. The Redrow Directors fully recognise the strategic benefits of the Combination as described in paragraph 3 of this announcement and believe the proposed new board and executive leadership arrangements (as described in paragraph 11.2 of this announcement) for the Combined Group will help ensure such benefits are delivered to Redrow Shareholders and Barratt Shareholders.

In assessing the terms of the Combination, the Redrow Directors have taken into account a range of considerations, in particular:

- the Combination represents an implied offer value of 763 pence per Redrow share, representing a premium of 27.2 per cent. to the closing share price of 600 pence per Redrow share on 6 February 2024 (being the last Business Day prior to the date of this announcement);
- the Combined Group will benefit from material cost synergies, as described in paragraph 4 of this announcement, and the Redrow Directors understand that there may be further potential additional financial benefits that have not been quantified for reporting under the Takeover Code;
- Redrow Shareholders will hold, in aggregate, approximately 32.8 per cent. of the Combined Group and therefore have the opportunity to meaningfully participate in the value creation expected from the strategic, operational and financial benefits of the Combination, as well as any future possible re-rating of the Combined Group;
- the Combination is expected to deliver significant adjusted earnings per share accretion in the first year after Completion;
- the expected strong cash generation of the Combined Group, and Barratt's stated dividend policy of 1.75x ordinary dividend cover (based on adjusted earnings per share), is ahead of Redrow's current policy of a payout ratio of 33 per cent. of underlying earnings;
- as part of the Combined Group, it is anticipated that the Redrow business will benefit from a stronger top line growth trajectory through the capacity to accelerate the delivery of its Heritage Collection homes across a wider geographic footprint;
- Redrow Shareholders will benefit from enhanced trading liquidity as the Combined Group will have a larger market capitalisation and is expected to remain a constituent of the UK FTSE 100 Index; and
- the Combined Group is expected to benefit from strong financial liquidity, with an aggregate net cash balance of £874 million as at 31 December 2023.<sup>9</sup>

The Redrow Directors also note the significant support for the Combination from Bridgemere Securities Limited, the family investment vehicle of Steve Morgan and Redrow's largest shareholder. Redrow Shareholders representing approximately 16 per cent. of the issued

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<sup>9</sup> The aggregated net cash position of £874 million reflects the total of the net cash positions of Barratt and Redrow as at 31 December 2023, being £753 million and £121 million, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

ordinary share capital of Redrow have provided irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions proposed at the Redrow General Meeting, further details of which are set out in paragraph 17 below and Appendix III to this announcement.

Following careful and thorough consideration of all the above factors, the Redrow Directors have concluded that the Combination is in the best interests of Redrow Shareholders and therefore intend unanimously to recommend that Redrow Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting.

## **7 Irrevocable undertakings**

### ***Redrow Shares***

As described above, Barratt has received irrevocable undertakings from each of the Redrow Directors who hold Redrow Shares to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting (or, in the event that the Combination is implemented by a Takeover Offer, to accept (or procure the acceptance of) such Takeover Offer), in respect of a total of 161,913 Redrow Shares, representing approximately 0.049 per cent. of the issued ordinary share capital of Redrow in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Barratt has also received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting from Bridgemere Securities Limited, the family investment vehicle of Steve Morgan, in respect of a total of 52,851,816 Redrow Shares representing, in aggregate, approximately 16 per cent. of the issued ordinary share capital of Redrow in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Barratt has therefore received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting in respect of a total of 53,013,729 Redrow Shares representing, in aggregate, approximately 16 per cent. of Redrow's ordinary share capital in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) are set out in Appendix III to this announcement.

### ***Barratt Shares***

As described above, Redrow has received irrevocable undertakings from each of the Barratt Directors who hold Barratt Shares to vote in favour of the Barratt Resolutions at the Barratt General Meeting, in respect of a total of 1,690,704 Barratt Shares, representing approximately 0.173 per cent. of the issued ordinary share capital of Barratt in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Redrow has therefore received irrevocable undertakings to vote in favour of the Barratt Resolutions at the Barratt General Meeting in respect of a total of 1,690,704 Barratt Shares representing, in aggregate, approximately 0.173 per cent. of Barratt's ordinary share capital in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) are set out in Appendix III to this announcement.

## 8 Information on the Combined Group

### 8.1 Business of the Combined Group

Following Completion and subsequent integration, the Combined Group will build upon the respective strengths and likeminded performance-driven cultures of both Barratt and Redrow, in particular a mutual focus on customers, quality and sustainability, to ensure the continued delivery of high-quality homes and communities that the country needs.

The Combined Group will have a strong brand portfolio of three high-quality, complementary brands, including Redrow positioned as the premium brand therein. The portfolio will be able to meet customers' needs across a wider range of price points, increasing the Combined Group's addressable market. The Combined Group will continue to evolve and develop strong and innovative products across all three brands focused on design excellence and build quality.

The Combined Group expects to be able to increase volumes through a three-brand strategy, with the potential to accelerate the delivery of homes from the combined and complementary land pipeline by introducing the Redrow brand on appropriate Barratt sites and vice versa. The Combined Group will take advantage of the complementary geographical footprints of Barratt and Redrow, with a total land pipeline of 92,345 plots as at 31 December 2023.<sup>10</sup>

The Combined Group will provide an opportunity for both sets of shareholders to realise the benefits of significant cost synergies from procurement savings and a rationalisation of divisional and central functions which are expected to drive a lower comparative cost base.

### 8.2 Combined Group name

The Combined Group will be renamed "Barratt Redrow plc" from Completion.

### 8.3 Key financial information of the Combined Group

Barratt and Redrow generated aggregate revenue of c. £7,448 million in FY 2023, delivering total completions of 22,642.<sup>11</sup>

The Combined Group is expected to benefit from a robust aggregated balance sheet, building on Barratt and Redrow's aggregate net cash position of £874 million as at 31 December 2023,<sup>12</sup> providing the Combined Group flexibility to respond to changing market conditions, manage the business for the long term and resilience through the cycle. The Combined Group will continue Barratt's and Redrow's existing practice of prudently managing the balance sheet and maintaining a highly selective approach to land buying. Furthermore, the Barratt Directors believe the Combined Group's robust balance sheet will allow it to capitalise on future land opportunities.

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<sup>10</sup> The total land pipeline of 92,345 plots reflects the total of the land pipeline positions of Barratt and Redrow as at 31 December 2023, being 67,780 plots and 24,565 plots, as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively.

<sup>11</sup> The aggregated revenue of £7,448 million reflects the total revenue of Barratt and Redrow during FY 2023, being £5,321 million and £2,127 million, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies. The aggregated completions of 22,642 reflects the total completions of Barratt and Redrow during FY 2023, being 17,206 and 5,436, respectively.

<sup>12</sup> The aggregated net cash position of £874 million reflects the total of the net cash positions of Barratt and Redrow as at 31 December 2023, being £753 million and £121 million as stated in the Barratt HY24 Results and Redrow HY24 Results, respectively, and calculated in accordance with Barratt and Redrow's respective accounting policies.

#### **8.4 Capital allocation and dividend policy of the Combined Group**

It is intended that the Combined Group will maintain Barratt's existing dividend policy of 1.75x ordinary dividend cover based on adjusted earnings per share.

The Barratt Directors believe that this would result in a significant uplift in dividend payments to Redrow Shareholders, with the scale and balance sheet strength of the Combined Group further underpinning its ability to maintain increased future dividend payments.

The Barratt Directors recognise the importance of returning surplus capital to shareholders. Excess cash is expected to be returned to the Combined Group's shareholders via a share buyback or special dividend if appropriate following investment in the business and the payment of an ordinary dividend.

#### **8.5 Listing and trading of Barratt Shares and Redrow Shares**

Prior to the Scheme becoming Effective, it is intended that applications will be made to the Financial Conduct Authority to cancel the listing of the Redrow Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Redrow Shares on the London Stock Exchange's Main Market for listed securities, to take effect on the Business Day following the Effective Date. Redrow is also expected to be re-registered as a private company after Completion.

Barratt will seek approval for the New Barratt Shares to be admitted to the premium listing segment of the Official List (or, if there is no premium listing segment, the same listing segment as the Barratt Shares are trading on) and to trading on the Main Market of the London Stock Exchange alongside the existing Barratt Shares.

### **9 Information on Barratt**

Barratt is a leading UK homebuilder that has built more than 500,000 homes since it was founded in 1958, creating great new places to live throughout the country. Barratt's vision is to lead the future of homebuilding by putting customers at the heart of everything it does and is an industry-leading player in terms of quality, service and sustainability. In 2023 Barratt became the only homebuilder to have received an HBF 5-Star customer rating for 14 consecutive years, won more NHBC Pride in the Job Awards than any other homebuilder for the 19<sup>th</sup> year in a row and was one of fewer than 300 companies globally to be awarded membership of CDP's Climate Change A List for Leadership.

Through its 29 operating divisions located across the UK, Barratt builds in the private, affordable and private rented sectors and in its last financial year delivered 17,206 new homes. Barratt targets a regionally balanced portfolio, with its geographic reach and record of delivery enabling it to maximise development opportunities right across the country both independently and in partnership with institutional investors, affordable home providers and public sector bodies.

The Barratt Shares are admitted to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange. Barratt's current market capitalisation is £5,165 million as at 6 February 2024 (being the last Business Day prior to the date of this announcement).

## **10 Information on Redrow**

Across nearly 50 years and over 120,000 homes, Redrow has earned a unique reputation for delivering high-quality, award-winning homes that are built in well-chosen locations with excellent place-making. Redrow prides itself on being a responsible developer, delivering sustainable developments and sustainable returns. Redrow's purpose is to create a better way to live. It has a robust strategy in place to deliver on this aim, which is based on three core pillars: Thriving Communities, Building Responsibly and Valuing People.

Redrow is headquartered in Wales and operates in 12 regional divisions across England and Wales. In its last financial year, Redrow delivered 5,436 completions across both private and affordable homes.

In 2022, Redrow became one of the first homebuilders to implement the New Homes Quality Board's new code of practice, an independent not-for-profit organisation that has been set up to offer better protection and increased transparency for customers and has received a HBF 5-Star customer rating for five consecutive years.

Redrow was included in the Financial Times' annual listings of both Europe's Climate Leaders 2022 and Diversity Leaders 2023 for achieving significant reductions in its greenhouse gas emissions and leading in workplace diversity and inclusion respectively. It holds an AA MSCI ESG rating for its commitment to ESG investment standards and remains a constituent of the FTSE4Good Index Series for its continued demonstration of strong ESG practices.

The Redrow Shares are admitted to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange. Redrow's market capitalisation was £1,985 million as at 6 February 2024 (being the last Business Day prior to the date of this announcement).

## **11 Strategic plans for Redrow**

### **11.1 Barratt's intentions and strategic plans for Redrow**

Prior to this announcement, consistent with market practice, Barratt has been granted due diligence access to targeted information and Redrow's senior management for the purposes of confirmatory due diligence and conducting its synergy assessment. This process has informed Barratt's view on the prospects of the Combined Group, the synergies described in paragraph 4 above and Barratt's initial plans for the integration of Redrow.

In connection with the work described above, Barratt's management, following discussions with the senior leadership of Redrow and having considered Redrow's priorities as set out in paragraph 6 above, has undertaken a preliminary operational review of the Combined Group and developed an integration plan for the Combined Group.

Barratt is confident, based on the information available and work conducted to date, that the integration plan is robust and will equip the Combined Group to conduct an efficient integration whilst ensuring continuity in the delivery of the Combined Group's operations. Barratt will continue to review Redrow's business in the period prior to Completion and Barratt expects that the operational review and more detailed integration planning work will be substantially concluded during the period prior to Completion. Following Completion, Barratt will be well placed to refine and implement

this plan. Key areas of focus in the operational review and development of the integration plan include:

- maintaining Redrow's strong brand as distinct, with its unique proposition to homebuyers: the character of older homes combined with high-quality, energy efficiency and modern open plan interiors;
- continuing to evolve and develop strong and innovative products across all three brands – Barratt Homes, David Wilson Homes and Redrow – focused on design excellence and build quality by adding the quality and design of Redrow's home types and its focus on sustainable place-making to Barratt's portfolio, while maintaining the differentiation of each brand;
- consolidating activities in central and support functions, based on a 'best in class' philosophy in which the Combined Group seeks to retain the best practices and capabilities from both organisations;
- reviewing Redrow's and Barratt's systems and digital technology and exploring ways in which these can best benefit the Combined Group;
- reviewing the divisional office structure to optimise the Combined Group's geographical coverage footprint across the UK, including potentially consolidating offices in areas where both companies already have a presence, but these decisions will depend on an assessment of demand trends for each brand in the relevant geographic area; and
- building upon the initial synergy assessment undertaken to date to further consider the potential synergy benefits that might be possible, including with access to further Redrow data.

In further refining, and in implementing, the integration plan, there will be a clear focus on maintaining operational excellence, build quality and customer service. A key objective of integration will be the careful delivery of the cost synergies and other benefits of the Combination. Based on the work conducted to date, Barratt believes that both integration planning and execution will be assisted by:

- the strong experience of Barratt, and lessons learned, in successfully integrating businesses, in particular David Wilson Homes following its acquisition by Barratt in 2007, and more recently Oregon Timber Frame and Gladman Developments;
- the skills, experience and commitment of both the Barratt and Redrow teams; and
- similarities between the Barratt Group's and the Redrow Group's culture, statements of purpose, business models and operating platforms.

Barratt intends to substantially complete the implementation of an integration plan within 18 months of Completion, with synergies expected to be realised fully within three years following Completion.

## **11.2 Board and executive leadership team of the Combined Group**

Caroline Silver, Barratt's Non-Executive Chair, will lead the Combined Group as Non-Executive Chair. Barratt's Chief Executive, David Thomas will be Group Chief Executive of the Combined Group. Mike Scott, Chief Financial Officer of Barratt, will

be Chief Financial Officer of the Combined Group, and Steven Boyes, Chief Operating Officer and Deputy Chief Executive of Barratt, will be Chief Operating Officer and Deputy Chief Executive of the Combined Group.

The board of directors of the Combined Group will be a combined board comprising the existing executive and non-executive directors of Barratt, with the addition of (i) Matthew Pratt, currently Group Chief Executive of Redrow, who will join the Combined Group and assume the role of Chief Executive Officer, Redrow, and Group Executive Director, and (ii) Nicky Dulieu, currently Senior Independent Director of Redrow, and Geeta Nanda, currently Non-Executive Director of Redrow, who will both join as Non-Executive Directors.

Barbara Richmond, Group Finance Director of Redrow has agreed to join the Combined Group to support the integration for a period of not less than 12 months to ensure continuity and with a view to realising the benefits of the Combination for both sets of shareholders.

Any executive or non-executive directors of Redrow not appointed to the board of the Combined Group will step down from the Redrow board upon Completion.

### **11.3 Employees and management**

Barratt has great respect for Redrow's management and employees and attaches huge importance to their active participation in and commitment to the Combined Group. Barratt recognises that they, together with Barratt's management and employees, will be key to the success of the Combined Group and Barratt is excited for the employees and management of Redrow to join the Combined Group.

Following Completion, Barratt intends to retain the best talent of Barratt and Redrow to support its customers, clients and partners to utilise the knowledge and expertise across Barratt and Redrow and maintain operational momentum and a focus on growth.

Barratt expects that, in order to achieve the expected benefits of the Combination, operational and administrative restructuring will be required following Completion. While no decisions have been taken or proposals formulated at this stage, the synergy work carried out to date has confirmed Barratt's intention to reduce the duplication of roles between Barratt and Redrow.

This could lead, subject to a review of the requirements of the Combined Group after Completion and any applicable informing and consulting requirements, to a reduction in the total number of employees by circa 10 per cent. of the Combined Group's total number of employees (on a full-time equivalent basis). This reduction is intended to come from employees and management, overlapping central and support functions and divisions affected by the rationalisation programme as a result of the Combination, some of which is expected to take place via natural attrition. Please see Appendix IV for further details of the estimated cost savings and synergies referred to in this announcement.

As part of the preservation of and commitment to grow the Redrow brand, the employees and management of the Combined Group will be a combination from both businesses based on a 'best in class' philosophy. Barratt intends to look to reallocate employees from any discontinued roles arising from the integration to other appropriate new roles, growth-related new opportunities or existing vacancies, where possible. Barratt and Redrow each currently engage some members of staff on a temporary or



contractor basis whilst vacancies in permanent positions in each business are filled. Barratt intends to first retain employees in permanent positions, including to fulfil such vacancies, in relation to any reduction of roles.

Barratt does not intend that there will be any material reduction of building site-based employees or sales office-based employees as existing sites will continue to operate in a similar way.

Barratt intends that any restructuring referred to above would be phased over 12 months following Completion. The detailed steps for such restructuring are subject to further review and would be subject to comprehensive and detailed planning, appropriate engagement with representatives and wider stakeholders, including affected employees and any appropriate employee representative bodies in accordance with the legal obligations of the Combined Group. Barratt intends to start this engagement process long enough before any final decisions are taken so as to ensure that relevant legal obligations are complied with. Other than as described above, Barratt does not intend that there will be any material change to the balance of skills and functions of the employees and management in the Combined Group.

Following Completion and as part of integration planning, Barratt may review the alignment of the remuneration and incentivisation arrangements as between employees and management of Barratt and the Combined Group, as well as redundancy and other policies operated within the Combined Group, with a view to harmonising the position for employees and management across the Combined Group (in particular, those in equivalent positions) over time as is appropriate. However, save as described in paragraph 12, Barratt does not have any detailed plans or intentions in this regard and does not intend to discuss details of remuneration and incentivisation arrangements with employees and management prior to Completion.

Barratt intends to safeguard the existing contractual and statutory employment rights of the employees of Barratt and Redrow in accordance with applicable law upon Completion. Other than as described above, Barratt does not intend to make any material change in the employment of, or in the conditions of employment of, Redrow employees, unless otherwise agreed with the relevant employee.

For a period of 12 months after Completion, Redrow employees will be entitled to applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those under any policy or established Redrow practice in existence at local or Group wide level as at (and notified to Barratt or Barratt's legal advisers prior to) the date of the Co-operation Agreement and/or any policy or arrangement agreed between Barratt and Redrow from time to time.

#### **11.4 Pension schemes**

Barratt does not intend to make any changes to the agreed employer contributions into Redrow's existing defined benefit and defined contribution pension schemes (including with regard to current arrangements for the funding of any scheme deficit in the defined benefit pension scheme), the accrual of benefits for existing members or the admission of new members to such pension schemes following Completion, unless such changes are more favourable to the scheme member.

#### **11.5 Headquarters and locations**

The Combination also provides the opportunity to consolidate and combine some of Barratt's offices with Redrow's offices. After Completion, Barratt will review the

expanded office footprint with a set of objective criteria, which will include: considering where the Combined Group has offices in similar locations, accounting for new regional boundaries to be drawn, assessing whether there is scope for consolidation in order to optimise rental and lease expenses, ensuring minimisation of impact on employees and understanding how the Combined Group can best utilise its employees' talents to enable colleagues to work more closely together within and across their functions and enhance the corporate culture. This review will include all Barratt and Redrow offices, and it is intended that a combination of existing Barratt and Redrow offices would be retained rather than only retaining Barratt offices.

Barratt currently has 29 divisional offices and Redrow has 12 offices across the country. Preliminary analysis indicates that optimisation of the current footprint would involve the closure of around nine offices. Barratt intends that the Combined Group will maintain Barratt's current Group Support Centre in Coalville, Leicestershire, United Kingdom as its headquarters from where it will run the majority of its corporate and support operations. Redrow's current headquarters in Ewloe, Flintshire, United Kingdom, will be retained as one of the Combined Group's main offices.

Barratt does not intend any material change to its operations in Scotland as Redrow does not operate in Scotland or its operations in London as Redrow only operates one large site in London.

Barratt does not intend any other changes to the redeployment of Barratt's or Redrow's existing material fixed assets, which are minimal. Owing to the nature of the respective businesses of Redrow and Barratt, neither business has specific research and development functions, instead having innovation and development embedded into their processes across the businesses. No changes are intended to Barratt's and Redrow's respective research and development capabilities as part of the Combined Group.

#### **11.6 Brands and corporate names**

From Completion, the Combined Group name will be changed to "Barratt Redrow plc". In addition, following Completion, Barratt intends to maintain Redrow's strong brand position as the premium and distinct component of the Combined Group's brand portfolio, alongside Barratt Homes and David Wilson Homes. Barratt is committed to the long-term future of the Redrow brand.

#### **11.7 Trading Facilities**

The Redrow Shares are currently admitted to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange and, as set out in paragraph 19 below, before the Effective Date, an application shall be made to the FCA and the London Stock Exchange to cancel such admissions to listing and trading, to take effect on the Business Day following the Effective Date. Redrow is also expected to be re-registered as a private company after Completion.

No statements in this paragraph 11 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## 12 Arrangements between Barratt and Redrow management

In order to promote the retention of certain Redrow employees (including the Redrow executive directors) following Completion, as detailed in the Co-operation Agreement, Barratt has agreed that:

- as soon as reasonably practicable after Completion, it will grant transition awards over Barratt shares to all individuals who: (i) held outstanding 2023 LTIP Awards immediately prior to the Court Hearing (the “**Relevant Awards**”); (ii) were employed by any member of the Redrow Group immediately before Completion (including those who become employees of the Barratt Group on or around Completion); and (iii) lost value due to the application of time pro-rating to the Relevant Awards (the “**Transition Awards**”). Each eligible participant’s Transition Award will be granted under the Barratt PSP and will be equal in value to the value of the Relevant Awards held by the relevant individual which was lost due to the application of time pro-rating. Each Transition Award will be payable in full on the vesting date of the participant’s Relevant Award that it replaces or on the date the participant leaves employment in certain limited circumstances (including redundancy) which are described in the Co-operation Agreement, subject to the relevant individual remaining in employment (or leaving employment in certain limited circumstances, as applicable) and with no further assessment of performance conditions on that date. If an individual leaves employment in certain limited circumstances (including redundancy) which are described in the Co-operation Agreement after Completion but before their Transition Award is granted, the Transition Award would instead be paid in cash as soon as practicable after the individual’s employment is terminated; and
- any 2024 LTIP Awards will lapse on Completion and Barratt will grant replacement awards under the Barratt PSP as soon as reasonably practicable after Completion to all individuals who: (i) are employed by any member of the Redrow Group immediately prior to Completion (including those who become employees of the Barratt Group on or around Completion); and (ii) held outstanding 2024 LTIP Awards immediately prior to Completion (“**Replacement Awards**”).

Such Replacement Awards would be equal in value to the value of, and subject to the same performance conditions as, awards under the Barratt PSP for the relevant financial year granted to Barratt employees with equivalent seniority to the Redrow award participant. The Replacement Awards would be subject to the same vesting/payment dates, post-vesting holding periods and good leaver provisions as awards granted under the Barratt PSP in the relevant financial year. The Replacement Awards would be subject to time pro-rating applying from the start of the performance period in accordance with the rules of the Barratt PSP. If any individual who was eligible to receive a Replacement Award leaves employment in certain limited circumstances (including redundancy) which are described in the Co-operation Agreement after Completion but before the Replacement Award is granted, the Replacement Award would instead be paid in cash at the time that the Replacement Award would have vested under the rules of the Barratt PSP (taking into account the application of time pro-rating applying from the start of the performance period in accordance with the rules of the Barratt PSP and performance assessment).

As required by, and solely for the purposes of, Rule 16.2 of the Code, Barclays and Peel Hunt have reviewed the terms of the Transition Awards and Replacement Awards together with other information deemed relevant and advised Redrow that the Transition Awards and Replacement Awards are fair and reasonable so far as Redrow Shareholders are concerned.

In providing their advice, Barclays and Peel Hunt have taken into account the commercial assessments of the Redrow Directors. Peel Hunt is acting as the independent financial adviser to Redrow for the purposes of Rule 3 of the Code.

***Matthew Pratt***

As noted in paragraph 11.2, Matthew Pratt, currently Group Chief Executive of Redrow, has agreed to join the Combined Group and assume the role of Chief Executive Officer, Redrow, and Group Executive Director.

Discussions are continuing regarding Matthew Pratt's remuneration in respect of his role with the Combined Group. Barratt and Redrow expect that the financial terms on which he might hold that role will be agreed before the Scheme Document is published, and will be set out in the Scheme Document at that stage.

***Barbara Richmond***

As noted in paragraph 11.2, Barbara Richmond, currently Group Finance Director of Redrow, has agreed to join the Combined Group to support the integration for a period of not less than 12 months to ensure continuity and with a view to realising the benefits of the Combination for both sets of shareholders.

Discussions are continuing regarding Barbara Richmond's role with the Combined Group. Barratt and Redrow expect that the financial terms on which she might hold that role will be agreed before the Scheme Document is published, and will be set out in the Scheme Document at that stage.

## **13 Redrow Share Plans**

Participants in the Redrow Share Plans will be contacted regarding the effect of the Combination on their rights under the Redrow Share Plans and appropriate proposals will be made to such participants in due course. Further details of the terms of such proposals will be included in the Scheme Document and in separate letters to be sent to participants in the Redrow Share Plans.

## **14 Dividends**

Under the terms of the Co-operation Agreement, Barratt and Redrow have agreed that:

- Redrow Shareholders will be entitled to receive the Redrow Interim Dividend;
- Barratt Shareholders will be entitled to receive the Barratt Interim Dividend;
- to the extent Completion occurs after the record date in respect of any Redrow dividend in respect of each of the successive six-month periods ending 30 June 2024, 31 December 2024 or 30 June 2025 (as relevant), Redrow Shareholders will be entitled to receive and retain any such dividend provided that it constitutes a Redrow Additional Permitted Dividend; and
- to the extent Completion occurs after the record date in respect of any Barratt dividend in respect of each of the successive six-month periods ending 30 June 2024, 31 December 2024 or 30 June 2025 (as relevant), Barratt Shareholders will be entitled to receive and retain any such dividend provided that it constitutes a Barratt Additional Permitted Dividend.

If, on or after the date of this announcement and on or prior to the Effective Date, Redrow announces, declares, makes or pays: (i) the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend, and the quantum of such dividend is in excess of the amount which Redrow is entitled to pay to Redrow Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Barratt shall be entitled to either:

- adjust the Exchange Ratio by an amount equivalent to all or any part of such excess (in the case of the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend (as relevant)) or by the amount of all or part of any such other dividend, distribution or form of capital return, in which case references to the Exchange Ratio will be deemed to be a reference to the Exchange Ratio as so adjusted; or
- pay a Barratt Equalising Dividend to Barratt Shareholders, without any consequential change to the Exchange Ratio.

In such circumstances, Redrow Shareholders will be entitled to retain the full amount of any such excess or such other dividend, distribution or form of capital return declared, made, or paid.

If, on or after the date of this announcement and on or prior to the Effective Date, Barratt announces, declares, makes or pays: (i) the Barratt Interim Dividend, a Barratt Additional Permitted Dividend or a Barratt Equalising Dividend, and the quantum of such dividend is in excess of the amount which Barratt is entitled to pay to Barratt Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Redrow shall be entitled to pay a Redrow Equalising Dividend to Redrow Shareholders, without any consequential change to the Exchange Ratio. In such circumstances, Barratt Shareholders will be entitled to retain the full amount of any such excess or such dividend, distribution or form of capital return, declared, made, or paid.

Under the terms of the Co-operation Agreement, Barratt has undertaken not to declare, make or pay any dividend, distribution or form of capital return other than the Barratt Interim Dividend, any Barratt Additional Permitted Dividend and any Barratt Equalising Dividend.

## 15 Current trading and outlook

### 15.1 Redrow

Redrow released its results for the six months ended 31 December 2023 on 7 February 2024 (the “**Redrow HY24 Results**”) immediately before the publication of this announcement. A copy of the Redrow HY24 Results will be made available on Redrow’s website at <https://investors.redrowplc.co.uk>.

#### **Redrow Profit Forecast**

Redrow’s annual general meeting trading update issued on 10 November 2023 for the 18 weeks to 3 November 2023 (the “**AGM 2023 Statement**”) included the following statement:

*“We continue to expect our results to be in the guidance range we gave in September 2023 of revenue between £1.65bn and £1.7bn and profit before tax of between £180m and £200m.*”

*However, with the lower than anticipated sales rate due to the more subdued Autumn housing market they are more likely to be towards the lower end of the range.”*

This statement constitutes a profit forecast for the purpose of Rule 28 of the Takeover Code (the “**Redrow Profit Forecast**”). The Redrow Profit Forecast was repeated in the Redrow HY24 Results as follows:

”

<i>Revenue (£bn)</i>	<i>1.65-1.70</i>
<i>Underlying Profit Before Tax (£m)</i>	<i>180-200</i>

*As we reported at the time of the AGM in November 2023, due to the subdued Autumn housing market we expect the 2024 results to be towards the lower end of the above range.”*

Set out below is the basis of preparation of the Redrow Profit Forecast and the assumptions on which it is based.

#### *Basis of preparation*

The Redrow Profit Forecast has been prepared on a basis consistent with Redrow's accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of Redrow's annual results for the financial year to 2 July 2023.

#### *Assumptions*

Factors outside the influence or control of the Redrow Directors:

- (i) there will be no changes to existing prevailing macroeconomic, regulatory or political conditions in the markets and regions in which Redrow operates that would materially affect Redrow;
- (ii) the inflation and tax rates in the markets and regions in which Redrow operates will remain materially unchanged from the prevailing rates;
- (iii) there will be no material adverse events that will have a significant impact on Redrow's financial performance, including litigation, adverse weather events or natural catastrophes that affect key products, supply chain or markets or the construction process;
- (iv) there will be no material change in the availability or cost of key subcontractors and resources from prevailing conditions;
- (v) there will be no material changes in market conditions over the forecast period to 30 June 2024 in relation to either customer demand or competitive environment, including the availability of mortgage financing for Redrow's private home customers, house prices, interest rates or legislative or regulatory requirements;
- (vi) there will be no material impact on stakeholder relationships arising from the Combination;

- (vii) there will be no material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority;
- (viii) there will be no material change in employee attrition rates and no material change in Redrow's labour costs, including medical and pension and other post-retirement benefits driven by external parties or regulations; and
- (ix) there will be no material changes in legislation, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies impacting on Redrow's operations or on its accounting policies.

Factors within the influence or control of the Redrow Directors:

- (i) there will be no material change to the present management of Redrow;
- (ii) there will be no major corporate acquisitions or disposals, developments, partnership or joint venture agreements being entered into by Redrow, prior to 30 June 2024 (for the avoidance of doubt, other than the Combination);
- (iii) there will be no material changes in the dividend or capital policies of Redrow;
- (iv) Redrow's accounting policies will be consistently applied over the forecast period; and
- (v) there will be no material change in the operational strategy of Redrow.

*Redrow Directors' confirmation*

The Redrow Directors have considered the Redrow Profit Forecast and confirm that it remains valid as at the date of this announcement, has been properly compiled on the basis of the assumptions set out above and the basis of accounting used is consistent with Redrow's accounting policies.

*FY 2024 EPS guidance*

On 13 September 2023 Redrow announced forecast underlying EPS for FY 2024 of c.41p. With the lower than anticipated sales rate due to the more subdued Autumn housing market, as referred to in its AGM 2023 Statement, and for the purposes of Rule 28.1(c)(ii) of the Takeover Code, this guidance is no longer valid.

## **15.2 Barratt**

Barratt released its results for the six months ended 31 December 2023 on 7 February 2024 (the "**Barratt HY24 Results**") immediately prior to the publication of this announcement. A copy of the Barratt HY24 Results will be made available on Barratt's website at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk).

## **16 Offer-related arrangements**

### ***Confidentiality Agreement***

Barratt and Redrow have entered into the Confidentiality Agreement dated 8 January 2024 pursuant to which each party has undertaken to: (i) subject to certain exceptions, keep confidential information relating to, *inter alia*, the Combination and the other party, and not to disclose such information to certain third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) use the confidential information only in connection with the Combination.

These confidentiality obligations shall remain in force until Completion, or, in the event that the Combination terminates, for a period of 24 months from the date of the Confidentiality Agreement. Barratt and Redrow also agreed to certain standstill undertakings, all of which cease to apply upon the release of this announcement.

This agreement also includes customary non-solicitation obligations on the Barratt Group and Redrow Group.

#### ***Clean Team Agreement***

Barratt and Redrow have put in place a Clean Team Agreement dated 28 December 2023 (as amended by a side letter dated 18 January 2024) which sets out how confidential information that is competitively sensitive can be disclosed, used or shared between Barratt's clean team individuals and/or external advisers retained by Barratt and Redrow's clean team individuals and/or external advisers retained by Redrow.

#### ***Confidentiality and Joint Defence Agreement***

Barratt, Redrow and their respective external legal counsels have entered into a Confidentiality and Joint Defence Agreement dated 28 December 2023, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties only takes place between their respective external legal counsels and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of privilege, right or immunity that might otherwise be available.

#### ***Co-operation Agreement***

Barratt and Redrow have entered into a Co-operation Agreement dated 7 February 2024 pursuant to which:

- Barratt has agreed to use all reasonable endeavours to obtain the CMA Clearance and to satisfy, or procure the satisfaction of, the Regulatory Condition as soon as is reasonably practicable following the date of this announcement and in any event in sufficient time to enable the Effective Date to occur by the Long-stop Date;
- Barratt shall have final authority to determine, acting reasonably and having consulted in good faith and on a timely basis with Redrow, and having considered in good faith any reasonable comments from Redrow, the strategy to be pursued for satisfying the Regulatory Condition and obtaining CMA Clearance;
- Barratt and Redrow have agreed to certain customary undertakings to co-operate in relation to such Regulatory Condition and CMA Clearance; and
- Barratt has agreed to provide Redrow promptly with certain information as may be reasonably requested and is required for the Scheme Document, and Redrow has agreed to provide Barratt promptly with certain information as may be reasonably requested and is required for the Barratt Circular and the Barratt Prospectus.

The Co-operation Agreement records the intention of Barratt and Redrow to implement the Combination by way of the Scheme, subject to Barratt's right to switch to a Takeover Offer in certain circumstances. Barratt and Redrow have agreed to certain customary provisions if the Scheme should switch to a Takeover Offer.

The Co-operation Agreement also contains provisions that shall apply in respect of Barratt Shareholders' and Redrow Shareholders' dividend entitlements, directors' and officers' insurance and the Redrow Share Plans, other incentive arrangements and other employee-related matters.



The Co-operation Agreement shall be terminated with immediate effect:

- if Barratt and Redrow so agree in writing;
- upon service of notice by Barratt to Redrow if the Redrow Directors change their recommendation in respect of the Combination;
- upon service of written notice by either Barratt or Redrow to the other if: (i) a competing offer becomes effective or is declared or becomes unconditional; (ii) the Combination is withdrawn, terminates or lapses in accordance with its terms; (iii) prior to the Long-Stop Date, a Condition which either (a) is not capable of being waived, or (b) Barratt has confirmed it will not waive, notwithstanding that such Condition is capable of being waived, becomes incapable of satisfaction by the Long-Stop Date in circumstances where invocation of the relevant Condition is permitted by the Panel; (iv) the Scheme is not approved at the Court Meeting, the resolutions to be proposed at the Redrow General Meeting are not passed or the Court refuses to sanction the Scheme; (v) the Barratt Resolutions are not passed at the Barratt General Meeting; or (vi) unless otherwise agreed by Barratt and Redrow in writing or required by the Panel, the Effective Date has not occurred by the Long-stop Date; or
- upon service of notice by Redrow to Barratt if the Barratt Directors change their recommendation in respect of the Combination.

## **17 Structure of and Conditions to the Combination**

It is intended that the Combination will be effected by means of a Court-approved Scheme of Arrangement between Redrow and Redrow Shareholders under Part 26 of the Companies Act although Barratt reserves the right to implement the Combination by means of a Takeover Offer (subject to the consent of the Panel and the terms of the Co-operation Agreement).

The purpose of the Scheme is to provide for Barratt to become the holder of the entire issued and to be issued ordinary share capital of Redrow. This is to be achieved by the transfer of the Redrow Shares to Barratt, in consideration for which the Redrow Shareholders will receive the New Barratt Shares on the basis set out in paragraph 2 of this announcement.

The Combination will be subject to the Conditions and further terms set out below and in Appendix I to this announcement and to be set out in the Scheme Document and will only become Effective, if, among other things, the following events occur on or before 11.59 p.m. on the Long-stop Date:

- the approval of the Scheme by a majority in number of the Redrow Shareholders on the register of members of Redrow at the Voting Record Time for the Scheme who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Redrow Shares voted by those Redrow Shareholders;
- the resolutions required to approve and implement the Scheme being duly passed by Redrow Shareholders representing the requisite majority or majorities of votes cast at the Redrow General Meeting;
- the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Redrow and Barratt);
- the delivery of a copy of the Court Order to the Registrar of Companies;

- satisfaction of merger control conditions in respect of the United Kingdom as applicable and if and to the extent required (namely the Regulatory Condition and receipt of CMA Clearance);
- the Barratt Resolutions being passed by a simple majority of the votes cast by Barratt Shareholders at the Barratt General Meeting; and
- the FCA having acknowledged that the application for Admission has been approved and the London Stock Exchange having acknowledged that the New Barratt Shares will be admitted to trading on the Main Market.

The Scheme will lapse if:

- the Court Meeting and the Redrow General Meeting are not held by the 22<sup>nd</sup> day after the expected date of such meetings to be set out in the Scheme Document in due course or, if later, the date of the Barratt General Meeting (or such later date as may be agreed between Barratt and Redrow);
- the Court Hearing is not held by the later of: (a) the 22<sup>nd</sup> day; and (b) the day that is equal to the number of days that the Court Meeting and Redrow General Meeting were held after the expected date thereof to be set out in the Scheme Document in due course, after the expected date of such hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Barratt and Redrow);
- the Scheme does not become Effective by 11.59 p.m. on the Long-stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the Redrow General Meeting and the Court Hearing as set out above may be waived by Barratt, and the deadline for the Scheme to become Effective may be extended by agreement between Redrow and Barratt.

Subject to satisfaction (or waiver, where applicable) of the Conditions, the Scheme is expected to become Effective during the second half of 2024.

Upon the Scheme becoming Effective, it will be binding on all Redrow Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Redrow General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document which will be sent to Redrow Shareholders (along with the Forms of Proxy for use in connection with the Court Meeting and Redrow General Meeting) in due course and will be made available on Redrow's website at <https://investors.redrowplc.co.uk>. It is expected that the Scheme Document will be published by mid-April 2024.

The Barratt Circular and the Barratt Prospectus containing information about the New Barratt Shares and the Combined Group as well as details of the Combination and notice of the Barratt General Meeting at which, amongst other things, a resolution will be proposed for the approval of the Combination by Barratt Shareholders will be sent to Barratt Shareholders on the same date as the Scheme Document is published and will be made available on Barratt's website at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk).

## **18 Barratt Shareholder approval, the Barratt Circular and the Barratt Prospectus**

In view of the size of the transaction, the Combination constitutes a Class 1 transaction (as defined in the Listing Rules) for Barratt. Accordingly, Barratt will be required to seek the

approval of Barratt Shareholders for the Combination at the Barratt General Meeting. The Barratt Directors also do not currently have the authority to issue and allot the New Barratt Shares in accordance with section 551 of the Companies Act and, accordingly, the approval of Barratt Shareholders is also required to grant the Barratt Directors this authority.

The Combination is therefore conditional on, among other things, the Barratt Resolutions being passed by a simple majority of the votes cast by Barratt Shareholders at the Barratt General Meeting.

The Barratt Directors consider the Combination to be in the best interests of Barratt and Barratt Shareholders as a whole and intend to recommend unanimously that Barratt Shareholders vote in favour of the Barratt Resolutions at the Barratt General Meeting, as those Barratt Directors who hold Barratt Shares have irrevocably undertaken to do so in respect of their own beneficial holdings of 1,690,704 Barratt Shares, representing, in aggregate, approximately 0.173 per cent. of the issued ordinary share capital of Barratt in issue on 6 February 2024 (being the last Business Day prior to the date of this announcement).

Barratt will prepare, publish and send to Barratt Shareholders the Barratt Circular (along with the Forms of Proxy for use in connection with the Barratt General Meeting) and will prepare and publish the Barratt Prospectus. The Barratt Circular will summarise the background to and reasons for the Combination and will include a notice convening the Barratt General Meeting containing the Barratt Resolutions to be proposed for the Combination. The Barratt Prospectus is required in connection with the Admission of the New Barratt Shares and will contain information relating to the Combination, the Combined Group and the New Barratt Shares.

The Barratt Circular and the Barratt Prospectus (along with the Forms of Proxy for use in connection with the Barratt General Meeting) will be published, and in respect of the Barratt Circular, distributed, at the same time as the Scheme Document is published by mid-April 2024, such that the Court Meeting, the Redrow General Meeting and the Barratt General Meeting will be held by mid-May 2024 on the same date and at or around the same time.

## **19 De-listing of Redrow Shares and re-registration as a private company**

The last day of dealings in Redrow Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. on that date (other than the registration of the transfer of the Redrow Shares to Barratt pursuant to the Scheme), following which all of the Redrow Shares will be suspended from the Official List and from trading on the London Stock Exchange's Main Market for listed securities, and Redrow Shares will be disabled in CREST.

Prior to the Scheme becoming Effective, Redrow will make an application for the cancellation of trading of the Redrow Shares on the London Stock Exchange's Main Market for listed securities and for the cancellation of the listing of Redrow Shares on the Official List, in each case to take effect on the Business Day following the Effective Date.

On the Effective Date, share certificates in respect of Redrow Shares will cease to be valid and entitlements to Redrow Shares held within the CREST system will be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Redrow will be re-registered as a private limited company.

## 20 Admission of New Barratt Shares

Application will be made to the FCA and the London Stock Exchange respectively for Admission of the New Barratt Shares.

It is expected that Admission will become effective and dealings for normal settlement in the New Barratt Shares will commence at or shortly after 8.00 a.m. on the first Business Day following the Effective Date. The existing Barratt Shares are admitted to CREST. It is expected that all of the New Barratt Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST.

Further details on listing, dealing and settlement will be included in the Scheme Document.

## 21 New Barratt Shares and fractional entitlements

The New Barratt Shares will, when issued, be ordinary shares in the capital of Barratt with a nominal value of 10 pence each, will be fully paid and will rank *pari passu* in all respects with the Barratt Shares, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any form of capital return (whether by reduction of share capital or share premium account or otherwise) made with reference to a record date on or after the Effective Date.

Fractions of New Barratt Shares will not be allotted or issued to Redrow Shareholders. Fractional entitlements to New Barratt Shares will be aggregated and allotted and issued to a nominee appointed by Barratt and such shares will then be sold in the market and the net proceeds of sale will be distributed in due proportion to the Redrow Shareholders entitled to them. However, individual fractional entitlements to amounts (net of expenses) not exceeding £5 will not be paid to persons who would otherwise be entitled to them under the Combination, but will be retained for the benefit of the Combined Group.

## 22 Disclosure of Interests in Redrow

Save in respect of the irrevocable undertakings referred to in paragraph 7 above, as at close of business on 6 February 2024 (being the Business Day prior to the date of this announcement) neither Barratt, nor any of its directors, nor, so far as Barratt is aware, any person acting in concert (within the meaning of the Takeover Code) with it has:

- any interest in or right to subscribe for any relevant securities of Redrow;
- any short positions in respect of relevant Redrow Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- borrowed nor lent any relevant Redrow Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold; or
- any dealing arrangement of the kind referred to in Note 11(a) on the definition of acting in concert in the Takeover Code in relation to Redrow Shares or in relation to securities convertible or exchangeable into Redrow Shares.

“**Interests in securities**” for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and

a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an “interest” by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

It has not been practicable for Barratt to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, all relevant details in respect of Barratt’s concert parties will be included in the Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

## **23 General**

Barratt reserves the right to elect (subject to the consent of the Panel, and subject to the terms of the Co-operation Agreement) to implement the acquisition of the Redrow Shares by way of a Takeover Offer as an alternative to the Scheme. In such event, the Combination will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including an acceptance condition set at 90 per cent. of the shares to which such offer relates or 75 per cent. of the Redrow Shares to which the Takeover Offer relates if Redrow so consents (such consent not to be unreasonably withheld, conditioned or delayed), or such lesser percentage, being more than 50 per cent., as Barratt may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide).

The Combination will be made on the terms and subject to the Conditions and further terms set out in Appendix I to this announcement and included in the Scheme Document. The sources of information and bases of calculations contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings is contained in Appendix III to this announcement. Appendix IV contains details of and bases of calculation of the anticipated financial benefits of the Combination. Certain terms used in this announcement are defined in Appendix V to this announcement.

It is expected that the Scheme Document (and the Barratt Circular relating to the Barratt General Meeting and the Barratt Prospectus relating to the New Barratt Shares) and the Forms of Proxy accompanying the Scheme Document will be published by mid-April 2024. The Scheme Document and Forms of Proxy will be made available to all Redrow Shareholders at no charge to them. For the purposes of paragraph 3(a) of Appendix 7 of the Takeover Code, the Panel has consented to an extension of the applicable date for posting.

UBS, Morgan Stanley, Barclays and Peel Hunt 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.

## **24 Investor and analyst presentation**

There will be an investor and analyst presentation at 8.30 a.m. on 7 February 2024 at Peel Hunt, 100 Liverpool Street, London, EC2M 2AT covering the Combination, the Barratt HY24 Results and the Redrow HY24 Results. There will be a live webcast of the investor and analyst presentation available on Barratt’s website at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and on Redrow’s website at <https://investors.redrowplc.co.uk>.

## 25 Documents available on website

Copies of the following documents will be made available on Barratt's and Redrow's websites at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and <https://investors.redrowplc.co.uk> respectively until the Effective Date:

- the Confidentiality Agreement;
- the Co-operation Agreement;
- the Clean Team Agreement;
- the Confidentiality and Joint Defence Agreement;
- the irrevocable undertakings referred to in paragraph 7 above and summarised in Appendix III to this announcement; and
- consent letters from each of UBS, Morgan Stanley, Barclays, Peel Hunt and PricewaterhouseCoopers.

### Enquiries:

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Linklaters LLP is retained as legal adviser to Barratt and Slaughter and May is retained as legal adviser to Redrow.

### ***Important Notices***

*UBS AG London Branch (“**UBS**”) is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting exclusively as sole corporate broker, lead financial adviser and sole sponsor to Barratt and no one else in connection with the Combination. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Combination, the contents of this announcement or any other matter referred to herein.*

*Morgan Stanley & Co. International plc (“**Morgan Stanley**”), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively as financial adviser to Barratt and no one else in connection with the Combination and will not be responsible to anyone other than Barratt for providing the protections afforded to clients of Morgan Stanley nor for providing advice in connection with the Combination or any matter referred to herein.*

*Barclays Bank PLC, acting through its Investment Bank (“**Barclays**”), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct*

Authority and the Prudential Regulation Authority, is acting exclusively for Redrow and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Redrow for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this announcement.

In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Redrow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and corporate broker to Redrow and for no one else in connection with the matters referred to in this announcement and will not be responsible to any person other than Redrow for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt 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 Peel Hunt in connection with the matters referred to in this announcement, or otherwise.

### **Further information**

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Combination or otherwise nor will there be any sale, issuance, exchange or transfer of securities of Barratt or Redrow pursuant to the Combination or otherwise in any jurisdiction in contravention of applicable law.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Combination including details of how to vote in respect of the Combination. Any decision by Redrow Shareholders in respect of, or other response to, the Combination (including any vote in respect of the resolutions to approve the Combination, the Scheme or related matters), should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Combination is to be implemented by way of a Takeover Offer, the Offer Document) and the Barratt Prospectus.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the 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 and regulations of jurisdictions outside England and Wales.

The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

Redrow will prepare the Scheme Document to be distributed to Redrow Shareholders and Barratt will prepare the Barratt Circular to be distributed to Barratt Shareholders and publish the Barratt Prospectus containing information about the New Barratt Shares and the Combined Group. Redrow urges Redrow Shareholders to read the Scheme Document and the Barratt Prospectus carefully



*when they become available because they will contain important information in relation to the Combination, the New Barratt Shares and the Combined Group. Barratt urges Barratt Shareholders to read the Barratt Circular and Barratt Prospectus when they become available because they will contain important information in relation to the Combination, the New Barratt Shares and the Combined Group. Any vote in respect of the resolutions to be proposed at the Court Meeting or the Redrow General Meeting to approve the Scheme, the Combination or related matters, should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Combination is to be implemented by way of a Takeover Offer, the Offer Document) and the Barratt Prospectus. Any vote in respect of the resolutions to be proposed at the Barratt General Meeting should be made only on the basis of the information contained in the Barratt Circular.*

*This announcement does not constitute a prospectus or prospectus exemption document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.*

### **Overseas shareholders**

*The availability of the Combination and/or the New Barratt Shares in, and the release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements or restrictions.*

*Unless otherwise determined by Barratt or required by the Takeover Code, and permitted by applicable law and regulation, the Combination or the New Barratt Shares to be issued pursuant to the Combination will not be made available, 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 Combination by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Combination 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 any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or form within any Restricted Jurisdiction.*

*The availability of the Combination, New Barratt Shares pursuant to the Combination and/or this announcement to Redrow Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such New Barratt Shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal and regulatory requirements. Redrow Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*The New Barratt Shares may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Persons except pursuant to an applicable exemption from, or in a transaction not subject to, applicable*

securities laws of those jurisdiction, or otherwise permitted under applicable securities laws of those jurisdictions.

The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

#### **Additional information for US investors**

The Combination relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. 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 Exchange Act.

Accordingly, the Combination is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

However, if Barratt were to elect to implement the Combination by means of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, such Takeover Offer will be made in compliance with all applicable United States securities laws and regulations, including to the extent applicable the US Securities Act and Section 14(E) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Barratt and no one else.

The receipt of consideration by a US holder for the transfer of its Redrow Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each Redrow Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Combination applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

In accordance with normal United Kingdom practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Barratt or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Redrow outside of the US, other than pursuant to the Combination, until the date on which the Combination and/or Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

This announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.

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

Financial information included in this announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The New Barratt Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or any other relevant securities laws of any state or territory

or other jurisdiction in the United States and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of the securities laws of such state, district or other jurisdiction.

The Combination is intended to be carried out under a Scheme of Arrangement provided for under English company law (which requires the approval of Redrow Shareholders). If so, it is expected that any New Barratt Shares to be issued pursuant to the Scheme to Redrow Shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Redrow will advise the Court that its sanctioning of the Scheme will be relied on by Barratt as an approval of the Scheme following a hearing on its fairness to Redrow Shareholders, at which Court Hearing all Redrow Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification will be given to all such holders.

Barratt and Redrow are organised under the laws of England and Wales. Some or all of the officers and directors of Barratt and Redrow, respectively, are residents of countries other than the United States. In addition, the assets of Barratt and Redrow are located outside the United States. As a result, it may be difficult for US shareholders of Redrow to effect service of process within the United States upon Barratt or Redrow or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United States. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment. It may not be possible to sue Barratt or Redrow or their respective officers or directors in a non-US court for violations of the US securities laws.

### **Forward Looking Statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Combination, and other information published by Redrow, Barratt or any member of their respective groups contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Barratt, Redrow or the Combined Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward looking statements contained in this announcement relate to Barratt, Redrow or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Combination and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Barratt's, Redrow's or the Combined Group's operations and potential synergies resulting from the Combination; and (iii) the effects of global economic conditions and governmental regulation on Barratt's, Redrow's or the Combined Group's business. 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. These events and circumstances include changes in the global, political,

*economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove 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 Redrow, Barratt, 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 these risks and uncertainties, potential investors should not place any reliance on forward looking statements.*

*Specifically, statements of estimated cost savings and synergies relate 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 Combined Group, there may be additional changes to the Combined 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.*

*The forward looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to Barratt or Redrow, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.*

*Barratt and Redrow expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.*

### **No profit forecasts or estimates or quantified financial benefits statements**

*Other than the Redrow Profit Forecast in paragraph 15.1, no statement in this announcement (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Barratt or Redrow, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Barratt or Redrow, as appropriate. Other than the Quantified Financial Benefits Statement set out in Appendix IV, no statement in this announcement (including any statement of estimated costs savings or synergies) is intended as a quantified financial benefits statement for the purposes of the Takeover Code.*

### **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 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) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> 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 1 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (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.*

*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).*

*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 <http://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.*

### **Electronic Communications**

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

### **Publication on Website and Availability of Hard Copies**

*A copy of this announcement will be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Barratt's and Redrow's websites at [www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk) and <https://investors.redrowplc.co.uk> respectively by no later than 12 noon (London time) on 8 February 2024. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this announcement.*

*Barratt Shareholders may request a hard copy of this announcement by contacting Tina Bains, Barratt Group Company Secretary at Barratt House Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF, or by telephoning +44 (0) 20 7404 5959. If you have received this announcement in electronic form or by it being published on Barratt's website, you will not receive a hard copy of this announcement unless you so request. You may also inform Tina Bains that you wish all future documents, announcements and information to be sent to you in relation to the Combination in hard copy form.*

*Redrow Shareholders may request a hard copy of this announcement by contacting Beth Ford, Redrow Group Company Secretary at Redrow House, St. David's Park, Ewloe, Flintshire CH5 3RX or by telephoning +44 (0) 1244 520044. If you have received this announcement in electronic form*

*or by it being published on Redrow's website, you will not receive a hard copy of this announcement unless you so request. You may also inform Beth Ford that you wish all future documents, announcements and information to be sent to you in relation to the Combination in hard copy form.*

*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, accountant, fund manager or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or, if you are resident in a territory outside of the United Kingdom, from another appropriately authorised independent financial adviser.*

### **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 the figures that precede them.*

### **Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Takeover Code, Redrow confirms that, as at the date of this announcement, it has in issue 330,770,245 ordinary shares of 10.5 pence each (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00BG11K365.*

*In accordance with Rule 2.9 of the Takeover Code, Barratt confirms that, as at the date of this announcement, it has in issue 974,590,748 ordinary shares of 10 pence (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB0000811801.*

**APPENDIX I**  
**CONDITIONS AND FURTHER TERMS OF THE COMBINATION**

**Part A: Conditions to the Scheme and the Combination**

- 1** The Combination is conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by no later than 11.59 p.m. on the Long-stop Date or such later date (if any) as Barratt and Redrow may, with the consent of the Panel, agree and, if required, the Court may allow.
- 2** The Scheme will be subject to the following conditions:
  - 2.1**
    - (i) its approval by a majority in number of the Redrow Shareholders on the register of members of Redrow at the Voting Record Time who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Redrow Shares voted by those Redrow Shareholders; and
    - (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or, if later, the date of the Barratt General Meeting (or such later date as may be agreed by Barratt and Redrow and, if required, the Court may allow);
  - 2.2**
    - (i) the resolutions required to implement the Scheme being duly passed by Redrow Shareholders representing 75 per cent. or more of votes cast at the Redrow General Meeting; and
    - (ii) such Redrow General Meeting being held on or before the 22nd day after the expected date of the Redrow General Meeting to be set out in the Scheme Document in due course or, if later, the date of the Barratt General Meeting (or such later date as may be agreed by Barratt and Redrow and, if required, the Court may allow);
  - 2.3**
    - (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Redrow and Barratt) and the delivery of a copy of the Court Order to the Registrar of Companies; and
    - (ii) the Court Hearing being held on or before the later of: (a) the 22nd day; and (b) the day that is equal to the number of days that the Court Meeting and Redrow General Meeting were held after the expected date thereof to be set out in the Scheme Document in due course, after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed by Barratt and Redrow and, if required, the Court may allow).
- 3** In addition, subject as stated in Part B below and to the requirements of the Panel, the Combination shall be conditional upon the following Conditions and, accordingly, the Court

Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

***Barratt Shareholder approval***

- (a) the passing by a simple majority of the votes cast by Barratt Shareholders at the Barratt General Meeting (whether in person or by proxy) of the Barratt Resolutions;

***Admission of the New Barratt Shares***

- (b)
  - (i) the FCA having acknowledged to Barratt or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Barratt Shares to the Official List with a premium listing (or, if there is no premium listing segment, the same listing segment as the Barratt Shares are trading on) has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“listing conditions”)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied; and
  - (ii) the London Stock Exchange having acknowledged to Barratt or its agent (and such acknowledgement not having been withdrawn) that the New Barratt Shares will be admitted to trading on the London Stock Exchange’s Main Market for listed securities;

***Official authorisations, regulatory clearances and Third Party clearances***

***Competition and Markets Authority clearance***

- (c) either:
  - (i) as at the date on which all other Conditions are satisfied or waived in relation to the Combination, the CMA not having:
    - (a) requested submission of a merger notice under section 96 of the Enterprise Act 2002 (the “EA”); or
    - (b) indicated to either party that it intends, or is considering whether, to commence a Phase I investigation; or
    - (c) indicated that the statutory review period in which the CMA has to decide whether to make a reference under section 34ZA of the EA has begun; or
    - (d) requested documents, information, or attendance by witnesses (including under section 109 of the EA) which may indicate that it is considering whether to request submission of a merger notice or whether to commence the aforementioned statutory review period; or
  - (ii) the CMA issuing a decision in terms reasonably satisfactory to Barratt that it is not the CMA’s intention to subject the Combination or any matter arising therefrom or related thereto or any part of it to a Phase 2 CMA Reference, such decision being either unconditional or conditional on the CMA’s acceptance of undertakings in lieu under Section 73 of the EA which are reasonably satisfactory to Barratt (or the applicable time period for the CMA to issue either decision having expired without it having done so and without it having made a Phase 2 CMA Reference); or



- (iii) in the event that a Phase 2 CMA Reference is made, confirmation from the CMA either:
  - (a) that the Combination may proceed without any undertakings or conditions; or
  - (b) that the Combination and any matter arising therefrom or relating thereto may proceed on terms reasonably satisfactory to Barratt,

(together, the “**Regulatory Condition**”);

***Notifications, waiting periods and Authorisations***

- (d) other than in relation to the matters referred to in Condition 3(c), the waiver (or non-exercise within any applicable time limits) by any Third Party of any termination right, right of pre-emption, first refusal, or similar right (which is material in the context of the Wider Redrow Group taken as a whole or in the context of the Combination) arising as a result of or in connection with the Combination including, without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, Redrow by Barratt or any member of the Wider Barratt Group;
- (e) other than in relation to the matters referred to in Condition 3(c), all material notifications, filings or applications which are necessary having been made in connection with the Combination and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and/or regulatory obligations in any jurisdictions having been complied with in each case in respect of the Combination and all Authorisations deemed reasonably necessary by Barratt in any jurisdiction for or in respect of the Combination including, without limitation, its implementation or, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Redrow or any other member of the Wider Redrow Group by any member of the Wider Barratt Group having been obtained in terms and in a form reasonably satisfactory to Barratt from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Redrow Group has entered into contractual arrangements and all such Authorisations having been obtained and remaining in full force and effect at the time at which the Combination becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (f) other than in relation to the matters referred to in Condition 3(c), no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Barratt Group or by any member of the Wider Redrow Group of all or any part of its businesses,

assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) which is material in the context of the Wider Barratt Group taken as a whole or the Wider Redrow Group taken as a whole, as applicable;

- (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Barratt Group or the Wider Redrow Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Redrow Group or any asset owned by any Third Party (other than in the implementation of the Combination);
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Barratt Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Redrow or on the ability of any member of the Wider Redrow Group or any member of the Wider Barratt Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Redrow Group;
- (iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Redrow Group or any member of the Wider Barratt Group to an extent which is material in the context of the Wider Barratt Group taken as a whole or the Wider Redrow Group taken as a whole, as applicable;
- (v) result in any member of the Wider Redrow Group or any member of the Wider Barratt Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Barratt Group taken as a whole or the Wider Redrow Group taken as a whole, as applicable;
- (vi) make the Combination, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Redrow by any member of the Wider Barratt Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require amendment of the Combination or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Redrow by any member of the Wider Barratt Group;
- (vii) require, prevent or materially delay a divestiture by any member of the Wider Barratt Group of any shares or other securities (or the equivalent) in any member of the Wider Redrow Group or any member of the Wider Barratt Group to an extent which is material in the context of the Wider Barratt Group taken as a whole or the Wider Redrow Group taken as a whole, as applicable;  
or
- (viii) impose any limitation on the ability of any member of the Wider Barratt Group of any member of the Wider Redrow Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of

any other member of the Wider Barratt Group and/or the Wider Redrow Group to an extent which is material in the context of the Wider Barratt Group taken as a whole or the Wider Redrow Group taken as a whole, as applicable,

and all applicable waiting and other time periods (including any extensions thereof) during which such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Combination or the acquisition or proposed acquisition of any Redrow Shares or otherwise intervene having expired, lapsed or been terminated;

***Certain matters arising as a result of any arrangement, agreement, etc.***

- (g) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Redrow Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Combination or the acquisition or the proposed acquisition by any member of the Wider Barratt Group of any shares or other securities (or the equivalent) in Redrow or because of a change in the control or management of any member of the Wider Redrow Group or otherwise, could or might reasonably be expected to result in:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Redrow Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Redrow Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument that is material being terminated or the material rights, liabilities, obligations or interests of any member of the Wider Redrow Group being materially adversely modified or materially adversely affected or any material obligation or liability arising or any materially adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Redrow Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Redrow Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Redrow Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or materially adversely modified or affected or any onerous obligation or liability arising or any material adverse action being taken thereunder;

- (vi) any member of the Wider Redrow Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) the value of, or the financial or trading position or prospects of, any member of the Wider Redrow Group being materially prejudiced or materially adversely affected; or
- (viii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Redrow Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Redrow Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions 3(f)(i) to (viii);

***Certain events occurring since 2 July 2023***

- (h) except as Disclosed no member of the Wider Redrow Group having since 2 July 2023:
  - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Redrow Shares out of treasury (except, where relevant, as between Redrow and wholly-owned subsidiaries of Redrow or between the wholly-owned subsidiaries of Redrow and except for the issue or transfer out of treasury of Redrow Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Redrow Share Plans);
  - (ii) except for the Redrow Interim Dividend, any Redrow Additional Permitted Dividends and any Redrow Equalising Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Redrow to Redrow or any of its wholly-owned subsidiaries;
  - (iii) other than pursuant to the Combination (and except for transactions between Redrow and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Redrow and transactions in the ordinary course of business), implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Redrow Group taken as a whole;
  - (iv) except for transactions between Redrow and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Redrow and except for transactions in the ordinary course of business disposed of, or transferred, mortgaged or created any security interest over any material asset or any

right, title or interest in any material asset or authorised, proposed or announced any intention to do so;

- (v) except for transactions between Redrow and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Redrow, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Redrow Group taken as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long-term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is likely to be restrictive on the business of any member of the Wider Redrow Group in a manner which is material in the context of the Wider Redrow Group taken as a whole;
- (vii) save to the extent arising as a result of any change in applicable law, entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Redrow Group (save for salary increases, bonuses or variations of terms in the ordinary course), other than as agreed by the Panel or agreed with Barratt;
- (viii) save to the extent arising as a result of any change in applicable law, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Redrow Group which are material in the context of the Wider Redrow Group taken as a whole (save for salary increases, bonuses or variations of terms in the ordinary course), other than as agreed by the Panel or agreed with Barratt;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph 3(h) above, made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, compromised or settled any claim by or against any member of the Wider Redrow Group which is material in the context of the Wider Redrow Group taken as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Redrow Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Redrow Group taken as a whole;
- (xii) except as disclosed on publicly available registers, made any alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, law or changes to law, made or agreed or consented to any change to:

- (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Redrow Group for its directors, employees or their dependants;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to, to an extent which is in any such case material in the context of the Wider Redrow Group taken as a whole;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
  - (xv) (other than in respect of a member of the Wider Redrow Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its material assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
  - (xvi) except for transactions between Redrow and its wholly-owned subsidiaries or between Redrow's wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
  - (xvii) except for transactions between Redrow and its wholly-owned subsidiaries or between Redrow's wholly-owned subsidiaries and transactions entered into in the ordinary and usual course of business, entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
  - (xviii) having taken (or agreed or proposed to take) any action which requires or would require, the approval of Redrow Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
  - (xix) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(h);

***No adverse change, litigation, regulatory enquiry or similar***

- (i) except as Disclosed, since 2 July 2023 there having been:

- (i) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Redrow Group or any member of the Wider Barratt Group, which is material in the context of the Wider Redrow Group taken as a whole or the Wider Barratt Group taken as a whole, as applicable;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings:
  - (a) having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Redrow Group or any member of the Wider Barratt Group; or (b) to which any member of the Wider Redrow Group or the Wider Barratt Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Redrow Group or any member of the Wider Barratt Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Redrow Group taken as a whole or the Wider Barratt Group taken as a whole, as applicable;
- (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Redrow Group or any member of the Wider Barratt Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Redrow Group or the Wider Barratt Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Redrow Group taken as a whole or the Wider Barratt Group taken as a whole, as applicable;
- (iv) no contingent or other liability having arisen or become apparent to Barratt (in respect of the Wider Redrow Group) or Redrow (in the case of the Wider Barratt Group) which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Redrow Group or any member of the Wider Barratt Group to an extent which is material in the context of the Wider Redrow Group taken as a whole or the Wider Barratt Group taken as a whole, as applicable; and
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Redrow Group or any member of the Wider Barratt Group which is necessary for the proper carrying on of its business, and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect on the Wider Redrow Group taken as a whole or the Wider Barratt Group taken as a whole, as applicable; and

***No discovery of certain matters regarding information, liabilities and environmental issues***

- (j) except as Disclosed, Barratt not having discovered that:
  - (i) any financial, business or other information concerning the Wider Redrow Group publicly announced prior to the date of this announcement or Disclosed at any time to any member of the Wider Barratt Group by or on behalf of any member of the Wider Redrow Group prior to the date of this

announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case which is material in the context of the Wider Redrow Group taken as a whole;

- (ii) any member of the Wider Redrow Group or any partnership, company or other entity in which any member of the Wider Redrow Group has a significant economic interest and which is not a subsidiary undertaking of Redrow is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider Redrow Group taken as a whole;
- (iii) any past or present member of the Wider Redrow Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Redrow Group;
- (iv) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation) would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Redrow Group;
- (v) there is or is likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Redrow Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto to an extent which is material in the context of the Wider Redrow Group taken as a whole; or
- (vi) circumstances exist (whether as a result of making the Combination or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Redrow Group would be likely to be required to institute) an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Redrow Group (or on its behalf) or by any person for



which a member of the Wider Redrow Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest to an extent which is material in the context of the Wider Redrow Group taken as a whole;

***Anti-corruption***

- (vii) any member of the Wider Redrow Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation;
- (viii) any member of the Wider Redrow Group is ineligible to be awarded any contract or business under regulation 57 of the Public Contracts Regulations 2015 or regulation 80 of the Utilities Contracts Regulations 2015 (each as amended); or
- (ix) any member of the Wider Redrow Group has engaged in any transaction which would cause any member of the Wider Barratt Group to be in breach of applicable law or regulation upon Completion, including the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states, save that this will not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; or

***No criminal property***

- (x) any asset of any member of the Wider Redrow Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## **Part B: Certain further terms of the Combination**

- 1** Subject to the requirements of the Panel, Barratt reserves the right, in its sole discretion, to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix I above (in respect of Condition 3(i), so far as they relate to Redrow, the Wider Redrow Group or any part thereof), except Conditions 2.1(i), 2.2(i), 2.3(i), 3(a) and 3(b), which cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) and 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Barratt will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines, or agreed with Redrow to extend the relevant deadline.
- 2** Subject to the requirements of the Panel, Redrow reserves the right to waive in whole or in part, all or any of Condition 3(i) (so far as it relates to Barratt, the Wider Barratt Group or any part thereof).
- 3** If Barratt is required by the Panel to make an offer for Redrow Shares under the provisions of Rule 9 of the Takeover Code, Barratt may make such alterations to any of the above Conditions and terms of the Combination as are necessary to comply with the provisions of that Rule.
- 4** Save where Barratt has confirmed the satisfaction or waiver of all Conditions (other than Conditions 2.1(i), 2.2(i) and 2.3(i)) pursuant to the terms of the Co-operation Agreement, Barratt will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of Appendix I above by a date earlier than the latest date specified for the fulfilment of that Condition notwithstanding that the other Conditions of the Combination may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 5** Under Rule 13.5(a) of the Takeover Code and subject to paragraph 6 below, Barratt may only invoke a Condition so as to cause the Combination not to proceed, to lapse, or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Barratt in the context of the Combination. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
- 6** Conditions 1, 2.1, 2.2, 2.3, 3(a) and 3(b) (inclusive) in Part A of Appendix I above, and, if applicable, any acceptance condition if the Combination is implemented by means of a Takeover Offer are not subject to Rule 13.5(a) of the Takeover Code.
- 7** Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Barratt.
- 8** The Redrow Shares acquired under the Combination will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any form of capital return (whether by reduction of share capital or share premium account or otherwise)

made or paid on or after the Effective Date, save for the Redrow Interim Dividend, any Redrow Additional Permitted Dividends and any Redrow Equalising Dividend.

**9** In respect of Redrow Shares, if, on or after the date of this announcement and prior to or on the Effective Date, Redrow announces, declares, makes or pays: (i) the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend, and the quantum of such dividend is in excess of the amount which Redrow is entitled to pay to Redrow Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Barratt shall be entitled to either:

**9.1** adjust the Exchange Ratio downwards to reflect the amount of such excess (in the case of the Redrow Interim Dividend, a Redrow Additional Permitted Dividend or a Redrow Equalising Dividend (as relevant)) or by the amount of all or part of any such other dividend, distribution or form of capital return; or

**9.2** declare and pay a Barratt Equalising Dividend to Barratt Shareholders, without any consequential change to the Exchange Ratio.

In such circumstances, Redrow Shareholders will be entitled to retain the full amount of any such excess or such other dividend, distribution or form of capital return declared, made or paid.

If on or after the date of this announcement, and to the extent that any such excess or such other dividend, distribution, or form of capital return has been declared, paid, or made or becomes payable by Redrow prior to or on the Effective Date and Barratt exercises its rights under this paragraph 9 to reduce the consideration payable under the terms of the Combination, any reference in this announcement to the consideration payable under the terms of the Combination will be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such excess or such other dividend, distribution or form of capital return has been declared or announced, but not paid or made, or is not payable by reference to a record date on or prior to the Effective Date and is or will be (i) transferred pursuant to the Combination on a basis which entitles Barratt to receive the excess or the dividend, distribution or form of capital return and to retain it; or (ii) cancelled, the Exchange Ratio will not be subject to change in accordance with this paragraph 9.

Barratt also reserves the right to reduce the Exchange Ratio in such circumstances as are, and by such amount as is, permitted by the Panel.

Any exercise by Barratt of its rights referred to in this paragraph 9 will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Combination.

**10** In respect of Barratt Shares, if, on or after the date of this announcement and on or prior to or on the Effective Date, Barratt announces, declares, makes or pays: (i) the Barratt Interim Dividend, a Barratt Additional Permitted Dividend or a Barratt Equalising Dividend, and the quantum of such dividend is in excess of the amount which Barratt is entitled to pay to Barratt Shareholders pursuant to the terms of the Co-operation Agreement; or (ii) any other dividend, distribution or form of capital return, Redrow shall be entitled to pay a Redrow Equalising Dividend to Redrow Shareholders, without any consequential change to the Exchange Ratio.

**11** Barratt reserves the right to elect (subject to the consent of the Panel, and subject to the terms of the Co-operation Agreement) to implement the Combination by way of a Takeover Offer for

the Redrow Shares as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on the same terms, so far as applicable, and subject to the terms of the Co-operation Agreement, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. or 75 per cent. if Redrow so consents (such consent not to be unreasonably withheld, conditioned or delayed) or such lesser percentage (being more than 50 per cent.) as Barratt may, in accordance with the provisions of the Co-operation Agreement, decide or as required by the Panel, of the shares to which such Takeover Offer relates. Further, if sufficient acceptances of such offer are received and/or sufficient Redrow Shares are otherwise acquired, it is the intention of Barratt to apply the provisions of the Companies Act to acquire compulsorily any outstanding Redrow Shares to which such offer relates.

- 12** The availability of the Combination to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. The New Barratt Shares to be issued pursuant to the Combination have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New Barratt Shares may not be offered, sold or delivered, directly or indirectly, in the United States or any other Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
- 13** The Combination is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of 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 jurisdiction where to do so would violate the laws of that jurisdiction.
- 14** This announcement and any rights or liabilities hereunder, the Combination and the Scheme are or will be (as applicable) governed by the law of England and subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Combination will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.
- 15** The New Barratt Shares will be issued credited as fully paid and will rank *pari passu* in all aspects with the existing Barratt Shares in issue at that time, including the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any form of capital return (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date, save for any Barratt Additional Permitted Dividends and any Barratt Equalising Dividend.
- 16** Under Rule 13.6 of the Takeover Code, Redrow may not invoke, or cause to permit Barratt to invoke, any Condition to the Combination unless the circumstances which give rise to the right to invoke the Condition are of material significance to the Redrow Shareholders in the context of the Combination.
- 17** Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

- 18** The Combination is subject to, *inter alia*, the Conditions set out in Part A and Part B of this Appendix I to this announcement. The Combination is also subject to the full terms and conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) As at 6 February 2024 (being the last Business Day prior to the date of this announcement), there were 330,770,245 Redrow Shares in issue. The International Securities Identification Number for Redrow Shares is GB00BG11K365.
- (ii) As at 6 February 2024 (being the last Business Day prior to the date of this announcement), there were 974,590,748 Barratt Shares in issue. The International Securities Identification Number for Barratt Shares is GB0000811801.
- (iii) Any references to the issued and to be issued share capital of Redrow are based on:
- the 330,770,245 Redrow Shares referred to in paragraph (i) above; plus
  - 5,255,601 Redrow Shares which may be issued on or after the date of this announcement to satisfy the exercise of options or vesting of awards pursuant to the Redrow Share Plans; less
  - 5,255,601 Redrow Shares held by the Redrow Employee Benefit Trust that can be used to satisfy the exercise of options and vesting of awards pursuant to the Redrow Share Plans.<sup>13</sup>
- (iv) The value of the Combination by reference to the existing issued share capital of Redrow is based on the issued and to be issued share capital of Redrow (as set out in paragraph (iii) above.
- (v) Unless otherwise stated all prices and closing prices for the Redrow Shares and the Barratt Shares are closing middle market quotations derived from the Daily Official List.
- (vi) Unless otherwise stated, the financial information relating to Redrow is extracted from the audited consolidated financial statements of Redrow for the 52 weeks ended 2 July 2023, prepared in accordance with IFRS.
- (vii) Unless otherwise stated, the financial information relating to Barratt is extracted from the audited consolidated financial statements of Barratt for the year ended 30 June 2023, prepared in accordance with IFRS.
- (viii) The enlarged share capital of 1,450,899,901 shares in the Combined Group immediately following Completion has been calculated as the sum of:
- the current share capital of Barratt of 974,590,748 Barratt Shares; plus
  - up to 476,309,153 New Barratt Shares, which may be issued under the terms of the Combination (calculated as the number of the issued and to be issued ordinary share capital of Redrow as set out in paragraph (iii) above) multiplied by the Exchange Ratio.
- (ix) The estimated cost savings and synergy numbers included in this announcement are unaudited and reflect the Barratt Directors' view of the potential cost synergies of the Combination, taking into account the factors they can influence. Further information underlying the Quantified Financial Benefits Statement contained in this announcement is provided in Appendix IV to this announcement.

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<sup>13</sup> The Redrow Employee Benefit Trust holds 8,662,270 Redrow Shares as at 6 February 2024 (being the last Business Day prior to the date of this announcement) which is sufficient to fully offset dilution from the exercise of existing options and the vesting of existing awards pursuant to the Redrow Share Plans.

- (x) References to adjusted earnings per share accretion are based on:
- the respective standalone share counts of Barratt and Redrow referenced in paragraphs (i) and (ii) above;
  - the enlarged share capital for the Combined Group referenced in paragraph (viii) above;
  - the standalone adjusted earnings per share for Barratt based on Bloomberg consensus for the 2025 financial year of 32.5 pence and 2026 financial year of 40.8 pence as at 6 February 2024 (being the last Business Day prior to the date of this announcement);
  - the standalone adjusted earnings per share for Redrow based on Bloomberg consensus for 2025 financial year of 45.1 pence and 2026 financial year of 54.2 pence as at 6 February 2024 (being the last Business Day prior to the date of this announcement);
  - run rate synergies excluding one-off costs of delivering synergies with approximately 50 per cent. realised by the end of the first year following Completion and approximately 90 per cent. realised by the end of the second year; and
  - the Barratt effective tax of 28 per cent. as indicated in the Barratt HY24 Results.

## APPENDIX III IRREVOCABLE UNDERTAKINGS

### (a) Irrevocable Undertakings from Redrow Directors and Redrow Shareholders

The following holders or controllers of Redrow Shares have given irrevocable undertakings (Parts A and B) to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Redrow General Meeting and, if Barratt exercises its right to implement the Combination by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer:

#### Part A – Redrow Directors’ Irrevocable Undertakings

Name of Redrow Director	Number of Redrow Shares in respect of which undertaking is given	Percentage of Redrow issued share capital (excluding shares under option)
Richard Akers	70,000	0.021%
Matthew Pratt	20,396	0.006%
Barbara Richmond	53,714	0.016%
Nicky Dulieu	6,500	0.002%
Oliver Tant	11,303	0.003%
<b>TOTAL</b>	161,913	0.049%

The irrevocable undertakings also extend to any Redrow Shares acquired by the Redrow Directors as a result of the vesting of awards or the exercise of options under the Redrow Share Plans.

The obligations of the Redrow Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Barratt announces, following the release of this announcement, with the consent of the Panel and before the Scheme Document (or Takeover Offer document, if applicable), the Barratt Prospectus and Barratt Circular are published, that it does not intend to proceed with the Combination and no new, revised or replacement Scheme or Takeover Offer is announced by Barratt in accordance with Rule 2.7 of the Code;
- on the earlier of: (i) the Long-stop Date; or (ii) the date on which the Scheme is withdrawn, terminates or lapses in accordance with its terms, provided that such lapse, termination or withdrawal is not: (i) as a result of Barratt exercising its right to implement the Combination by way of a Takeover Offer; or (ii) followed promptly by a firm intention announcement under Rule 2.7 of the Code made by Barratt or a person acting in concert (as defined in the Code) with Barratt to implement the Combination on substantially the same or improved terms, and such announcement is made within five Business Days of such lapse or withdrawal; or
- any competing offer for all of the issued and to be issued ordinary share capital of Redrow is made which becomes or is declared unconditional or otherwise becomes effective.



These irrevocable undertakings remain binding in the event of a competing offer.

**Part B – Non-director Redrow Shareholder irrevocable undertakings**

<b>Name of Redrow Shareholder giving undertaking</b>	<b>Number of Redrow Shares in respect of which undertaking is given</b>	<b>Percentage of Redrow issued share capital</b>
Bridgemere Securities Limited	52,851,816	16.0
<b>TOTAL</b>	52,851,816	16.0

The obligations of Bridgemere Securities Limited under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Barratt announces, following the release of this announcement, with the consent of the Panel and before the Scheme Document (or Takeover Offer document, if applicable) is published, that it does not intend to proceed with the Combination and no new, revised or replacement Scheme or Takeover Offer is announced by Barratt in accordance with Rule 2.7 of the Code;
- the Combination does not become Effective, is withdrawn or lapses in accordance with its terms, unless: (i) the Combination is withdrawn or lapses solely as a result of Barratt exercising its right to implement the Combination by way of a Takeover Offer rather than a Scheme or vice versa; or (ii) if the lapse or withdrawal either is not confirmed by Barratt or is followed within 10 Business Days by an announcement under Rule 2.7 of the Code by Barratt (or a person acting in concert with it) to implement the Combination either by a new, revised or replacement Scheme or Takeover Offer;
- any competing offer for Redrow is made which becomes or is declared unconditional or otherwise becomes effective; or
- an announcement is made in accordance with Rule 2.7 of the Code of a competing offer (whether by means of a takeover offer within the meaning of section 974 of the Companies Act 2006 or by way of a scheme of arrangement under section 895 of the Companies Act 2006) for the ordinary shares in Redrow, the value of the consideration per ordinary share available under which at the time it is made exceeds the value of the consideration per ordinary share available under the Combination by at least 12 per cent. at that time.

Bridgemere Securities Limited has also undertaken not to sell any New Barratt Shares, which may be issued to it under the terms of the Combination for a period of six months following the Effective Date.

**(b) Irrevocable Undertakings from Barratt Directors**

The following Barratt Directors have given irrevocable undertakings to vote (or procure the vote) in favour of the resolutions to be proposed at the Barratt General Meeting in relation to the following Barratt Shares currently held by them as well as any further Barratt Shares they may acquire:

<b>Name</b>	<b>Number of Barratt Shares in respect of which undertaking is given</b>	<b>Percentage of Barratt issued share capital (excluding shares under option)</b>
Caroline Silver	10,000	0.001%
David Thomas	1,163,432	0.119%
Steven Boyes	403,922	0.041%
Michael Scott	69,620	0.007%
Jock Lennox	10,000	0.001%
Katie Bickerstaffe	8,489	0.001%
Jasi Halai	12,581	0.001%
Nigel Webb	12,660	0.001%
<b>TOTAL</b>	<b>1,690,704</b>	<b>0.173%</b>

The irrevocable undertakings also extend to any Barratt Shares acquired by the Barratt Directors as a result of the vesting of awards or the exercise of options under the Barratt Share Plans.

The obligations of the Barratt Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Barratt announces, following the release of this announcement, with the consent of the Panel and before the Scheme Document (or Takeover Offer document, if applicable), the Barratt Prospectus and the Barratt Circular are published, that it does not intend to proceed with the Combination and no new, revised or replacement Scheme or Takeover Offer is announced by Barratt in accordance with Rule 2.7 of the Code;
- on the earlier of: (i) the Long-stop Date; or (ii) the date on which the Scheme is withdrawn, terminates or lapses in accordance with its terms, provided that such lapse, termination or withdrawal is not: (i) as a result of Barratt exercising its right to implement the Combination by way of a Takeover Offer; or (ii) followed promptly by a firm intention announcement under Rule 2.7 of the Code made by Barratt or a person acting in concert (as defined in the Code) with Barratt to implement the Combination on substantially the same or improved terms, and such announcement is made within five Business Days of such lapse or withdrawal; or
- any competing offer for all of the issued and to be issued ordinary share capital of Redrow is made which becomes or is declared unconditional or otherwise becomes effective.

## APPENDIX IV STATEMENT ON QUANTIFIED FINANCIAL BENEFITS

### PART A – QUANTIFIED FINANCIAL BENEFITS STATEMENT

Barratt has made the following quantified financial benefits statement in paragraph 4 of this announcement (the “**Quantified Financial Benefits Statement**”):

*“The Barratt Directors, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors they can influence, believe that the Combined Group can deliver at least £90 million of pre-tax cost synergies on an annual run-rate basis by the end of the third year following Completion.*

*The quantified cost synergies, which are expected to originate from the cost bases of both Barratt and Redrow, are expected to be realised primarily from:*

- *procurement-related savings (primarily direct materials) driven by
  - *price harmonisation through moving existing business to the best price currently available to Barratt and Redrow; and*
  - *volume-based pricing savings across the Combined Group,*expected to contribute approximately 38 per cent. (£34 million) of the full run-rate pre-tax cost synergies;*
- *optimisation of the divisional office structure, expected to contribute approximately 37 per cent. (£33 million) of the full run-rate pre-tax cost synergies; and*
- *consolidation of central and support functions, including board, senior management, duplicate public company costs and other third party costs, expected to contribute approximately 25 per cent. (£23 million) of the full run-rate pre-tax cost synergies.*

*The Barratt Directors expect that approximately 50 per cent. (£45 million) of the annual run-rate pre-tax cost synergies will be realised by the end of the first year following Completion and approximately 90 per cent. of the annual run-rate pre-tax cost synergies will be realised by the end of the second year following Completion, with the full run-rate achieved by the end of the third year following Completion.*

*The Barratt Directors estimate that the realisation of the quantified cost synergies will result in one-off costs of approximately £73 million, with approximately 57 per cent. incurred in the first year following Completion, approximately 32 per cent. expected to be incurred in the second year following Completion and the remainder by the end of the third year following Completion.*

*Potential areas of dis-synergy expected to arise in connection with the Combination have been considered and were determined by the Barratt Directors to be immaterial to the above analysis.*

*The identified cost synergies will accrue as a direct result of the Combination, and would not be achieved on a standalone basis. The identified pre-tax cost synergies reflect both the beneficial elements and relevant costs.”*

The Barratt Directors believe that the Combined Group should be able to achieve the synergies set out in the Quantified Financial Benefits Statement.

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below.

#### **Bases of calculation of the Quantified Financial Benefits Statement**

In preparing the Quantified Financial Benefits Statement, Redrow has provided Barratt with certain operating and financial information to facilitate a detailed analysis in support of evaluating the potential synergies available from the Combination. In circumstances where data has been limited for commercial, regulatory or other reasons, Barratt management has made estimates and assumptions to aid its development of individual synergy initiatives. The assessment and quantification of the potential synergies have, in turn, been informed by the Barratt management's industry experience and knowledge of the existing businesses, together with close consultation with Redrow.

The cost base used as the basis for the quantified exercise is:

- relating to non-staff costs:
  - financial information for the year ended 30 June 2023 for the Barratt Group and the 52 weeks ended 2 July 2023 for the Redrow Group; and
  - procurement-related savings have been quantified based on combined build costs for the year ended 30 June 2023 for the Barratt Group and the 52 weeks ended 2 July 2023 for the Redrow Group, scaled down by c.20 per cent. to reflect expected combined completion volumes for the year ended 30 June 2024 (Barratt Group) and the 52 weeks ended 2 July 2024 (Redrow Group); and
- relating to staff costs, the latest available headcount and associated annualised direct per-head costs for both the Barratt Group and the Redrow Group.

For the potential synergies arising from the combination of group functions, organisation information was reviewed.

The assessment and quantification of such potential synergies have in turn been informed by Barratt management's industry experience as well as their experience of executing and integrating past acquisitions.

Cost-saving assumptions were based on a detailed, bottom-up evaluation of the benefits available from elimination of duplicate activities, the leverage of combined scale economics and operational efficiencies arising from consolidation of procurement and activities within operational facilities. In determining the estimate of costs savings achievable through the combination of Barratt and Redrow, no savings relating to operations have been included where no overlap exists.

In general, the synergy assumptions have in turn been risk-adjusted, exercising a degree of prudence in the calculation of the estimated synergy benefit set out above.

Where appropriate, assumptions were used to estimate the costs of implementing the new structures, systems and processes required to realise the synergies. In particular, the Barratt Directors have made the following assumptions, which are outside the influence of Barratt:

- there will be no material impact on the underlying operations of either the Barratt Group or the Redrow Group as a result of the Combination or their ability to continue to conduct their businesses;
- there will be no material divestments from the Redrow Group;
- there will be no material change to macroeconomic, political, inflationary, regulatory or legal conditions in the markets or regions in which the Barratt Group and the Redrow Group operate that will materially impact on the implementation of the synergy plans or costs to achieve the proposed cost savings;
- there will be no material change in current foreign exchange rates or interest rates;

- there will be no material change in accounting standards; and
- there will be no change in tax legislation or tax rates or other legislation in the United Kingdom that could materially impact the ability to achieve any benefits.

In addition, the Barratt Directors have made an assumption within the influence of Barratt that there will be no material divestments from the Barratt Group.

In addition, the Barratt Directors have assumed that the cost synergies are substantively within Barratt's control, albeit that certain elements are dependent in part on negotiations with third parties.

## Reports

As required by Rule 28.1(a) of the Takeover Code, PricewaterhouseCoopers, as reporting accountants to Barratt, have provided a report stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition UBS and Morgan Stanley, as financial advisers to Barratt, have each provided a report stating that, in their view, the Quantified Financial Benefits Statement has been prepared with due care and consideration.

Copies of these reports are included in this Appendix IV. Each of PricewaterhouseCoopers, UBS and Morgan Stanley has given and not withdrawn its consent to the publication of its Report on the Quantified Financial Benefits Statement set out under Part B of Appendix IV of this announcement in the form and context in which it is included.

## Important Notes

1. The statements of estimated pre-tax synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost synergies referred to may not be achieved, or those achieved could be materially different from those estimated.
2. No statement in the Quantified Financial Benefits Statement, or this announcement generally, should be construed as a profit forecast or interpreted to mean that Barratt's earnings in the full first year following the Combination, or in any subsequent period, would necessarily match or be greater than or be less than those of Barratt and/or Redrow for the relevant preceding financial period or any other period.
3. Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost savings may be materially greater or less than those estimated.

## PART B

### REPORT FROM PRICEWATERHOUSECOOPERS LLP ON THE QUANTIFIED FINANCIAL BENEFITS STATEMENT

The directors (the "Directors")

Barratt Developments PLC

Barratt House, Cartwright Way

Forest Business Park

Bardon Hill, Coalville

Leicestershire

LE67 1UF

United Kingdom

UBS Group AG, London Branch  
5 Broadgate  
London  
EC2M 2QS  
United Kingdom

Morgan Stanley & Co. International plc (together with UBS Group AG, London Branch, the “**Joint Financial Advisers**”)

25 Cabot Square  
Canary Wharf  
E14 4QA  
United Kingdom

**7 February 2024**

**Dear Ladies and Gentleman**

**Report on Quantified Financial Benefits Statement by Barratt Developments PLC (the “Company”)**

We report on the quantified financial benefits statement (the “Statement”) by the Directors included in the announcement dated 7 February 2024 (the “Announcement”) to the effect that:

*“The Barratt Directors, having reviewed and analysed the potential cost synergies of the Combination, and taking into account the factors they can influence, believe that the Combined Group can deliver at least £90 million of pre-tax cost synergies on an annual run-rate basis by the end of the third year following Completion.*

*The quantified cost synergies, which are expected to originate from the cost bases of both Barratt and Redrow, are expected to be realised primarily from:*

- *procurement-related savings (primarily direct materials) driven by
  - *price harmonisation through moving existing business to the best price currently available to Barratt and Redrow; and*
  - *volume-based pricing savings across the Combined Group,*expected to contribute approximately 38 per cent. (£34 million) of the full run-rate pre-tax cost synergies;*
- *optimisation of the divisional office structure, expected to contribute approximately 37 per cent. (£33 million) of the full run-rate pre-tax cost synergies; and*
- *consolidation of central and support functions, including board, senior management, duplicate public company costs and other third party costs, expected to contribute approximately 25 per cent. (£23 million) of the full run-rate pre-tax cost synergies.*

*The Barratt Directors expect that approximately 50 per cent. (£45 million) of the annual run-rate pre-tax cost synergies will be realised by the end of the first year following Completion and approximately 90 per cent. of the annual run-rate pre-tax cost synergies will be realised by the end of the second year following Completion, with the full run-rate achieved by the end of the third year following Completion.*

*The Barratt Directors estimate that the realisation of the quantified cost synergies will result in one-off costs of approximately £73 million, with approximately 57 per cent. incurred in the first year following Completion, approximately 32 per cent. expected to be incurred in the second year following Completion and the remainder by the end of the third year following Completion.*

*Potential areas of dis-synergy expected to arise in connection with the Combination have been considered and were determined by the Barratt Directors to be immaterial to the above analysis.*

*The identified cost synergies will accrue as a direct result of the Combination, and would not be achieved on a standalone basis. The identified pre-tax cost synergies reflect both the beneficial elements and relevant costs.”*

This report is required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers (the “**Takeover Code**”) and is given for the purpose of complying with that requirement and for no other purpose.

### **Opinion**

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Part A of Appendix IV of the Announcement setting out the basis of the Directors’ belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

### **Responsibilities**

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the Takeover Code.

It is our responsibility to form our opinion, as required by Rule 28.1(a)(i) of the Takeover Code, as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of the Company as a result of the inclusion of this report in the Announcement, and for any responsibility arising under Rule 28.1(a)(i) of the Takeover Code to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the Takeover Code, consenting to its inclusion in the Announcement.

### **Basis of preparation of the Statement**

The Statement has been prepared on the basis stated in Part A of Appendix IV to the Announcement.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (“**FRC**”) in the United Kingdom. We are independent in accordance with the Revised Ethical Standard 2019 issued by the FRC as applied to Investment Circular Reporting

Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have discussed the Statement, together with the underlying plans (relevant bases of belief/including sources of information and assumptions), with the Directors and the Joint Financial Advisers. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement.

Since the Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.*

**REPORT FROM UBS AG LONDON BRANCH AND MORGAN STANLEY & CO. INTERNATIONAL PLC ON THE QUANTIFIED FINANCIAL BENEFITS STATEMENT**

The Directors

Barratt Developments Plc

Barratt House, Cartwright Way

Forest Business Park

Bardon Hill, Coalville

Leicestershire

LE67 1UF

7 February 2024

Dear Ladies and Gentlemen



## **Recommended merger of Redrow Plc (“Redrow”) with Barratt Developments Plc (“Barratt”) – Report on Quantified Financial Benefits Statement of Barratt**

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the “**Statement**”) made by Barratt, as set out in Part A of Appendix IV to the announcement dated 7 February 2024 of which this report forms part (the “**Announcement**”), for which the directors of Barratt (the “**Directors**”) are solely responsible under Rule 28.3 of the City Code on Takeovers and Mergers (the “**Code**”).

We have discussed the Statement (including the bases of belief, assumptions and sources of information referred to therein) with the Directors and those officers and employees of Barratt who developed the underlying plans, as well as with PricewaterhouseCoopers LLP. The Statement is subject to uncertainty as described in the Announcement and our work did not involve an independent examination or verification of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of Barratt, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this report.

We have also reviewed the work carried out by PricewaterhouseCoopers LLP and have discussed with them their opinion set out in Part B of Appendix IV to the Announcement addressed to you and us on this matter and the accounting policies and bases of calculation for the Statement.

We do not express any view or opinion as to the achievability of the quantified financial benefits, whether on the basis identified by the Directors in the Statement or otherwise.

This report is provided pursuant to our engagement letter with Barratt solely to the Directors of Barratt in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Barratt or its shareholders or any person (including, without limitation, the board of directors and shareholders of Redrow) other than the Directors in respect of the contents of this report. We are acting exclusively as financial adviser to Barratt and no one else in connection with the merger of Redrow with Barratt referred to in the Announcement and it is for the purpose of complying with Rule 28.1(a)(ii) of the Code that Barratt has requested UBS AG London Branch and Morgan Stanley & Co. International plc to prepare this report relating to the Statement. No person other than the Directors can rely on the contents of this report, or on the work undertaken in connection with this report, and, to the fullest extent permitted by law, we expressly exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this report, its contents, its results, or the work undertaken in connection with this report or any of the results or conclusions that may be derived from this report or any written or oral information provided in connection with this report, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible, for the purposes of the Code, has been prepared with due care and consideration.

Yours faithfully,

**UBS AG London Branch**

**Morgan Stanley & Co. International plc**

## APPENDIX V DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>2023 LTIP Awards</b>	awards granted on 19 September 2023 under the Redrow LTIP
<b>2024 LTIP Awards</b>	awards granted for the financial year beginning on 1 July 2024 on or around September 2024 under the Redrow LTIP
<b>Admission</b>	admission of the New Barratt Shares to the premium listing segment of the Official List (or, if there is no premium listing segment, the same listing segment as the Barratt Shares are trading on) and to trading on the Main Market
<b>AGM 2023 Statement</b>	has the meaning given to it in paragraph 15
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals, in each case of a Third Party
<b>Barclays</b>	Barclays Bank PLC, acting through its Investment Bank
<b>Barratt</b>	Barratt Developments plc
<b>Barratt Additional Permitted Dividend</b>	has the meaning given to it in the Summary
<b>Barratt Circular</b>	the circular relating to approval of the Combination to be sent by Barratt to Barratt Shareholders summarising the background to and reasons for the Combination, which will include a notice convening the Barratt General Meeting
<b>Barratt Directors</b>	the directors of Barratt at the time of this announcement or, where the context so requires, the directors of Barratt from time to time
<b>Barratt Equalising Dividend</b>	has the meaning given to it in the Summary
<b>Barratt General Meeting</b>	the general meeting of Barratt (including any adjournment thereof) to be convened for the purpose of considering, and if thought fit approving, the Barratt Resolutions, notice of which will be sent to Barratt Shareholders
<b>Barratt Group</b>	Barratt and its subsidiary undertakings and, where the context permits, each of them
<b>Barratt HY24 Results</b>	the unaudited financial results of Barratt in respect of the six-month period ended 31 December 2023
<b>Barratt Interim Dividend</b>	the Barratt dividend of 4.4 pence per Barratt Share in respect of the six-month period ended 31 December 2023 in line with Barratt's existing dividend policy, scheduled to be paid on 17 May 2024
<b>Barratt Prospectus</b>	the prospectus document to be produced by Barratt and sent (or otherwise made publicly available) to Redrow Shareholders (other than those in Restricted Jurisdictions)

	at the same time and on the same date as the Barratt Circular and the Scheme Document in respect of the New Barratt Shares to be issued to Redrow Shareholders in connection with the Combination and for the purpose of Admission
<b>Barratt PSP</b>	the Barratt Performance Share Plan 2023, as amended from time to time
<b>Barratt Resolutions</b>	the ordinary shareholder resolutions of Barratt necessary to approve, effect and implement the Combination including the resolutions to: (i) approve the Combination as a “class 1 transaction” for the purposes of the Listing Rules; and (ii) grant authority to the Barratt Directors to allot the New Barratt Shares (and any amendment(s) thereof)
<b>Barratt Shareholders</b>	the holders of Barratt Shares
<b>Barratt Share Plans</b>	the Barratt Performance Share Plan 2023, the Barratt Long-Term Performance Plan 2017, the Barratt Deferred Bonus Plan 2023, the Barratt Deferred Bonus Plan 2017, the Barratt Employee Long-Term Incentive Plan and the Barratt Sharesave Plan 2018, each as amended from time to time
<b>Barratt Shares</b>	the allotted and issued ordinary shares of 10 pence each in the capital of Barratt
<b>Blocking Law</b>	means (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union); or (ii) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in London
<b>Clean Team Agreement</b>	the clean team agreement put in place on 28 December 2023 by Barratt and Redrow (as amended by a side letter dated 18 January 2024) in relation to the disclosure of competitively sensitive confidential information between Barratt's external legal counsel and/or Barratt's experts and/or specific Barratt individuals and Redrow's external legal counsel and/or Redrow's experts and/or specific Redrow individuals for the purposes of, inter alia, planning for the Combination and obtaining the consent of competition authorities and/or other regulatory clearances in connection with the Combination, as described in paragraph 16 of this announcement
<b>CMA Clearance</b>	the approval, consent, clearance, or confirmation from the CMA, as is necessary and/or expedient to satisfy the Regulatory Condition

<b>Combination</b>	the proposed all-share offer for the combination of Barratt and Redrow to be effected by means of the Scheme on the terms and subject to the conditions set out in this announcement or, should Barratt so elect, and subject to the consent of the Panel and the terms of the Co-operation Agreement, by means of a Takeover Offer on the terms and conditions set out in this announcement and as amended accordingly
<b>Combined Group</b>	the combined Redrow Group and Barratt Group following Completion
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time
<b>Competition and Markets Authority or CMA</b>	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
<b>Completion</b>	the date on which the Combination becomes Effective
<b>Conditions</b>	the conditions to the implementation of the Combination, as set out in Appendix I to this announcement and to be set out in the Scheme Document
<b>Confidentiality Agreement</b>	the confidentiality and standstill agreement dated 8 January 2024 between Barratt and Redrow as described in paragraph 16 of this announcement
<b>Confidentiality and Joint Defence Agreement</b>	the confidentiality and joint defence agreement dated 28 December 2023 between Barratt, Redrow and their respective legal advisers, as described in paragraph 16 of this announcement
<b>Co-operation Agreement</b>	the agreement dated 7 February 2024 between Barratt and Redrow relating to, among other things, the implementation of the Combination, as described in paragraph 16 of this announcement
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Hearing</b>	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act
<b>Court Meeting</b>	the meeting of Redrow Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof, notice of which is to be contained in the Scheme Document
<b>Court Order</b>	the order of the Court sanctioning the Scheme
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland International Limited
<b>Daily Official List</b>	the Daily Official List published by the London Stock Exchange

<b>Dealing Disclosure Disclosed</b>	<p>has the same meaning as in Rule 8 of the Takeover Code</p> <p>(A) in respect of Redrow, the information disclosed by, or on behalf of Redrow, (i) in the annual report and accounts of the Redrow Group for the financial year ended 2 July 2023; (ii) in this announcement or any of the documents listed in paragraph 25 above; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of Redrow in the two calendar years prior to the date of publication of this announcement and on the date of this announcement; (iv) in filings with the Registrar of Companies in England and appearing on Redrow's files within the last two years; or (v) as otherwise fairly disclosed to Barratt or any of its affiliates (or each of their respective officers, employees, agents or advisers) prior to the date of this announcement; and</p> <p>(B) in respect of Barratt, the information disclosed by, or on behalf of Barratt, (i) in the annual report and accounts of the Barratt Group for the financial year ended 30 June 2023; (ii) in this announcement or any of the documents listed in paragraph 25 above; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of Barratt in the two calendar years prior to the date of publication of this announcement and on the date of this announcement; (iv) in filings with the Registrar of Companies in England and appearing on Barratt's files within the last two years; or (v) as otherwise fairly disclosed to Redrow or any of its affiliates (or each of their respective officers, employees, agents or advisers) prior to the date of this announcement</p>
<b>EA</b>	the Enterprise Act 2002
<b>Effective</b>	<p>in the context of the Combination:</p> <ul style="list-style-type: none"> <li>(a) if the Combination is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(b) if the Combination is implemented by way of a Takeover Offer, such Takeover Offer having been declared and become unconditional in accordance with the Takeover Code</li> </ul>
<b>Effective Date</b>	the date on which the Combination becomes Effective
<b>Exchange Ratio</b>	1.44 New Barratt Shares for every 1 Redrow Share and, where the terms of the Combination allow, any subsequent adjustment thereof
<b>FCA or Financial Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000 or its successor from time to time
<b>Forms of Proxy</b>	the forms of proxy in connection with each of the Court Meeting and the Redrow General Meeting, which will

			accompany the Scheme Document and/or the forms of proxy in connection with the Barratt General Meeting, which will accompany the Barratt Circular, as applicable
<b>FY 2023</b>			the (i) financial year ended 30 June 2023 in respect of Barratt; and (ii) the 52 weeks to 2 July 2023 in respect of Redrow
<b>FY 2024</b>			the financial year ending 30 June 2024
<b>IFRS</b>			International Financial Reporting Standards as adopted by the UK
<b>Listing Rules</b>			the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the publication of the same name, as amended from time to time
<b>London Stock Exchange</b>			London Stock Exchange plc or its successor
<b>Long-stop Date</b>			7 February 2025 or, in the event of a Phase 2 CMA Reference, 7 August 2025 (or, in either case, such later date as may be agreed in writing by Barratt and Redrow (with the Panel's consent and as the Court may approve (if such approval(s) are required)))
<b>Main Market</b>			the Main Market of the London Stock Exchange
<b>Morgan Stanley</b>			Morgan Stanley & Co. International plc
<b>New Barratt Shares</b>			the new Barratt Shares proposed to be issued to Redrow Shareholders in connection with the Combination
<b>Offer Document</b>			the document containing a Takeover Offer
<b>Offer Period</b>			the offer period (as defined by the Takeover Code) relating to Redrow, which commenced on 7 February 2024
<b>Official List</b>			the Official List maintained by the FCA
<b>Opening Position Disclosure</b>			has the same meaning as in Rule 8 of the Takeover Code
<b>Panel</b>			the Panel on Takeovers and Mergers
<b>Peel Hunt</b>			Peel Hunt LLP
<b>Phase 2 CMA Reference</b>			a reference of the Combination under section 33 of the EA to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
<b>PricewaterhouseCoopers</b>			PricewaterhouseCoopers LLP
<b>Quantified Financial Benefits Statement</b>			the statements of estimated cost savings and synergies arising out of the Combination set out in Appendix IV to this announcement
<b>Redrow</b>			Redrow plc
<b>Redrow Additional Permitted Dividend</b>			has the meaning given to it in the Summary

<b>Redrow Directors</b>	the directors of Redrow at the time of this announcement or, where the context so requires, the directors of Redrow from time to time
<b>Redrow Equalising Dividend</b>	has the meaning given to it in the Summary
<b>Redrow General Meeting</b>	the general meeting of Redrow Shareholders (including any adjournment thereof) to be convened in connection with the Scheme
<b>Redrow Group</b>	Redrow and its subsidiary undertakings and, where the context permits, each of them
<b>Redrow HY24 Results</b>	the unaudited financial results of Redrow in respect of the six-month period ended 31 December 2023;
<b>Redrow Interim Dividend</b>	means the Redrow dividend of 5.0 pence per Redrow Share in respect of the six-month period ended 31 December 2023 in line with Redrow's existing dividend policy, scheduled to be paid on 8 April 2024
<b>Redrow LTIP</b>	Redrow 2014 Long-Term Incentive Plan, as amended from time to time
<b>Redrow Profit Forecast</b>	has the meaning given to it in paragraph 15.1
<b>Redrow Remuneration Committee</b>	the remuneration committee of the board of directors of Redrow
<b>Redrow Shareholders</b>	the holders of Redrow Shares
<b>Redrow Share Plans</b>	the Redrow LTIP, the Redrow Deferred Bonus Plan 2022 and the Redrow Sharesave Plan 2014, each as amended from time to time
<b>Redrow Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 10.5 pence each in the capital of Redrow and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulatory Condition</b>	has the meaning given to it in Condition 3(c)
<b>Regulatory Information Service</b>	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Combination is sent or made available to Redrow Shareholders in that jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing, or other formality which Redrow regards as overly onerous
<b>Restricted Overseas Person</b>	Redrow Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians,

	trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions
<b>Scheme or Arrangement</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Redrow and the Redrow Shareholders in connection with the Combination, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Redrow and Barratt
<b>Scheme Document</b>	the document to be sent to Redrow Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the Redrow General Meeting
<b>Significant Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Takeover Offer</b>	should the Combination be implemented by way of a Takeover Offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Barratt to acquire the entire issued and to be issued ordinary share capital of Redrow and, where the terms of the Combination permit, any subsequent revision, variation, extension or renewal of such takeover offer
<b>Third Party</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, employee representative body or any other body or person whatsoever in any jurisdiction
<b>Transition Awards</b>	has the meaning given to it in paragraph 12
<b>UBS</b>	UBS AG London Branch
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
<b>US Exchange Act</b>	the United States Securities Exchange Act 1934, as amended
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended
<b>Voting Record Time</b>	the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.30 p.m. on the day which is two Business Days before the date of the Court



Meeting or if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before such adjourned meeting

**Wider Barratt Group**

Barratt and associated undertakings and any other body corporate, partnership, joint venture or person in which Barratt and all such undertakings (aggregating their interests) have a Significant Interest

**Wider Redrow Group**

Redrow and associated undertakings and any other body corporate, partnership, joint venture or person in which Redrow and such undertakings (aggregating their interests) have a Significant Interest

For the purposes of this announcement, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act.

All references to “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.