

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

THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

2 December 2020

Countrywide plc

Board update on activities to deliver a sustainable capital structure and maximise shareholder value

On 24 November 2020, Countrywide plc ("**Countrywide**" or the "**Company**") announced that the Board was continuing to engage with all major shareholders to explore all potential options to deliver a sustainable capital structure for the Company and to maximise shareholder value, including (but not limited to): (i) a capital raise to be underwritten by Alchemy Partners on amended terms; (ii) the indicative approach received from Connells Limited ("**Connells**") to acquire the entire issued and to be issued share capital of the Company, in cash, at a price of 250 pence per Countrywide share (the "**Possible Cash Offer**"), as announced on 9 November; and (iii) a capital raise from existing shareholders of the Company.

Following these discussions, which are ongoing, the Company is today updating shareholders on the following:

Revised Alchemy Proposal

Alchemy Partners has recently submitted to the Countrywide Board an indicative revised proposal for an equity raising fully underwritten by Alchemy Partners (the "**Revised Alchemy Proposal**"), the key terms of which are as follows:

- (a) an opportunity for existing shareholders to sell their Countrywide shares at 250 pence per share to be fully funded by Alchemy Partners (the "**Possible Alchemy Offer**"), which is pre-conditional upon commitments from certain shareholders not to accept the Possible Alchemy Offer;
- (b) a recapitalisation of the Company of approximately £70 million to be fully underwritten by Alchemy Partners, comprising:
 - (i) a firm placing of approximately 15.6 million ordinary shares to Alchemy Partners for an issue price of 225 pence per share, generating gross proceeds of approximately £35 million (the "**Firm Placing**"); and
 - (ii) an open offer of approximately 35 million ordinary shares at an issue price of 100 pence per share which would be implemented following completion of the Possible Alchemy Offer and the Firm Placing (the "**Open Offer**"), such that the shares acquired by Alchemy Partners pursuant to the Possible Alchemy Offer and the Firm Placing would be entitled to participate in the Open Offer; and
- (c) the transfer of the Company's listing on the Official List from the Premium Listing segment to the Standard Listing segment.

The Revised Alchemy Proposal would enable shareholders who wish to realise their investment in Countrywide to sell their shares to Alchemy Partners, whilst also enabling those shareholders who continue to believe in the potential of Countrywide to retain their existing stake and, if they choose, invest further capital.

Alchemy Partners has informed the Board that the Revised Alchemy Proposal is conditional upon, amongst other things: (i) the negotiation and execution of a revised Subscription Agreement between Countrywide and Alchemy Partners and the support of the Board; (ii) there being sufficient support in terms satisfactory to Alchemy Partners from Countrywide shareholders to approve the Revised Alchemy Proposal at a general meeting and give irrevocable commitments regarding participation in the Possible Alchemy Offer and the Open Offer, such that Alchemy Partners would control a majority of Countrywide's shares once the Revised Alchemy Proposal has completed; and (iii) Alchemy Partners reaching a revised agreement with Countrywide's lenders which results in a smaller repayment than the £50 million repayment previously proposed.

The Revised Alchemy Proposal is subject to further consideration by the Board, and the Board and Alchemy Partners will discuss the terms of the Revised Alchemy Proposal with all major shareholders.

Rejection of Possible Cash Offer by Connells Limited

On 23 November 2020, Connells announced that its due diligence work on Countrywide had been completed, that its offer price was re-confirmed at 250 pence per share in cash, and that the making of a firm offer was subject only to the recommendation of the Countrywide Board and shareholder support.

Following a thorough review of the Possible Cash Offer with its advisers, the Board has unanimously rejected the Possible Cash Offer.

Ongoing discussions

The Board remains committed to engaging with all major shareholders to examine all potential options, including (but not limited to) the Revised Alchemy Proposal and a capital raise from existing shareholders of the Company.

A further announcement will be made as and when appropriate.

Notes on the application of the Code

As the Possible Alchemy Offer which forms part of the Revised Alchemy Proposal may be structured as a takeover offer in cash, the provisions of the Code will apply to the Revised Alchemy Proposal.

In light of the foregoing, in accordance with Rule 2.6(a) of the Code, Alchemy Partners is required, by not later than 5.00 p.m. on 30 December 2020, either to announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Code.

In addition, in accordance with Rule 2.6(a) of the Code, Connells is required, by not later than 5.00 p.m. on 7 December 2020, either to announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Code.

This announcement does not amount to, and should not be treated as, an announcement of a firm intention to make an offer and accordingly there can be no certainty that an offer by Connells and/or Alchemy Partners will be made, nor as to the terms on which any offer will be made.

This announcement has been made without the consent of Connells and Alchemy Partners.

The person responsible for arranging for the release of this announcement is Gareth Williams, Company Secretary of Countrywide.

Enquiries:

Countrywide

Analysts and investors

Philip Bowcock, Interim CEO

investor@countrywide.co.uk

Himanshu Raja, Chief Financial Officer

Media

Natalie Gunson

press.office@countrywide.co.uk

Tel: +44 (0)7721 439043

Jefferies (Joint Financial Adviser and Joint Corporate Broker to Countrywide):

Paul Nicholls

Tel: +44 (0) 20 7029 8000

Paul Bundred

William Brown

Barclays (Joint Financial Adviser and Joint Corporate Broker to Countrywide):

Robert Mayhew

Tel: +44 (0) 20 7623 2323

Richard Bassingthwaighte

Stuart Muress

Brunswick Group (Financial PR)

Tel: +44 (0) 20 7404 5959

Kim Fletcher

Diana Vaughton

Important notice

This announcement is not intended to, and does not, constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction, whether pursuant to this announcement or otherwise.

Overseas jurisdictions

The release, distribution or publication of this announcement in jurisdictions other than the United Kingdom may be restricted by the laws of the relevant jurisdictions and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. The information disclosed in this announcement may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.countrywide.co.uk/corporate/investor-relations/ by no later than 12 noon London time on the business day following this announcement.

The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9

In accordance with Rule 2.9 of the Code, Countrywide confirms that as at the date of this announcement, it has in issue 32,826,068 shares of 1 pence each. The International Securities Identification Number (ISIN) of Countrywide's shares is GB00BK5V9445 and Countrywide's LEI number is 213800N1OX24ENZUIK30.

Disclosure requirements of the Code

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

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

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

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

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Countrywide shareholders, persons with information rights and other relevant persons for the receipt of communications from Countrywide may be provided to Connells during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11 of the Code.

Disclaimers

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as Joint Financial Adviser and Joint Corporate Broker to Countrywide and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement. In connection with such matters, Jefferies, its affiliates and its and their respective partners, directors, officers, employees, representatives and agents will not regard any person other than Countrywide as their client, nor will they be responsible to anyone other than Countrywide for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to in this announcement.

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 FCA and the Prudential Regulation Authority, is acting as Joint Financial Adviser and Joint Corporate Broker exclusively for Countrywide and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Countrywide for providing the protections afforded to clients of Barclays, nor for providing advice in relation to any matter referred to herein.