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FOR IMMEDIATE RELEASE

22 October 2020

Countrywide plc

LEI: 213800N1OX24ENZUIK30

Strategic investment by Alchemy

Fully underwritten Capital Raising of approximately £90 million by way of Firm Placing and Placing and Open Offer of 66,684,215 New Ordinary Shares at 135 pence per share

Purchase of up to 10,345,132 Ordinary Shares in the Company at 180 pence per share by way of a Tender Offer and accompanying Tender Offer Placing to Alchemy at 180 pence per share

Transfer of listing category on the Official List from premium to standard

Countrywide plc ("**Countrywide**", the "**Group**" or the "**Company**") today announces a proposed recapitalisation that includes a fully underwritten equity raising of approximately £90 million. As part of this recapitalisation, funds advised by Alchemy Partners will invest up to approximately £90 million in the Company by way of a Firm Placing and Placing and Open Offer and by funding the repurchase of shares by the Company pursuant to a Tender Offer. Following the recapitalisation,

Countrywide will have a streamlined Board, with a new Chairman, Carl Leaver, joining the Board following completion. Alchemy is also in discussions with a potential new Chief Executive Officer to lead the development of a detailed execution plan following a strategic review.

The recapitalisation is conditional upon, among other things, the approval of Shareholders at a General Meeting (including the approval of Independent Shareholders in respect of the Rule 9 Waiver Resolution, subject to agreement with the Panel). If the Proposed Transaction is approved and implemented, Alchemy will hold between approximately 50.1 per cent. and 67.7 per cent. of the Enlarged Share Capital, depending on the results of the Open Offer and Tender Offer.

A combined prospectus, circular and notice of general meeting (the “**Prospectus**”) is currently expected to be published on or around 30 October 2020. An indicative timetable for the Proposed Transaction (defined below) is set out in Appendix I to this announcement.

Countrywide’s results for the six months ended 30 June 2020 (the “**2020 Unaudited Interim Financial Statements**”) have also been released today in a separate announcement via RNS, which is available on the Company’s website at www.countrywide.co.uk.

The principal terms and conditions of the Open Offer and the Tender Offer, among other things, are set out in Appendix II to this announcement. Capitalised terms used in this announcement shall have the meanings given to them in Appendix III to this announcement.

Rationale and further detail

- The Group returned to profitable growth in 2019 and reacted decisively to the COVID-19 crisis, taking vital actions during the national lockdown in Q2 this year on branch closures, staff furlough, cost mitigations, capex reductions and HMRC deferrals, and since the easing of the national lockdown the Group continues to trade strongly.
- The Group is at a critical inflection point and is in urgent need of recapitalisation to reduce its net debt and lessen its exposure to its lenders. In particular:
 - the Group remains burdened by excessive debt;
 - completion of the turnaround plan announced in March 2018 and the delivery of the Company’s ongoing strategic goals require significant capital investment; and
 - the weak macro-economic outlook demands a resilient balance sheet.
- The Board believes that resolution of these issues will be best achieved through a substantial equity injection.
- Therefore, the Board is proposing the following plan of recapitalisation to reduce debt and facilitate the delivery of the Group’s strategy (collectively, the “**Proposed Transaction**”):
 - a strategic investment by Alchemy, a private equity firm with direct experience of Countrywide and its industry;

- an equity raising of approximately £90 million by way of a Firm Placing and Placing and Open Offer of, in aggregate, 66,684,215 New Ordinary Shares at an issue price of 135 pence per New Ordinary Share, which is being fully underwritten by Alchemy (the “**Capital Raising**”), and allows Qualifying Shareholders to participate via the Open Offer;
 - an opportunity for Qualifying Shareholders to realise all or some of their investment in the Company by accepting a Tender Offer under which the Purchasing Bank (acting as principal) will conditionally offer to purchase up to 10,345,132 Existing Ordinary Shares at 180 pence per Existing Ordinary Share (the “**Tender Offer**”), following which the tendered shares will be repurchased by the Company and cancelled and New Ordinary Shares will be placed with Alchemy at 180 pence per New Ordinary Share (the “**Tender Offer Placing**”);
 - entry into the Term Loan Facility Agreement, pursuant to which the Group’s lenders will provide access to a “covenant-lite” term loan facility of £75 million upon implementation of the Capital Raising and which, together with the Capital Raising, will enable the Group to reduce its net debt by £50 million;
 - a streamlined Countrywide Board upon implementation of the Proposed Transaction, including a new Chairman, Carl Leaver, and a new Chief Executive Officer (expected to be announced in Q4 2020), allowing for the planned retirement of the current Countrywide plc Group Managing Director in 2021, and a simplified governance structure more appropriate for the Company’s size and strategy; and
 - the transfer of the Company’s listing category on the Official List from premium to standard (the “**Listing Transfer**”).
- Proceeds of the Capital Raising will be used to:
 - reduce Group debt by £50 million;
 - fund investment in the Company to facilitate the completion of the turnaround plan announced in March 2018 and the delivery of the Group’s strategy; and
 - provide what the Board believes will give the Group the necessary balance sheet resilience to withstand market uncertainty.

The Board believes that the Alchemy proposal provides the greatest certainty for the Company’s future and a clear route forward for the business and is in the best interests of Shareholders as a whole. The Board also considers that the Proposed Transaction provides, among other things, the following crucial benefits:

- i. the committed funds associated with an equity raising of approximately £90 million (approximately £82 million net of expenses) that is fully underwritten by Alchemy, which is expected to provide the requisite certainty to recapitalise the Group’s business;
- ii. increased capital and liquidity, which will enable the Group to reduce its indebtedness and refinance the facilities made available under the Current Credit Facilities Agreement, as well

as supporting the ongoing operation of the business and execution of its strategy against the backdrop of a challenging macro-economic environment;

- iii. a new supportive lead investor, in Alchemy, that has developed a clear set of strategic priorities for the business which build on and accelerate the Group's strategy for the benefit of all Shareholders;
- iv. an opportunity for Qualifying Shareholders to invest alongside Alchemy through the Open Offer and share in the upside potential;
- v. an opportunity for Qualifying Shareholders who do not wish to invest further to tender their shares by participating in the Tender Offer; and
- vi. a simplified governance structure that will reduce cost and provide operational flexibility for the Company.

In light of the above, the Board unanimously recommends that Shareholders vote in favour of the Resolutions pursuant to the Proposed Transaction, as the Directors intend to do with their own beneficial holdings.

Peter Long, Executive Chairman commented:

"Today's news marks an exciting new chapter in the evolution of Countrywide. When I stepped in as Executive Chairman, the objectives were very clear: to restore profitability and fix the balance sheet. The business returned to profitable growth in 2019 and with this proposed £90 million fund raise, Countrywide now has a sustainable capital structure that will allow it to thrive. I am delighted that Alchemy have committed to this significant investment in the Company and I wish them and everyone at Countrywide the greatest of continuing success."

Carl Leaver, proposed Chairman upon implementation of the Proposed Transaction, commented:

"With the right capital structure and Alchemy as a supportive controlling shareholder, I am confident that there is a very bright future for Countrywide. I look forward to helping to harness the capability of the Countrywide team to deliver for customers and, ultimately, creating value for shareholders."

Further detail in respect of the Proposed Transaction is set out below.

Countrywide's current capital requirements

Whilst the business returned to profitable growth in 2019 (based on a 16 per cent. year-on-year increase in adjusted EBITDA (pre-IFRS 16)), the Group is at a critical inflection point and is in urgent need of recapitalisation to reduce its net debt and lessen the exposure it has to its lending group under the Current Credit Facilities Agreement (which is now comprised in majority by a specialist debt fund and one other commercial bank lender).

The Board has conducted a detailed review of the Group's capital structure and funding options and the implications of each in the context of the financial covenants to which the Group is subject under the Current Credit Facilities Agreement, which (other than certain ongoing liquidity headroom requirements) would next be tested in September 2021⁽¹⁾.

In order to remove the possibility of a financial covenant breach the Group needs to refinance the Current Credit Facilities Agreement before September 2021. In the event of any such covenant breach, there is a real prospect of the Group's lenders taking steps to protect their position as creditors to the Group, which may include demanding repayment of all current borrowings under the Current Credit Facilities. This could result in the Group entering into administration or becoming subject to other insolvency proceedings. Any such steps could result in Shareholders losing all or a substantial portion of their investment in Ordinary Shares.

In preparing the 2020 Unaudited Interim Financial Statements, the Board adopted a going concern basis, highlighting a material uncertainty that the Capital Raising is subject to shareholder approval and subsequent receipt of the £90 million proceeds from the Capital Raising. Without the additional liquidity that will be provided by the Capital Raising and the Term Loan Facility, the Directors forecast that the Group would breach its existing leverage and interest coverage covenants under the Current Credit Facilities Agreement in September 2021. The Capital Raising and the Term Loan Facility have therefore been critical components of the directors' going concern assessment in respect of the 2020 Unaudited Interim Financial Statements.

Since the beginning of 2018, Countrywide has agreed six different amendments to the Current Credit Facilities, and the lenders under the Current Credit Facilities Agreement have expressed an unwillingness to either provide the Company with additional financial covenant headroom or extend the term of their debt commitments to the Company without an agreement by the Company to reduce indebtedness to the lenders under the Current Credit Facilities Agreement by at least £50 million. Furthermore, the lenders have indicated that they would not be supportive of a disposal strategy as a means by which to deleverage the Group's balance sheet.

The Group's lenders are supportive of the Company's strategic plan and the potential strategic investment by Alchemy to recapitalise the business. Furthermore, the Board believes that the Proposed Transaction:

- will facilitate a meaningful deleveraging event for the Company, which is expected to save significant costs (advisory and financing charges, etc.) and management time, whilst at the same time recalibrating the Company's relationship with its lenders in a more productive direction; and
- will benefit Shareholders, as it is expected to fund investment to deliver the turnaround strategy and provide the necessary balance sheet resilience to withstand market

uncertainty. A strengthened balance sheet is expected to enable the Company to remain at the forefront of its peers to benefit from favourable structural trends.

- (1) Or such earlier date on which appropriate financial covenants are agreed in light of the Company's ongoing performance following good faith discussions with the lenders under the Current Credit Facilities Agreement

Alchemy's plans for Countrywide: Accelerating the turnaround

Alchemy Partners is an investment firm specialising in debt and equity special situations across Europe. Since inception in 1997, it has invested over £4.0 billion in c.185 transactions and advises c.£1.6 billion of assets as at the date of this announcement. Alchemy Partners employs a value investing approach based on fundamental proprietary research and comprehensive due diligence. Post-investment, Alchemy Partners works closely alongside management to create value by solving problems, helping take difficult decisions and driving through change.

As is customary for private equity investors, who typically conduct rigorous and extensive due diligence prior to any investment, Alchemy has conducted due diligence on Countrywide over a six week period. Post-transaction, it is typical for a private equity investor to conduct a further round of detailed diligence alongside management to further develop the detailed execution strategy.

Through its initial due diligence process Alchemy has developed a clear set of strategic priorities for the Group's business, which build upon the Group's turnaround plan announced in March 2018:

1. **Establish the platforms:** Reduce costs and improve execution through targeted investment in robust operational systems and processes and a focus on the Group's people. Key investments will likely include: group wide IT infrastructure; EEA customer service centres and offshoring; self-serve options for landlords and tenants; enhanced CRM tools; automation of processes and investment in the Group's people.
2. **Drive long-term growth:** Leverage the transformed operational platforms and enhanced liquidity to deliver organic and (potentially) inorganic growth. Key initiatives will likely include: regaining lost ground in the sales and lettings business unit; driving attachment rates for complementary services; growing B2C volumes in surveying; driving external conveyancing volumes; expanding Mortgage Intelligence; expanding geographic and service line within Lambert Smith Hampton; and lettings buy and build.

Alchemy sees significant benefits in the scale and scope of Countrywide's operations. As a result, Alchemy's intention is to keep the business in substantially its current form, thereby avoiding any distressed asset sales that both Alchemy and the Countrywide Board believe would be value destructive, particularly in the context of the current macro-economic environment.

Further information on Alchemy's plans for the business will be set out in the Prospectus.

Listing, Governance, Board and management incentivisation

Alchemy intends to accelerate Countrywide's turnaround through, among other things, the injection of capital, the introduction of a new senior management team with an appropriate incentivisation structure (which is expected to be proposed to Shareholders in due course following implementation

of the Proposed Transaction), and the establishment of a streamlined governance framework, while always ensuring compliance with applicable regulatory requirements.

As part of the Proposed Transaction, it is proposed that the Company will transfer to a standard listing on the Official List, which is expected to facilitate Alchemy's objectives for a more flexible and streamlined private equity style governance approach.

Alchemy has confirmed that it is supportive, and recognises the importance to Shareholders, of the Company's shares remaining listed on the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange following implementation of the Proposed Transaction. Alchemy has confirmed that it has no intention to cancel the Company's listing following implementation of the Proposed Transaction.

Alchemy anticipates conducting a detailed review immediately following implementation of the Proposed Transaction, pursuant to which the current management and governance structures then in place will be assessed in detail (including as against any applicable regulatory requirements). In the event that any other individuals are redeployed following the implementation of the Proposed Transaction, Alchemy has confirmed that it will seek to ensure that they are treated in a manner consistent with the individuals' existing contractual and statutory employment rights and any applicable regulatory requirements. Alchemy's investment in Countrywide represents an exciting new chapter in the evolution of the business.

Further information on the proposed changes to listing, Board and senior management will be set out in the Prospectus.

Current Trading: Current trading update for nine months ended 30 September 2020 (unaudited)

The Group was trading positively in the period before COVID-19. The Group suspended substantially all of its operations during the national lockdown in Q2 except for the provision of essential services to landlords and tenants, limited financial services and desktop-based surveying and valuation services. Following the easing of restrictions the Group has resumed full services across its branch network, and in its financial services, surveying and conveyancing businesses. In the last three months, the Group performed robustly in a market that has seen strong levels of demand buoyed by a desire for more space and by the Government's announcement of a stamp-duty holiday for the first £500,000 of any housing transaction.

Group – continuing operations

- Total Group income was £290.1 million (2019: £376.9 million).
- Adjusted EBITDA⁽¹⁾ held up well and was around three-quarters of the prior year's performance for the comparable period.

Sales and Lettings

- Income was £196.4 million (2019: £248.0 million).
- Adjusted EBITDA⁽¹⁾ was slightly ahead of the prior year's performance for the comparable period (in spite of the loss of £8 million from the loss of tenant fees and the impact of COVID-19).
- Our current sales pipeline stands at £68 million, up 36% year- on- year and the highest level for five years.

Financial Services

- Income was £44.0 million (2019: £61.1 million)
- Adjusted EBITDA⁽¹⁾ was around three-quarters of the prior year's performance for the comparable period.
- Mortgage consultants were back to full capacity with 85% coverage of the branch network with greater productivity as a result of embracing new ways of working through more telephony and video-based services. The volume of written mortgages through September was 2% higher year-on-year with 17% fewer mortgage consultants.

B2B

- B2B income was £49.5 million (2019: £67.6 million)
- Adjusted EBITDA⁽¹⁾ was just under half of the prior year's performance for the comparable period reflecting the restrictions on the ability to conduct physical valuations through lockdown.
- The surveying business quickly recovered, responding to increased demand. The volume of surveys and valuations through Q3 2020 was 4% higher year-on-year.
- Instructions to our Conveyancing business increased by 5% in Q3 2020 year-on-year and new cases activated rose by 3%. The Conveyancing pipeline at 30 September 2020 was 8% higher year-on-year.

Discontinued Operations: Lambert Smith Hampton (LSH)

LSH continues to be recognised as an asset held for sale, and continues to trade well in the context of a difficult commercial property market. Income for the nine months ended 30 September 2020 was £63.1 million (2019: £75.5 million) and adjusted EBITDA⁽¹⁾ was around three-quarters of the prior year's performance for the comparable period.

Liquidity and net debt

Net debt⁽²⁾ was £55.6 million at 30 September 2020 against total available facilities of £135 million. The underlying net debt after adjusting for agreed time to pay PAYE/NI and VAT deferrals was £90.2 million.

Other information

The trading and financial information for the nine months ended 30 September 2020 contained in this announcement has not been audited or reviewed, nor has it been the subject of an interim financial information review.

The Company's full results for the six months ended 30 June 2020 have been released in a separate announcement today and are available on the Company's website at www.Countrywide.co.uk.

References to Alchemy's shareholding in the Enlarged Capital of the Company are to the combined shareholding of Alchemy and ASOF IV.

On 21 October 2020 Alchemy received confirmation from the FCA that it had approved the acquisition of control over Countrywide's regulated subsidiaries by Alchemy (and other controllers

connected to it) for the purposes of Part XII of FSMA. Changes to the leadership team (including the Board) of Countrywide may be subject to regulatory approval.

No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted as such.

- (1) Earnings before interest, tax, depreciation, amortisation, exceptional items, employment-linked contingent consideration, share-based payments and share of profits from joint venture, referred to hereafter as adjusted EBITDA
- (2) Net debt calculated before the effect of IFRS16

This announcement contains inside information within the meaning of Regulation 596/2014/EU (the “**Market Abuse Regulation**”). The person responsible for making this announcement is Gareth Williams, Company Secretary of Countrywide.

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Further information

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A copy of the Prospectus, when published, will be available on the Company's website at www.countrywide.co.uk provided that the Prospectus will not be available (whether through the website or, subject to certain exceptions, otherwise) to Shareholders in the United States of America or other Restricted Jurisdictions.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement. The Prospectus will give further details of the New Ordinary Shares being offered pursuant to the Proposed Transaction and will, following publication, be available on the Company's website. This announcement is not a prospectus (or a prospectus equivalent document) but comprises an advertisement for the purposes of paragraph 3.3.1 of the Prospectus Regulation Rules made under Part VI of the Financial Services and Markets Act 2000 ("**FSMA**"), as amended and has been prepared solely in connection with the Proposed Transaction. Investors should not acquire any New Ordinary Shares referred to in this announcement except on the basis of the information contained in the Prospectus expected to be published by the Company in connection with the Proposed Transaction. This announcement is for informational purposes only and does not purport to be complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change.

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This announcement may contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of Countrywide and the Group. This announcement includes statements that are, or may be deemed to be, "forward-looking statements". The words "believe," "estimate," "target," "anticipate," "expect," "could," "would," "intend," "aim," "plan," "predict," "continue," "assume," "positioned," "may," "will," "should," "shall," "risk", their negatives and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. An investor should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Company or the Group. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement.

Past performance of the Company cannot be relied on as a guide to future performance. A variety of factors may cause the Company's or the Group's actual results to differ materially from the forward-looking statements contained in this announcement. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

The Group, Jefferies and Barclays and any of their respective directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where required to do so under applicable law.

The New Ordinary Shares have not been, and will not be, registered under the US Securities Act 1933, as amended (the "**Securities Act**"), or under the securities laws of any State or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any State or other jurisdiction of the United States. There will be no public offer of the New Ordinary Shares in the United States.

The Firm Placing and the Placing are available only to Alchemy. The Open Offer (subject to certain limited exceptions) and the Tender Offer are only being extended to Qualifying Shareholders, and as such neither the Capital Raising (subject to certain limited exceptions) nor the Tender Offer is being extended into the United States or any other Restricted Jurisdiction. This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer or invitation to sell, allot or issue, or any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, or an offer to acquire via tender offer or otherwise, any securities of the Company in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or in any other jurisdiction where the extension or availability of the Capital Raising and/or the Tender Offer would result in a requirement to comply with any governmental or other consent or any registration filing or other formality which the Company regards as unduly onerous or otherwise breach any applicable law or regulation. This announcement and any other document relating to the Proposed Transaction may not be sent into, distributed or otherwise disseminated (including by custodians, nominees or trustees or others that may have a contractual or legal obligation to forward such documents) in the United States by use of the mails or by any means or instrumentality of interstate or foreign commerce (including, without limitation, email, facsimile transmission, the internet or other form of electronic

transmission) or any facility of a national securities exchange of the United States, and the Tender Offer cannot be accepted by any such use, means or instrumentality, or facility.

Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that they are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Capital Raising.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

Ends

APPENDIX I
Expected timetable of events

Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes to the timetable set out below.

	Date
Announcement of the Proposed Transaction	7:00 a.m. on 22 October 2020
Ex-Entitlements Date for the Open Offer	8:00 a.m. on 22 October 2020
Record Time for Open Offer Entitlements and for the Tender Offer	6:00 p.m. on 23 October 2020
Publication of the Prospectus	30 October 2020
Posting of the Prospectus (including the Notice of General Meeting), GREEN Proxy Form, the PINK Open Offer Application Form (to Qualifying Non-CREST Shareholders only) and BLUE Tender Form (to Qualifying Non-CREST Shareholders only)	2 November 2020
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	as soon as practicable after 8:00 a.m. on 2 November 2020
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4:30 p.m. on 10 November 2020
Latest time and date for depositing Open Offer Entitlements into CREST (i.e. if your Open Offer Entitlements are represented by a PINK Open Offer Application Form and you wish to convert them to uncertificated form)	3:00 p.m. on 11 November 2020
Latest time and date for splitting of PINK Open Offer Application Forms (to satisfy bona fide market claims only)	3:00 p.m. on 12 November 2020
Latest time and date for receipt of GREEN Proxy Form or electronic proxy appointments	11:00 a.m. on 16 November 2020
Latest time and date for receipt of completed PINK Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate) (i.e.	11:00 a.m. on 16 November 2020

close of the Open Offer)

Latest time and date for receipt of BLUE Tender Forms and share certificates or other documents of title, or for TTE instructions from Qualifying CREST Shareholders (as appropriate) (i.e. close of the Tender Offer) **11:00 a.m. on 16 November 2020**

General Meeting **18 November 2020**

Announcement of the results of the General Meeting, the Capital Raising and the Tender Offer 18 November 2020

Return of share certificates and other documents of title in respect of unsuccessful tenders under the Tender Offer (to Qualifying Non-CREST Shareholders only) Not later than 2 December 2020

Refunds for unsuccessful applications under the Excess Application Facility (to Qualifying Non-CREST Shareholders only) Not later than 2 December 2020

CREST accounts credited in respect of Existing Ordinary Shares unsuccessfully tendered under the Tender Offer (to Qualifying CREST Shareholders only) Not later than 2 December 2020

Earliest time and date on which the Listing Transfer, Admission and commencement of dealings in the Enlarged Share Capital will become effective **8:00 a.m. on 17 December 2020**

New Ordinary Shares credited to CREST stock accounts in respect of New Ordinary Shares taken up under the Open Offer (to Qualifying CREST Shareholders only) as soon as practicable after **8:00 a.m. on 17 December 2020**

CREST accounts debited for revised, uncertificated holdings of Ordinary Shares in respect of Existing Ordinary Shares successfully tendered under the Tender Offer (to Qualifying CREST Shareholders only) Not later than 18 December 2020

CREST accounts credited in respect of Tender Offer proceeds (to Qualifying CREST Shareholders only) Not later than 21 December 2020

Despatch of cheques for Tender Offer proceeds (to Qualifying Non-CREST Shareholders only) Not later than 24 December 2020

Despatch of definitive share certificates in respect
of the Open Offer and the Tender Offer (to
Qualifying Non-CREST Shareholders only)

Not later than 24 December 2020

Notes:

(1) Each of the times and dates set out in the above timetable and mentioned in this announcement, the Prospectus, the PINK Open Offer Application Form, the BLUE Tender Form and in any other document issued in connection with the Proposed Transaction is subject to change by the Company, in which event details of the new times and dates will be notified to the FCA and, where appropriate, to Shareholders.

(2) Any reference to a time in this announcement is to London time, unless otherwise specified.

(3) The ability to participate in the Proposed Transaction is subject to certain restrictions relating to Shareholders with registered addresses or located or resident in countries outside the UK (including all Restricted Jurisdictions), details of which are set out in the Prospectus.

Appendix II

Further information regarding the Proposed Transaction, including the principal terms of the Open Offer and the Tender Offer

As noted above, the Firm Placing and the Placing are available only to Alchemy. The Open Offer and the Tender Offer are only being extended to Qualifying Shareholders, and as such neither the Capital Raising nor the Tender Offer is being extended into the United States or any other Restricted Jurisdiction. The following is for information purposes only for, and is relevant only to, Qualifying Shareholders (that is Shareholders who do not have registered addresses in, or who are not incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction) considering participation in the Open Offer or Tender Offer.

1. Summary of the principal terms of the Capital Raising

Countrywide is proposing to raise gross proceeds of £90 million (approximately £82 million after deduction of estimated commissions, fees and expenses) by way of:

- (i) a Firm Placing of 48,813,478 Firm Placing Shares; and
- (ii) a Placing and Open Offer of 17,870,737 Open Offer Shares,

in each case at an Issue Price of 135 pence per New Ordinary Share. The Issue Price, which represents a 26.8 per cent. discount to the Closing Price of 184.5 pence on the Latest Practicable Date, has been set by the Board following its assessment of the prevailing market conditions and anticipated demand for the New Ordinary Shares. The Board, having taken appropriate advice from its advisors, believes that the Issue Price (including the discount) is appropriate in the circumstances.

The Firm Placing and Placing and Open Offer is conditional upon the following:

- (i) the Resolutions having been passed by Shareholders at the General Meeting;
- (ii) the Subscription Agreement having become unconditional in all respects, save for the condition relating to Admission, and not having been terminated in accordance with its terms before Admission occurs; and
- (iii) Admission having become effective by not later than 8:00 a.m. on 22 February 2021 (or such later time and/or date as Countrywide may agree).

The Resolutions will be sought at the General Meeting to be held on 18 November 2020, the full details of which will be set out in the Notice of General Meeting at the Appendix to the Prospectus. If any of the conditions are not satisfied or, if applicable, waived, then the Firm Placing and Placing and Open Offer will not take place.

Applications will be made to the FCA and the London Stock Exchange for the Listing Transfer to be effected. Admission is expected to take place, and dealings are expected to commence, by 8:00 a.m. on 17 December 2020 (or such later time and/or date as Countrywide may agree). No temporary document of title will be issued.

The New Ordinary Shares to be issued pursuant to the Capital Raising will, following Admission, rank pari passu in all respects with each other and with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Existing Ordinary Shares after Admission.

The Open Offer is fully underwritten by Alchemy on the terms and subject to the conditions of the Subscription Agreement, details of which will be set out in the Prospectus.

Further details of the terms and conditions of the Open Offer, including the procedure for acceptance and payment and the procedure in respect of Open Offer Entitlements not taken up, will be set out in the Prospectus and, where relevant, the Open Offer Application Form. Overseas Shareholders should refer to the Prospectus for further information regarding their ability to participate in the Capital Raising.

1.2 The Firm Placing

The Company intends to raise £65.9 million (gross) through the Firm Placing at the Issue Price. The Firm Placing Shares, which represent approximately 73.2 per cent. of the New Ordinary Shares issued in connection with the Capital Raising and 49.1 per cent. of the Enlarged Share Capital, will be placed with Alchemy, subject to the terms and conditions of the Subscription Agreement.

Alchemy has agreed to subscribe for the Firm Placing Shares at the Issue Price. The Firm Placing is not subject to clawback to satisfy Open Offer Entitlements and Excess Open Offer Entitlements taken up by Qualifying Shareholders. The Firm Placing and the Placing are subject to the conditions and termination rights set out in the Subscription Agreement.

1.3 Placing and Open Offer

The Company intends to raise £24.1 million (gross) from Qualifying Shareholders through the Open Offer at the Issue Price. Alchemy has agreed to subscribe for the Placing Shares at the Issue Price subject to the terms and conditions of the Subscription Agreement. The Placing Shares represent approximately 26.8 per cent. of the New Ordinary Shares and 18.0 per cent. of the Enlarged Share Capital. The Placing Shares will be subject to clawback to satisfy valid applications under the Open Offer.

Under the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for Open Offer Shares pro-rata to their Existing Holdings on a basis of 6 Open Offer Shares for every 11 Existing Ordinary Shares held by them and registered in their name at the Record Time (and so in proportion to any other number of Existing Ordinary Shares then held) on the terms and subject to the conditions set out in the Prospectus (and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form).

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement. However, if a Qualifying Shareholder has taken up their or its Open Offer Entitlements in part or in full, such Shareholder may not accept the Tender Offer in respect of any number of the Existing Ordinary Shares held by them.

If a Qualifying Shareholder has taken up their or its Open Offer Entitlements in part or in full, such Shareholder may not accept the Tender Offer in respect of any number of the Existing Ordinary Shares held by them. Qualifying Shareholders who accept the Tender Offer in respect of any

number of Existing Ordinary Shares held by them may not participate in the Open Offer. To the extent that any Qualifying Shareholder applies to both take up their or its Open Offer Entitlements (in part or in full) and accept the Tender Offer (in respect of any number of the Existing Ordinary Shares held by them), the Company may at its sole discretion accept any one of such applications (but not both) or neither applications.

Fractions of Open Offer Shares will not be allotted and each Qualifying Shareholder's Open Offer Entitlement under the Open Offer will be rounded down to the nearest whole number. Any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than 11 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares but may be able to apply for Excess Open Offer Shares under the Excess Application Facility. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Open Offer Entitlements.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST, and be enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim by Euroclear's Claims Processing Unit. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer. Any Open Offer Shares which are not applied for under the Open Offer will be allocated to Alchemy at the Issue Price, with the proceeds retained for the benefit of Countrywide.

Excess Application Facility

Qualifying Shareholders are also being given the opportunity to apply for Excess Open Offer Shares at the Issue Price through the Excess Application Facility. The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. New Ordinary Shares issued in satisfaction of applications under the Open Offer and the Excess Application Facility shall be allocated as follows:

- (A) first, to all Qualifying Shareholders who take up (and to the extent that they take up) their Open Offer Entitlements, by reference to their validly completed Open Offer Application Form (in respect of Qualifying Non-CREST Shareholders) or CREST instruction (in respect of Qualifying CREST Shareholders) (the "**First Clawback Allocation**");
- (B) second, to the extent that not all Open Offer Entitlements are taken up by Qualifying Shareholders, to those Shareholders who have elected to take up their Excess Open Offer Entitlements (the "**Excess Shareholder(s)**") on the following basis (the "**Second Clawback Allocation**"):
 - (i) if fewer than 7,407,407 New Ordinary Shares have been allocated under the First Clawback Allocation, applications under the Excess

Application Facility shall be allocated to Excess Shareholders in such manner as the Directors may determine (in their absolute discretion) until the sum of the number of New Ordinary Shares allocated under the First Clawback Allocation and the number of New Ordinary Shares allocated under the Second Clawback Allocation is an amount equal to 7,407,407 New Ordinary Shares; and

- (ii) if 7,407,407 or more New Ordinary Shares have been allocated under the First Clawback Allocation, no New Ordinary Shares shall be allocated pursuant to the Second Clawback Allocation;
- (C) third, any remaining New Ordinary Shares available for allocation pursuant to the Open Offer (including pursuant to the Excess Application Facility) that have not been allocated under the First Clawback Allocation or Second Clawback Allocation shall be allocated to Alchemy, up to a maximum of 3,703,703 New Ordinary Shares (the “**Third Clawback Allocation**”); and
- (D) fourth, any remaining New Ordinary Shares that are not allocated under the First Clawback Allocation, Second Clawback Allocation or Third Clawback Allocation shall be allocated to the Excess Shareholders in such manner as the Directors may determine (in their absolute discretion).

If applications under the Excess Application Facility are received for more than the number of Excess Open Offer Shares available following take up of Open Offer Entitlements, applications will be scaled back at the Company’s absolute discretion. No assurance can be given that an application for Excess Open Offer Shares will be met in full or in part or at all.

Impact of not applying for New Ordinary Shares

Any New Ordinary Shares which are not applied for under the Open Offer or the Excess Application Facility and which are not allocated to Alchemy under the Third Clawback Allocation will be allocated to Alchemy pursuant to the Placing. Pursuant to the Subscription Agreement, Alchemy has agreed to subscribe (subject to clawback to satisfy Open Offer Entitlements and Excess Open Offer Entitlements taken up by Qualifying Shareholders) for the New Ordinary Shares at the Issue Price on the terms set out in the Subscription Agreement.

1.4 Dilution

If a Qualifying Shareholder does not take up any of their or its Open Offer Entitlement or Excess Open Offer Entitlements, depending on the results of the Capital Raising and the Tender Offer, their or its proportionate ownership of, and voting interests in, the Company may be diluted by up to 67.0 per cent., as a percentage of the Enlarged Share Capital, as a result of the Proposed Transaction.

If a Qualifying Shareholder takes up their or its Open Offer Entitlement in full (assuming they do not participate in the Excess Application Facility), depending on the results of the Capital Raising and the Tender Offer, their or its proportionate ownership of, and voting interests in, the Company may be diluted by up to 49.0 per cent., as a percentage of the Enlarged Share Capital as a result of the Proposed Transaction.

Subject to certain exceptions, Shareholders in the United States and the Restricted Jurisdictions will not be able to participate in the Open Offer and will therefore experience dilution as a result of the Proposed Transaction.

2. Summary of the principal terms of the Tender Offer and the Tender Offer Placing

2.1 Tender Offer

Qualifying Shareholders on the Register at the Record Time are being invited to tender some, all or none of their Ordinary Shares for purchase by the Purchasing Bank on the terms and subject to the conditions set out in the Prospectus and, in the case of certificated Ordinary Shares only, in the Tender Form.

Full details of the Tender Offer, including the terms and conditions on which it is made, will be set out in the Prospectus and in the Tender Form.

Qualifying Shareholders are not required to tender any or all of their Ordinary Shares if they do not wish to do so. There is no obligation on Qualifying Shareholders to participate in the Tender Offer and Shareholders who do not wish to participate in the Tender Offer need take no action. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

If a Qualifying Shareholder has taken up their or its Open Offer Entitlements in part or in full, such Shareholder may not accept the Tender Offer in respect of any number of the Existing Ordinary Shares held by them. Qualifying Shareholders who accept the Tender Offer in respect of any number of Existing Ordinary Shares held by them may not participate in the Open Offer. To the extent that any Qualifying Shareholder applies to both take up their or its Open Offer Entitlements (in part or in full) and accept the Tender Offer (in respect of any number of the Existing Ordinary Shares held by them), the Company may at its sole discretion accept any one of such applications (but not both) or neither applications.

Tenders will only be accepted from Qualifying Shareholders at the Tender Offer Price. The Tender Offer Price represents a discount of 2.4 per cent. of the closing price of 184.5 pence per Ordinary Share on 21 October 2020 (being the Latest Practicable Date) and represents a premium of 0.1 per cent. to the volume weighted average price of 179.8 pence per Ordinary Share over the one month to 21 October 2020. The issued ordinary share capital of the Company on the Latest Practicable Date was 32,826,068 Ordinary Shares. If the Tender Offer is implemented in full, this will result in the purchase of 10,345,132 Ordinary Shares (representing approximately 31.5 per cent. of the issued ordinary share capital of the Company on the Latest Practicable Date). The issued ordinary share capital of the Company (after the Company has acquired all validly tendered and purchased Ordinary Shares) will be 89,165,151 Ordinary Shares assuming that a maximum of 10,345,132 Ordinary Shares are validly tendered and cancelled.

Although the Tender Offer will reduce the number of Ordinary Shares in issue, conditional upon the Tender Offer having become unconditional, Alchemy has committed to subscribe pursuant to the Tender Offer Placing for such number of New Ordinary Shares as is equal to the number of Tendered Shares at the Tender Offer Placing Price, such that the net result of the Tender Offer and the Tender Offer Placing is neutral on the Company's issued share capital.

Under the Tender Offer:

- (a) the total number of Ordinary Shares purchased pursuant to the Tender Offer will not exceed 10,345,132 Ordinary Shares, being such number of Ordinary Shares as is equal to (i) the maximum total amount payable, depending on the results of the Capital Raising and the Tender Offer, in respect of the Tender Offer Consideration, divided by (ii) the Tender Offer Price;
- (b) if the aggregate purchase price (calculated at the Tender Offer Price) of all validly tendered Ordinary Shares exceeds an amount equal to the Tender Offer Consideration, not all the Ordinary Shares validly tendered will be accepted and purchased. In these circumstances, the number of Ordinary Shares which will be accepted and purchased will be calculated in accordance with the terms and conditions the Tender Offer (as will be set out in the Prospectus), which provide that all Ordinary Shares validly tendered by Qualifying Shareholders will be scaled down pro-rata relative to their Existing Holdings such that the maximum total cost of the Ordinary Shares purchased pursuant to the Tender Offer does not exceed an amount equal to the Tender Offer Consideration. Additional information will be set out in the Prospectus. Ordinary Shares not validly tendered will not be purchased;
- (c) in accordance with the terms and subject to the conditions of the Repurchase Agreement: (i) the Company has granted to the Purchasing Bank a put option pursuant to which the Purchasing Bank may require the Company to purchase at an amount per Ordinary Share equal to the Tender Offer Price from the Purchasing Bank Tendered Shares; and (ii) the Purchasing Bank has granted the Company a call option pursuant to which the Company may require the Purchasing Bank to sell to it at an amount per Ordinary Shares equal to the Tender Offer Price the Tendered Shares. All of the Ordinary Shares purchased by the Company under the Repurchase Agreement in connection with the Tender Offer will be cancelled; and
- (d) the purchase of Ordinary Shares from the Purchasing Bank pursuant to the Repurchase Agreement will be funded by way of a fresh issuance of Tender Offer Placing Shares to Alchemy at the Tender Offer Placing Price, such that the net result of the Tender Offer and the Tender Offer Placing will not increase the aggregate number of Ordinary Shares in issue.

Full details of the Tender Offer, including the terms and conditions on which it is made and how to participate in the Tender Offer, will be set out in the Prospectus. Some questions and answers related to the Tender Offer will be set out in the Prospectus.

Shareholders should be aware that there will be tax considerations that they should take into account when deciding whether or not to participate in the Tender Offer. Summary details of certain UK taxation considerations will be set out in the Prospectus.

2.2 Purchase of Ordinary Shares

Ordinary Shares successfully tendered under the Tender Offer will be sold to the Purchasing Bank fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Upon the exercise by the Purchasing Bank of the put option, or the exercise by the Company of the call option, in each case in accordance with the terms and subject to the conditions of the Repurchase Agreement, the Tendered Shares will be sold by the Purchasing Bank to the Company through the facilities of the London Stock Exchange and will subsequently be

cancelled and will not rank for any dividends, distribution or other equity related rights declared by the Company after that date.

2.3 Circumstances in which the Tender Offer may not proceed

The Tender Offer is conditional upon the following (together, the “**Tender Conditions**”):

- the passing of the Resolutions ;
- Admission of the New Ordinary Shares (including the Capital Raising Shares and the Tender Offer Placing Shares) occurring;
- the Tender Offer not having been terminated in accordance with the terms and conditions of the Tender Offer, which will be set out in the Prospectus; and
- the Purchasing Bank being satisfied, acting in good faith, that, at all times up to Admission, the Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, under the Repurchase Agreement in connection with the Tender Offer.

The Purchasing Bank will not purchase the Ordinary Shares pursuant to the Tender Offer unless the Tender Conditions have been satisfied. The purchase by the Purchasing Bank of the Ordinary Shares pursuant to the Tender Offer will occur upon the Tender Conditions being satisfied. The Tender Conditions may not be waived by the Purchasing Bank or the Company. If any of the above conditions becomes incapable of satisfaction, the Tender Offer will lapse.

The Board reserves the right to require that the Purchasing Bank does not proceed with the Tender Offer if it concludes, at any time prior to the Tender Offer becoming unconditional, that the implementation of the Tender Offer and the associated Repurchase of Tendered Shares is no longer in the best interests of the Company and the Shareholders as a whole or if the purchase of Ordinary Shares by the Purchasing Bank and the subsequent Repurchase by the Company may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or its Shareholders as a whole which were previously unexpected. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service that such is the case.

Further details of these conditions will be set out in the Prospectus.

2.4 Tender Offer Placing

The Tender Offer is to be effected by the Purchasing Bank (acting as principal and not as agent, nominee or trustee) purchasing the Tendered Shares from Qualifying Shareholders who have validly tendered their Ordinary Shares. Promptly following such purchase, upon the exercise of the option in the Repurchase Agreement, the Company will acquire from the Purchasing Bank all Ordinary Shares purchased by the Purchasing Bank under the Tender Offer at the Tender Price, pursuant to the terms of the Repurchase Agreement and the Company will thereafter cancel all such Ordinary Shares.

The Company intends to fund its purchase of Ordinary Shares under the Repurchase Agreement by way of a fresh issuance of Tender Offer Placing Shares at the Tender Offer Placing Price. If the Tender Offer is terminated, Alchemy will not be required to subscribe for the Tender Offer Placing Shares. The Tender Offer Placing Shares, which represent up to approximately 15.5 per cent. of the New Ordinary Shares and 10.4 per cent. of the Enlarged Share Capital, have been placed with Alchemy and Alchemy has agreed to subscribe for the Tender Offer Placing Shares at the Tender Offer Placing Price. The Tender Offer Placing is not subject to clawback to satisfy Open Offer Entitlements and Excess Open Offer Entitlements taken up by Qualifying Shareholders.

The terms of the Tender Offer Placing are set out in the Subscription Agreement, a summary of which will be set out in the Prospectus.

3. Listing Transfer

Under the Listing Rules, the Listing Transfer requires the Company to obtain the prior approval of a resolution for such transfer from a majority of not less than 75 per cent. of the votes attaching to the Ordinary Shares voted on the resolution. Accordingly, the Listing Transfer Resolution will be proposed as a special resolution at the General Meeting.

Taking into consideration the size of the Company, its shareholder base and strategy, the Board believes that a listing on the Standard Listing segment of the Official List, with trading on the Main Market of the London Stock Exchange, represents the appropriate balance between the upside of a regulatory framework designed to protect the interests of Shareholders and the costly and logistically onerous downside of a Premium Listing.

Alchemy's investment is conditional upon the passing of the Listing Transfer Resolution. If the Listing Transfer Resolution is passed at the General Meeting, it is currently anticipated that the Company's Enlarged Share Capital will be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange at 8:00 a.m. on 17 December 2020. **If the Listing Transfer Resolution is not passed, the Proposed Transaction will not proceed. If the Listing Transfer Resolution is passed but any of the other Resolutions is not passed, it is currently intended that the Listing Transfer will proceed but the remainder of the Proposed Transaction will not proceed.**

Although the Company intends to seek Admission in respect of its Ordinary Shares, there can be no guarantee that Admission will occur. If Admission does not occur, the Proposed Transaction will not proceed.

The Company will give at least 20 Business Days' notice by making an announcement through a Regulatory Information Service of the date that the Listing Transfer will become effective, and the earliest date the Listing Transfer can become effective is 17 December 2020.

Shareholders should note that, unless the Listing Transfer Resolution is passed by Shareholders at the General Meeting, the Listing Transfer cannot be implemented and the Proposed Transaction will not proceed. In such circumstances, the Ordinary Shares will continue to be admitted to listing on the Premium Listing segment of the Official List and to trading on the Main Market.

Further information in relation to the consequences of the Listing Transfer will be set out in the Prospectus.

4. Dispensation from Rule 9 of the Takeover Code

The Takeover Code applies to the Company and governs, amongst other things, transactions which may result in a change of control of a company to which the Takeover Code applies.

4.1 Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which he is already interested, or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company in question during the 12 months prior to the announcement of the offer.

4.2 Concert Party

Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company (such persons together being a **"Concert Party"**). Full details of, and information on, the members of the Alchemy Concert Party (who are presumed to be acting in concert for the purposes of the Takeover Code) and their interests in the Company will be set out in the Prospectus.

4.3 Waiver of Rule 9 of the Takeover Code

Following implementation of the Proposed Transaction, Alchemy will hold between approximately 50.1 per cent. and 67.7 per cent. of the Enlarged Share Capital of Countrywide, depending on the results of the Open Offer and the Tender Offer. Consequently, under Rule 9 of the Takeover Code, Alchemy would ordinarily be required to make an offer to all Shareholders. The Company is seeking the agreement of the Panel to, subject to the Rule 9 Waiver Resolution being passed on a poll of Independent Shareholders, waive the requirement for Alchemy to make a general offer under Rule 9 of the Takeover Code in cash for the Existing Ordinary Shares which might otherwise arise as a result of the Proposed Transaction (the **"Rule 9 Waiver"**). To be passed, the Rule 9 Waiver Resolution will require approval of more than 50 per cent. of the voting rights in the Company held by Independent Shareholders. Alchemy and persons acting in concert with it are not eligible to vote on the Rule 9 Waiver Resolution.

In the event that the waiver being sought from the Panel is approved by Independent Shareholders passing the Rule 9 Waiver Resolution at the General Meeting, on completion of the Proposed Transaction, Alchemy will hold between approximately 50.1 per cent. and 67.7 per cent. of the Enlarged Share Capital of Countrywide.

Other than any irrevocable undertakings given by the Directors in due course (further detail on which would be set out in the Prospectus), there are no relationships (personal, financial or

commercial), arrangements or undertakings between Alchemy and any of the Directors having any connection with or dependence upon the Proposed Transaction. Alchemy has confirmed that it has no agreement, arrangement or understanding with any other persons to transfer any Ordinary Shares acquired in connection with the Proposed Transaction.

From Admission, since Alchemy will hold at least 50.1 per cent. of the issued share capital of Countrywide, no obligations under Rule 9 of the Takeover Code would normally arise from acquisitions by Alchemy or any persons acting in concert with it. **They may accordingly increase their aggregate interests in Ordinary Shares without incurring any obligation under Rule 9 of the Takeover Code to make a general offer**, although individual members of a concert party will not be able to increase their percentage interests in shares through or between a Rule 9 of the Takeover Code threshold without Panel consent. In the event the Rule 9 Waiver Resolution is passed by Independent Shareholders at the General Meeting, Alchemy will not be restricted from making an offer.

In connection with the Rule 9 Waiver, certain information must be disclosed pursuant to the Takeover Code. This information will be set out in the Prospectus.

Appendix III Definitions

Capitalised terms having the meaning given to them in the body of this announcement, or as follows:

“Admission”	means the admission of the Existing Ordinary Shares and the New Ordinary Shares to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
“Alchemy”	means ASOF (Canada) LP, a limited partnership registered in Guernsey with number 3704, whose registered office and principal place of business is at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL;
“Alchemy Partners”	means Alchemy Partners LLP and Alchemy Special Opportunities LLP;
“ASOF IV”	means Alchemy Special Opportunities Fund IV LP;
“B2B”	means the Group’s ‘business to business’ business unit;
“Barclays”	means Barclays Bank PLC;
“Board” or “Countrywide Board”	means the board of directors of Countrywide from time to time;
“Business Day”	means any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
“Capital Raising”	means the Firm Placing and the Placing and Open Offer;
“Capital Raising Shares”	means the Ordinary Shares to be issued pursuant to the Capital Raising, being up to 66,684,215 Ordinary Shares;
“Closing Price”	means the closing middle market quotation of an Existing Ordinary Share derived from the Daily Official List;
“Conveyancing”	means the Group’s conveyancing business;
“Current Credit Facilities Agreement”	means the revolving credit facilities agreement originally dated 20 March 2013 (as amended and/or amended and restated from time to time) between, among others, Countrywide and HSBC Bank plc (as agent);

“Current Credit Facilities”	means the £145 million revolving credit facilities available to the Group as at the date of this announcement under the Current Credit Facilities Agreement;
“Daily Official List”	means the daily official list of the London Stock Exchange;
“Directors”	means the directors of the Company;
“Enlarged Share Capital”	means the expected issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares pursuant to the Capital Raising;
“Excess Application Facility”	means the arrangement pursuant to which Qualifying Shareholders may apply for New Ordinary Shares in excess of their Open Offer Entitlements;
“Excess Open Offer Entitlements”	means, in respect of each Qualifying Shareholder, the conditional entitlement to apply for Excess Open Offer Shares under the Excess Application Facility, which are subject to allocation in accordance with the Prospectus;
“Excess Open Offer Shares”	means the Open Offer Shares which Qualifying Shareholders will be invited to subscribe for pursuant to the Excess Application Facility;
“Existing Holdings”	means a Qualifying Shareholder’s holding of Ordinary Shares at the Record Time;
“Existing Ordinary Shares”	means the Ordinary Shares in issue as at the date of this announcement;
“Financial Services”	means the Group’s financial services business unit;
“Firm Placing”	means the subscription by Alchemy for the Firm Placing Shares on the terms and subject to the conditions contained in the Subscription Agreement;
“Firm Placing Shares”	means the 48,813,478 New Ordinary Shares which are to be issued pursuant to the Firm Placing;
“General Meeting”	means the general meeting to be convened by the Company in connection with the Proposed Transaction, or any adjournment thereof, to consider and, if thought fit, to approve the Resolutions;
“Independent Shareholders”	means the Shareholders who are independent of Alchemy and persons acting in concert with it;

“Issue Price”	means 135 pence per New Ordinary Share;
“Jefferies”	means Jefferies International Limited;
“Joint Financial Advisers and Joint Corporate Brokers”	means Barclays and Jefferies;
“Latest Practicable Date”	means 21 October 2020, being the latest practicable date prior to the publication of this announcement;
“Listing Transfer Resolution”	means the resolution to be tabled at the General Meeting for the purposes of approving the Listing Transfer, the text of which will be set out in the Prospectus;
“LSH”	means Lambert Smith Hampton Limited of 5th Floor United Kingdom House, 180 Oxford Street, London, United Kingdom, W1D 1NN, a company incorporated in England and Wales with registered number 02222001;
“Main Market”	means the Main Market of the London Stock Exchange;
“New Ordinary Shares”	means the Capital Raising Shares and, to the extent that such shares are to be issued pursuant to the terms and conditions set out in the Prospectus, the Tender Offer Placing Shares;
“Non-Executive Directors”	means the non-executive directors of Countrywide as at the date of this announcement and “Non-Executive Director” means any one of them;
“Notice of General Meeting”	means the notice of General Meeting set out in Appendix 1 of the Prospectus;
“Official List”	means the list maintained by the FCA;
“Open Offer”	means the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price, further details of which will be set out in the Prospectus;
“Open Offer Application Form” or “PINK Open Offer Application Form”	means the personalised application form on which Qualifying Non-CREST Shareholders may apply for the Open Offer Shares;
“Open Offer Entitlements”	means the Open Offer Shares which Qualifying Shareholders are being invited to subscribe for on a pro-rata basis to their Existing Holdings at the Issue Price;

“Open Offer Shares”	means the 17,870,737 New Ordinary Shares for which Qualifying Shareholders are being invited to apply to be issued pursuant to the terms of the Open Offer (including the Excess Application Facility);
“Ordinary Shares”	means an ordinary share in the capital of the Company (including, if the context requires, the New Ordinary Shares);
“Panel”	means the UK Panel on Takeovers and Mergers;
“Placing”	means the subscription by Alchemy (subject to clawback to satisfy Open Offer Entitlements and Excess Open Offer Entitlements taken up by Qualifying Shareholders) for the New Ordinary Shares at the Issue Price, further details of which will be set out in the Prospectus;
“Placing Shares”	means the New Ordinary Shares proposed to be issued by the Company pursuant to the Placing;
“Premium Listing”	means a listing, or the Company’s listing (as applicable), on the “Premium listing (commercial company)” segment of the Official List;
“Proxy Form” or “GREEN Proxy Form”	means the proxy form for use at the General Meeting, which accompanies the Prospectus;
“Purchasing Bank”	means Barclays;
“Qualifying Shareholders”	means holders of Ordinary Shares on the register of members of the Company at the Record Time other than Restricted Shareholders;
“Qualifying CREST Shareholders”	means Qualifying Shareholders holding Ordinary Shares in uncertificated form;
“Qualifying Non-CREST Shareholders”	means Qualifying Shareholders holding Ordinary Shares in certificated form;
“Record Time”	means 6:00 p.m. on 23 October 2020;
“Register”	means the register of members of the Company;
“Repurchase”	means the repurchase by the Company of the Tendered Shares from the Purchasing Bank in accordance with the Repurchase Agreement;

“Repurchase Agreement”	means the agreement dated 22 October 2020 between the Company and the Purchasing Bank whereby the Company has granted to the Purchasing Bank a put option entitling the Purchasing Bank to require the Company to purchase, and the Purchasing Bank has granted to the Company a call option entitling the Company to require the Purchasing Bank to sell to it, in each case as an on market purchase, all of the Tendered Shares at an amount per Ordinary Share equal to the Tender Offer Price, full details of which will be set out in the Prospectus;
“Resolutions”	means the shareholder resolutions to be tabled at the General Meeting, the text of which will be set out in the Prospectus;
“Restricted Jurisdictions”	means: <ul style="list-style-type: none"> (A) in the context of the Capital Raising, any jurisdiction, including but not limited to Australia, Canada, Japan, New Zealand, Singapore, South Africa and the United States of America, where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would (i) result in a requirement to comply with any governmental or other consent or any registration filing or other formality which Countrywide regards as unduly onerous, or (ii) otherwise breach any applicable law or regulation; and (B) in the context of the Tender Offer, any jurisdiction, including the United States, where the extension or availability of the Tender Offer (and any other transaction contemplated thereby) would (i) result in a requirement to comply with any governmental or other consent or any registration filing or other formality which Countrywide regards as unduly onerous, or (ii) otherwise breach any applicable law or regulation;
“Restricted Shareholders”	means, subject to certain exceptions, Shareholders who have registered addresses in, or who are incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction;
“Rule 9 Waiver Resolution”	means the resolution proposed to be tabled at the General Meeting for the purposes of approving the Rule 9 Waiver, the text of which will be set out in the Prospectus;
“Shareholders”	means the holders of Ordinary Shares from time to time and

	“Shareholder”	means any one of them;
“Standard Listing”		means the “Standard listing (shares)” segment of the Official List;
“Subscription Agreement”		means the agreement dated 22 October 2020 between Countrywide, Alchemy and ASOF IV pursuant to which Alchemy agrees to subscribe for New Ordinary Shares in connection with the Capital Raising and the Tender Offer Placing and ASOF IV agrees to take up in full its Open Offer Entitlement;
“Takeover Code”		means the UK City Code on Takeovers;
“Tender Form” or “BLUE Tender Form”		means the form to be used by Qualifying Shareholders who hold Ordinary Shares in certificated form for use in connection with the Tender Offer;
“Tender Offer Consideration”		means the aggregate sum that the Company is obliged to pay to the Purchasing Bank under the Repurchase Agreement in respect of Existing Ordinary Shares to be purchased by the Company from the Purchasing Bank under the Repurchase Agreement (excluding, for the avoidance of doubt, any fees or commissions payable by the Company in respect of the services to be provided by the Purchasing Bank under the Repurchase Agreement), being an amount no greater than £90,023,690 less the subscription amount payable by Alchemy in respect of the Capital Raising Shares;
“Tender Offer Placing”		means the placing to Alchemy of the Tender Offer Placing Shares at the Tender Offer Placing Price, subject to the terms and conditions contained in the Subscription Agreement;
“Tender Offer Placing Price”		means 180 pence per New Ordinary Share;
“Tender Offer Placing Shares”		means the Ordinary Shares to be issued to Alchemy pursuant to the Tender Offer Placing at the Tender Offer Placing Price for an amount equal to the Tender Offer Consideration;
“Tender Offer Price”		means 180 pence per Existing Ordinary Share;
“Tendered Shares”		means the Ordinary Shares which are validly tendered by the holders of Existing Ordinary Shares pursuant to the Tender Offer;
“tender” or “tendered”		refers to tenders by Shareholders of Ordinary Shares pursuant to the Tender Offer;
“Term Loan Facility”		means the £75 million senior secured term loan facility which would be available for drawdown by the Company under the

Term Loan Facility Agreement following implementation of the Capital Raising and which matures 48 months from the date on which the Term Loan Facility is utilised; and

“Term Loan Facility Agreement”

means the £75 million senior secured term loan facility agreement entered into on 22 October 2020, full details of which will be set out in the Prospectus.