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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

14 September 2021

LAPSE OF THE MANDATORY CASH OFFER

BY

POLYGON GLOBAL PARTNERS LLP

**TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF
WATCHSTONE GROUP PLC**

OFFER UPDATE - LAPSE OF THE OFFER

On 1 July 2021, Polygon Global Partners LLP ("**Polygon**") announced the terms of its mandatory cash offer to acquire the entire issued and to be issued ordinary share capital of Watchstone Group plc ("**Watchstone**"), which it subsequently increased on 31 August 2021 ("**Offer**"). The full terms of the Offer and the procedures for acceptance were set out in the offer document ("**Offer Document**") and form of acceptance ("**Form of Acceptance**") published by Polygon on 31 August 2021.

As at 1:00 p.m. (London time) on 14 September 2021, being the Fourth Closing Date of the Offer, Polygon has received valid acceptances in respect of a total of 876,846 Watchstone Shares, representing approximately 1.90 per cent. of the issued share capital of Watchstone. So far as Polygon is aware, none of these acceptances have been received from persons acting in concert with Polygon.

As at 1:00 p.m. (London time) on 14 September 2021, neither Polygon nor, so far as Polygon is aware, any person acting in concert with Polygon:

- has any interest in, or right to subscribe in respect of, or any short position in relation to Watchstone relevant securities, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery of Watchstone relevant securities;
- has any outstanding irrevocable commitment or letter of intent with respect to Watchstone relevant securities;
- has borrowed or lent any Watchstone relevant securities (including any financial collateral arrangements), save for any borrowed shares which have been either on-lent or sold,

save for the following Watchstone relevant securities held by Polygon and persons acting in concert with Polygon:

<i>Name</i>	<i>Watchstone Shares</i>	<i>Percentage of Watchstone Shares</i>
Polygon (through the Polygon Funds)	13,811,500	30.00%
W.H. Ireland ^[2]	7,621	0.02%
TOTAL	13,819,121	30.02%

Accordingly, as at 1.00 p.m. on 14 September 2021, Polygon has received acceptances in respect of Watchstone Shares which, together with Watchstone Shares acquired before or during the Offer, result in Polygon and any person acting in concert with it holding 14,688,346 Watchstone Shares, representing 31.90 per cent. of Watchstone's issued share capital, all of which may count towards satisfaction of the Acceptance Condition to the Offer.

Watchstone Shareholders are reminded that, as a summary and subject to the fuller description in the Offer Document, the Offer was subject to Polygon receiving valid acceptances and/or agreeing to acquire Watchstone Shares carrying 50 per cent. of the voting rights then normally exercisable at a general meeting of Watchstone.

As such, the Acceptance Condition has not been satisfied and the Offer has now lapsed.

As the Offer has lapsed, it is no longer open to acceptances and any accepting Watchstone Shareholders cease to be bound by their acceptances.

The percentages of Watchstone Shares referred to in this announcement are based upon a figure of 46,038,333 Watchstone Shares in issue at close of business on 13 September 2021.

In respect of Watchstone Shares held in certificated form, the Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address outside the Restricted Jurisdictions is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named or sole holder of his registered address outside the Restricted Jurisdictions. No such documents will be sent to an address in any Restricted Jurisdiction.

In respect of Watchstone Shares held in uncertificated form, Computershare, the Receiving Agent, will, immediately (or within such longer period as the Panel may permit, not exceeding 14 days after the lapsing of the Offer), give instructions to Euroclear to transfer all Watchstone Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Offer to the original available balances of the Watchstone Shareholders concerned.

Polygon will now be subject to Rule 35.1 of the Code save that Polygon reserves the right to make a further offer for the entire issued and to be issued share capital of Watchstone, with the consent of the Panel, in the event that: (i) such further offer is recommended by the Watchstone Board; or (ii) a third party announces a firm intention to make an offer for Watchstone; or (iii) in the other circumstances set out in the Note on Rule 35.1 and 35.2 of the Code.

Capitalised terms defined in the Offer Document have the same meanings given in this announcement, a copy of which is available on Polygon's website at: <https://www.polygoninv.com/uk-regulatory-disclosures/>

If you require assistance, please telephone the Receiving Agent on 0370 707 4040 (if calling from within the UK) or +44 370 707 4040 (if calling from outside the UK) between 9:00 a.m. to 5:00 p.m. (London time) Monday to Friday.

Enquiries:

finnCap (Financial Adviser to Polygon)

Henrik Persson, Kate Bannatyne and Tim Harper Tel: (+44) 020 7220 0500

Important notices about financial advisers

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Polygon and for no one else in connection with the Increased Offer and will not be responsible to anyone other than Polygon for providing the protections afforded to its clients nor for providing advice in relation to the Increased Offer or any other matters referred to in this Announcement.

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Offer or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation, sale issuance or exchange is unlawful.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Announcement comes should inform themselves about and observe such restrictions. Further details in relation to the Overseas Shareholders are contained in the Offer Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Polygon or required by the Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Offer to Watchstone Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are

resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

The Offer shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Financial Conduct Authority, the AQSE Growth Market and AIM Rules.

Publication of this Announcement on website

A copy of this Announcement will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions on the Polygon website at <https://www.polygoninv.com/uk-regulatory-disclosures/> by no later than 12:00 p.m. on the Business Day following this Announcement.

For the avoidance of doubt, the contents of these websites and any websites accessible from hyperlinks on these websites are not incorporated into and do not form part of this Announcement.

Right to receive documents in hard copy form

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form.

A hard copy of this Announcement may be requested by contacting finnCap Ltd at (+44) 020 7220 0500.

Rounding

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