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29 May 2020

Williams Grand Prix Holdings PLC ("Williams", "WGPH", the "Company" or the "Group")

2019 Annual Results, Commencement of Strategic Review and Formal Sale Process

Results Press Release

Williams Grand Prix Holdings PLC (WGPH, Ticker: WGF1) today announces the Group's financial results for the year ended 31 December 2019.

Group revenue declined to £160.2m in 2019, from £176.5m in 2018 and EBITDA deteriorated to a loss of £(13.0)m, compared to a profit of £12.9m in the previous year. The results were driven by the Formula 1 operation's poor on-track performance, despite continued progress at Williams Advanced Engineering.

Formula 1 revenue declined to £95.4m in 2019, from £130.7m in 2018 and EBITDA was £(10.1)m last year, compared to £16.0m the previous year. Williams Advanced Engineering revenue increased to £63.7m in 2019, from £44.8m in 2018, with EBITDA up to £7.5m in 2019 from £5.1m in 2018.

"The financial results for 2019 reflect the recent decline in competitiveness of the F1 operation and the consequent reduction in commercial rights income" said Mike O'Driscoll, Chief Executive Officer. "After four years of very solid performance in the FIA F1 Constructors' Championship during which we claimed two third and two fifth place finishes, we endured a couple of very difficult seasons. We have implemented a significant restructuring over the last nine months and have strengthened the technical leadership team."

"The 2020 Formula 1 season has, of course, been disrupted due to the COVID-19 pandemic, and this will have an impact on our commercial rights income this year. The Team have also served notice to terminate its relationship with its title partner, ROKiT, and major sponsor, ROK Drinks. In common with many other businesses, we have taken extensive action to mitigate, including a prolonged furlough period for much of our staff. As this awful global crisis recedes, everyone at Williams Racing is looking forward to the start of the new season."

"There has been an enormous gap in earnings and expenditure between the three largest teams and the rest of the grid for a number of years, but we are confident that Liberty Media's long-term vision and plans, including a first-ever cost-cap for the sport, will deliver a more level playing field for 2021 and beyond, on which all teams can compete more fairly."

"Williams Advanced Engineering growth continued in 2019, and we decided to bring external investment into the Group, through the sale of a majority stake, on 31 December 2019. This will enable WAE to continue to deliver the innovative solutions for which it is known and respected. Whilst we are no longer a majority shareholder in WAE we hold a significant minority stake in the business and remain a key partner for them through the provision of technical and support services."

	F1	WAE	Other ¹	Group
2019				
Revenue (£m)	95.4	63.7	1.1	160.2
EBITDA (£m) ²	(10.1)	7.5	(10.4)	(13.0)
Operating free cash flow (£m) ³				(15.9)
2018				
Revenue (£m)	130.7	44.8	1.0	176.5
EBITDA (£m) ²	16.0	5.1	(8.2)	12.9
Operating free cash flow (£m) ³				6.3

New Strategic Direction

The 2018 and 2019 seasons proved very challenging for Williams with disappointing performances in the FIA F1 Constructors' Championship, after a number of years of much stronger performance. As a result, revenue has been under pressure, due to lower commercial income resulting from the Team's on-track performance, as well as a decline in sponsorship.

Success in Formula 1 over the last decade has been very heavily weighted in favour of corporately-backed teams with comparatively large annual budgets. The new commercial rights holder, Liberty Media, is introducing new financial regulations from next year which, significantly, will include a cost cap for the first time. In addition commercial income from the sport is expected to be distributed more equitably than at present. The WGPH board believes these changes will address the greatest inequity in the sport and will allow all teams to compete on a more even basis. Formula 1 and the Sport's governing body, the FIA, are also introducing new technical regulations for the 2022 season with the objective of ensuring much more competitive and exciting racing in the future. To that end, and in light of these challenges, WGPH has embarked upon a renewal programme setting out a new strategic direction, to ensure it is well positioned to take advantage of Formula 1's new era which will begin in 2021.

- As a first stage in this process, WGPH divested a majority stake in Williams Advanced Engineering in December 2019, providing renewed focus in the F1 operations
- WGPH has implemented significant operational improvements and the technical organisation has been comprehensively reorganised with new leadership and talented designers joining the team
- WGPH has secured a long-term contract renewal for the supply of the best-in-class Mercedes HPP-AMG power unit
- Additional financing has been secured from third party lenders, providing WGPH with the resources to deliver upon its new strategic plan

¹ Williams Heritage, Williams Conference Centre, Group costs, and other projects delivered outside of F1 and Williams Advanced Engineering.

² EBITDA represents earnings before interest, taxes, depreciation and amortisation and excludes non-cash share-based payment charges and mark-to-market charges on financial derivatives and the exceptional profit booked on disposal of Williams Advanced Engineering.

³ Operating free cash flow represents cash flows from operating activities including capital expenditure and disposals of fixed assets.

Strategic Review and Formal Sale Process

As part of this new strategic direction, the WGPH board is undertaking a review of all the various strategic options available to the Company. Options being considered include, but are not limited to, raising new capital for the business, a divestment of a minority stake in WGPH, or a divestment of a majority stake in WGPH including a potential sale of the whole Company. Whilst no decisions have been made regarding the optimal outcome yet, to facilitate discussions with interested parties, the Company announces the commencement of a "formal sale process" (as referred to in Note 2 on Rule 2.6 of the Takeover Code).

The Board has appointed Allen & Co. and Lazard as joint financial advisers to assist with the strategic review and formal sale process. Parties with a potential interest in Williams should contact Allen & Co. or Lazard at the contact details set out below.

Any interested party participating in the formal sale process will be required to enter into a non-disclosure agreement with WGPH on terms satisfactory to the WGPH board. The Company then intends to provide such interested parties with certain information on the business, following which interested parties will be invited to submit their proposals.

The Panel on Takeovers and Mergers has agreed that any discussions with third parties may be conducted within the context of a formal sale process. Accordingly it has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code such that any party participating in the formal sale process will not be required to be publicly identified under Rules 2.4(a) or (b) and will not be subject to the 28 day deadline referred to in Rule 2.6(a) of the Takeover Code for so long as it is participating in the formal sale process.

The Company is not in receipt of any approaches at the time of this announcement and confirms that it is in preliminary discussions with a small number of parties regarding a potential investment in the Company. There can be no certainty that an offer will be made, nor as to the terms on which any offer will be made. The WGPH board reserves the right to alter or terminate the process at any time and if it does so it will make an announcement as appropriate. The WGPH board also reserves the right to reject any approach or terminate discussions with any interested party at any time.

Following this announcement, the Company is now considered to be in an "offer period" as defined in the Takeover Code, and the dealing disclosure requirements summarised below will apply. Further announcements regarding timings and procedures for the formal sale process will be made as appropriate.

While the Company has faced a number of challenges, Williams currently remains funded and ready to resume racing when the calendar allows in 2020. The WGPH board believes that the strategic review and formal sale process is the right and prudent thing to do in order to take time to consider a full range of options and put the Formula 1 team in the best possible position for the future.

For further information please contact the following:

Williams Grand Prix Holdings PLC

Tim Hunt

Tel: +44 1235 777 842

Allen & Company LLC (Joint Financial Adviser)

Paul Gould

Georg Schloendorff

Tel: +1 (212) 339 2383

williamsprocess@allenco.com

Lazard & Co., Limited (Joint Financial Adviser)

Richard Shaw

Matthew Knott

Tel: +44 20 7187 2000

Important Notices

Notes relating to the Joint Financial Advisers

Allen & Company LLC, which is registered with and licensed as a broker-dealer by the United States Securities and Exchange Commission and incorporated in the state of New York, is acting as financial adviser to Williams Grand Prix Holdings PLC and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Williams Grand Prix Holdings PLC for providing the protections afforded to clients of Allen & Company LLC nor for providing advice in relation to the matters described or referred to in this announcement. Neither Allen & Company LLC nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Allen & Company LLC in connection with this announcement, any statement contained herein or the matters described or referred to in this announcement or otherwise.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Williams Grand Prix Holdings PLC and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Williams Grand Prix Holdings PLC for providing the protections afforded to clients of Lazard & Co., Limited nor for providing advice in relation to the matters described or referred to in this announcement. Neither Lazard & Co., Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard & Co., Limited in connection with this announcement, any statement contained herein or the matters described or referred to in this announcement or otherwise.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the formal sale process, and other information published by the Company may contain statements about the Company that are or may be deemed to be forward looking statements. Such statements are prospective in nature. All statements other than historical statements of facts may be forward looking statements. Without limitation, statements containing the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or "considers" or other similar words may be forward looking statements.

Forward looking statements inherently contain risks and uncertainties as they relate to events or circumstances in the future. Important factors such as business or economic cycles, the terms and conditions of the Company's financing arrangements, tax rates, or increased competition may cause the Company's actual financial results, performance or achievements to differ materially from any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. The Company disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

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) of the Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the 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(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

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

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the 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.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Takeover Code, the Company confirms that it has 10,000,000 ordinary shares of 5p each in issue ("Ordinary Shares"). The International Securities Identification Number (ISIN) reference for these securities is DE000A1H6VM4. The Company does not hold any Ordinary Shares in treasury.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on the Company's website at <https://group.williamsf1.com/corporate/investors/strategicreview> as soon as possible and in any event no later than 12.00 noon (London time) on 1 June 2020 (being the business day following the date of this announcement). The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote in any jurisdiction whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

The securities of the offeree company have not and will not be registered under the Securities Act of 1933, as amended, or any U.S. state or jurisdiction securities laws, and cannot be offered or sold in the U.S. or to a U.S. person without registration or an applicable exemption from registration.

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