

Watches.com Limited

(Company Registration Number 199904281D)
(Incorporated in the Republic of Singapore)

Expiry of Non-Binding Letter of Intent

Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the Company's announcement dated 19 January 2022.

1. Introduction

The Board of Directors (the "**Board**") of Watches.com Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to:

- (a) the Company's announcement dated 19 January 2022 in relation to the entry into an exclusive non-binding letter of intent (the "**Letter of Intent**") till 30 June 2022 with Watchismo LLC ("**Seller**"); and
- (b) the notice of compliance issued by the Singapore Exchange Regulation to the Company dated 27 June 2022 ("**Notice of Compliance**").

The Board wishes to announce that taking into consideration the Notice of Compliance, and that the Company and the Seller have not entered into any definitive documentation, the Letter of Intent has expired on 30 June 2022. Pursuant to expiry of the Letter of Intent, the Letter of Intent shall become null and void, and the parties shall be released and discharged from their respective obligations under the Letter of Intent.

2. Financial Effects of the Expiry of the Letter of Intent

Due to the forfeiture of the non-refundable deposit of US\$330,000 (equivalent to approximately S\$459,000 based on an exchange of S\$1 : US\$1.3918 as at 30 June 2022) as a result of the expiry of the Letter of Intent, the Management has assessed and determined that there will be a material effect on the net tangible assets ("**NTA**") per share of the Company and the loss per share ("**LPS**") of the Company for the financial year ending 31 December 2022.

The financial effects of the expiry of the Letter of Intent presented below:

- (a) are purely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and/or the Group immediately after expiry of the Letter of Intent;
- (b) are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021; and
- (c) assume, for illustrative purposes only, that:
 - (i) the Letter of Intent expired on 31 December 2021 in calculating the financial effects on the NTA per share of the Company as at 31 December 2021; and
 - (ii) the Letter of Intent expired on 1 January 2021 in calculating the financial effects on the LPS of the Company for the financial year ended 31 December 2021; and

- (d) do not take into account expenses that may be incurred in connection with the expiry of the Letter of Intent.

No representation is made as to the actual results and/or financial position of the Company and/or the Group.

2.1. NTA per Share

	Before the Expiry of the Letter of Intent	After the Expiry of the Letter of Intent
NTA as at 31 December 2021 (S\$'000)	9,886	9,427
Number of shares in the Company, excluding treasury shares and subsidiary holdings	522,168,711	522,168,711
NTA per share of the Company (Singapore cents)	1.89	1.81

2.2. LPS

	Before the Expiry of the Letter of Intent	After the Expiry of the Letter of Intent
Net loss for the financial year ended 31 December 2021 (S\$'000)	2,374	2,833
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	395,062,333	395,062,333
LPS of the Company (Singapore cents)	0.60	0.72

By Order of the Board of Directors of
Watches.com Limited

Christian Kwok-Leun Yau Heilesen
Executive Director

1 July 2022

This document has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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