

For immediate release

30 June 2023

REVOLUTION BEAUTY GROUP PLC
("Revolution Beauty", the "Group" or the "Company")

Response to boohoo and request for clarification for ALL Revolution Beauty shareholders

Revolution Beauty Group plc (AIM: REVB), the multi-channel mass beauty innovator:

- notes the very positive reaction from all stakeholders to its shares being restored to trading as a result of the board's actions following the Company's annual general meeting ("**AGM**") held earlier this week;
- provides a brief response to some of the recent statements made by boohoo Group plc ("**boohoo**"); and
- repeats once again its request that boohoo explain what its future plans and strategy for Revolution Beauty would be if its hostile takeover of the Company's board were to succeed.

The board of Revolution Beauty (the "**Board**") remains focussed on value creation at this critical time for the Company and continues to believe that boohoo's hostile actions are value-destructive, opportunistic and self-serving, as well as not being in the interests of the Company's shareholders as a whole.

Shares restored to trading and providing liquidity opportunities for all shareholders

The Company was pleased by the reaction to its shares being restored to trading on AIM with the share price up 45% as at the close of business yesterday versus the price when the Company's shares were suspended on 1 September 2022. The Board continues to believe in the exciting future growth prospects of the business and believes the Company's shares are still significantly undervalued.

The Company has received positive feedback from a wide group of stakeholders, all of whom see this as the start of the next phase in the Company's journey following the troubles of the past 12 months.

The response from the stock market and the Group's wider stakeholders firmly validate the actions taken following the AGM earlier this week, which were lawful and entirely consistent with the directors' legal duties, in particular the duty to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Post-AGM actions

The actions taken by the directors after the AGM were the only reason that the Company's shares were re-admitted to trading earlier this week. The directors did not and do not intend to frustrate shareholder democracy but were put in an extremely difficult position by boohoo's actions. The directors faced a binary choice between taking action which would result in the re-admission to trading of the Company's shares the very next day (unquestionably in all shareholders' interests) or taking action (or inaction) which would have resulted in no re-admission to trading for an unknown amount of time, and generally no certainty whatsoever as to the future of the Company.

Restoring the Company's shares to trading also prevented the Company from being in breach of its banking agreement.

Despite boohoo's extensive complaints, shareholders should remember that this situation was entirely of boohoo's creation, and could easily have been avoided if boohoo had simply followed its own advice, acted in a manner consistent with corporate governance best practice, and engaged with the Company's board directly, rather than embarking on a public and hostile board takeover campaign.

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The Company is proceeding to call the general meeting requisitioned by boohoo in the coming days, at which shareholders will have the opportunity to vote on boohoo's proposals.

Current trading continues to be strong across the Group and management are confident the positive trading momentum will continue as the year progresses. As previously stated, the current expectation for FY24 is high single digit growth in revenue, and constant currency adjusted EBITDA in the high single digit millions.

Clarification on AGM voting

It's important to clarify the weight of the voting against certain resolutions at the Company's AGM this week. Reports that 74% of the Company's shareholders voted against certain resolutions, including the resolutions to reappoint certain directors are not accurate.

Only approximately 39% of the TOTAL shareholder base cast votes at the AGM. The highest number of votes against a resolution at the AGM was approximately 29.0% of the Company's share capital, of which boohoo and its associates accounted for a minimum of 26.6% based on their public announcements to date. Therefore a maximum of a further 2.4% of the Company's shareholders voted with boohoo.

As shareholders are aware from boohoo's (lengthy yet still partially inaccurate) description of the events at the AGM, the resolution to adjourn the AGM to give other shareholders more time to consider their position was rejected by boohoo.

The Board urges all of its shareholders to vote at the upcoming General Meeting to ensure that the results are representative of the wishes of as many shareholders as possible.

Response to recent comments made by boohoo

The post-AGM appointments

For the reasons explained above, the Board fundamentally disagrees with boohoo's view that the Board did not act in the best interests of shareholders at or following the AGM. The Board acted at all times in accordance within the laws and regulations it is bound by, and above all in the best interests of the Company for the benefit of its shareholders as a whole. The actions taken by the directors after the AGM were the only reason that the Company's shares were re-admitted to trading earlier this week.

Corporate governance

The Board find it extremely ironic that boohoo look to highlight Revolution Beauty, in their view, "contravening best practice in relation to corporate governance". As shareholders will be aware, boohoo has a long and well documented track record of substandard corporate governance and legal, reputational, supply chain and shareholder engagement issues.

Executive compensation

With regard to the share options granted to Bob Holt, Elizabeth Lake and other members of the management team, these were awarded when the relevant criteria were met, in particular those related to preparing the Company for relisting of its shares. The financial terms of the awards were not amended post the announcement by boohoo on 19 June 2023 of its intentions to vote against the appointments of Bob Holt and Elizabeth Lake, and the awards were fully disclosed to shareholders in the Group's annual report and accounts for the year ended 28 February 2022 (which were approved at the AGM).

These had an aggregate value of approximately £2m across 17 individuals and were made to reflect the hard work and commitment needed over the past 12 months to secure the Company's solvency and restore the trading of the shares on AIM, together with a 12-month holding period to secure commitment to the sustainable recovery and return to growth going forwards. In addition, no cash bonuses have been paid, with employees agreeing to take their bonus in share options rather than cash to keep the cash in the business to support growth activities. As previously stated these options equate to approximately 3.4% dilution and are well within ABI guidelines.

These amounts pale in comparison to the extremely management-friendly incentive packages boohoo have awarded in the past, including most recently awarding the executive team significant cash bonuses even after missing certain financial targets.

Examples include the £150m management incentive plan in 2020 and the £175m scheme earlier this year

Examples include the interim management incentive plan in 2020 and the interim scheme earlier this year to replace the 2020 plan with one containing adjusted performance conditions. Both incentive plans included large individual awards and the 2023 scheme was voted against by 37% of those boohoo shareholders that cast votes on the resolution. The 2020 scheme was not put to a shareholder vote.

In contrast to the largesse demonstrated on a consistent basis by boohoo, the Company's grant of options is entirely fair and reasonable, and well within market practice norms.

Current Revolution Beauty leadership successfully delivering growth

The Board reiterates its prior views regarding boohoo's attempted hostile takeover of the Company's board. The approach taken by boohoo towards Revolution Beauty is nothing short of value-destructive, opportunistic and self-serving. At a time when, thanks to current management's tireless efforts, the Company's fortunes are looking up, with business back on track and restoration of its shares to trading on AIM, boohoo is seeking to stage a board and management control coup without making a general offer, or paying a single penny, to independent shareholders of the Company.

The Board continues to believe that boohoo's actions could simply be part of an attempt by boohoo to distract its own shareholders from the various issues that boohoo itself is facing, including:

- Its own recent share price devaluation. In the past three years, boohoo's market capitalisation has fallen by over £4.3 billion. Its shares continue to trade close to an all-time low and substantially below its 2014 IPO price.
- Over the past three years boohoo has gone from a net cash position of over £200 million in 2020 to net cash of only £5.9 million as at February 2023, and city analysts now forecast a net debt position in February 2024.
- In the year to 28 February 2023, boohoo has seen its revenues decline by over 10%, and its adjusted profit before tax has declined from £82.5m in the year to 28 February 2022 to a loss of £1.6m in the most recently audited accounts.

These metrics illustrate an interesting position from which to claim that only boohoo's strategy and their selected executive management can deliver growth for Revolution Beauty.

The current Board and management team are delivering growth at Revolution Beauty, and see no reason or rationale for wholesale change.

Given the points above, the Board questions if boohoo is an appropriate owner of Revolution Beauty from a financial point of view, before one then considers boohoo's poor corporate governance track record, allegations of poor working conditions and practices and significant legal battles (including questionable sales campaigns in the US), amongst many other issues.

Revolution Beauty again seeks clarification on boohoo's strategy and future plans for the Company

Despite the unwelcome and opportunistic attack on the Company from boohoo, the Board does not wish to have a prolonged PR battle and continues to be prepared to engage with boohoo in good faith and in a constructive manner. To date, boohoo have declined all efforts to engage in discussions with the Board.

Boohoo have provided no detailed rationale for their hostile approach, nor have they set out any strategy and future plans for the Company if it were to gain board control. The current Board believe these points are fundamental for all shareholders to consider as part of their voting decision and ask again for boohoo to set these out clearly so they can be detailed in the notice of general meeting to be posted to shareholders in the coming days, and so that the Board are able to consider them and take them into account in their voting recommendation.

General meeting requisitioned by boohoo

The Company will proceed to call the general meeting of shareholders requisitioned by boohoo, at which it will, as required by boohoo, propose resolutions for Bob Holt, Elizabeth Lake and Derek Zissman to be removed from the board and for Alistair McGeorge and Neil Catto to be appointed as new directors. As previously announced, it is expected that this general meeting will be held in late July or early August.

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The person responsible for arranging the release of this announcement on behalf of the Company is Elizabeth Lake, the Chief Financial Officer of the Company.

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