

FOR IMMEDIATE RELEASE

10 December 2024

boohoo group plc

("boohoo", the "Group" or the "Company")

LETTER FROM THE BOARD

The Board of Directors reiterates its recommendation that Shareholders VOTE AGAINST both Resolutions at the General Meeting

boohoo Group plc (AIM:BOO) a leading online fashion group, has today published a letter to shareholders in connection with the General Meeting on 20 December (the "**General Meeting**"). The Board reiterates its recommendation from the Circular dated 23 October 2024 for Shareholders to **VOTE AGAINST ALL** resolutions.

The notice convening the General Meeting can be found at <https://www.boohooplc.com/investors/agm/year/2024> and includes details of how to vote at the General Meeting, some shareholder Q&A, the Notice of General Meeting itself and additional information in respect of the Notice of General Meeting including in relation to the appointment of proxies.

The General Meeting has been convened by the Board following demands by Frasers Group plc ("**Frasers**") that Mike Ashley and Mike Lennon be appointed as directors of your Company. Resolutions in relation to these appointments will be proposed at the General Meeting.

International Shareholders Services ("**ISS**"), the world's largest advisor on shareholder voting, has recommended that shareholders vote against the appointment of Mike Ashley and Mike Lennon. ISS states that Frasers has offered a superficial view of performance and no specific plans for change and the two Frasers candidates, Mike Ashley and Mike Lennon, have real conflicts of interest, concluding that Board change at boohoo is not warranted.

We are writing to you today to remind you why your vote matters and why the Board is unanimously recommending that you **VOTE AGAINST** both Resolutions.

As well as considering the recommendation of your Board, and making your own assessment of the true motivation behind Frasers' recent behaviour, Shareholders should also note the position of ISS, the leading proxy advisor, which, like your Board, is recommending that Shareholders **VOTE AGAINST** both Resolutions.

The Company's announcement in relation to ISS's clear voting recommendations against Frasers' demands can be found at <https://www.boohooplc.com/investors/regulatory-news>.

Frasers' demands and its prior form

Frasers' demands form part of an ongoing campaign by Frasers which appears to be designed to destabilise boohoo and disrupt your Board's plans to unlock and maximise Shareholder value. The Board is of the view that in pursuing this campaign, Frasers is acting only in its own commercial self-interest and not in the interests of other Shareholders.

This is not the first time Frasers has acted in this way: Shareholders are again reminded of the precedent situation at Studio Retail Group plc where Frasers used its shareholding of just under 30 per cent. to exert significant pressure on

Studio Retail Group and Frasers does not characterise or justify the 50 per cent to short significant pressure on the existing management team. This included attempts by Mike Ashley to be appointed as Chairman of the board and a separate shareholder requisition with the objective of installing Benjamin Gardener to the board. The business of Studio Retail Group was then put into administration. Frasers ultimately succeeded in acquiring the business out of administration for £1 and settled the businesses' remaining secured liabilities for approximately 50 per cent. of their face value. Studio Retail's other shareholders are likely to lose the entire value of their investments.

Your Board is not deliberately seeking confrontation with Frasers and will at all times act in the best interests of the Company and ALL Shareholders.

The Board has been clear with Frasers that if Frasers wishes to make a considered proposal for a suitable independent candidate to be appointed to the Board as a non-executive director and will provide the legal and compliance commitments which the Board has sought, the Board would be minded to appoint a suitable non-executive director at Frasers' request. But the Board rejects in the strongest terms the strong-arm tactics used to pursue Frasers' demands to date and does not accept Frasers' proposal that Mike Ashley or Mike Lennon are suitable independent candidates for appointment to your Board.

By rejecting Frasers' demands, Shareholders will give the Board a mandate to insist on the commitments the Company requires from Frasers.

These commitments are intended to protect all Shareholders from the obvious commercial and regulatory issues that arise when a trade competitor seeks Board representation, particularly in this case, as Frasers has not ruled out seeking to acquire the Company, or its assets.

These issues are real and entirely valid and Frasers' flippant response to them in its open letter of 21 November 2024 provides a clear indication of its attitude to minority Shareholder protection: "**Conflicts and competition? - Not an issue!**".

To address these concerns, Frasers has put forward a suggested "protocol" for Mr. Ashley to comply with should he be appointed as a director of the Company. In reality, this "protocol" does little more than state that Mr. Ashley will comply with basic legal obligations, which any director is expected to do.

The Board has requested governance commitments from Frasers in order to address the obvious commercial and regulatory issues in this situation. These commitments and the Frasers' position are set out below.

<u>Requested Governance Commitment</u>	<u>Frasers' Position</u>
An indemnity from Frasers in relation to any loss that boohoo suffers if the representations and undertakings in relation to information sharing in breach of competition law are breached.	Ignored.
An undertaking from Frasers that any transactions involving boohoo and Frasers are conducted on arm's length commercial terms with its nominated director(s) playing no role in related board discussions or decision making.	Ignored.
A statement from Frasers that it has no intention to make an offer for the Company or to purchase any of its assets.	Declined.
An undertaking that for so long as a Frasers' nominee sits on the Board and for up to 12 months after such date as they leave the board, Frasers will not, without the unanimous agreement of the Board:	Ignored.
a. announce an offer or possible offer for boohoo or purchase or seek to purchase any of its assets;	Ignored.
b. acquire any boohoo shares, debt or other securities;	Ignored.
c. seek to merge boohoo with a competitor;	Ignored.
d. take any action which might reasonably be expected to result in boohoo being unable to operate as an independent business;	Ignored.
e. seek to disrupt the commercial strategy of boohoo;	Ignored.
f. seek the appointment of any other nominee to the	Ignored.

- board of boohoo; or
- g. requisition any general meeting of boohoo.

Ignored.

Shareholders are entitled to expect these commitments from Frasers, particularly in the light of Frasers' prior behaviour. By **VOTING AGAINST** both Resolutions you will be making this clear to Frasers.

Actions taken by your Board

The Board announced its Business Review on 18 October 2024 with the objective of unlocking and maximising value for the benefit of all Shareholders. It did so in conjunction with announcing the successful refinancing of the Group's banking facilities, providing a stable platform for the Business Review and the shareholder value creation that the Board expects to result from it.

Since announcing the Business Review the Board has also taken the following decisive actions:

1. **Appointed Dan Finley as Group CEO.** Dan is one of the outstanding leaders in a new generation of digital retailers. He and his team have successfully transformed Debenhams from a high-street retailer into a successful high-growth online marketplace, creating a new business model that is capital and stock-light, and highly cash-generative. The Board is unanimous in its view that Dan is the right CEO to lead the Group through its Business Review to unlock and maximise value for the benefit of all Shareholders. Dan has taken decisive steps already including identifying a further £30 million in cost savings that the Group will benefit from in the coming months. Dan will be appointed to the Board in due course.
2. **Identified immediate strategies to unlock Shareholder value.** We have expanded across the wider Group the successful capital-light, cash generative and highly profitable marketplace model that has made Debenhams such a success. We are also taking steps to strengthen the balance sheet by exploring the sale of non-core assets, including the Group's Soho property as stated in the interim results announcement of 13 November 2024. We are also streamlining the Group's operating model to ensure a more lean and agile business.
3. **Raised equity capital in an oversubscribed share placing.** Shareholders, including Frasers, were willing to pay a premium over the market price for new shares in the Company, underscoring their commitment to the Company and its future prospects.
4. **Appointed Tim Morris as Independent Non-Executive Chair.** In this role, Tim is responsible for leading the Board oversight of the Business Review, which is being led by Dan Finley. Tim's experience across legal, governance, business and board advisory, will ensure high standards of corporate governance continue to be upheld in all areas of boohoo Group's work.
5. **Repaid its banks £50m of its £97m term loan early.** The repayment has been made with funds raised from the placing and through the Group's initiative to reduce stock levels as it becomes a leaner and lighter business, focused on maximising value for all our shareholders.

The decision to appoint Tim Morris as Chair reflected the changing needs of the business, the commitment to Shareholders to uphold high standards of corporate governance and the importance of the Business Review in unlocking and maximising Shareholder value. Alistair McGeorge remains as Senior Independent Director, adding further independence to the Board.

As a result of this appointment, Mahmud Kamani has become Executive Vice Chair. Mr. Kamani remains an integral part of the leadership team focussed on the Group's young fashion businesses. To demonstrate his alignment with independent shareholders Mr. Kamani has also agreed to provide the governance commitments summarised above, which the Board has requested from Frasers.

The Board notes that in spite of this, and in a further attempt to destabilise boohoo, Frasers has also made a separate demand that Mr. Kamani be removed as a Director, which involves convening a separate General Meeting. Details of this meeting are outlined below.

Recommendation

In the interests of ALL Shareholders, the Board is **unanimously recommending that Shareholders **VOTE AGAINST** the Resolutions at the General Meeting**, as the Directors intend to do in respect of their own beneficial holdings of shares, which amount to approximately 14.12 per cent. of the Company's issued share capital.

Notice of General Meeting

The notice in relation to the second General Meeting requisitioned on behalf of Frasers is expected to be sent to shareholders on 11 December 2024, with the meeting scheduled to take place on 21 January 2025 at 10:00 a.m. at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester M2 3DE.

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About boohoo group plc**"Leading the fashion eCommerce market"**

Founded in Manchester in 2006, boohoo group is a fashion forward, inclusive and innovative business. The Group's brands are complementary, vibrant and scalable, delivering inspirational, on-trend fashion to our customers 24/7. The diversity of our brands, including the group's 5 core brands, boohoo, boohooMAN, PrettyLittleThing, Karen Millen and Debenhams, enable us to serve a broad customer base, globally, with a primary focus on the UK and US markets. Since its acquisition in 2021, Debenhams has been transformed from a retailer into a digital marketplace with a capital-light, low-risk operating model and a focus on fashion, beauty as well as home. Boohoo group is concentrated on driving sustainable, profitable growth with technology and automation increasing efficiency across the business.

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