



FRASERS GROUP PLC
Unit A
Brook Park East
Shirebrook
NG20 8RY

boohoo group plc (“**boohoo**” or the “**Company**”)
3rd Floor, 44 Esplanade
St Helier
Jersey
JE4 9WG

Attention: The Board of Directors (the “**Board**”)

23 October 2024

Dear members of the Board,

A solution to boohoo’s leadership crisis

Frasers Group plc writes to you today to once again express its view that there is a leadership crisis at boohoo.

This letter is sent to you further to our meeting on 18 October 2024 and our recent written correspondence.

Frasers – a constructive, committed and long-term shareholder

As you are aware, Frasers has been a shareholder of boohoo since June 2023 and is boohoo’s largest shareholder, with c.27% of the issued share capital. This is a significant investment for Frasers in our capacity as a constructive, long-term, strategic investor, committed to maximising value for the benefit of all shareholders and other stakeholders.

We continue to believe strongly in the potential of the boohoo business. However, the Company urgently needs to address the management of its business.

Abysmal trading performance and share price collapse

Since the six-month trading period ended 31 August 2021, the Company’s revenue for the six-month trading period ending 31 August 2024 is down c.36.5%. We expect that gross profit will follow the declining trend of revenue, and when boohoo announces its half year results in full in November, gross profit will be down for the 6th consecutive reporting period.

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In addition, the impending £125 million of cost savings that were first announced to the market in October 2023 appear to have been eroded by abysmal go-to-market performance. Boohoo's announcement on Friday, 18 October 2024 (the "**Business Update**") failed to reference any costs savings at all.

The Board has lost its ability to manage boohoo's business and investments.

A further example of the Board's mis-management of boohoo relates to the debt refinancing that was announced in the Business Update. **Frasers' view is that the terms of the debt refinancing are wholly unsatisfactory. Frasers considers the refinancing to be a step backward for the Company and an appalling outcome for shareholders.**

The new £222 million facility is severely short dated, seemingly more expensive than the previous financing arrangement and almost unquestionably leaves the Company in a position of needing to undertake drastic corporate actions (whether it be disposals, deeper operational cuts, closures etc.) in order to repay the term loan due in 10 months.

Had boohoo engaged constructively with Frasers on the refinancing, alternative solutions could have been fully explored which may have resulted in a more favourable outcome for all stakeholders.

We also note the statement by the Board in the Business Update that it "strongly believes there is potential to unlock shareholder value and is exploring options to deliver on this". **Given the concerns regarding the refinancing and the near-term repayment deadline, Frasers would like to make absolutely clear that no disposals should be made without first consulting Frasers and all other major shareholders.**

As a result of this long-term mis-management, the Board has presided over a long-term collapse in boohoo's share price, which has fallen over 29% year-to-date and c.17% in the last three months.

Frasers' proposal for Board representation – delayed and ignored

Frasers has made repeated attempts to engage with the Board on a wide number of urgent and pressing issues facing boohoo, including the total lack of willingness to consider alternatives which Frasers proposed to the refinancing. There has been a complete failure to meaningfully engage with us, your largest shareholder.

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Another prime example of the Board's failure to meaningfully engage relates to Frasers' constructive proposal, which has been made to the Board on a number of separate occasions, for Frasers to nominate an experienced individual for appointment to the Board.

In our letter to the Board of 9 October 2024, we requested an in-person meeting with Mr. Mahmud Kamani, the Group Executive Chairman of boohoo, as soon as possible, to discuss both the effectiveness of the current senior team and Frasers' proposal for Board representation.

Your first response of 11 October 2024 completely ignored this proposal. It also effectively ignored the urgency of this meeting, stating that no meeting was possible in the timeframe we requested due to "pre-existing travel commitments".

We recognise stone-walling when we see it, and these tactics of 'delay and ignore' are no longer tolerable in the context of the continued value destruction that the Board is overseeing at boohoo.

The Board then sent a second response to Frasers on 13 October 2024, only two days later, stating that it was "unanimous" in supporting Frasers' proposal for Board representation, but offering only an initial meeting between advisers and one of the Company's independent non-executive directors. While not the meeting that Frasers had requested, Frasers agreed to attend this meeting with a view to having a discussion in good faith regarding both Frasers' proposal and a number of other urgent issues at boohoo. This meeting took place on Friday, 18 October 2024.

At this meeting, we asked for an explanation regarding the entirely inconsistent and contradictory responses received from boohoo to Frasers' proposal for Board representation. No satisfactory explanation was given.

In addition, Frasers specifically requested the Company to revert to Frasers by the end of Sunday, 20 October 2024 with a decision on our proposal for Mr. Mike Ashley to be appointed as a director and CEO of the Company in light of Mr. John Lyttle's intention to step down as CEO, to take effect as soon as possible.

At the time of this letter, Frasers has not received a decision from the Board regarding Mr. Ashley's appointment. Instead, we have received holding responses that result in further delays in a situation where time is of the essence. Frasers therefore has no choice but to assume that the Board has rejected Frasers' proposal for Board representation.

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CEO's resignation – the crisis worsens

The recent announcement on 18 October 2024 of the resignation of Mr. Lyttle as CEO creates a leadership void and is an impediment on boohoo's return to growth. Finding a replacement who can not only reinvigorate the Company, but also deliver best-in-class operational oversight, will be very difficult to achieve in the near term.

Appointing Mr. Ashley as a director and CEO of boohoo is the best solution to boohoo's leadership crisis.

A shareholder vote on new leadership

To date, Frasers has refrained from sharing its proposal for Board representation publicly in the hope that the Board would engage with Frasers.

In the face of persistent failure by the Board to meaningfully engage on this subject and in light of the other above-mentioned major concerns, Frasers has been left with no option but to take action itself in order to provide a solution to boohoo's leadership crisis. Frasers believes the time has now come for Frasers' proposal to be made public and for a broader discussion regarding boohoo's potential and how best to fulfil it.

Therefore, Frasers is requisitioning a general meeting of the Company. It is critical for boohoo's future success that shareholders urgently be given the opportunity to appoint to the Board experienced individuals capable of delivering the necessary changes to deliver long-term value for all shareholders.

The resolutions

At the general meeting of the Company which Frasers is requisitioning, we ask shareholders to vote:

- to appoint Mr. Ashley as a director and CEO of the Company, in place of Mr. Lyttle. Mr. Ashley is the founder and former CEO of Frasers. There is no stronger candidate for CEO who has the experience and abilities of Mr. Ashley and who is in a position to replace Mr. Lyttle as soon as possible;

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- to remove Mr. Lyttle as a director of the Company, in order that he can be replaced by Mr. Ashley; and
- to appoint Mr. Mike Lennon as a director of the Company. Mr. Lennon is an experienced restructuring professional with significant experience in retail assignments. Mr. Lennon is ideally positioned to support the execution of a new strategy.

Shareholder voice, shareholder choice

For too long, this Board has ignored the views of shareholders and refused to meaningfully engage with their ideas. But no longer. We are requisitioning a shareholder meeting to provide a referendum on the large-scale value destruction and long-term and continued incompetence of the current Board and to provide a solution to boohoo's leadership crisis. We are confident that we are not alone in these views and that shareholders will vote for the governance change that boohoo so badly needs.

We look forward to confirmation from boohoo that the general meeting we are requisitioning will be held as soon as possible, given the urgency of the situation.

The action we have taken today is in the best interests of the Company, its shareholders and its stakeholders. The Board appointments proposed by Frasers are now the only way to set a new course for boohoo's future. Frasers urges boohoo shareholders to vote in favour of its proposals.

Yours sincerely,

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Robert Palmer
Company Secretary
For and on behalf of **Frasers Group plc**

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