

21 July 2023

THG PLC

Strategic review update

Full exit of THG OnDemand and ProBikeKit confirmed, for consideration of c. £4 million

Eliminating FY 2022 losses of £14.6 million

THG PLC ("THG" or the "Group") provides the following update on the outcome of its strategic review.

On 17 January 2023 the Group confirmed its intention to simplify and streamline its operations, undertaking a strategic review of loss-making categories and territories within the THG OnDemand division. The Group has continued to execute on this plan and following an extensive market-testing process to secure optimal value for shareholders, the trade and assets^[1] of THG OnDemand have been sold to a Newco led by the existing OnDemand management team and funded by Gordon Brothers, the advisory and investment firm. The Newco will continue to be a client of Ingenuity, with the provision of technology, operational and digital services.

In addition, specialist provider of cycling equipment 'ProBikeKit' was sold to Frasers Group PLC in Q2 2023. The combined consideration payable through both transactions is c. £4 million.

The FY 2023 financial impact is incorporated into existing market guidance (inclusive of one-off costs), with discontinued revenues non-recurring after Q3 2023. Discontinued categories collectively contributed to an EBITDA loss of £14.6 million in FY 2022.

As communicated within the AGM trading statement on 21 June 2023, free cash flow performance for the 12 months to 30 June 2023 was ahead of expectations (c. £40 million outflow), including disposal proceeds from the sale of non-core freehold assets.

Matthew Moulding, CEO commented:

"Through the years, our incubator division OnDemand has cultivated our talent, technology and trading strategies. I am delighted to see management and Gordon Brothers continuing the fantastic work of the OnDemand team, and I have no doubt the ProBikeKit business will continue to thrive under Frasers Group. We will remain close partners with both the OnDemand management team and Frasers Group through continued Ingenuity services."

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THG PLC

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Notes to editors

THG is a vertically integrated, digital-first consumer brands group, retailing its own brands in beauty and nutrition, plus third-party brands, via its complete digital commerce solution, Ingenuity, to an online and global customer base. THG's business is operated through the following divisions:

THG Beauty: The globally pre-eminent digital-first brand owner, retailer, and manufacturer in the prestige beauty market, combining its prestige portfolio of eight owned brands across skincare, haircare, and cosmetics. It is a global route to market for over 1,300 third-party premium brands through its portfolio of websites, including Lookfantastic, Dermstore, Cult Beauty and Mankind and the beauty subscription box brand GLOSSYBOX.

THG Nutrition: A group of digital-first Nutrition brands, which includes the world's largest online sports nutrition brand Myprotein, and its family of brands (Myvegan, Myvitamins, MP Activewear and MyPRO), with a vertically-integrated

business model, supported by global THG production facilities.

THG Ingenuity: Ingenuity provides a complete digital commerce solution for consumer brand owners across its three pillars of technology, digital and operations. Being part of the THG group, a global digital brand owner in Beauty & Nutrition, Ingenuity is uniquely placed to bring relevant, practical, and international expertise in every area of commerce.

[1] Trade and assets include (but not limited to) stock, plant and machinery, IP and license agreements

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