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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

12 May 2023

THG PLC

("THG" or the "Company")

Termination of discussions with Apollo

On 17 April 2023, THG announced that it was in receipt of a highly preliminary and non-binding indicative proposal from Apollo Global Management Inc. ("**Apollo**") on behalf of certain of its affiliated funds, to acquire the entire issued and to be issued share capital of THG (the "**Indicative Proposal**"). Following receipt of the Indicative Proposal, the Board of THG entered into a short period of discussion with Apollo to provide it with an opportunity to improve the proposed valuation and confirm the structure of its Indicative Proposal. It has become clear to the Board, supported by shareholders representing a majority of THG's issued share capital, that there is no longer any merit in continuing to engage with Apollo. Consideration and rejection of the Indicative Proposal has been on a basis consistent with all previous offers for the Company, some a matter of public record, which were also rejected based upon inadequate valuations and the nature of those offer structures. Having discussed with its financial and legal advisors, the Board has unanimously determined that it is not in the best interest of THG shareholders to seek an extension to the deadline set out in the Company's announcement dated 17 April 2023, as permitted by Rule 2.6(c) of the Code, and, consequently, it has terminated all discussions with Apollo.

The Company confirms that the profitability and cashflow improvements delivered during the first quarter of FY 2023, have continued in Q2, along with ongoing online sales momentum further supporting the Board's full year guidance. The actions undertaken by management since the beginning of 2022 to improve operating leverage, reduce capex and generate working capital efficiencies, coupled with ongoing deflation in whey commodity prices, underpin significantly improved profitability and cash flow neutrality in FY 2023. The Company reiterates its expectations to deliver positive free cash flow in FY 2024 and adjusted EBITDA margins of around 9.0% over the medium term.

Since Lord Allen's appointment as independent Chair in March 2022, the composition of the Company's Board continues to progress in accordance with its independence and diversity objectives, with three further independent non-executive Directors appointed, including the recent appointment of Sue Farr as Senior Independent Director. Following completion of the divisional reorganisation and subsequent strategic review, including publication of segmental performance, the Group now has a full range of strategic options to maximise shareholder value across the Nutrition, Beauty and Ingenuity divisions. The timing of the move to the Premium segment of the Main Market of the London Stock Exchange remains subject to the outcome of the FCA's review for reform of the listing regime.

Commenting on today's announcement, Charles Allen, Lord Allen of Kensington, Chair of THG said:

"THG's Board, in accordance with its fiduciary obligations and as demonstrated with its recent engagement with Apollo, will always give due consideration to all potential options which provide the opportunity to maximise value to THG's shareholders. The Board remains fully confident in THG's strategic direction and long-term prospects as an independent company. As stated in our recent results, with a strong balance sheet and category leading positions within substantial global end markets that continue to benefit from long-term structural growth, we have confidence in our ability to deliver long-term value for shareholders and remain on track to be cashflow positive in 2024."

As stated in the announcement dated 17 April 2023 and in accordance with Rule 2.6(a) of the Code, Apollo is required, by not later than 5.00 p.m. (London time) on 15 May 2023, to do one of the following: (i) announce a firm intention to make an offer for THG in accordance with Rule 2.7 of the Code; or (ii) announce that it does not intend to make an offer for THG, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies.

The person responsible for arranging for the release of this announcement on behalf of THG is James Pochin, General Counsel and Company Secretary.

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ENDS

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.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.THG.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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Jefferies International Limited ("**Jefferies**"), which is authorised and regulated by the Financial Conduct Authority ("**FCA**") in the United Kingdom, is acting exclusively for THG and no one else in connection with the Indicative Proposal and will not be responsible to anyone other than THG for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the Indicative Proposal or any other matters referred to in this announcement. Neither Jefferies nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein or otherwise.

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