

FOR IMMEDIATE RELEASE

25 January 2021

The information contained within this announcement is deemed by the company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

boohoo group plc

("boohoo" or "the Group")

STRATEGIC ACQUISITION TO DEVELOP ONLINE MARKETPLACE

“Development of online marketplace and extension of target addressable market”

boohoo, a leading online fashion retailer, announces that it has acquired all of the intellectual property assets (including customer data and related business information and selected contracts) of Debenhams Retail Limited (in administration) (“Debenhams”) from its joint administrators, for £55 million (plus VAT) in cash (the “Transaction”).

Debenhams is a long-standing and leading UK fashion and beauty retailer with high brand awareness, and an established online platform with approximately 300 million UK website visits per annum. This makes it a top 10 retail website in the UK by traffic.

The Transaction represents a fantastic opportunity to grow the Group’s target addressable market and increase the share of wallet opportunity through a new capital light and low risk operating model that is complementary to the Group’s highly successful direct-to-consumer multi-brand platform.

The Group intends to rebuild and relaunch the Debenhams platform, helping further the Group’s stated ambition to lead the fashion eCommerce market, and grow into new categories including beauty, sport and homeware through:

- **Marketplace:** Creating the UK’s largest marketplace across fashion, beauty, sport and homeware. The Group plans to expand the range of products sold via the Debenhams marketplace by maintaining existing marketplace brand relationships and adding new brands over time. The relaunched marketplace will also provide an exciting new route to market for the Group’s existing brand portfolio
- **Beauty:** The Group will continue to operate the current wholesale model, but will also look to add new beauty brands via the marketplace model
- **Own brand fashion:** Debenhams’ own fashion brands will be absorbed into boohoo’s current brand portfolio and sold via the core Debenhams site and their own pureplay websites

John Lyttle, CEO, commented:

“The acquisition of the Debenhams brand is an important development for the Group, as we seek to capture incremental growth opportunities arising from the accelerating shift to online retail. We have developed a successful multi-brand direct-to-consumer platform that continues to disrupt the markets that we operate in. The acquisition represents an exciting strategic opportunity to transform

our target addressable market through the creation of an online marketplace that leverages Debenhams' high brand awareness and traffic through the development of beauty and fashion partnerships connecting brands with consumers."

Mahmud Kamani, Executive Chairman, commented:

"This is a transformational deal for the Group, which allows us to capture the fantastic opportunity as eCommerce continues to grow. Our ambition is to create the UK's largest marketplace. Our acquisition of the Debenhams brand is strategically significant as it represents a huge step which accelerates our ambition to be a leader, not just in fashion eCommerce, but in new categories including beauty, sport and homeware."

Strategic Rationale

1. Unlocking Debenhams' online opportunity

- Transforming Debenhams through the development of an exciting online marketplace, capitalising on the sector's structural shift to online
- Utilising Debenhams' existing pureplay brands and extensive third party brand relationships as the foundations for the marketplace
- Further developing new third party fashion and beauty partnerships, giving brands control over the range of products offered on the marketplace and access to Debenhams' significant customer base
- Growing Debenhams' product categories and expanding its supplier partnerships

2. Boohoo's entry into the beauty, sports and homeware market

- Entering the beauty market at scale - Debenhams is one of the UK's leading prestige beauty retailers across make-up, skincare and fragrance
- Debenhams has 6 million beauty shoppers and 1.4 million Beauty Club members
- Opportunity to extend partnerships into new categories such as sport and homeware

3. Enhanced revenue growth opportunities across the Group

- Significant opportunity to leverage Debenhams' customer database and develop the platform for international markets in the future
- Debenhams offers an additional route to market for the Group's existing brands
- Extending the Group's brand portfolio through the acquisition of Debenhams' pureplay own brands including Maine, Mantaray, Principles and Faith

Key Transaction Details

Debenhams is expected to relaunch on the Group's platform in Q1 FY22. In order to allow for the winding down of Debenhams' operations, Debenhams will continue to operate its website for an

agreed period before the relaunch on the Group's platform and a licence has been granted to allow for the winding down of Debenhams' retail stores (when they are in a position to re-open) for an additional period. The Transaction will be financed through the Group's existing cash balance, which stood at £386.9m on 31 December 2020. The Group will only be acquiring the brands and associated intellectual property rights – the Transaction does not include Debenhams' retail stores, stock or any financial services.

Financial Information

In Debenhams' most recent financial year to 31 August 2020, its online business generated unaudited online net revenues of approximately £400 million, via the following operating models:

- **Marketplace:** Approximately 25% of the online revenue (primarily fashion and homewares)
- **Beauty:** Approximately 20% of the online revenue via a traditional wholesale model
- **Own brand fashion:** Approximately 25% of the online revenue (key brands include Maine, Mantaray, Principles and Faith)
- **Wholesale inventory:** Approximately 30% of the online revenue (bought from third-party brands, including fashion, sport and homeware), which will not continue to operate under the Group's ownership

The Transaction is not expected to contribute to the Group's revenues over the remaining five weeks of the current financial year (FY 2021), and is expected to incur modest start-up losses. The Group will provide a further update at its Full Year results in early May 2021.

Other Financial Information

In its most recent financial year to 31 August 2020, Debenhams generated unaudited Gross Transaction Value of £1.524 billion and unaudited EBITDA of £12.7 million. These figures include all revenues and associated costs for store-based and international operations.

Investor and analyst audio webcast

boohoo group plc will today host an audio webcast and conference call for analysts and investors at 8.30am GMT via the following link:

Audio webcast: <https://webcasting.brrmedia.co.uk/broadcast/600add34efe97358c10a2491>

UK dial-in: +44 (0)330 336 9411

Participant Pin Code: 9203086

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About boohoo group plc

“Leading the fashion eCommerce market”

Founded in Manchester in 2006, boohoo is an inclusive and innovative brand targeting young, value-orientated customers. Since 2006, boohoo has been pushing boundaries to bring its customers up-to-date and inspirational fashion, 24/7. boohoo has grown rapidly in the UK and internationally, expanding its offering with range extensions into menswear, through boohooMAN.

In early 2017 the Group extended its customer offering through the acquisitions of the vibrant fashion brand PrettyLittleThing, and free-thinking brand Nasty Gal. In March 2019 the Group acquired the MissPap brand, in August 2019 the Karen Millen and Coast brands and in June 2020 the Warehouse and Oasis brands, all complementary to the group's scalable, multi-brand platform. United by a shared customer value proposition, our brands design, source, market and sell great quality clothes, shoes and accessories at affordable prices. These investment propositions have helped us grow from a single brand, into a major multi-brand online retailer, leading the fashion eCommerce market for 16 to 40-year-olds with a global presence. As at 31 August 2020, the Group had just over 17 million active customers across all its brands around the world.

In January 2021, the Group acquired the intellectual property assets of Debenhams, with the goal of transforming a leading UK fashion and beauty retailer into an online marketplace through a new capital light and low risk operating model that is complementary to the Group's highly successful direct-to-consumer multi-brand platform.