

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

Electra Private Equity PLC

Proposed Demerger of Hostmore plc from Electra Private Equity PLC and Intention to List

15 October 2021

Following the previously announced intention to demerge (the “Demerger”) Hostmore plc (“Hostmore”) from Electra Private Equity PLC (“Electra”), Electra announces that, subject to approval by Electra shareholders on 1 November 2021, it is expected that the Demerger will be completed and the Hostmore shares (the “Securities”) will be admitted to the premium listing segment of the Financial Conduct Authority (the “FCA”) and to trading on the London Stock Exchange plc’s main market for listed securities on 2 November 2021 (the “Admission”).

Details of Hostmore, its group and the Admission are set out in the prospectus (the “Prospectus”), which will shortly be available on Electra’s and Hostmore’s respective websites www.electraequity.com and www.hostmoregroup.com, subject to certain access restrictions, once the Prospectus has been approved for publication by the FCA, which is expected later today.

The Board of Electra believes that the strategy of establishing Hostmore as an independent listed company provides shareholders with the optimal opportunity for short and long-term value creation through each of:

- 1) the recovery of the market and consumer confidence as we emerge from the Covid-19 pandemic;
- 2) market share gains arising from further development of the Fridays and 63rd+1st brands in the United Kingdom with continued focus on quality, relevance and simplification; and
- 3) development of the Hostmore business through acquisition and development of new brands.

Hostmore management will be meeting investors over the coming days. Presentation slides will be made available on both the Electra and Hostmore websites www.electraequity.com and www.hostmoregroup.com in due course.

Trading update

Hostmore and its subsidiary undertakings (together the “Group”) have made encouraging progress since the resumption of indoor dining in England on 17 May 2021.

Over the 20-week period since the resumption of restricted indoor dining in England on 17 May 2021, the Group has reported like-for-like growth when compared with the same period of 2019 averaging +11.0%. On a VAT adjusted basis, the like-for-like growth of the Group when compared with the same period of 2019 was (1.0%). In the 11 weeks since the further relaxation of Covid-19 restrictions in England on 19 July 2021, the like-for-like growth of the Group when compared with the same period of 2019 has averaged +12.1%. On a VAT adjusted basis, the like-for-like growth of the Group when compared with the same period of 2019 was 0.1%. Performance by the Group over the entire 20-week period reflected a +2.8%¹ outperformance of the market and over the period since 19 July 2021 sales by the Group have outperformed the market by +1.5%. * **

The Group's net debt,*** adjusted to include all Covid-19 related accruals, reduced to £36.4m at the end of August 2021 from £46.0m at the end of December 2020. Cash generated from operations over the 3 complete months following the resumption of indoor dining in England on 17 May 2021 (i.e. June to August 2021) was £12.5 million. The free cash flow generated during the period of £14.1 million reflects a 103% conversion of EBITDA.***

The Group opened a new Fridays restaurant in Lincoln on 19 May 2021, followed by the opening of the first 63rd+1st in Cobham on 24 May 2021 and the second 63rd+1st in Glasgow on 24 September 2021. The Group plans to open a further 63rd+1st site in Harrogate in November 2021.

** These figures exclude contributions from (i) new stores opened in both 2019 and 2021, including 63rd+1st stores; and (ii) the Fridays Covent Garden store which was permanently closed in September 2021 as well as other stores that closed in financial years 2019, 2020 and 2021.*

*** Market based on industry data compiled by Coffey CGA Business Tracker.*

**** Based on the Group's unaudited management reporting pre IFRS16.*

Neil Johnson, Chairman of Electra Private Equity PLC, commented:

"The demerger of Hostmore marks the penultimate stage of the implementation of the Electra strategy over five years. We have confidence that both the demerger of Hostmore, and shortly the transition to Unbound Group, will provide shareholders with the opportunity for further value creation over and above that delivered since 2016, whether they wish to realise value now or to share in the further value creation opportunity that we have confidence both businesses will deliver."

Robert B. Cook, Chief Executive Officer of Hostmore, commented:

"We are delighted to be announcing the intention to proceed with the demerger and listing which, subject to the approval of Electra shareholders, we expect to complete in early November. The demerger and listing of Hostmore leaves us well placed to continue to develop enduring value through our existing and future brands and we look forward to the future with excitement and confidence."

NOTES TO EDITORS

Electra Private Equity PLC

Electra is a private equity investment trust which has been listed on the London Stock Exchange since 1976. Electra's investment objective is to follow a realisation strategy, which aims to crystallise value for shareholders, through balancing the timing of returning cash to shareholders with maximisation of value. Since 1 October 2016, Electra has distributed over £2 billion to shareholders through ordinary dividends, special dividends and share buybacks.

Hostmore plc

Hostmore is a growing hospitality business with its current operations focused on the American-themed casual dining brand, Fridays, and the cocktail-led bar and restaurant brand, 63rd+1st. While Fridays has been trading for over three decades in the UK, Hostmore was established in 2021 to provide a platform for the development of hospitality brands under the leadership of an experienced management team that has a track record of building businesses in the hospitality and leisure sectors.

Hostmore businesses are, and will be, defined by iconic brand experience, vibrant heritage and sector-leading technology. Its strategic focus will be to optimise its brands, aligning them with evolving consumer demands and delivering personalised customer engagement, optimising experience and efficiency through digital leadership. Hostmore's mission is to make every customer experience relevant and engaging, to celebrate the unique heritage and character of its brands, and create environments where people have fun and feel welcomed.

Celebrating its 35th anniversary in the UK in 2021, Fridays is an established brand that offers bold, distinctive American food as well as iconic cocktails made with premium spirits, alongside a range of refreshing low and non-alcoholic cocktails. Fridays provides a high-energy, fun environment with a wide demographic appeal. In 2020, Hostmore refreshed Fridays' customer offering, re-energising its voice to widen its appeal and bring it to today's market – bringing back 'That Fridays Feeling' to existing, new and former audiences.

In May 2021, Hostmore opened its first cocktail-led bar and restaurant under the complementary brand 63rd+1st in Cobham, Surrey. 63rd+1st offers a more sophisticated tone than the Fridays restaurants and is aimed at affluent young professionals and university students. A second site in Glasgow opened in September 2021, and the Company is aiming to open a further site by the end of 2021 in Harrogate, with scope for 10 plus sites by the end of 2023.

Hostmore is exploring opportunities with TGI Friday's, Inc. to expand its existing brands into new franchise territories and, following the Demerger, will seek to add rapidly growing, early-stage businesses to its portfolio of complementary brands, exploring opportunities to extend its offering into experience-led hospitality and leisure concepts.

Unbound Group PLC

Unbound Group PLC will be the parent company for a range of brands focused on the 55+ demographic. Initially focused on Hotter Shoes, Unbound Group will provide a broader range of products and services to support and enhance the active lifestyles and wellbeing of its targeted customer community. This online e-commerce platform will be based on the foundations of Hotter as a trusted brand, cloud-based digital infrastructure, and strong customer personalisation through data insight. Unbound Group's expanded offering beyond Hotter footwear will feature apparel and wellness products and services, alongside third-party complementary brands.

Hotter Shoes

Hotter Shoes has been transformed from a retail to a multi-channel business with a strong and growing digital focus over the last 2 years, and is now a fast-growing, profitable and cash-generative e-commerce focused footwear brand. Hotter provides footwear with uncompromising focus on comfort and fit through the use of differentiating technology, to a targeted demographic that values its brand and products. Hotter's direct-to-consumer channels now reach 29% of the female population in the UK over the age of 55, providing them with footwear that allows them to do more of what they love. Cultural and demographic shifts now provide an opportunity to further monetise the existing Hotter customer database and grow it through the addition of similarly themed products beyond footwear.

ENDS

ENQUIRIES

Electra Private Equity PLC

Gavin Manson, Chief Financial and Operating Officer

020 3874 8300

Vico Partners

John Sunnucks, Iain Rawlinson, Sofia Newitt

020 3957 5045

Numis**Joint Financial Adviser and Joint Corporate Broker to Electra Private Equity PLC**

Stuart Dickson

Alec Pratt

Jonathan Abbott

+44 207 260 1000

HSBC Bank plc**Joint Financial Adviser and Joint Corporate Broker to Electra Private Equity PLC**

Simon Alexander

Sam McLennan

Alex Moraru

+44 20 7991 8888

FURTHER INFORMATION

This communication is being made for information purposes only in connection with the Demerger and Admission, and does not purport to be full or complete.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any relevant restrictions. In particular, this document may not be published or distributed, directly or indirectly, in or into the United States of America, Canada, Australia, Japan or South Africa.

This communication is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This communication does not constitute or form part of an offer of securities for sale or solicitation of an offer to purchase securities in the United States, Canada, Australia, Japan, South Africa or in any other jurisdiction in which such offer may be restricted. The securities referred to in this communication have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state in the United States and may not be offered or sold in the United States, except in reliance on an applicable exemption from, or in a

transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of securities in the United States.

In the United Kingdom, this communication is being distributed only to, and is directed only at: (A) (i) persons who are “investment professionals” specified in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) persons who fall within Article 49(2)(a) to (d) of the Order (and only where the conditions contained in those Articles have been, or will at the relevant time be, satisfied); and (B) persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of United Kingdom law by virtue of the EU (Withdrawal) Act 2018; and (C) persons to whom it may otherwise lawfully be communicated (all such persons detailed in (A), (B) and (C) together being referred to as “Relevant Persons”). Any person in the United Kingdom who is not a Relevant Person must not act or rely on this communication or any of its contents. In the United Kingdom, any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. By accepting receipt of this communication, each recipient is deemed to confirm, represent and warrant that they are a Relevant Person.

In the member states of the European Economic Area (the “EEA”), this communication is directed only at persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation 2017/1129/EU) (“Qualified Investors”). This communication must not be acted or relied upon by, and no investment will be made available to nor any investment activity will be engaged in with any persons who are not Qualified Investors. By accepting receipt of this communication, each recipient is deemed to confirm, represent and warrant that they are a Qualified Investor.

The contents of this announcement have been prepared by and are the sole responsibility of Electra.

This announcement does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for any securities in any jurisdiction nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with any contract therefor. No offer of Securities will be made as part of the Demerger or Admission and the Prospectus will be published solely in connection with the proposed Admission.

This announcement may not be relied upon for the purpose of entering into any transaction and should not be construed as, nor be relied on in connection with, any offer, invitation or inducement to purchase or subscribe for, or otherwise acquire, hold or dispose of any securities of Electra and/or Hostmore and shall not be regarded as a recommendation in relation to any such transaction whatsoever.

HSBC Bank plc (“HSBC”), which is authorised by the Prudential Regulation Authority (the “PRA”) and regulated in the United Kingdom by the FCA and the PRA, and Numis Securities Limited (“Numis” and together with HSBC, the “Banks”) which is authorised and regulated in the United Kingdom by the FCA, are acting as financial advisers and corporate brokers exclusively for Electra and as financial advisers exclusively for Hostmore, HSBC is acting as listing agent exclusively for Hostmore and Numis is acting exclusively as sponsor for Hostmore in connection with the Demerger and Admission, and in each case for no one else in connection with the Demerger, Admission or any other matters described in this announcement and will not regard any other person (whether or not a recipient of this communication) other than Electra and Hostmore as a client in connection with the Demerger, Admission or any other related matters and will not be responsible to anyone other than Electra and the Hostmore group for providing the protections afforded to their respective clients nor for providing

advice to any such other person in connection with the Demerger, Admission, or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks (or either of them) by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, neither of the Banks nor any of their respective affiliates, directors, officers or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of HSBC or Numis (as applicable) for the contents of this announcement or its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, or by any other person(s) in connection with the Demerger, Admission, this communication, any statement contained herein, or otherwise.

The information in this communication does not purport to be comprehensive and has not been independently verified by the Banks, any of their respective group undertakings or affiliates or any of their respective members, directors, officers, employees, agents or affiliates. Except in the case of their respective fraudulent misrepresentation, no responsibility or liability is accepted by the Banks, any of their respective group undertakings or affiliates or by any of their respective members, directors, officers, employees, agents or affiliates as to or in relation to the accuracy, completeness or sufficiency of this communication or any other written or oral information made available to any interested party or its advisers or for any loss whatsoever arising from or in connection with use of or reliance on this communication and any such liability is expressly disclaimed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information or opinions contained in this communication and no reliance should be placed on such information or opinions. The information contained in this communication is subject to change without notice and may not contain all material information relating to the products, services, investment and transaction referred to herein. None of the Company, HSBC, Numis nor any of their respective group undertakings or affiliates is under any obligation or give any undertaking to provide the recipient with access to any additional information or to update this communication or any additional information or to correct any inaccuracies in it which may become apparent, and it reserves the right, without giving reasons, at any time and in any respect to amend or terminate the proposal(s) described herein.

Certain statements made in this announcement are forward-looking statements and by their nature, all such forward-looking statements involve risk and uncertainty. Forward-looking statements include all matters that are not historical facts and often use words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. These forward-looking statements are based on current beliefs and expectations based on information that is known to Electra and/or Hostmore at the date of this announcement. Actual results of the Electra group and/or the Hostmore group and/or their respective industries may differ from those expressed or implied in the forward-looking statements as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, the effects of the Covid-19 pandemic and uncertainties about its impact and duration, many of which are difficult to predict and are generally beyond the control of Electra and/or Hostmore (as applicable). Persons receiving this announcement should not place undue reliance on any forward-looking statements. Unless otherwise required by applicable law or regulation Electra, Hostmore and its respective advisers (including HSBC and Numis, in the capacity set out above) disclaim any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product

Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the Securities have been subject to a product approval process, which has determined that the Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to Admission. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.