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If you sell or have sold or otherwise transferred all of your Electra Shares (as defined below), please forward this document (together with the accompanying documents) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. If you sell or have sold or otherwise transferred only part of your holding of Electra Shares, you should retain this document and any accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take. However, neither this document nor any accompanying documents should be released, published, distributed, forwarded or transmitted, in whole or in part, in, into or from any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document and any accompanying documents to any jurisdiction outside the UK, should seek appropriate advice before taking such action.

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Electra Private Equity PLC

(Incorporated in England and Wales with registered number 00303062)

Proposed Delisting from the Official List and Admission to AIM and related matters

Circular to Shareholders

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn in particular to the letter from the Chairman of Electra Private Equity PLC which is set out in Part II: "Letter from the Chairman of Electra" of this document and which contains the unanimous recommendation of the Board to vote in favour of each of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Electra Private Equity PLC ("Electra" or the "Company") to be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document and instructions for its completion and return by post are set out in the Form of Proxy.

If the Resolutions set out in the Notice of General Meeting set out in Part VII: "Notice of General Meeting" of this document are passed, the current listing of the Electra Shares on the premium segment of the Official List of the Financial Conduct Authority of the United Kingdom ("FCA") (the "Official List") will be cancelled and the Electra Shares will be removed from trading on the main market for listed securities of the London Stock Exchange plc (the "London Stock Exchange"). Application will be made to the London Stock Exchange for the Electra Shares to be admitted to trading on AIM. Subject to, *inter alia*, the passing of the Resolutions at the General Meeting, it is expected that admission of the Electra Shares to trading on AIM (the "Admission") will become effective and dealings in the Electra Shares will commence on AIM on or around 31 January 2022.

For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the General Meeting, please see Part III: "Risk Factors" of this document.

This document and the accompanying documents have been prepared to comply with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this document or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised and regulated in the United Kingdom by the FCA is acting as financial adviser and sponsor exclusively for the Company and for no one else in connection with the Delisting, Admission or any other transaction, matter, or arrangement referred to in this document. Stifel will not regard any other person (whether or not a recipient of this document) as a client in relation to the Delisting or Admission and will not be responsible to anyone other than Electra for providing the protections afforded to its clients or for providing advice in relation to the Delisting, Admission or any other transaction, matter, or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Stifel nor any of its affiliates, directors, officers or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether arising in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Stifel for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with Electra or its subsidiaries, the Delisting or Admission. Stifel and its affiliates, directors, officers or employees accordingly disclaim, to the fullest extent permitted by applicable law, all and any duty, liability or responsibility (whether direct or indirect, consequential, whether arising in contract, in tort, in delict, under statute or otherwise) which they might otherwise be found to have in respect of this document or any such statement. No representation or warranty, express or implied, is made by Stifel or any of its affiliates, directors, officers or employees as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

The distribution of this document in certain jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions in relation to the Electra Shares or this document, including those in the sections that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Except in the United Kingdom, no action has been taken or will be taken in any jurisdiction that would permit possession or distribution of this document in any country or jurisdiction where action for that purpose is required. Accordingly, this document may not be distributed or published in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration. Failure to comply with these restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

No person has been authorised to give any information or to make any representations in connection with the Delisting other than the information and representations contained in this document and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or Stifel. Stifel and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company, Hotter and their respective affiliates, for which they have received customary fees. Stifel and its respective affiliates may provide such services to the Company, Hotter and their respective affiliates in the future.

The Electra Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. None of the US Securities and Exchange Commission, any other US federal or state securities commission or any US regulatory authority has approved or disapproved of the Electra Shares nor have such authorities passed upon or endorsed the merits of the Electra Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document is dated 9 December 2021.

TABLE OF CONTENTS

	Page
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	1
IMPORTANT INFORMATION	2
PART I ACTION TO BE TAKEN	5
PART II LETTER FROM THE CHAIRMAN OF ELECTRA PRIVATE EQUITY PLC	6
PART III RISK FACTORS	18
PART IV UNAUDITED PRO FORMA FINANCIAL INFORMATION	21
PART V ADDITIONAL INFORMATION	25
PART VI DEFINITIONS	32
PART VII NOTICE OF GENERAL MEETING	37

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and date
Publication of this circular	9 December 2021
Latest time and date for receipt of Proxy Forms and CREST electronic proxy appointment instruction for the General Meeting	11.00 a.m. on 24 December 2021
Voting Record Time	6.30 p.m. on 24 December 2021
Time and date of General Meeting	11.00 a.m. on 30 December 2021
Announcement of result of General Meeting	30 December 2021 (after the General Meeting)
Last day of dealings in the Electra Shares on the Main Market	28 January 2022
Cancellation of listing of Electra Shares on the Official List	8.00 a.m. on 31 January 2022
Admission and commencement of dealings in the Electra Shares on AIM	8.00 a.m. on 31 January 2022

Notes:

1. All references to time in this document are to London time unless otherwise stated.
2. The dates and times given are based on Electra's current expectations and are indicative only and may be subject to change. If any of the times or dates above change, Electra will give notice of the change by issuing an announcement through a Regulatory Information Service.
3. The cancellation of listing of the Electra Shares on the Official List and Admission and commencement of dealings in the Electra Shares on AIM are conditional on, *inter alia*, the passing of the Resolutions at the General Meeting.

IMPORTANT INFORMATION

GENERAL

The contents of this document are not to be construed as legal, business or tax advice. Recipients of this document should consult their own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate. Furthermore, Electra and the Directors accept no responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Delisting, Admission, the Electra Group or the Hotter Group. Electra and the Directors make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

When considering what action you should take, you should seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Recipients of this document may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information herein for any purpose other than considering the Resolutions to be proposed at the General Meeting. Such recipients of this document agree to the foregoing by accepting delivery of this document.

Shareholders will be deemed to have acknowledged that they have not relied on Stifel or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this document for their investment decision.

FORWARD-LOOKING STATEMENTS

Certain statements in this document relate to the future, including forward-looking statements relating to each of Electra's and the Hotter Business's financial position and strategy. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue' or other similar words.

These statements discuss future expectations concerning Electra's and the Hotter Business's results of operations or financial condition or provide other forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, including the risk factors set out in Part III: *"Risk Factors"*, many of which are beyond the control of each of Electra and the Hotter Business, and which may cause their respective actual results of operations, financial condition and the development of the business sectors in which they operate to differ materially from those expressed in the statements contained in this document. In addition, even if Electra's or the Hotter Business's actual results of operations, financial condition and the development of the business sectors in which it operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Recipients of this document are cautioned not to put undue reliance on forward-looking statements.

Other than as required by law, none of Electra, its officers, advisers or any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur, in part or in whole.

Additionally, statements of the intentions of the Board and/or Directors reflect the present intentions of the Board and/or Directors, respectively, as at the date of this document and may be subject to change as the composition of the Board alters, or as circumstances require. Except as required by law, Electra disclaims any obligation or undertaking to update or revise any forward-looking statement in this document.

The forward-looking statements speak only as at the date of this document. To the extent required by applicable law or regulation (including as may be required by the Companies Act, Listing Rules, UK MAR, Disclosure Guidance and Transparency Rules and FSMA), Electra will update or revise the information in this document. Otherwise, Electra expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained

in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

US CONSIDERATIONS

The Electra Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the Electra Shares in the United States for the purposes of the US Securities Act. At the time of the Delisting, the Electra Shares will not be listed on any securities exchange in the United States, and Electra expects to rely on an exemption from registration under the US Securities Exchange Act 1934, as amended, provided by Rule 12g 3-2(b) thereunder.

The Electra Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Electra Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

NO OFFER OR SOLICITATION

This document is not a prospectus but a shareholder circular and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security, including the Electra Shares or any other securities of Electra or Unbound.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available for inspection on Electra's website at <https://www.electraequity.com> from the time that this document is published. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

If and to the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

In particular, information on or accessible through Electra's corporate website at <https://www.electraequity.com> and through Unbound Group's corporate website at <https://unboundgroupplc.com> does not form part of and is not incorporated into this document.

If you have any queries in connection with this document or the Delisting and Admission, or if you have received this document in electronic form and you want to request a hard copy of this document and/or any information incorporated into this document by reference to another source, you can contact the Company Registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales), on 0371 384 2351 from within the UK or on +44 (0)121 415 7047 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate and different charges may apply to calls from mobile telephones), with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes) if relevant. The helpline operators cannot provide advice on the merits of the Delisting and Admission nor give any financial, legal or tax advice.

PRESENTATION OF FINANCIAL INFORMATION

The basis of preparation of the financial information included in Part IV: "*Unaudited Pro Forma Financial Information*" of this document is set out in section B of that Part IV.

Percentages in tables may have been rounded and, accordingly, may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

References to “£”, “GBP”, “pounds”, “pounds sterling”, “sterling”, “p”, “penny” or “pence” are to the lawful currency of the United Kingdom.

CERTAIN DEFINED TERMS

Certain terms used in this document, including capitalised terms and certain technical and other terms, are defined and explained in Part V: “*Definitions*” of this document.

PART I

ACTION TO BE TAKEN

For the reasons set out in this document, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Electra Shares, and that you take the action described below.

Implementation of the Delisting and Admission requires the passing of all the Resolutions by Shareholders at the General Meeting.

1 Action to be taken in relation to voting at the General Meeting

The Delisting and Admission will require the approval of Shareholders at the General Meeting to be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, United Kingdom on 30 December 2021 at 11.00 a.m.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

Please check that you have received with this document a Form of Proxy for use in respect of the General Meeting. Delivery of a proxy vote will not preclude Shareholders from attending and voting in person at the General Meeting. Further details on the appointment of proxies are set out in the Notice of General Meeting set out in Part VII: *"Notice of General Meeting"* of this document.

2 Helplines

If you have any queries, please contact Equiniti Limited on 0371 384 2351 from within the UK or on +44 (0)121 415 7047 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider and different charges may also apply to calls from mobile telephones. The helpline is open from 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.

The helpline operators cannot provide advice on the merits of the Delisting and Admission nor give any financial, legal or tax advice.

PART II

LETTER FROM THE CHAIRMAN OF ELECTRA PRIVATE EQUITY PLC

(incorporated in England and Wales with registered number 00303062)

Directors

Neil Johnson (Chairman)
Paul Goodson
Gavin Manson
Baroness Rock
Suki Thompson
Linda Wilding

Registered office
17 Old Park Lane
London W1K 1QT
United Kingdom

Proposed Directors

Ian Watson (proposed Chief Executive Officer)
Daniel Lampard (proposed Chief Financial Officer)

9 December 2021

Dear Shareholder

Proposed Delisting from the Official List and Admission to AIM and related matters

1 Introduction

In line with Electra's existing investment objective of following a realisation strategy which aims to crystallise value for Shareholders, the Board announced the successful completion of the demerger of its hospitality brands operating under Hostmore plc ("Hostmore") on 1 November 2021 (the "Hostmore Demerger"). The Board now intends to conclude the implementation of its realisation strategy, as set out in Electra's announcement of 17 August 2021 by, subject to the Resolutions being passed, (i) renaming Electra as 'Unbound Group PLC' ("Unbound"); (ii) cancelling the existing listing of Electra Shares on the premium listing segment of the Official List and removing those shares from trading on the Main Market (the "Delisting"); and (iii) applying for admission of the issued and to be issued Electra Shares to trading on AIM ("Admission"). As part of the Delisting and Admission process, certain members of the senior management of the Hotter Business (the "Hotter Management") will be entitled to receive shares in Electra in settlement of their entitlements under a management incentive plan entered into on 30 March 2021 with Hotter MIPCO Limited ("MIPCO"), a subsidiary of Electra (the "Hotter MIP"), further details of which are set out in section 4 of this Part II.

A key consideration of the Board in managing the delivery of Electra's realisation strategy has always been to seek the optimal outcome in the balance between the timing of returns and value maximisation for Shareholders. Having explored other possibilities, the Board is confident that the value creation opportunity arising from the Delisting and Admission is attractive and significantly outweighs the opportunity to realise cash in the short-term through the sale of the Hotter Business and subsequent wind-up of Electra. The Board believes that the Delisting and Admission will bring the implementation of Electra's realisation strategy, that has now seen the Company return over £2.2 billion to Shareholders since 2016, to a successful conclusion whilst leaving behind two strong and well managed businesses in the form of Hostmore and Unbound to drive further value creation for Shareholders.

Electra acquired the Hotter Business in 2014 based on its long heritage as a direct to consumer brand that designed, manufactured and retailed comfort footwear to the 55 plus demographic. At the time of the acquisition, the growth of the Hotter Business was primarily driven through an extensive store roll out programme. Having been transformed over the last two years into a digital first proposition with a right sized store portfolio, the Hotter Business has returned to growth and is a profitable and cash generative business which serves almost one in three of the female population of the UK over the age of 55.

In taking the strategy for the Hotter Business to the next logical stage, whilst continuing to improve its footwear offering for all consumers in its targeted age demographic, Unbound intends to leverage its highly attractive customer database and the scalable digital infrastructure of the Hotter Business. In particular, Unbound intends to become a broader business selling other products and services, with related consumer benefits, to the same targeted demographic. This development to incorporate other products and services will be through the curated Unbound digital platform working with similarly focussed partners to provide a range of products and services that support the wellbeing and active lifestyles of the Hotter Business's customer community.

This document contains further information about the Proposals, explains why the Board believes that the Proposals are all in the best interests of Shareholders as a whole, and invites Shareholders to participate in the General Meeting, to be held at 11.00 a.m. on 30 December 2021 at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, United Kingdom, to approve the Resolutions. The Notice of General Meeting, and the text of the Resolutions which are to be proposed at the General Meeting, including further information about voting by proxy, are set out at the end of this document.

The Board considers the transactions contemplated in the Resolutions to be in the best interests of Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions. All Directors with legal and beneficial holdings in the Company intend to vote in favour of the Resolutions at the General Meeting.

2 Overview of the Delisting and Admission

Conditional on the Resolutions having been approved by Shareholders at the General Meeting, Electra will apply to cancel the listing of the Electra Shares on the premium segment of the Official List, remove the Electra Shares from trading on the Main Market and apply for admission of the Electra Shares to trading on AIM.

The Listing Rules require that, if a company wishes to cancel its listing on the premium segment of the Official List, it must seek the approval of not less than 75 per cent. of its shareholders in a general meeting voting in person or by proxy. Accordingly, a special resolution is being proposed at the General Meeting to authorise the Directors to cancel the listing of the Electra Shares on the Official List, to remove the Electra Shares from trading on the Main Market and to apply for admission of the Electra Shares to trading on AIM, such cancellation, removal and admission to take effect simultaneously.

If all of the Resolutions which are proposed at the General Meeting are approved, the Company will apply to cancel the listing of the Electra Shares on the Official List and to trading on the Main Market and will give at least 20 business days' notice of its intention to seek admission to trading on AIM. It is anticipated that the last day of dealing in Electra Shares on the Main Market will be 28 January 2022. The cancellation of the listing of Electra Shares on the Official List will take effect at 8.00 a.m. on 31 January 2022, being not less than 20 business days from the passing of the Resolutions. Admission is expected to take place, and dealings in Electra Shares are expected to commence on AIM on 31 January 2022.

As part of the Delisting and Admission process, Electra will rename itself as 'Unbound Group PLC' and will adopt the New Articles and the Unbound LTIP. Further, Ian Watson and Daniel Lampard will be appointed as the Chief Executive Officer and Chief Financial Officer of the Company respectively, with effect from Admission.

An Admission Document, prepared in accordance with the AIM Rules, setting out full details of the Admission of the Electra Shares to trading on AIM will be published in due course. A further update on the timing of the Admission Document will be notified following the General Meeting.

Although it is their intention, there is no guarantee that the Directors will be successful in achieving Admission of the Electra Shares to trading on AIM. The Company must meet the requirements of the AIM Rules in order for the Electra Shares to be considered eligible for Admission, which includes the appointment of a nominated adviser and broker and the

publication of an Admission Document. The London Stock Exchange may also make Admission subject to one or more special conditions, and a failure to satisfy any such condition may mean that Admission is refused.

The Directors and the Proposed Directors believe that the Company either already does or will satisfy the above requirements, and will therefore be considered to be eligible for Admission. For the avoidance of doubt, if the Company is not considered eligible for Admission, Electra will continue with its current listing status for so long as it meets the relevant criteria.

Upon Delisting and Admission, the Company will no longer meet the requirements of section 1158 of the Corporation Tax Act 2010 (“**CTA 2010**”) for an investment trust and, as a result, any capital gains realised by the Company (less any losses available) on or after Delisting and Admission will be subject to corporation tax.

3 Background to and reasons for the Delisting and Admission

The realisation strategy implemented by Electra over recent years was founded on the principle that, once optimised, Electra’s portfolio businesses had greater value individually than together within the Electra vehicle. This has been demonstrated through the return of now over £2.2 billion to Shareholders since 2016 compared with a market capitalisation of £1.1 billion in early 2016.

Following the demerger on 1 November 2021 of the hospitality brands operating under Hostmore plc, which includes the Fridays brand, Electra is now in the final stage of its portfolio realisation strategy, which will see Electra transition to AIM as Unbound (the “**AIM Transition**”). Unbound will be the parent company of the Hotter Business, Electra’s only remaining corporate investment, and the foundation of a fast-growing e-commerce business serving and enhancing the lifestyles of its targeted customer community.

Since 2019, the Hotter Business has been transformed through the appointment of a new strong management team and the successful implementation of a digital transformation strategy. These changes have left the Hotter Business well-positioned to act as the foundation for a business growing well beyond its core offering in areas that the Directors believe will support long-term and sustainable growth. The Directors also consider that the value deliverable to Shareholders through the AIM Transition is significantly greater than the value realisable through selling the Hotter Business in its current form via a private sale process and is more appropriate given the growth potential of Unbound. The AIM Transition also provides Shareholders with the opportunity to continue to hold their investments in order to participate in future value creation opportunities afforded by Unbound based on its development beyond its existing foundation, the Hotter Business.

The Board engaged with Shareholders in the formulation of Electra’s overall realisation plans and having done so firmly believes that the AIM Transition, which will be achieved through the Delisting and Admission, is in the best interest of Shareholders.

On 2 December 2021, Electra announced that it intends to extend the end of its current accounting period to coincide with the date immediately before the proposed AIM Transition and to align with the accounting period of the Hotter Group going forward. At the same time Electra also released its interim accounts for the period ending 30 September 2021 (the “**Second Interim Results**”) and these are available on Electra’s website at <https://www.electraequity.com>.

As the Second Interim Results cover a period ending prior to the completion of the Hostmore Demerger and the AIM Transition, the valuations contained in the Second Interim Results, which are based on trading multiples of comparable businesses, continue to reflect the application of a discount which the Board believes reflects a number of different factors, including comparability, transaction execution risks as well as an unlisted liquidity discount. With the Hostmore Demerger now having completed, Electra has produced, in Part IV: “*Unaudited Pro Forma Financial Information*” of this document for illustrative purposes only and on a pro-forma basis, the assets of Electra/Unbound that would have been retained had the Hostmore Demerger and AIM Transition been concluded on 30 September 2021, with each of these businesses valued on a basis that is consistent with the statutory presentation from the Second Interim Results as at 30 September 2021. These valuations therefore assume that all discounts included in the 30 September 2021 results are maintained. These valuations

reflect the minority interests of Hotter management that it is proposed to settle through the settlement of the Hotter MIP – the settlement of which is illustrated in column C of the pro forma table at section B in Part IV: “*Unaudited Pro Forma Financial Information*”.

4 Settlement of the Hotter MIP

In late 2018, when Ian Watson was being recruited to become the Chief Executive Officer of the Hotter Business, the commercial terms of a management incentive plan were agreed. These terms provided the management team of the Hotter Business with a share of the value creation of the Hotter Business above the value of the business at that time. The value attributable to management under those arrangements has been deducted from the value of the Hotter Business in valuations since that time in arriving at published values attributable to Shareholders.

In anticipation of the crystallisation of value through the proposed Delisting and Admission, a mechanism to deliver the value committed whilst retaining the continuing commitment of Hotter Management was implemented earlier this year. As such, Hotter Management entered into the Hotter MIP, pursuant to which 10,000 A ordinary shares of £0.00001 each in MIPCO (the “**Hotter MIP Shares**”) were issued to Hotter Management.

As a part of the Delisting and Admission process, Electra will undertake an internal group reorganisation to streamline its post-Admission corporate structure to one which is appropriate for a trading group (the “**Reorganisation**”). Certain actions undertaken as part of the Reorganisation will trigger the crystallisation of the Hotter MIP, further to which Hotter Management will be entitled to exercise a put option requiring Electra to acquire the Hotter MIP Shares for cash, or another form of consideration as agreed between Electra and the Hotter Management, by reference to a pre-agreed valuation formula as set out in MIPCO’s articles of association.

In order to ensure the continued alignment of Hotter Management’s interests with those of Shareholders, Electra and Hotter Management entered into an agreement on 9 December 2021 (hereafter referred to as the “**Hotter MIP Side Letter**”) pursuant to which both parties agreed, conditional on both the completion of certain elements of the Reorganisation and Electra shareholder approval (as more particularly described below), that any payment by Electra for the Hotter MIP Shares would be satisfied by the issue of new Electra Shares to Hotter Management on or before Admission.

For the purposes of establishing the number and value of Electra Shares to be issued to Hotter Management under the Hotter MIP Side Letter, the Board considered Electra’s current market capitalisation and the implied look-through valuation of the Hotter Business as Electra’s sole remaining corporate investment as well as the internal valuation of the Hotter Business. As such, Electra and Hotter Management agreed an equity value of £32.5 million for the Hotter Business in order to establish the value of the payment under the Hotter MIP in accordance with the pre-existing valuation formula under MIPCO’s articles of association. On that basis, the terms of the Hotter MIP Side Letter provide that Hotter Management will be issued 3,284,799 new Electra Shares in aggregate, equal to 7.77 per cent. of the enlarged issued share capital of Electra.

A member of the Hotter Management, namely the Chief Executive Officer, Ian Watson, is a statutory director of companies within the Hotter Group. As such, when the Hotter MIP Side Letter was entered into, Ian Watson was considered a “related party” of Electra for the purposes of the Listing Rules. Pursuant to the Hotter MIP Side Letter, Ian Watson will be issued 2,086,833 new Electra Shares (equal to 4.94 per cent. of the enlarged issued share capital of Electra) representing a value of £1,356,441 based on the closing price of Electra Shares of 65 pence per share on 8 December 2021. As such, the issue of new Electra Shares under the Hotter MIP Side Letter to Ian Watson (“**Ian Watson MIP Settlement**”) is considered a related party transaction under the Listing Rules and, on account of its value, the Listing Rules require that the Ian Watson MIP Settlement is conditional on receiving Shareholder approval. The Ian Watson MIP Settlement Resolution is an ordinary resolution and is conditional on the passing of all other Resolutions.

In order to further align with the interests of Shareholders, Ian Watson has agreed to enter into a lock-up arrangement under which he will limit his ability to sell, or otherwise deal with, the Electra Shares that will be issued to him pursuant to the Hotter MIP Side Letter for: (a) with respect to 50 per cent. of those Electra Shares, a period of 365 days from the date of Admission without the consent of the Company and Stifel; and (b) with respect to the remaining 50 per cent. of those Electra Shares, for a period of 180 days from the date of Admission without the consent of the Company and Stifel (with such consent not to be unreasonably withheld). This lock-up arrangement applies subject to a number of limited exceptions which include transfers to connected persons (as defined under the Companies Act), transfers to personal representatives on the death of the holder and the acceptance of a general takeover offer made in accordance with the City Code on Takeovers and Mergers.

As required by the Listing Rules, Ian Watson and any associates who hold Electra Shares are precluded from voting on the Ian Watson MIP Settlement Resolution. Therefore, Ian has undertaken to abstain, and to take all reasonable steps to ensure that any associates abstain, from voting on the Ian Watson MIP Settlement Resolution. As at the Latest Practicable Date, Ian Watson beneficially held 10,000 Electra Shares.

5 Proposed Unbound LTIP

Conditional on the LTIP Resolution being passed, the Board will adopt the Unbound Group PLC 2021 Long-Term Incentive Plan ("Unbound LTIP") in which the Executive Directors are eligible to participate.

The Unbound LTIP will allow for the grant of awards to all employees (including Executive Directors) of the Company. Awards will normally be granted annually which, in the case of awards to Executive Directors and certain other senior executives, will be subject to stretching long-term performance conditions. Awards will normally vest after three years and, in the case of Executive Directors, will be subject to a further two year post-vesting holding period. The normal maximum grant level for the Chief Executive Officer will be 150 per cent. of salary and Chief Financial Officer will be 125 per cent. of salary. In line with market best practice, clawback and malus can be applied within three years of LTIP awards vesting as determined at the discretion of the Remuneration Committee and the Remuneration Committee will have the discretion to adjust the pay-out that would otherwise result by reference to the formulaic outcome alone.

A more detailed summary of the principal terms of the Unbound LTIP is set out in section 1 of Part V: *"Additional Information"*.

The LTIP Resolution is an ordinary resolution and is conditional on the passing of all other Resolutions.

6 Extension of Loan Facility

The Hotter Group is currently in discussions with its principal lenders (the "Lenders") with a view to extending the period of its existing loan facilities held with them with a reduction in gross borrowings from £17.1 million to £12.1 million (the "Loan Facility Extension"). As part of those discussions, the Hotter Group is seeking the Lenders' consent for the release of certain security granted over the assets of the Hotter Group to facilitate the Reorganisation. Whilst the Directors are confident that the Hotter Group can complete the Loan Facility Extension on acceptable terms, in the event that this is not possible the Company will need to consider suitable alternative arrangements which may result in the Delisting and Admission being delayed or not proceeding at all.

7 Information on the Hotter Business

The Hotter Business provides footwear with uncompromising focus on comfort and fit, delivered through the use of differentiated technology, to consumers in the UK and US predominantly in the over 55 year old demographic. Founded in 1959, originally as a slipper manufacturer, Hotter today offers a wide range of men's and women's footwear with a focus on comfort technology. The Hotter Business now operates as a digitally-led omni-channel proposition through online and wholesale channels, supported by a strategically selected network of 17 technology centres and 6 gardens centre concessions across the UK.

Having undergone a significant transformation which started before the Covid-19 pandemic, the Hotter brand has pivoted towards digital channels whilst maintaining a right-sized and profitable store portfolio. The result is a digitally-led business which is agile, flexible and scalable, yielding strong returns from its leading online business.

Hotter's mission is to provide footwear that enhances its consumers lives by allowing them to do more of what they enjoy. Whilst operating from a lower revenue base in the financial year ended 27 January 2021, Hotter is now a digital first brand with higher quality revenues as a result of the successful repositioning of the business following its strategic transition to an e-commerce focussed direct to consumer business. Hotter now serves over 29 per cent. of the UK's female population over the age of 55 direct to their home. In the first six months of its current financial year to January 2022, Hotter's direct to consumer sales have grown by 39 per cent. on the corresponding period in 2020.

Following the implementation of a technology infrastructure to support its developing e-commerce ambitions, Hotter has established digital partnerships with a number of parties that serve a wide demographic – including Hotter's targeted consumers. Sales through these partnerships have grown by 28 per cent. in the six months to 31 July 2021 compared with the same period in the prior year.

Hotter continues to demonstrate delivery as an e-commerce focussed business and with further product improvements being introduced on an ongoing basis the Directors have confidence that Hotter has the opportunity to deliver value well in excess of that assigned to it in recent valuations. The demonstration of sustained growth and profitability in its new model and the resilience and performance to date give the Directors grounds for confidence in Hotter's development as an increasingly profitable digital business serving its target demographic of over-55-year-olds in the UK, the US and beyond.

Current Hotter trading has remained strong and extremely pleasing in light of the market wide supply chain issues and other headwinds facing ecommerce businesses. For the half year period ended July 2021, the Hotter Business generated EBITDA of £2.5 million from revenue of £25 million. Over the prior 12 month period to October 2021, the Hotter Business generated revenue of £50.4 million with gross margins and costs consistent with those envisaged in the medium term guidance given at the Unbound Group capital markets day on 15 September 2021.

In the third quarter of 2021 there has been a continuation of the key trends underlying the Hotter Business, including direct to consumer driven revenue growth, gross margin expansion and a rapidly accelerating capture of email addresses taking its e-commerce database to over one million, up from 850,000 in September 2021. App downloads continue to accelerate and there is a continuing recovery in sales within Hotter's retail channel.

The Hotter Business is also seeing a reduction in the supply chain disruption which occurred at the start of the Autumn/Winter season in August and September 2021, however the Hotter Business is continuing to plan for ongoing disruption given the widely publicised expectation of continued disruption in 2022. The Hotter Business's UK manufacturing facility has provided some resilience and the reopening of supplier factories following Covid-19 lockdowns in India and Vietnam has allowed product availability to improve in October 2021, with further progress being made in November 2021 albeit impacted again by cyclones in southern India. Product demand has remained high during this period of disruption and the Hotter Business's direct to consumer focussed model allows some level of back-orders to be accumulated that are being satisfied as components and finished goods become available.

The impact on costs arising from the supply chain disruption has been primarily in relation to incoming freight costs to accelerate raw material delivery on the reopening of supplier factories. Supply chain disruption has resulted in increased levels and costs of air freight. These costs are reflected in the trading results over recent months, but also represents future opportunities for cost reduction as the supply chain reset continues and supply via sea freight is restored.

8 Information on Unbound

Building on the strong brand, customer trust and customer loyalty enjoyed and being strengthened by Hotter, Unbound intends to extend the range of digital partnerships to create a platform offering additional products and services that will enhance the enjoyment and wellbeing of customers in the 55 plus demographic. With the Hotter Business already selling to over 29 per cent. of the UK female population over the age of 55 the Directors believe that this offers an opportunity for significant sustainable growth beyond that already being delivered by Hotter.

The Directors believe that cultural and demographic shifts provide an opportunity for Unbound to address a customer audience that is materially underserved online with the characteristics of:

- rapidly increasing digital literacy – 55 plus demographic now generating over 30 per cent. of overall internet participation;
- long-term structural growth in older demographics, significantly in excess of growth in younger demographics;
- focus on health, wellbeing, leisure and recreation with a more acute need for comfort over performance; and
- high concentration of UK wealth in the demographic results in focus for product selection being on value rather than price.

The digital platform being implemented by Unbound allows the development of a low risk, mutually beneficial arrangement with select partners that will provide customers in the targeted 55 years plus demographic not only with relevant and lifestyle enhancing products and services but ultimately also a community platform.

Initially targeted Unbound brand partners have been identified and commercial negotiations are advanced. The extension of the Hotter I.T. infrastructure for existing 'outbound' partnerships selling footwear through to coverage of 'inbound' partnerships selling other products and services is in progress. The first Unbound revenues from products other than Hotter footwear are expected in Q2 2022 with the medium term ambition being to generate more than half of Unbound Group's profit from non-Hotter products.

9 Board structure

The Directors as at the date of this document are set out at the beginning of this letter.

Subject to the approval of the Resolutions proposed at the General Meeting and with effect from Admission:

- the Board will appoint Ian Watson and Daniel Lampard as Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company respectively; and
- the current Executive Directors of the Company, Neil Johnson (Chairman) and Gavin Manson (Chief Financial and Operating Officer) will become Non-Executive Chairman and Non-Executive Director (respectively). It is their intention to continue in these roles for as long as is helpful to the Company.

The appointment of Ian Watson as CEO and Daniel Lampard as CFO with effect from Admission is a key component to the future success of the Company. Their details are set out below.

Ian Watson, aged 49, proposed Chief Executive Officer

Ian has served as the Chief Executive Officer of the Hotter Business since March 2019. His previous appointments include serving as the Chief Executive Officer of Start-Rite Shoes, European Managing Director at Britax Childcare and Senior Vice-President at Newell Brands.

Daniel Lampard, aged 41, proposed Chief Financial Officer

Daniel joined the Hotter Business as Chief Financial Officer in August 2021. His previous appointments include serving as the Chief Financial Officer of D2C Glanbia Performance Nutrition, the Finance Director at AO World plc and working for the Manchester Airport Group for 11 years.

In anticipation of the transition to AIM as Unbound, two new Independent Non-Executive Directors, Baroness Kate Rock and Suki Thompson, joined the Board on 1 November 2021. Baroness Rock and Suki Thompson bring with them a combination of skills that are relevant to oversight and support of the Unbound business model with strong governance experience. Their details are set out below.

Baroness Kate Rock, aged 53, Independent Non-Executive Director

Baroness Kate Rock is Senior Independent Director of Keller Group plc and a member of the House of Lords where she sits on the Science and Technology Select Committee. She brings significant experience in the development and application of business data, technology and skills.

Suki Thompson, aged 54, Independent Non-Executive Director

Suki Thompson is Founder/CEO of Let's Reset, Chair of Oystercatchers and a Non-Executive Director of Gateley Plc. She brings significant experience in the development and implementation of marketing and digital marketing strategies across consumer sectors.

The other existing Independent Non-Executive Directors will continue in their existing roles. Linda Wilding has indicated that she is likely to step down with effect from the next AGM and succession planning is ongoing in this regard.

10 Corporate governance and New Articles

As a premium listed investment trust trading on the Main Market, the Company complies with the UK Corporate Governance Code. However, it is not mandatory for companies whose shares are admitted to trading on AIM to comply with the UK Corporate Governance Code. As such, if Admission occurs, the Company will adopt and comply with the QCA Code, which the Directors believe will be more appropriate to the Company's circumstances post-Admission.

Subject to the New Articles Resolution being passed, the Company also proposes to adopt the New Articles with effect from Admission so that the Company has articles of association that are suitable for a company admitted to AIM. The broad effects of the proposed amendments are:

- removing the borrowing restrictions imposed on the Company and its subsidiaries and granting a general authority for the Directors to exercise the Company's powers to borrow and grant security;
- reducing the quorum requirement for general meetings from three persons entitled to vote upon the business to be transacted at the meeting, to two persons entitled to vote upon the business to be transacted at the meeting;
- amending the written resolution procedure for the Board so as to allow written resolutions to be passed by a majority of Directors entitled to attend and vote rather than unanimously; and
- updating references from the "Official List of the UK Listing Authority" to "AIM".

11 Dividend policies

In the short and medium term, the Unbound Group's focus will be on achieving profitable growth and share price appreciation. No dividends are planned until such time as a revised dividend policy is communicated.

12 Consequences of admission to AIM

Following Admission, the Company will be subject to the AIM Rules. Shareholders should note that while AIM is operated by the London Stock Exchange, it is self-regulated and the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies whose shares are listed on the premium segment of the Official List.

While there are a number of similarities between the obligations of a company whose shares are traded on AIM and those companies whose shares are listed on the premium segment of the Official List, there are some notable differences, including those set out below:

- under the AIM Rules, prior shareholder approval is required only for: (i) reverse takeovers, being an acquisition or acquisitions in a 12-month period which would (a) exceed 100 per cent. in various class tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company; or (b) result in a fundamental change in the Company's business, board or voting control; or (ii) disposals which, when aggregated with any other disposals over the previous 12 months, would result in a fundamental change in the Company's business (being disposals that exceed 75 per cent. in various class tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company);
- under the Listing Rules, a more extensive range of transactions, including certain related party transactions, is conditional on shareholder approval and requires publication of a detailed circular;
- the regime in relation to dealing in own securities and treasury shares is less onerous under the AIM Rules which, although they contain restrictions on the timing of dealings and notification requirements, do not include requirements as to price, shareholder approval or tender offers;
- there are no prescribed content requirements for shareholder circulars or a requirement for any such circulars to be approved by the FCA under the AIM Rules;
- there is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors on AIM, except when seeking admission for a new class of securities or as otherwise required by law;
- unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities;
- as referred to above, compliance with the UK Corporate Governance Code is not mandatory for companies whose shares are admitted to trading on AIM and the Directors intend to comply with the QCA Code instead following Admission;
- institutional investor guidelines, which provide guidance on issues such as executive compensation and share-based remuneration, corporate governance, share capital management and the issue and allotment of shares on a pre-emptive or non-pre-emptive basis, do not directly apply to companies whose shares are admitted to trading on AIM;
- the AIM Rules require that AIM companies retain a nominated adviser and broker at all times, but they are not required to have a sponsor for the purposes of certain corporate transactions, as is required on the premium segment of the Official List. The nominated adviser has ongoing responsibilities to both the Company and the London Stock Exchange. Stifel has agreed to act as nominated adviser and broker to the Company following Admission;
- where the Company has a controlling shareholder (as defined in the Listing Rules) it will no longer be required to enter into a relationship agreement with that controlling shareholder or to comply with the independence provisions required by the Listing Rules;
- whilst a company's appropriateness for AIM is, in part, dependent on it having sufficient free float in order that there is a properly functioning market in the shares, there is no specified requirement for a minimum number of shares in an AIM company to be held in public hands. A company listed on the Official List has to maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands;

- the Disclosure Guidance and Transparency Rules (other than Chapter 5, in respect of significant shareholder notifications), the Listing Rules and certain of the Prospectus Regulation Rules will no longer apply to the Company following AIM Admission;
- companies with a listing on the premium segment of the Official List may cancel their listing only with the approval of 75 per cent. of the voted shares and, if the company has a controlling shareholder, must also secure the approval of a majority of the voting independent shareholders (other than in certain limited circumstances). Under the AIM Rules, while an AIM company requires 75 per cent. shareholder approval to cancel admission of its securities to AIM, in certain limited circumstances, the London Stock Exchange may agree that shareholder consent is not required;
- companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Delisting and Admission, individuals who hold Electra Shares may, in certain circumstances, be eligible for certain tax benefits that only apply in relation to unlisted shares. No stamp duty is payable with respect to secondary share trades made on AIM. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether such a tax benefit maybe available to them;
- the Delisting may have implications for Shareholders holding shares through a Self-Invested Personal Pension Plan (SIPP). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP. Shareholders holding shares through a SIPP should therefore consult with their SIPP provider immediately; and
- the requirement under section 439A of the Companies Act to submit a remuneration policy for a binding vote by shareholders is applicable only to quoted companies listed on the Main Market. A company whose shares are traded on AIM is not subject to the same obligation to submit its remuneration policy to a binding vote of shareholders.

Further, upon Delisting and Admission the Company will no longer meet the requirements of section 1158 of the CTA 2010 for an investment trust and, as a result, any capital gains realised by the Company (less any capital losses available) after the accounting period ending on the date immediately prior to Admission will be subject to corporation tax.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

Following Admission, Electra Shares that are held in uncertificated form will continue to be held in and dealt with through CREST. Share certificates representing those Electra Shares held in certificated form will continue to be valid and no new Electra Share certificates will be issued.

13 Potential Risks

A discussion of existing and future material risks that relate to the Delisting and Admission, which you should take into account when considering whether to vote in favour of the Resolutions, is set out at Part III: *"Risk Factors"*.

14 Overseas Shareholders

The implications of the Delisting and Admission for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Delisting and Admission, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any taxes or levies due in such jurisdiction.

15 General Meeting and Action to be Taken

Completion of the Delisting and Admission is conditional upon, among other things, Shareholders' approval being obtained at the General Meeting for all the Resolutions being proposed. Accordingly, you will find set out at the end of this document a notice convening a General Meeting to be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, United Kingdom on 30 December 2021 at 11.00 a.m.

The following Resolutions, all of which must be passed for the Delisting and Admission to proceed, will be considered at the General Meeting and further details of them are set out in the "*Explanation of Resolutions to be put to the General Meetings*" at the end of the Notice of General Meeting:

15.1 Delisting and Admission Resolution

The Delisting and Admission Resolution, which is a special resolution as required under the Listing Rules and is conditional on the passing of all other Resolutions, is proposed to approve and authorise the Directors to cancel the listing of the Electra Shares on the Official List, to remove the Electra Shares from trading on the Main Market and to apply for admission of the Electra Shares to trading on AIM, such cancellation, removal and admission to take effect simultaneously.

15.2 Ian Watson MIP Settlement Resolution

The Ian Watson MIP Settlement Resolution, which is an ordinary resolution and is conditional on the passing of all other Resolutions, is proposed to approve the settlement of Ian Watson's entitlement under the Hotter MIP by issuing new Electra Shares to him as set out in the Hotter MIP Side Letter. This resolution is being proposed on the basis that this arrangement is a related party transaction which requires the approval of Shareholders under the Listing Rules.

15.3 LTIP Resolution

The LTIP Resolution, which is an ordinary resolution as is required under the Listing Rules and is conditional on the passing of all other Resolutions, is proposed to approve the Unbound LTIP with effect from Admission (the principal terms of which are set out in section 4 of Part V: "*Additional Information*").

15.4 New Articles Resolution

The New Articles Resolution, which is a special resolution as required by the Companies Act and is conditional on the passing of all other Resolutions, is proposed to approve the adoption of the New Articles of the Company with effect from Admission so that the Company has articles of association that are suitable for a company admitted to AIM.

The New Articles (together with a comparison showing the proposed changes as compared to Electra's current articles of association) will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays in the United Kingdom excepted) from the date of this documents until the close of the General Meeting at Electra's registered address at 17 Old Park Lane, London W1K 1QT, at the venue of the General Meeting and on the Electra's website at www.electraequity.com.

The formal notice convening the General Meeting is set out at the end of this document.

16 Further information

Your attention is drawn to the additional information set out in Part V: "*Additional Information*" of this document, and to the Notice of General Meeting set out in Part VI: "*Notice of General Meeting*" of this document. **You should read the whole of this document and the accompanying Form of Proxy and not rely solely on the information summarised in this letter.**

17 Recommendation

The Board considers, for the reasons set out above, that the Proposals are in the best interest of the Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of each Resolution at the General Meeting, as the Directors intend to do so in respect of their own beneficial holdings of Electra Shares, representing approximately 2.1 per cent. of Electra's existing issued ordinary share capital.

In respect of the Ian Watson MIP Settlement Resolution, the Board, which has been so advised by Stifel in its capacity as sponsor, considers that the terms of the Ian Watson MIP Settlement and Ian Watson MIP Settlement Resolution are fair and reasonable as far as the Shareholders are concerned. In giving its advice, Stifel has taken account of the Board's commercial assessment of the Ian Watson MIP Settlement.

Yours faithfully

Neil Johnson
Chairman

PART III

RISK FACTORS

This section addresses the existing and future material risks that relate to the Delisting and Admission, and Shareholders should carefully consider all of the risk factors set out below. Shareholders should note that the risk factors set out below do not purport to be a complete list or explanation of all risk factors which may be relevant to the Delisting and/or Admission. Additionally, some risks may be unknown to Electra and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Electra Group following the Delisting and Admission. The market price of the Electra Shares could decline due to any of these risks and Shareholders may lose all or part of their investment.

Shareholders should read this document as a whole and not rely solely on the information set out in this section. Any forward-looking statements contained in this Part III: "Risk Factors" are made subject to the reservations specified under "Forward-looking Statements" on page 2 of this document.

1 Risks relating to the Electra Shares and Admission

1.1 Volatility in the price of Electra Shares and liquidity in the market for Electra Shares

The price of Electra Shares will fluctuate and may not always reflect the underlying asset value or the prospects of the Electra Group. The price of Electra Shares may fall in response to the market's appraisal of Electra's strategy or if Electra's operating results and/or prospects from time to time (including as Unbound post-Admission) are below the prior expectations of market analysts and investors. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities and which may be unrelated to the Electra Group's operating performance and prospects (including as Unbound post-Admission). The factors which may affect Electra's share price include, but are not limited to:

- speculation about the Electra Group's business in the press, media or investment community;
- speculation regarding the intentions of major Shareholders or significant sales of Electra Shares;
- the value of Electra's underlying assets; and
- general economic and market conditions.

There can be no assurance that an active or liquid trading market for the Electra Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies, and it may not provide the liquidity normally associated with securities listed on the Official List and traded on the Main Market. The Electra Shares may, therefore, be more difficult to sell compared with the shares of companies listed on the Official List and traded on the Main Market and their market prices may be subject to greater fluctuations than might otherwise be the case.

1.2 Delisting and Admission may not occur when expected

There is no assurance that Admission of Electra Shares to trading on AIM will take place when anticipated, or at all.

1.3 Consequences of a move to AIM

Following Admission, the Company will be subject to the regulatory regime of the AIM Rules. While for the most part the obligations of a company whose shares are traded on AIM are similar to those of companies whose shares are listed on the Official List and traded on the Main Market, it has to be noted that the protections afforded to investors in

AIM companies are less rigorous than those afforded to investors in companies whose shares are listed on the Official List as set out in more detail in section 10 of Part II: *“Letter from the Chairman of Electra”* above.

Changes to tax rates or rules affecting Electra may affect Shareholders. Tax matters relating to Electra and an investment in Electra Shares are complex. Any changes to tax rates or rules affecting Electra may impact a Shareholder's return, as may any change to tax rates or rules affecting the Shareholder personally.

Any person who is any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than that of the UK, should consult his or her professional advisers.

1.4 No guarantee that dividends can be paid

In the short and medium term Unbound Group's focus will be on achieving profitable growth and share price appreciation. No dividends are planned until such time as a revised dividend policy is communicated. Even after such policy has been established, under UK company law, a company may pay cash dividends only to the extent that it has distributable reserves and cash available for this purpose. As such, the Company's ability to pay dividends is affected by the Electra Group's profitability and the extent to which the Company has distributable reserves out of which dividends may be paid. In the light of these factors, the Company can give no assurance that it will be able to pay a dividend in the future or as to the amount of any such dividend, if paid.

2 Risks relating to the Delisting and Admission not proceeding

2.1 The Delisting and Admission may not complete if, for example, all of the Resolutions are not approved by Shareholders

Completion of the Delisting and Admission is subject to the satisfaction of certain conditions which include, but are not limited to, approval of all the Resolutions by Shareholders at the General Meeting. If any Resolution is not approved by Shareholders, Electra will not transition to AIM as Unbound Group. There can be no assurance that these conditions will be satisfied. In the event that any condition is not satisfied, the Delisting and Admission will not proceed. There are costs associated with the implementation of the Delisting and Admission which will still be payable if the Delisting and Admission does not occur.

Failure to complete the Delisting and Admission may have an adverse effect on the reputation of Electra and on the external perception of its ability to implement its investment strategy successfully. This may be the case even where the failure to implement the Delisting and Admission is due to factors outside the control of Electra. The aggregate consequences of a failure to complete the Delisting and Admission could have an adverse effect on the financial performance, results of operations, reputation and/or prospects of Electra and the Hotter Business.

2.2 If the Loan Facility Extension is not obtained the Delisting and Admission may not go ahead

Whilst the Directors are confident that the Hotter Business can obtain the Loan Facility Extension from the Lenders on acceptable terms and do not anticipate that the approval, or not, of the Proposals will materially affect any potential negotiations or the terms thereof, in the event that the Hotter Business cannot secure the Loan Facility Extension or refinance its existing loan with another bank, the Board will need to consider the appropriate next steps which may result in the Delisting and Admission being delayed or not proceeding at all.

2.3 If the Delisting and Admission does not proceed, Shareholders and Electra may be unable to realise the anticipated opportunities and benefits of the Delisting and Admission

The outcome of the strategic review conducted by the Electra Board concluded that the Delisting and Admission should be implemented because there are a number of potential opportunities and benefits that Electra may be able to realise as a result of the transition to AIM as the holding company of the Hotter Business.

If the Delisting and Admission does not proceed, Electra will continue, in the short term, as an investment trust with the objective of realising its assets with a view to returning capital to Shareholders. The Electra Shares will continue to be listed on the premium segment of the Official List and traded on the Main Market in the short term, although there is no guarantee that Electra will be able to retain this listing status if it is considered to no longer meet the requirements for such a listing. It is therefore unsustainable for Electra to maintain the status quo, given that Electra now holds only one asset of significance. In such circumstances, the Directors would need to consider the most appropriate means of returning capital to Shareholders within a viable timeframe. This may result in result in (i) realisation of a lower value than the Directors believe to be achievable through the AIM Transition; (ii) a delay in the execution of the strategic objectives of Electra and the Hotter Business; (iii) the creation of a disruptive effect on management and employees of the Hotter Business; or (iv) the anticipated benefits and opportunities that the Directors believe will result from the Delisting and Admission not being realised. This could have an adverse effect on Electra's financial condition, results of operations and/or reputation.

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Accountant's report on pro forma financial information

Deloitte.

1 New Street Square
London EC4A 3TR

The Board of Directors
on behalf of Electra Private Equity PLC
17 Old Park Lane
London W1K 1QT

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

9 December 2021

Dear Sirs/Mesdames,

Electra Private Equity PLC (the "Company")

We report on the pro forma financial information (the "Pro forma financial information") set out in Part IV of the related party transaction circular dated 9 December 2021 (the "Investment Circular"). This report is required by Annex 20, section 3 of the UK version of the Commission delegated regulation (EU) 2019/980 (the "Prospectus Delegated Regulation") as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that regulation and for no other purpose.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex 20 section 3 of the Prospectus Delegated Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Investment Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.6.1R(9), consenting to its inclusion in the Investment Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Basis of preparation

The pro forma financial information has been prepared on the basis described in Part IV section B, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 30 September 2021.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Yours faithfully

Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

Section B: Unaudited pro forma financial information of Electra Private Equity PLC as at 30 September 2021

The unaudited consolidated pro forma statement of net assets set out below has been prepared to illustrate the impact of the anticipated changes that will take effect (subject to receiving Shareholder approval) as part of the Delisting and Admission process including the associated settlement of the Hotter MIP on the net assets of the Electra Group, as if Delisting and Admission had taken place as at 30 September 2021. The pro forma also shows the impact of the Hostmore Demerger as if the demerger had taken place as at 30 September 2021.

The unaudited pro forma statement of net assets has been prepared on the basis of, and should be read in conjunction with, the notes set out below.

The unaudited pro forma statement of net assets of Electra is based on the consolidated net assets of Electra as at 30 September 2021 and has been prepared in a manner consistent with the accounting policies adopted in Electra's interim financial statements for the period ended 30 September 2021.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and by its nature addresses a hypothetical situation and does not, therefore, represent Electra's actual financial position or results, nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma statement of net assets has been prepared for illustrative purposes only, as if it had been required to be prepared in accordance with Annex 20 of Commission Delegated Regulation (EU 2019/980) as it forms part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 (as amended).

The unaudited pro forma statement of net assets does not constitute "financial statements" within the meaning of section 434 of the Companies Act.

The unaudited pro forma financial information does not take into account trading of the Electra Group subsequent to the period end balance sheet of 30 September 2021.

The adjustments described below all have a continuing impact on Electra.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part IV.

£'m	Consolidated net assets of the Electra Group as at 30 September 2021	Adjustment for Hostmore Demerger	Continuing Electra Group (excluding Hostmore plc)	Adjustment for Settlement of Hotter MIP	Adjustment for Transaction and related costs	Consolidated pro forma statement of net assets of the Electra Group as at 30 September 2021
	Note 1 A	Note 2 B	A+B	Note 3 C	Note 4 D	A+B+C+D
Non-current assets						
Investments held at fair value	197.1	(163.3)	33.8	3.2		37.0
Current assets						
Investments held at fair value	7.6	2.6	10.2		(2.6)	7.6
Trade and other receivables	1.0	(0.6)	0.4			0.4
Current tax asset	0.1		0.1			0.1
Cash / equivalent	0.6		0.6			0.6
Total current assets	9.3	2.0	11.3		(2.6)	8.7
Current liabilities						
Trade and other payables	(1.4)		(1.4)			(1.4)
Net assets	205.0	(161.3)	43.7	3.2	(2.6)	44.3

NOTES

1. The figures for the Electra Group have been extracted without material adjustment from the unaudited consolidated Second Interim Accounts of the Electra Group as at 30 September 2021, which were prepared in accordance with IFRS. Deloitte LLP issued an independent review report on the unaudited consolidated Second Interim Accounts which can be found on Electra's website at <https://www.electraequity.com>.
2. On 1 November 2021, Electra completed the Hostmore Demerger. The demerger resulted in the distribution of Electra's equity investment in Hostmore plc, valued in the 30 September 2021 consolidated interim accounts at £163.3m and settlement of a current asset balance of £0.6m. 1.6% of the Hostmore equity was retained by Electra as a result of a 1.7% shareholding in Electra by the Electra employee Share Ownership Trust. As the trust is unable to accept dividends these shares were retained by Electra. These shares are categorised as a current asset investment as they are now liquid quoted shares.
3. Prior to Admission to Listing on AIM 7.8% of the enlarged share capital of Electra/Unbound will be issued to Hotter Management in satisfaction of amounts due to them under the terms of the Hotter MIP. These amounts due to Hotter Management, as minority interests, have previously been deducted from the fair value of Hotter presented in Electra's financial statements and removal of this deduction results in an increase in the fair value of £3.2m.
4. These costs relate to the completion of Delisting and Admission.

PART V

ADDITIONAL INFORMATION

1 Incorporation and registered office

The Company was incorporated and registered in England on 15 July 1935 with registered number 00303062 as a private company limited by shares with the name Cables Investment Trust Limited. On 26 June 1975, the Company changed its name to Electra Investment Trust Limited. The Company was re-registered as a public company limited by shares with the name Electra Investment Trust P.L.C. on 6 November 1981. On 10 February 2006, the Company changed its name to Electra Private Equity PLC. The principal legislation under which the Company operates is the Companies Act. The Legal Entity Identifier is 213800MPTI1NH8POK154.

The Company is domiciled in the United Kingdom and its registered office is at 17 Old Park Lane, London, United Kingdom, W1K 1QT (telephone number +44 20 3874 8300).

The Company's website is www.electraequity.com. The information on the Company's website does not form part of this document.

2 Significant Shareholders

As at the Latest Practicable Date, so far as is known to the Company, the following persons held, directly or indirectly, a notifiable interest in the Company's voting rights:

Name	As at the Latest Practicable Date	
	Number of Electra Shares held	Percentage of Electra Shares held
Witan Investment Trust plc	5,552,139	14.25
Fidelity International	4,638,164	11.90
Stephen Welker	2,370,389	6.08
Aviva PLC	1,794,546	4.60
Crown Sigma UCITS plc	1,506,000	3.86

3 No significant change

Save as set out below, there has been no significant change in the financial position of the Electra Group since 30 September 2021 (being the end of the last financial period for which interim financial information of the Electra Group has been published).

As announced by the Company on 1 November 2021, the Company completed the Hostmore Demerger on that date.

4 Summary of the Unbound LTIP

4.1 General

The Unbound LTIP will be adopted conditionally on Admission. The LTIP provides for the grant of awards over Electra Shares ("Awards").

Awards under the LTIP may take the form of, or any combination of: (a) an option to acquire Electra Shares at no or nominal cost ("Option"); (b) a contingent right to receive Electra Shares ("Conditional Award"); or (c) a right to receive a cash payment calculated by reference to the market value of a notional share ("Phantom Award"), at the discretion of the Remuneration Committee.

Initially it is intended that Awards will be made in the form of Options.

4.2 Eligibility

All employees of the Company and its subsidiaries (including Executive Directors) will be eligible to participate in the Unbound LTIP at the discretion of the Remuneration Committee.

4.3 Grant of Awards

Awards may be granted on any date which falls within the period of 42 days starting on: (a) Admission; (b) the dealing day following the announcement of the Company's results for any period; (c) any day on which the Remuneration Committee resolves that circumstances exist which justify the grant of Awards outside the periods referred to in (a) and (b); or (d) the day following the lifting of any applicable dealing restrictions which prevented the grant of the Award during any period referred to in (a) and (b) above. No Award may be granted after the tenth anniversary of the Unbound LTIP's adoption.

Awards may be granted on terms that vesting is conditional upon continued employment and also upon the achievement of any performance conditions ("Performance Share Awards"). Awards may also be granted on terms that vesting is conditional upon continued employment but not conditional on the achievement of any performance conditions ("Restricted Share Awards"). Awards may also be granted to an Executive Director where that Award is granted as part of the compensation provided to that Executive Director on joining the Company to compensate them for the loss of an award from their previous employment ("Buy-out Awards").

4.4 Vesting of Awards and exercise of Options

Performance Share Awards will vest subject to the satisfaction of any performance conditions, whilst Restricted Share Awards will not be subject to satisfaction of performance conditions. Vesting of all Awards will generally be subject to continued employment.

The Remuneration Committee will set the vesting date or dates for Awards when they are granted which will normally be no earlier than the third anniversary of grant. Vesting of Awards will also be conditional upon: (a) participants having complied with all regulatory and legal requirements applicable to them; (b) participants accepting all relevant terms of the Award, including, for example, in relation to the holding of Electra Shares in a nominee account after vesting; and (c) participants being free from any dealing restrictions.

The Remuneration Committee has the flexibility to amend the vesting outcome of an Award where it considers it appropriate to do so to reflect the wider performance of the Unbound Group, the individual participant and/or outcomes for Shareholders over the vesting period.

Once exercisable, Options may be exercised until the tenth anniversary of the date of grant or such other shorter period determined by the Remuneration Committee when the Option is granted.

Subject to any arrangements to give effect to a holding period, once a participant's Award has vested, and if relevant has been exercised, the relevant number of Electra Shares (or a relevant amount of cash in the case of Phantom Awards) will be transferred or issued to the participant or their nominee not later than 30 days after any date on which the Award vests. All Electra Shares will carry the same rights as other shares of the Company (except for entitlements arising before the date of acquisition by the individual).

4.5 Holding Period

The Remuneration Committee has discretion to impose a post-vesting holding period (the "Holding Period") in respect of vested Electra Shares or unexercised Options and will set a Holding Period for all Awards made to Executive Directors (other than any buy-out where it will remain a matter of discretion). The default position is that there will no Holding Period for Awards made to employees other than Executive Directors. For Awards made to Executive Directors (other than any Buy-out Award where it will remain a

matter of discretion), the default position is that the Holding Period shall be set at one year. Where a Holding Period is to apply, the Remuneration Committee may, at its discretion, set a different length of Holding Period, or determine that it shall cease to apply to all or some of the Shares or Options subject to it. During any Holding Period, a participant must retain and may not transfer, assign, sell, pledge, charge or otherwise dispose of the Shares or Options which are subject to the Holding Period (other than to satisfy any tax liabilities in connection with the Award) unless the Remuneration Committee exercises its discretion subject to such terms and conditions that the Remuneration Committee specifies.

Where a Holding Period applies, the Remuneration Committee may impose such requirements as it considers necessary or desirable to ensure compliance with the Holding Period, including requiring a nominee to hold the relevant Electra Shares for the participant.

4.6 **Dividend Equivalents**

The Remuneration Committee may in its discretion grant an Award on terms that the participant will receive on vesting an amount which is equal in value to the aggregate dividends that would have been paid on the Electra Shares (or notional shares) in respect of which the Award vests between the date of grant and the vesting date ("Dividend Equivalents"). In the case of an Award granted as an Option, the Remuneration Committee will have the discretion to determine that Dividend Equivalents shall accrue during any Holding Period for such Options prior to exercise by the participant. Dividend Equivalents will generally be satisfied in Electra Shares, but the Remuneration Committee has discretion to satisfy them in cash.

4.7 **Leavers**

If a participant leaves employment with a member of the Unbound Group, their Awards will generally lapse on the date of cessation.

If a participant dies or leaves employment by reason of injury, disability, ill-health, redundancy, sale of the business or company in which the participant is employed out of the Unbound Group or for any other reason in the Remuneration Committee's discretion ("Good Leavers"), Awards shall continue and will vest (subject to the achievement of any performance conditions) on the original vesting date or on such other date as the Remuneration Committee determines. The number of Electra Shares under an Award will ordinarily be reduced to reflect the proportion of the vesting period or performance period that has elapsed at the date the participant leaves.

The Remuneration Committee may at its discretion determine that Awards held by Good Leavers shall not be subject to time pro-rating or be subject to pro-rating to a lesser extent if it considers it appropriate in the circumstances.

4.8 **Change of Control**

Awards may not vest early if there is a change of control of the Company. The number of Electra Shares in respect of which an Award will vest will generally be determined by the Remuneration Committee by reference to the extent to which applicable performance or other conditions have been met and the number of Electra Shares under the Awards will ordinarily be reduced to reflect the proportion of the vesting period or performance period that has elapsed at the date of the change of control. The Remuneration Committee may at its discretion determine that Awards shall not be subject to time pro-rating or be subject to pro-rating to a lesser extent if it considers it appropriate in the circumstances. Where the change of control is as a result of an internal reorganisation the Remuneration Committee may determine at any time before an Award vests that some or all of the Electra Shares under an Award shall or may be exchanged for Electra Shares in the acquiring company or on such terms as the Remuneration Committee shall agree with that company.

4.9 Individual Grant Limits

The maximum aggregate value of Awards which a participant may be granted in respect of any financial year (other than Buy-out Awards) shall be no higher than 150 per cent. of salary. There is no individual limit applicable to Buy-out Awards.

The value of Electra Shares for the purposes of the above limit shall ordinarily be based on the market value of Electra Shares on the dealing day immediately preceding the grant of an Award or by reference to a short averaging period ending on such dealing day.

4.10 Unbound LTIP Limits

No Award may be granted under the LTIP to the extent that the result of that grant would be that the aggregate number of Electra Shares which could be issued on the realisation of that Award and any other Award granted at the same time, when added to the number of Electra Shares that have been or could be issued on the realisation of any subsisting Awards granted on or after Admission but otherwise during the preceding ten years under the LTIP and any other employees' share scheme established by the Company, would exceed 10 per cent. of the ordinary share capital of the Company for the time being in issue.

Treasury shares that are or may be transferred on the realisation of Awards will be treated for this purpose as if they were or may be newly issued shares on such transfer and will count towards the above limits for as long as institutional shareholder guidance recommends such treatment.

The LTIP limits outlined above will begin to be calculated at the point of Admission in relation to grants made on or after Admission and will not include the Electra Shares issued to Hotter Management immediately prior to Admission under the terms of the Hotter MIP (see section 4 of Part II: *"Letter from the Chairman of Electra"* for further information).

4.11 Transactions affecting the value of Awards

If the Remuneration Committee becomes aware that the Company is or is expected to be affected by a demerger, distribution in specie or any other transaction which, in the opinion of the Remuneration Committee, would affect the current or future value of any Awards, the Remuneration Committee may adjust the number of Electra Shares in respect of which an Award will vest.

4.12 Malus and Clawback

The Remuneration Committee will have discretion to reduce or cancel any portion of an unvested Award in certain circumstances. The Remuneration Committee may also apply "clawback" in certain circumstances to reclaim, or require the repayment of, an Award that has already vested. The vesting of Awards may be delayed where the Company is in the process of determining the application of malus.

The circumstances in which these provisions may apply include but are not limited to: (i) material financial misstatement; (ii) significant reputational damage; (iii) negligence or gross misconduct by a participant; (iv) fraud effected by or with the knowledge of a participant; (v) breach of anti-bribery or anti-corruption laws by a participant; (vi) material corporate failure; or (vii) where awards were granted or vested based on erroneous or misleading data.

The Remuneration Committee may exercise its discretion to clawback Awards for up to three years following vesting of an Award.

The recovery and withholding may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

4.13 Amendments

The Remuneration Committee may amend the rules of the LTIP at any time, provided that the provisions governing (i) eligibility requirements; (ii) the limitations on the number of Electra Shares subject to the LTIP; (iii) the maximum entitlement of a participant under the LTIP; (iv) the basis for determining a participant's entitlement to Electra Shares under the LTIP; (v) the terms of the Electra Shares to be provided under the LTIP; and (vi) the adjustment provisions of the LTIP, cannot be altered to the advantage of eligible employees or participants without the prior approval of shareholders in a general meeting (except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or developments in the law affecting the LTIP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP or for any member of the Unbound Group).

Additional schedules to the rules of the LTIP can be adopted for the purposes of granting awards to employees or participants who are or may become primarily liable to tax outside the United Kingdom on their remuneration. These schedules may vary the rules of the LTIP to take account of any tax, exchange control, securities laws or other regulations but the individual and overall limits will apply to these schedules as they apply to the LTIP.

4.14 Benefits not pensionable

Awards granted under the LTIP are not pensionable.

5 Ian Watson's service agreement and Electra shareholding and stock options

5.1 Service agreement

Ian Watson is currently employed as the Chief Executive Officer of the Hotter Group under a service agreement dated 29 January 2019. The key terms of the service agreement are summarised below.

With effect from Admission, Ian will be appointed the Chief Executive Officer of Unbound Group PLC and will enter into a new service agreement with the Company. The terms of that service agreement are expected to broadly follow the terms of his existing service agreement as set out below, other than with respect to salary, bonus and pension contribution as further detailed in sections 5.2 and 5.3 of this Part V.

Terms	Description
Duties	Ian Watson is required, unless the Board consents otherwise, to devote the whole of his time and attention to his duties and to use his best endeavours to promote, protect, develop and extend the business of the Company and the Group.
Holidays	Entitled to 29 days' holiday plus bank and public holidays.
Notice Period	Subject to 6 months' notice of termination of employment from the Company and 6 months' notice of termination of employment from office as an executive.
Payment in lieu of notice	The service agreement can be terminated immediately by serving notice and undertaking to pay the executive in lieu of notice within 14 days of such termination.
Garden Leave	Can be required to remain away from the office during the notice period. During this time, the Company can require Ian Watson not to engage in certain activities, including requiring him not to contact employees, suppliers and customers, and to take any accrued but untaken holiday. He will continue to receive his basic annual salary and benefits (insurance benefits and car allowance) together with his cash pension allowance during any garden leave period.

Terms	Description
Summary Termination	The service agreement can be terminated without notice or payment in lieu of notice in certain prescribed circumstances. The specific grounds for summary dismissal include for example misconduct, persistent breaches of the service agreement, bankruptcy, a criminal charge or conviction (other than minor motor offences), acting in a way prejudicial to the interests or reputation of the Company and disqualification as a director.
Conflicts of Interest	There is a prohibition in the service agreement on conflicts of interest, however, Ian Watson is permitted to hold up to 3 per cent. of the issued shares or loan capital in any other publicly listed entity.
Restrictive Covenants	Is subject to 12 month restrictive covenants (less any period of garden leave) covering non-competition, non-solicitation of clients, prospective clients and key employees, non-dealing with customers and prospective customers, and non-interference with suppliers.
Confidentiality	Under an obligation not to disclose any confidential information of the Company or any Electra Group company.

5.2 Base salary and bonus

Ian Watson's current base salary is £260,000 per annum. With effect from Admission, the Company has agreed to increase this to £325,000. This base salary will be reviewed annually and will take into account several factors including Ian's role, experience and skills as well as business performance. Any increases will generally be made in line with any base salary increase for the rest of the workforce but the Remuneration Committee will retain the discretion to increase salary above this rate where appropriate (for example, upon a material change to the scope of the role, to reflect the development of the individual within the role, to ensure the salary is competitive when benchmarked against relevant market comparisons and does not pose a risk to retention and/or succession planning or where the base salary is originally set at a discount to the Company's normal policy on appointment).

Ian is also entitled to participate in the Electra Group's annual bonus arrangements. He is currently entitled to receive up to £150,000 per annum under these arrangements. With effect from Admission, the Company has agreed that Ian Watson could earn up to a maximum of 100 per cent. of his base salary as a bonus. Any payment under the bonus arrangements will be assessed based on the achievement of targets that will be set annually in advance but would normally include the achievement of both financial and non-financial objectives.

5.3 Pension and benefits

Ian Watson is currently entitled to a pension contribution of 8 per cent. of base salary. With effect from Admission, the Company's pension contribution rate for Ian will be brought in line with that of other executive directors, being 5 per cent. of salary, which is the same contribution percentage as that available to the majority of the UK workforce. In addition, Ian Watson will receive benefits which include family private health cover, life assurance cover, critical illness cover, together with reimbursement of expenses reasonably and properly incurred in the performance of their duties which are claimed in accordance with the Company's expense reporting procedure.

5.4 Electra shareholding and stock options

As at the Latest Practicable Date, Ian Watson did not hold any equity interests in either (a) Electra; or (b) any other member of the Electra Group, other than for 10,000 Electra Shares beneficially held by him, the Hotter MIP Shares and the rights to acquire new Electra Shares as described in this document.

Ian has undertaken to abstain, and to take all reasonable steps to ensure that any associates abstain, from voting on the Ian Watson MIP Settlement Resolution.

5.5 Shareholding requirements

During employment, Ian Watson is required, in line with other executive directors, to maintain a shareholding equivalent to 100 per cent. of his base salary. The shareholding of Ian Watson will comfortably exceed this requirement on Admission.

6 Material contracts

Save for the Hotter MIP Side Letter, the principal terms of which are set out at section 4 of Part II: *"Letter from the Chairman of Electra"*, there are no material contracts to which the Company or any other member of the Electra Group is party, which contain information that Shareholders would reasonably require to make a properly informed assessment of how to vote on the Resolutions.

7 Related party transactions

Save as set out in this document, no related party transactions have been entered into by the Electra Group and Ian Watson in the period between 30 September 2021 (being the end of the last financial period for which interim financial information of the Company has been published) and the Latest Practicable Date.

8 Consents

- 8.1 Stifel has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 8.2 Deloitte LLP has given and not withdrawn its written consent to the inclusion of its report of the unaudited pro forma financial information in Part IV: *"Unaudited Pro Forma Financial Information"* of this document, in the form and context in which it appears.

9 Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays in the United Kingdom excepted) for a period beginning on the date of this document until the conclusion of the General Meeting at Electra's registered address at 17 Old Park Lane, London W1K 1QT, at the venue of the General Meeting and on the Electra's website at www.electraequity.com:

- (a) this document;
- (b) the Form of Proxy;
- (c) Electra's articles of association;
- (d) the New Articles;
- (e) the rules of the Unbound LTIP; and
- (f) the report by Deloitte LLP set out in Part IV: *"Unaudited Pro Forma Financial Information"* of this document.

PART VI

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

Admission	the admission of the issued and to be issued Electra Shares to trading on AIM
Admission and Disclosure Standards	the requirements contained in the publication "Admission and Disclosure Standards" dated 16 April 2013 containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
Admission Document	the document published by the Company in accordance with Rule 3 of the AIM Rules in connection with Admission
AIM	AIM, a market operated by the London Stock Exchange
AIM Transition	the proposed change to Electra's listing status as described in section 3 of Part II: " <i>Letter from the Chairman of Electra</i> " of this document
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
Awards	the grant of the awards over shares by the Unbound LTIP
Board or Electra Board	the board of Directors of the Company as at the date of this document
Buy-out Awards	Awards granted under the Unbound LTIP to an Executive Director where that Award is granted as part of the compensation provided to that Executive Director on joining Unbound to compensate them for the loss of an award from their previous employment
Companies Act	the Companies Act 2006 of England and Wales, as amended, supplemented or repealed from time to time
Company Registrar	Equiniti Limited trading as EQ
Completion	completion of the Delisting and Admission
Conditional Award	a contingent right to receive Electra Shares under the Unbound LTIP
Covid-19	the Corona Virus Disease 2019 as designated by the World Health Organization
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear is the operator
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
CREST Member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)

CREST Proxy Instruction	instruction to appoint a proxy or proxies through the CREST electronic proxy appointment service, as described in the Notice of General Meeting at the end of this document
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
CREST Sponsor	a sponsor (as defined in the CREST Regulations) in relation to CREST
CTA 2010	the Corporation Tax Act 2010
Delisting	the cancellation of the listing of the Electra Shares on the premium listing segment of the Official List and from trading on the Main Market
Delisting and Admission Resolution	the special resolution to be proposed at the General Meeting to approve the Delisting and Admission, as set out in the Notice of General Meeting at the end of this document
Directors	the directors of Electra as at the date of this document
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part 6 of the FSMA, as amended from time to time
Dividend Equivalents	an Award under the Unbound LTIP on terms that the participant will receive on vesting an amount which is equal in value to the aggregate dividends that would have been paid on the Electra Shares (or notional shares) in respect of which the Award vests between the date of grant and the vesting date
Electra, the Company or Unbound	Electra Private Equity PLC, a company incorporated and registered in England and Wales with registered number 00303062, and to be renamed Unbound Group PLC on or prior to Admission
Electra Group	Electra and its subsidiaries and subsidiary undertakings
Electra Shares	the existing ordinary shares of 25 pence each in the capital of Electra
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Executive Directors	the executive directors of Unbound from the date of Admission being the Chief Executive Officer, Ian Watson, and the Chief Financial Officer, Daniel Lampard
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of Shareholders to be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, United Kingdom on 30 December 2021 at 11.00 a.m., to consider and, if thought fit, pass the Resolutions, notice of which is set out at the end of this document
Good Leavers	a participant who dies or leaves employment by reason of injury, disability, ill-health, redundancy, sale of the business or company in which the participant is employed out of the Electra Group or for any other reason in the remuneration committee's discretion
Holding Period	a post-vesting holding period in respect of vested shares or unexercised Options which the Remuneration Committee has discretion to impose under the Unbound LTIP

Hostmore Demerger	demerger of the hospitality brands operating under Hostmore plc from Electra on 1 November 2021
Hotter	Beaconsfield Footwear Limited a private company limited by shares, incorporated in England and Wales, with registered number 00641365 and registered office at 2 Peel Road, Skelmersdale, Lancashire, WN8 9PT
Hotter Business	the business of the Hotter Group
Hotter Group	Hotter and its subsidiaries from time to time
Hotter Management	those members of the Hotter management team who are participants in the Hotter MIP
Hotter MIP	the management incentive plan entered into between Hotter MIPCO Limited and Hotter Management on 30 March 2021
Hotter MIP Shares	10,000 A ordinary shares of £0.00001 each in Hotter MIPCO Limited
Hotter MIP Side Letter	the conditional agreement entered into between MIPCO, Electra and Hotter Management on 9 December 2021 setting out the terms of the settlement of the Hotter MIP
Ian Watson MIP Settlement	the settlement of Ian Watson's entitlement under the Hotter MIP Side Letter by issuing new Electra Shares as described in section 4 of Part II: <i>"Letter from the Chairman of Electra"</i>
Ian Watson MIP Settlement Resolution	the ordinary resolution to be proposed at the General Meeting to approve the Ian Watson MIP Settlement, as set out in the Notice of General Meeting at the end of this document
IFRS	International Accounting Standards as adopted by the United Kingdom
Latest Practicable Date	8 December 2021, being the latest practicable date before the publication of this document
Listing Rules	the listing rules made by the FCA pursuant to Part 6 of the FSMA
Loan Facility Extension	the extension of the period of the Hotter Group's existing loan facilities held with the Lenders with a reduction in gross borrowing from £17.1 million to £12.1 million
London Stock Exchange	London Stock Exchange plc
LTIP Resolution	the ordinary resolution to be proposed at the General Meeting to approve the Unbound LTIP, as set out in the Notice of General Meeting at the end of this document
Main Market	the main market for listed securities of the London Stock Exchange
MIPCO	Hotter MIPCO Limited
New Articles	the new articles of association to be adopted by the Company by the New Articles Resolution
New Articles Resolution	the special resolution to be proposed at the General Meeting to approve the adoption of the New Articles with effect from Admission, as set out in the Notice of General Meeting at the end of this document
Notice of General Meeting	the notice convening the General Meeting, set out at the end of this document
Official List	the Official List of the FCA

Option	an option to acquire Electra Shares at no or nominal cost under the Unbound LTIP
Overseas Shareholders	Shareholders with registered addresses outside the UK or who are citizens or residents of, or located in, countries outside the UK
Performance Share Awards	Awards granted under the Unbound LTIP on terms that vesting is conditional upon the continued employment and also upon the achievement of any performance conditions
Phantom Award	a right to receive a cash payment calculated by reference to the market value of a notional share under the Unbound LTIP
Proposals	Collectively, the Delisting and Admission, approvals of the Ian Watson MIP Settlement and the Unbound LTIP and the adoption of the New Articles
Proposed Directors	Ian Watson and Daniel Lampard, who it is proposed be appointed as directors of the Company by the Board with effect from Admission
Proxy Form	the proxy form for use by Shareholders in relation to the General Meeting
QCA	Quoted Company Alliance
QCA Code	the corporate governance code for small and mid-size quoted companies published by the QCA
Regulatory Information Service	any of the services authorised by the FCA from time to time for the purpose of disseminating regulatory announcements
Remuneration Committee	the remuneration committee of the Company
Reorganisation	the internal group reorganisation of the Electra Group to streamline its post-Admission corporate structure to one which is appropriate for a trading group
Resolutions	the Delisting and Admission Resolution, the Ian Watson MIP Settlement Resolution, the LTIP Resolution and New Articles Resolution, all as set out in the Notice of General Meeting at the end of this document
Restricted Share Awards	awards granted under the Unbound LTIP on terms that vesting is conditional upon continued employment but not conditional on the achievement of any performance conditions
Second Interim Results	means the interim results of Electra for the period ending 30 September 2021
Shareholders	the holders of Electra Shares
UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
Unbound	Electra, following the change of name to Unbound Group PLC as part of the AIM Transition
Unbound LTIP or LTIP	the proposed Unbound Group PLC 2021 Long-Term Incentive Plan, the principal terms of which are summarised in section 4 of Part V: <i>"Additional Information"</i>
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possession, any state of the United States of America and the District of Columbia
US Securities Act	the US Securities Act of 1933, as amended

All times referred to are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART VII

NOTICE OF GENERAL MEETING

Electra Private Equity PLC

(incorporated in England and Wales under registered number 00303062)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Electra Private Equity PLC ("Electra" or the "Company") will be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG on 30 December 2021 at 11.00 a.m., to consider and, if thought fit, pass the Resolutions set out below of which Resolution 2 and Resolution 3 will be proposed as ordinary resolutions and Resolutions 1 and 4 will be proposed as special resolutions. In addition, the passing of each of the resolutions below is conditional on the other resolutions also being passed.

Defined terms in this Notice of General Meeting shall have the same meaning as contained in the document of which this Notice forms part.

SPECIAL RESOLUTION

1 DELISTING AND ADMISSION RESOLUTION

THAT:

- 1.1 subject to and conditional upon Resolution 2 to Resolution 4 set out in this Notice being duly passed, the Directors of the Company be and are hereby authorised to cancel the listing of the ordinary shares in the capital of the Company on the Official List of the Financial Conduct Authority and to remove such ordinary shares from trading on the Main Market for listed securities (the "Delisting") and to apply for admission of the ordinary shares to trading on AIM, a market operated by the London Stock Exchange (the "Admission"); and
- 1.2 each and any of the Directors be and is hereby authorised to do or procure to be done all such acts and things on behalf of the Company and each of its subsidiaries as they may, in their discretion, consider necessary or expedient for the purpose of giving effect to the Delisting and Admission with such amendments, modifications, variations or revisions thereto as are not of a material nature.

ORDINARY RESOLUTION

2 IAN WATSON MIP SETTLEMENT RESOLUTION

THAT:

- 2.1 subject to and conditional upon Resolution 1, Resolution 3 and Resolution 4 set out in this Notice being passed, the agreement between the Company and Ian Watson that all amounts due to Ian Watson, under the terms of the management incentive plan entered into between Hotter MIPCO Limited and, among others, Ian Watson on 30 March 2021 (the "Hotter MIP"), be satisfied by an issue of new Electra Shares, as further described in section 4 of Part II: *"Letter from the Chairman of Electra"* in the circular to the shareholders of the Company dated 9 December 2021, of which this Notice forms part (the "Circular") (the "Ian Watson MIP Settlement"), be approved; and
- 2.2 each and any of the Directors be and is hereby authorised to conclude and implement the Ian Watson MIP Settlement and to do or procure to be done all such acts and things on behalf of the Company and each of its subsidiaries as they may, in their discretion, consider necessary or expedient for the purpose of giving effect to the Ian Watson MIP Settlement with such amendments, modifications, variations or revisions thereto as are not of a material nature.

ORDINARY RESOLUTION

3 LTIP RESOLUTION

THAT:

- 3.1 subject to and conditional upon Resolution 1, Resolution 2 and Resolution 4 set out in this Notice being passed, and with effect from Admission, the rules of the Unbound Group PLC 2021 Long-Term Incentive Plan (the “**Unbound LTIP**”), the principal terms of which are summarised in section 4 of Part V: “*Additional Information*” of the Circular and produced in draft to this meeting and for the purposes of identification initialled by the Chair be approved and established with effect from Admission, and:
 - 3.1.1 the Directors be authorised to make such modifications to the Unbound LTIP as they may consider necessary or expedient to carry the Unbound LTIP into effect and to adopt the Unbound LTIP as so modified and do all acts and things necessary to operate the Unbound LTIP; and
 - 3.1.2 the Directors be authorised to establish such further plans for the benefit of employees overseas based on the Unbound LTIP subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any Electra Shares made available under such further plans are treated as counting against any limits on individual and overall participation in the Unbound LTIP.

SPECIAL RESOLUTION

4 NEW ARTICLES RESOLUTION

THAT, subject to and conditional upon Resolution 1 to Resolution 3 set out in this Notice being duly passed, and with effect from Admission, pursuant to section 21 of the Companies Act, the articles of association of the Company submitted to the General Meeting and for the purposes of identification signed by the Chair, be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of the existing articles of association of the Company.

By Order of the Board,

Frostrow Capital LLP

Company Secretary

9 December 2021

Registered Office: 17 Old Park Lane, London W1K 1QT, United Kingdom

Registered in England & Wales

Company No. 00303062

Explanation of Resolutions to be put to the General Meetings

Resolution 1: Delisting and Admission Resolution

The purpose of this resolution is to approve and authorise the Directors to cancel the listing of the Electra Shares on the Official List, to remove the Electra Shares from trading on the Main Market and to apply for admission of the Electra Shares to trading on AIM, such cancellation, removal and admission to take effect simultaneously. The Delisting and Admission Resolution is subject to and conditional upon Resolution 2 to Resolution 4 being passed.

Resolution 2: Ian Watson MIP Settlement Resolution

The purpose of this resolution is to approve the settlement of Ian Watson's entitlement under the Hotter MIP by issuing new Electra Shares to him. This resolution is being proposed on the basis that this arrangement is a related party transaction which requires the approval of Shareholders under the Listing Rules. Further details of the Ian Watson MIP Settlement are set out in section 4 of Part II: *"Letter from the Chairman of Electra"*. The Ian Watson MIP Settlement Resolution is subject to and conditional upon Resolution 1, Resolution 3 and Resolution 4 being passed.

Resolution 3: LTIP Resolution

The purpose of this resolution is to approve the adoption of the Unbound LTIP with effect from Admission. The proposed principal terms of the Unbound LTIP are set out in section 4 of Part V: *"Additional Information"*. The LTIP Resolution is subject to and conditional upon Resolution 1, Resolution 2 and Resolution 4 being passed.

Resolution 4: New Articles Resolution

The purpose of this resolution is to approve the adoption of the New Articles of the Company with effect from Admission so that the Company has articles of association that are suitable for a company admitted to AIM. The New Articles Resolution is subject to and conditional upon Resolution 1 to Resolution 3 being passed.

Notes and General Information

1 Attending the Meeting

You have the right to vote at the General Meeting if you are on the register of members of the Company at 6.30 p.m. on 24 December 2021. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend, to speak and to vote at the meeting.

2 Proxies

Shareholders are strongly encouraged to vote in advance by appointing the Chair of the General Meeting as your proxy who will exercise your right to vote at the General Meeting in accordance with your instructions. A member of the Company is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at a general meeting of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attaching to different shares. A proxy need not be a member. The appointment of a proxy will not of itself prevent a member from subsequently attending, voting and speaking at the General Meeting, in which case any votes of the proxy will be superseded.

A Form of Proxy is enclosed. To be effective, the instrument appointing a proxy, and any authority under which it is signed (or a notarially certified copy of such authority), for the General Meeting to be held at the offices of Hogan Lovells International LLP at Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, United Kingdom, at 11.00 a.m. on 30 December 2021 and any adjournment(s) thereof must be returned to the Company Registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by 11.00 a.m. on 24 December 2021 (or 48 hours (excluding non-working days) before the time fixed for any adjourned General Meeting). If you return paper and electronic instructions, those received last by the Company Registrar before 11.00 a.m. on 24 December 2021 will take precedence. Replacement Forms of Proxy may be obtained from the Company Registrar.

Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through the Sharevote website, www.sharevote.co.uk using the reference number included on the proxy form (this is the series of numbers printed under the headings Voting ID, Task ID and Shareholder Reference Number on the Proxy Form). Alternatively, Shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk by using their usual user ID and password. Once logged in, simply click 'view' on the 'My Investments' page, click on the link to vote and then follow the on screen instructions. Full details and instructions on these electronic proxy facilities are given on the respective websites.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

3 Appointment of Proxies through CREST

CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 30 December 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified in the Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST Members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (<http://www.euroclear.com>). The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4 Asking Questions

Any shareholder attending the meeting has the right to ask questions. The Company shall cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer

has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question is answered.

5 Voting

Voting on all resolutions at the General Meeting will be by way of a poll. Your vote counts whether you are able to attend the meeting or not. The results of the poll will be announced through a Regulatory Information Service and will be published on the Company's website at www.electraequity.com on 30 December 2021 or as soon as reasonably practicable thereafter. Even if you cannot attend the General Meeting, you can still make your vote count by voting by proxy.

6 Total Voting Rights

At the Latest Practicable Date, the issued share capital of the Company consisted of 38,973,329 ordinary shares, carrying one vote each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at the Latest Practicable Date were 38,973,329.

7 Electronic Addresses

You may not use any electronic address provided either in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated in this Notice or in such other related documents.

8 Shareholder Fraud

Some shareholders are targeted by "investment specialists" concerning investment matters. Electra does not endorse any services offered by these companies. Please note that the only share dealing services that Electra endorses, if any, are included in its shareholder mailings. If you receive any unsolicited communications, we recommend that you record the name of the person and organisation, their telephone number, any email or website address given, details of the proposed transaction and any other information they give you.

You should check that they are properly authorised by the FCA by visiting www.register.fca.org.uk. Please report all unsolicited communications by using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm or by calling the FCA Consumer Helpline on 0800 111 6768.

A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, may be found at www.electraequity.com.

