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This letter should be read in conjunction with the scheme circular to shareholders of Equals Group PLC dated 17 December 2024 containing, inter alia, the Scheme of Arrangement (**Scheme Document**) which is available to view and download on Equals' website at <https://www.equalsplc.com/strategic-review>. Words and expressions defined in the Scheme Document have the same meaning in this letter unless the context otherwise requires.

Equals Group PLC

(Incorporated in England and Wales with registered number 08922461)

Registered Office:

Third Floor Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ

To: Participants in the Equals Group PLC 2021 Discretionary Incentive Plan (**LTIP**)

17 December 2024

Dear Participant

RECOMMENDED CASH OFFER FOR EQUALS BY BIDCO: EFFECT ON YOUR LTIP SHARES

1. INTRODUCTION

On 11 December 2024, the Equals Directors and the BidCo Directors announced that they had reached agreement on the terms of a recommended cash offer for the entire issued, and to be issued, share capital of Equals (**Acquisition**). The Acquisition is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (**Scheme**) which requires the approval of Equals Shareholders and the sanction of the Court. The Acquisition and the Scheme are described in more detail in the Scheme Document, a copy of which can be found here:

<https://www.equalsplc.com/strategic-review>.

You currently hold conditional share awards over Equals Shares granted under the LTIP (your **LTIP Awards**). You can find a summary of your LTIP Awards in the Appendix to this letter.

We are writing to explain the effect of the Acquisition on your LTIP Awards. If the Scheme is sanctioned by the Court, your LTIP Awards will vest in full and any Equals Shares which are issued on vesting (your **LTIP Shares**) will participate in the Acquisition in the same way as all other Equals Shares.

2. TERMS OF THE SCHEME OF ARRANGEMENT

If the Scheme becomes effective in accordance with its terms, Equals Shareholders whose shares are subject to the Scheme will receive:

140 pence in cash per Equals Share,

comprising a cash consideration of 135 pence (**Cash Consideration**) for each Equals Share plus a special dividend payment of 5 pence in cash per Equals Share (**Special Dividend**).

To become effective, the Scheme must be approved by Scheme Shareholders, who will vote on the Scheme at the Court Meeting and the General Meeting scheduled to be held on 8 January 2025, and certain other regulatory conditions must be satisfied. The Scheme also requires the sanction of the Court which will be sought at a hearing which is expected to take place in the second quarter of 2025.

The terms of the Scheme will apply to your LTIP Shares.

3. SETTLEMENT OF LTIP AWARDS FULLY IN EQUALS SHARES

If the Court sanctions the Scheme, your LTIP Awards will vest in full and Equals intends to settle LTIP Awards by issuing to you all the Equals Shares to which you are then entitled as set out in the Appendix to this letter (your **Full LTIP Share Entitlement**). This means that your LTIP Shares will be subject to the Scheme and will participate in the Acquisition. In return, you will receive the Cash Consideration and the Special Dividend for each LTIP Share in accordance with the terms set out in the Scheme Document, subject to retentions to meet tax and other liabilities as set out in section 4 below. **In order to receive your Full LTIP Share Entitlement on vesting of your LTIP Awards, you must countersign and return a scanned copy of this letter as explained in section 5 below.**

You will also be entitled to a 'dividend equivalent' cash payment (**Dividend Equivalent**) on your Full LTIP Share Entitlement. The Dividend Equivalent is 2.5 pence per LTIP Share, being the aggregate amount of the dividends paid by Equals per Equals Share from the date of grant of your LTIP Awards to the date of vesting.

The Cash Consideration, Special Dividend and Dividend Equivalent due to you will be paid through the next practicable payroll after the Acquisition completes, subject to the retentions referred to in section 4 below.

If the Court does not sanction the Scheme, your LTIP Awards will not vest but will continue in force subject to the terms of your LTIP Awards and the rules of the Plan.

You should also note that if, prior to vesting of your LTIP Awards, you cease to be an employee of the Equals Group, then depending on your circumstances of departure, your LTIP Awards may lapse and be of no value.

4. RETENTIONS

Under the rules of the LTIP, you are obliged to settle any income tax and employee national insurance contributions (**NIC**) liabilities that arise on vesting of your LTIP Awards and for which a member of the Equals Group is liable to make payment to HM Revenue & Customs (**HMRC**).

In addition, in order for your LTIP Shares to be lawfully issued, the nominal value of 1 pence per LTIP Share (**Subscription Cost**) must be paid to Equals at the time of issue.

By countersigning this letter and returning it to us, you:

- agree that the Equals Shares issued to you on vesting of your LTIP Awards will be bound by the Scheme and may be issued to a person acting in a nominee or similar capacity on your behalf;

- authorise BidCo to transfer to Equals an amount equal to the Cash Consideration to which you are entitled under the Scheme in respect of the Equals Shares issued to you on vesting of your LTIP Awards;
- authorise the deduction from your Cash Consideration of any income tax, employee NIC and the aggregate Subscription Cost of the Equals Shares due from you in respect of the vesting of your LTIP Awards; and
- authorise Equals to remit the balance of the Cash Consideration due to you to your employer in the Equals Group to pay to you through the payroll.

Accordingly, Equals will retain sufficient of your Cash Consideration to meet the income tax and employee NIC liabilities due on vesting of your LTIP Awards (which will be remitted to HMRC) and the aggregate Subscription Cost for your LTIP Shares.

In respect of the aggregate Subscription Cost for your LTIP Shares, the cost is minimal at £0.01 per Equals Share, but we will reimburse this sum to you by way of a bonus payment through payroll, as we have done previously when settling awards under the LTIP.

5. **ACTION NEEDED TO RECEIVE FULL LTIP SHARE ENTITLEMENT ON SETTLEMENT OF LTIP AWARDS**

To receive your Full LTIP Share Entitlement, you must act quickly. You must countersign, date and return a copy of this letter to be received by Shona Kerfoot at Equals as soon as possible but in any event by NOT LATER THAN 5 pm UK time on 7 January 2025. Given the time constraints, we recommend that you scan and email your countersigned and dated copy of this letter to Shona by email to s.kerfoot@equalsmoney.com.

If we do not hear from you before 5 pm UK time on 7 January 2025, Equals will discharge its obligation to you under the LTIP in the manner described in section 6 below, which means you will receive less for your vested LTIP Awards. Please read section 6 below carefully.

6. **IF YOU DO NOT COUNTERSIGN AND RETURN THIS LETTER**

If you do not countersign and return this letter within the timescale set out in section 5 above, your LTIP Awards will still vest if the Court sanctions the Scheme, but Equals will not be able to settle your LTIP Awards by issuing to you your Full LTIP Share Entitlement.

Equals will have to 'net settle' your LTIP Awards in accordance with the rules of the LTIP. This means that you will receive a number of Equals Shares equal to your Full LTIP Share Entitlement after deducting:

- a number of Equals Shares with a value equal to your income tax and employee NIC liabilities due on vesting of your LTIP Awards; and
- a number of Equals Shares with a value equal to the aggregate Subscription Cost of the LTIP Shares to be issued to you.

You will still be entitled to a Dividend Equivalent of 2.5 pence per share on your Full LTIP Share Entitlement.

It is important to note, however, that you will only be eligible for the Special Dividend on the lesser number of LTIP Shares issued to you on net settlement of your LTIP Awards. The

aggregate amount to which you will be entitled under the Scheme will therefore be lower than if you countersign and return this letter as requested in section 5 above.

In respect of the aggregate Subscription Cost for your LTIP Shares, the cost is minimal at £0.01 per Equals Share, but we will reimburse this sum to you by way of a bonus payment through payroll, as we have done previously when settling awards under the LTIP.

As explained in section 3 above:

- the Cash Consideration, Special Dividend and Dividend Equivalent due to you will be paid through the next practicable payroll after the Acquisition completes;
- if the Court does not sanction the Scheme, your LTIP Awards will not vest but will continue in force subject to the terms of your LTIP Awards and the rules of the Plan; and
- if, prior to vesting of your LTIP Awards, you cease to be an employee of the Equals Group, then depending on your circumstances of departure, your LTIP Awards may lapse and be of no value.

7. TAX TREATMENT

As mentioned in sections 4 and 6 above, an income tax and employee NIC charge will arise on the vesting of your LTIP Awards. This charge will be calculated on the difference between the aggregate Subscription Cost for your Full LTIP Share Entitlement and the total market value of your Full LTIP Share Entitlement on vesting. If you countersign and return this letter as requested in section 5 above, this will be retained from the Cash Consideration to which you are entitled and accounted for to HMRC. If your LTIP Awards are net settled as described in section 6 above, your Equals group employer will settle this charge.

Capital gains tax is payable on any gain over the value of the LTIP Shares on vesting but, on the basis that you will receive cash under the Scheme for your LTIP Shares shortly after they have vested and been issued, and assuming you hold no other Equals Shares, there should be no capital gains tax liability.

The Dividend Equivalent is subject to income tax and employee NIC in the same way as any cash payment and will be settled through payroll net of such liabilities.

The Special Dividend will also be taxed as income at the applicable marginal rate of dividend tax based on your overall income and applicable tax rates. For the 2024/2025 tax year, the tax free dividend allowance is £500 and the applicable marginal rates of dividend tax for dividends received in excess of the allowance are 8.75% (basic rate), 33.75% (higher rate) and 39.35% (additional rate). You must report the dividends you receive to HMRC either on your self-assessment tax return, or otherwise, if your total dividend income exceeds the dividend allowance.

The above information on taxation is for guidance only and is based on the tax legislation in force, and published HMRC guidance, as at the date of this letter. It is not a full description of all the circumstances in which a tax liability may occur. **If you are in any doubt as to your tax position, or if you are not resident in the UK, you should consult an appropriate independent professional adviser immediately.**

8. FURTHER ASSISTANCE

If you have any questions about this letter (not involving the giving of financial, legal or tax advice), please contact Equals by email at LTIP@equalsmoney.com.

Yours faithfully

Richard Cooper

CFO

Equals Group PLC

Appendix

Your LTIP Awards

Grant date of LTIP Award	Number of Equals Shares subject to LTIP Award

ACKNOWLEDGEMENT

TO BE SIGNED BY PARTICIPANT

I acknowledge receipt of the letter regarding my conditional share awards (**LTIP Awards**) under the Equals Group PLC 2021 Discretionary Incentive Plan from Equals Group PLC dated 17 December 2024, of which this is a duplicate, and I confirm that I agree to receive Equals Shares on vesting of my LTIP Awards on the terms and conditions contained in this letter.

Date:

Your signature:

Your name (print):