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THIS DOCUMENT AND THE ACCOMPANYING DECISION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

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 (Equals)
*(Incorporated in England and Wales with
registered number 08922461)*

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Third Floor Vintners Place, 68 Upper Thames
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Alakazam Holdings BidCo Limited (BidCo)
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Registered Office:
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To all holders (**Option Holders**) of Options (**Options**) under the FairFX Group Share Option Plan and certain standalone option agreements between the relevant Option Holder and Equals (together, the **Option Plans**)

17 December 2024

Dear Option Holder

RECOMMENDED CASH OFFER FOR EQUALS BY BIDCO: EFFECT ON YOUR OPTIONS

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 (**Court Sanction**). The Acquisition and the Scheme are described in more detail in the Scheme Document. The Scheme Document states that all Option Holders will be sent further details of the action they can take in respect of their outstanding Options. A copy of the Scheme Document can be found here: <https://www.equalsplc.com/strategic-review>.

Accordingly, we are writing to explain the effect of the Acquisition on your Options and the steps you may take in respect of your Options and the proposal to you to exercise your Options in connection with the Acquisition (**Option Proposal**). Please read it carefully and act promptly.

You have a short window of time within which to exercise your Options and realise the value in those Options. To the extent that you do not exercise your Options, they will lapse in due course and become worthless. It is, therefore, important that you read this letter and respond by 7 January 2025.

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 Shares,

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 Court Sanction which will be sought at a hearing which is expected to take place in the second quarter of 2025.

If you accept the Option Proposal, you will have agreed to exercise your Options and the terms of the Scheme will apply to the Equals Shares you acquire on the exercise of your Options. This means that the Equals Shares you receive on the exercise of your Options will participate in the Acquisition in the same way as all other Equals Shares and in return you will receive the Cash Consideration and the Special Dividend for each Equals Share in accordance with the terms set out in the Scheme Document.

3. THE OPTION PROPOSAL

3.1 What is the Option Proposal?

The Option Proposal is that:

- you use the enclosed Decision Form to exercise your Options in full with effect from the date of the Court Sanction; and
- you take advantage of the Cashless Exercise Facility described below.

If you accept the Option Proposal, a cashless exercise facility (**Cashless Exercise Facility**) will be available which allows you to exercise your Options without having to pay in advance, out of your own funds, the exercise price for your Options and any income tax and employee national insurance contributions (**NICs**) due.

Under the terms of the Cashless Exercise Facility, you will be authorising Equals to receive on your behalf the Cash Consideration due under the Scheme in respect of the Equals Shares acquired on the exercise of your Options and to use the Cash Consideration to satisfy the exercise price and any income tax and employee NICs due from you on that exercise, but for which a member of the Equals Group is liable to make payment to HM Revenue & Customs (**HMRC**).

The exercise of your Options under the Option Proposal is conditional on Court Sanction. If the Court does not sanction the Scheme, your exercise will not be effective and your Options will not lapse; they will remain exercisable in accordance with the usual exercise provisions that apply to those Options under the rules or other provisions of the relevant Option Plan.

If the Court sanctions the Scheme, unexercised Options will lapse in due course on their ordinary terms under the rules or other provisions of the relevant Option Plan.

Options could also lapse earlier in accordance with their terms. For example, your Options could lapse (and so cease to be exercisable) if you cease employment or service before the date of the Court Sanction.

The Cashless Exercise Facility will only be available to you if you accept the Option Proposal.

3.2 What is the timetable and procedure for accepting the Option Proposal?

If you wish to exercise your Options and accept the Option Proposal, you must act quickly.

To exercise your Options and accept the Option Proposal you must:

- **complete, SIGN AND HAVE WITNESSED BY AN INDEPENDENT PARTY the enclosed Decision Form (see note 5 of the Decision Form);**
- **return it, 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 signed Decision Form to Shona Kerfoot at Equals by email to s.kerfoot@equalsmoney.com.**

If you accept the Option Proposal, your acceptance cannot subsequently be revoked. It will, however, be of no effect if the Scheme is not approved by Scheme Shareholders and sanctioned by the Court.

4. TAXATION

A summary of the tax consequences for UK resident Option Holders is set out in the schedule to this letter. **If you are in any doubt as to your own taxation position, you should consult your own personal tax adviser immediately.**

5. WHERE THE OPTION PROPOSAL IS NOT ACCEPTED

If you do not accept the Option Proposal, you may still exercise your Options on their normal terms under the rules or other provisions of the relevant Option Plan following the Court Sanction, although the Equals Shares you acquire will not then form part of the Scheme.

You will be required to fund the exercise price of your Options because the Cashless Exercise Facility is not available if you do not accept the Option Proposal. You will also have to make arrangements with Equals for the payment of any income tax and employee NICs due from you which arise in relation to the exercise of your Options for which a member of the Equals Group is liable to account to HMRC on your behalf. You will have to make such arrangements before Equals Shares are issued to you.

You should also note that a resolution is proposed at the General Meeting to amend Equals' articles of association. As a result of that amendment, any Equals Shares issued on the exercise of Options after the Scheme Record Time will be automatically transferred to BidCo for the same consideration as you would have received had you participated in the Scheme (see paragraph 2 above) save that such Equals Shares shall not carry any right to receive the Special Dividend).

You should also note that if, prior to exercise, you cease to be an employee of the Equals Group, then depending on the circumstances of your departure, you may lose your right to exercise your Options altogether.

If you require further details relating to exercise of your Options outside the Option Proposal, please contact Shona Kerfoot at Equals by email at s.kerfoot@equalsmoney.com.

6. RECOMMENDATION BY THE EQUALS DIRECTORS

The Equals Directors, who have been so advised by Canaccord Genuity Limited and Lazard & Co., Limited as to the financial terms of the Option Proposal, consider the terms of the

Option Proposal to be fair and reasonable in the context of the Acquisition. In providing advice to the Equals Directors, Canaccord Genuity Limited and Lazard & Co., Limited have taken into account the commercial assessments of the Equals Directors. The Equals Directors recommend that you accept the Option Proposal.

7. FURTHER INFORMATION

If you have any questions on the information set out in this letter, please contact Shona Kerfoot at Equals by email at s.kerfoot@equalsmoney.com without delay. Please note, however, that neither Shona Kerfoot nor anyone at Equals will be able to advise you of the course of action that you should take in relation to your Options or give you any advice on any tax consequences associated with any particular course of action. You are reminded that if you fail to take any action, your Options will, in due course, lapse and cease to be of any value.

Yours faithfully

Richard Cooper

CFO

Equals Group PLC

Joseph Knoll

Director

Alakazam Holdings BidCo Limited

Notes:

- (i) Words and expressions defined in the Scheme Document and the documentation relating to the grant of your Options will, unless the context otherwise requires, have the same meaning in this letter, the schedule to this letter and the enclosed Decision Form. If there is any conflict between this letter and the terms of the Options or any applicable legislation, the terms on which the Options have been granted and/or any applicable legislation shall take precedence.
- (ii) The Equals Directors, whose names are set out in section 2.1 of Part VIII of the Scheme Document, accept responsibility for the information contained in this letter (including the schedule) and the Decision Form, including expressions of opinion, other than information for which responsibility is taken by the BidCo Responsible Persons pursuant to paragraph (iii) below. To the best of the knowledge and belief of the Equals Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including the schedule) and the Decision Form for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iii) The BidCo Responsible Persons, whose names are set out in section 2.2 of Part VIII of the Scheme Document, accept responsibility for the information contained in this letter (including the schedule) and the Decision Form (including any expressions of opinion) relating to BidCo the Wider BidCo Group, the BidCo Responsible Persons and their respective close relatives and related trusts and other persons acting in concert with them. To the best of the knowledge and belief of the BidCo Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including the schedule) and the Decision Form for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iv) Canaccord Genuity Limited and Lazard & Co., Limited, which are each authorised and regulated by the FCA in the UK, are acting as financial advisers to Equals and no-one else in connection with the Scheme and the Option Proposal contained in this letter and will not be responsible to anyone other than Equals for providing the protections afforded to clients of Canaccord Genuity Limited and Lazard & Co., Limited or for providing advice in relation to the Scheme or Option Proposal.
- (v) Canaccord Genuity Limited and Lazard & Co., Limited have given and not withdrawn their written consent to the issue of this letter (including the schedule) and the Decision Form with the inclusion of the references to their names in the form and context in which they appear.
- (vi) Nothing in this letter or the Decision Form shall be construed as investment advice or any investment recommendation given by Equals or BidCo.
- (vii) Accidental omission to despatch this letter or the Decision Form to, or any failure to receive the same by, any person to whom the Option Proposal is made, or should be made, shall not invalidate the Option Proposal in any way.
- (viii) All acceptances and decisions made in respect of the Option Proposal will be irrevocable.
- (ix) Receipt of documents will not be acknowledged. All documents sent by or to an Option Holder will be sent at the individual's own risk. If an Option Holder has received this letter and the Decision Form in electronic form, they may request that copies of those documents be sent to them in hard copy form and that all future documents be sent to them in hard copy form. Requests should be submitted to Shona Kerfoot at Equals.
- (x) This document, the Decision Form and the Option Proposal shall be governed by and construed in accordance with English law.
- (xi) A copy of this document will be available to view on Equals' website at <https://www.equalsplc.com/strategic-review>.

SCHEDULE

United Kingdom Taxation

THIS SCHEDULE CONTAINS A GENERAL GUIDE TO UK TAXATION ISSUES IN RELATION TO YOUR OPTIONS GRANTED UNDER THE OPTION PLANS. THE GUIDE IS WRITTEN ON THE ASSUMPTION THAT YOU ARE RESIDENT FOR TAX PURPOSES IN THE UK.

The information contained below 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 and only considers the implications for you of accepting the Option Proposal. **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.**

1. TAXATION OF OPTIONS

1.1 Options under the FairFX Group Share Option Plan – effect of exercise

No income tax or NICs will arise on exercise of your Options on the basis that they qualify for favourable tax treatment under the enterprise management incentive (**EMI**) legislation.

1.2 Income tax and NICs on exercise of Options under standalone option agreements

An income tax and NICs charge will arise on the exercise of your Options.

This charge will be calculated on the difference between the total Option exercise price paid for your Equals Shares and the total market value of those Equals Shares on the date of exercise of the Options.

Equals' estimate of any income tax and employee NICs liabilities will be deducted from the Cash Consideration you receive under the Scheme in respect of your Equals Shares and accounted for to HMRC.

1.3 Capital Gains Tax (CGT) on disposal of Equals Shares acquired on exercise of Options under the FairFX Group Share Option Plan

You will be liable to pay CGT on the gain you make on the disposal of the Equals Shares you acquire on exercise of your Options, being the difference between the Cash Consideration and the exercise price per Equals Share.

There is an exemption for chargeable gains from all sources for a tax year which are, in aggregate, below an annual exemption level. The annual exemption for the 2024/2025 tax year is £3,000. Rates of CGT (presently 18% for basic rate taxpayers and 24% for higher rate taxpayers) are applied to your annual chargeable gains in excess of your annual exemption on the basis that such gains are treated as the top slice of your income.

1.4 CGT on disposal of Equals Shares acquired on exercise of Options under standalone option agreements

As you are required to pay income tax on the exercise of your Options, and assuming you hold no other Equals Shares it is likely that you will have no liability to pay CGT as a result of the participation in the Acquisition of the Equals Shares you acquire on exercise. Please note, however, that special rules apply to determine your liability to CGT where you hold other Equals Shares (however acquired).

2. **TAXATION OF SPECIAL DIVIDEND**

The Special Dividend that you receive in respect of your Equals Shares will 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.

3. **TAX RETURNS**

3.1 Your tax return must be submitted to HMRC and tax (if any) paid by the usual filing date for the 2024/2025 tax year (the tax year in which your Options are expected to be exercised).

3.2 You may be required to notify HMRC and pay tax even if you do not automatically receive a tax return. You may, therefore, need to request a self-assessment tax return for completion and submission to HMRC. If you do not receive a tax return, you may need to ask HMRC to send you one, including pages relating to employee share schemes.