

2024 Annual General Meeting

Articore Group Limited



Dear Shareholder,

On behalf of the Board, I am pleased to invite you to the Annual General Meeting (AGM) of Articore Group Limited to be held at 10.00am AEDT on Thursday, 24 October 2024. The Notice of Annual General Meeting and Explanatory Statement can be accessed on the Group's website at:

<https://www.articore.com/investor-centre/?page=annual-general-meeting>.

The 2024 AGM will be held virtually and you can participate online at:

<https://meetings.linkgroup.com/ATG24>.

At the AGM, the Group CEO, Martin Hosking, and I will provide an overview of the Group's FY24 performance.

Turnaround strategy underway with significant progress in FY24

FY24 was a year of significant change for our Company with a new name, leadership team and operating structure put in place. We successfully executed on the first phase of the strategy we set out last year, returning both marketplaces and the Articore Group to a positive underlying cash flow position.

Board renewal

At the same time, the board renewal process we committed to has progressed with the appointment of Robin Low and Robin Mendelson as independent non-executive directors. Both directors have brought fresh perspectives and a range of valuable skills and experience to the board, complementing the existing directors' skillset. Longstanding director Greg Lockwood intends to retire from the board at the conclusion of this AGM and we thank him for his significant contribution to the company over the past 9 years.

Capital management

We also launched an on-market share buyback, an effective capital management initiative that reflects the improvement in our financial position and our confidence in the future performance of the Group.

Future growth and unlocking value for shareholders

We have a clear plan to return Articore to profitable growth, building on the solid foundations established in FY24. In FY25, we will remain underlying cash flow positive while extracting maximum value from both marketplaces, maintaining cost discipline and maximising synergies across the Group.

This will enable us to invest in organic opportunities that leverage our distinctive assets including our well established and growing base of global creators and their content, our global fulfillment network and our superior unit economics.

By the end of FY25, we aim to have gone beyond the existing marketplaces in pursuit of our vision of being the global leader for connecting digital creators with their customers.

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With our board renewal now well underway, in FY25 we will also embark on a strategic review to carefully consider other growth and value creating opportunities for the company to complement the work already being undertaken as part of our turnaround plans.

Shareholder Proposal

We have received director nominations from four individuals associated with Osmium Partners LLC, a 9% shareholder in the company. Osmium have stated that should they secure these positions on the board, their stated objective is to immediately put the company up for sale. Your board does not believe this is in all shareholders' best interests. Osmium's proposed approach would limit the Group's strategic options and would fail to maximise shareholder value under a rapid sale scenario.

Your board is focused on improving the financial performance of Artcore and maximising shareholder value. With recent board renewal, you have a board with strong and relevant commercial, investment and governance experience.

While we value alternative views on the board, it is not appropriate, or in all shareholders' interests, for one 9% shareholder to have four seats on the board. The board considers that the election of these four candidates would result in Osmium being significantly over-represented on the board and would materially adversely impact the independence of the board and its ability to act in the best interests of all shareholders. The board is concerned that should Osmium secure significant influence on the board, they may prioritise their own agenda at the expense of all shareholders.

Furthermore, we do not believe that three of the proposed Osmium candidates have the requisite skills or experience to add value to the Artcore board.

Board recommendations

The board strongly recommends you vote **in favour** of Robin Low and Robin Mendelson as directors. Between them, they have strong commercial and governance experience that is highly complementary to the skills and experience on the board.

The board is comfortable to endorse the appointment of John Lewis, who is the Chief Investment Officer and Managing Partner of Osmium. While we disagree with Osmium's approach, we acknowledge that Mr Lewis has relevant experience and insights which could add value to the board's perspectives.

For the reasons set out above, **the board strongly recommends you vote against** the election of Adam Hoydysh, Daeyong Choi and Oliver Richner, the other Osmium representatives.

Over the past year, the Group has delivered on its commitments to achieve the first phase of a turnaround, and we are confident that we have the right strategy to deliver profitable growth and expand beyond our existing marketplaces.

With significant renewal across the Group and board well underway, we look forward to complementing this work with a strategic review in FY25 which will carefully consider other opportunities to unlock growth and value.

At this important stage, we believe that an independent board is critical in ensuring that the interests of all shareholders are served.

I encourage all shareholders to vote at the AGM to ensure the results reflect the views of the majority. Voting can be undertaken prior to the meeting by using the enclosed Voting Form or directly online at <https://investorcentre.linkgroup.com>.

If you are unable to attend the Annual General Meeting, I encourage you to submit written questions prior to the meeting. These can be emailed to the Articore Group Company Secretary at comp.sec@articore.com.

On behalf of the board, I thank you for your continued support and I look forward to seeing you online at the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Anne Ward". The signature is fluid and cursive, with a large initial "A" and "W".

Anne Ward

Chairman, Articore Group Ltd

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