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For immediate release

23 January 2024

RECOMMENDED CASH ACQUISITION

of

DX (GROUP) PLC (“DX”)

by

TRANSIT BIDCO LIMITED (“Bidco”)

Update on financing arrangements

On 16 November 2023, the boards of directors of DX (Group) plc (“DX”) and Transit Bidco Limited (“Bidco”) announced that they had reached agreement on the terms and conditions of a recommended cash acquisition by Bidco, an indirectly wholly-owned subsidiary of funds advised or managed by H.I.G. Capital LLC (“H.I.G.”) or its affiliates, as advised or sub-advised by H.I.G. European Capital Partners LLP, of the entire issued and to be issued ordinary share capital of DX (the “Acquisition”). The Acquisition is intended to be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The scheme document in relation to the Acquisition was published by DX on 11 December 2023 (“Scheme Document”).

Capitalised terms used in this announcement, unless otherwise defined, shall have the meanings given to them in the Scheme Document.

Entry into Notes Purchase Agreement

On 23 January 2024, Bidco entered into: (i) a notes purchase agreement between, among others, Bidco as the company and original issuer and Nomura International plc, PGIM Senior Debt II Levered Fund, PGIM Senior Debt II Levered Supplemental Fund and PGIM Senior Debt II Unlevered Fund as original subscribers (together, the “Original Subscribers”) (the “Notes Purchase Agreement”) and (ii) an intercreditor agreement between, among others, Bidco as the company and Alter Domus Agency Services (UK) Limited as the senior notes agent (the “Intercreditor Agreement” and together with the Notes Purchase Agreement, the “Financing Documents”), in relation to the financing of the Acquisition. A summary of the terms of the Financing Documents is attached at the Appendix to this Announcement.

A copy of the Financing Documents will be available, subject to certain restrictions relating to persons resident in certain jurisdictions, on DX’s website at www.investors.dxdelivery.com and Bidco’s website at <https://delta-offer.com> by no later than 12.00 p.m. on the Business Day following the date of this announcement.

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Numis Securities Limited (“Deutsche Numis”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Bidco and for no one else in connection with the Acquisition and/or any other matter referred to in this announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this announcement, or any other matters referred to in this announcement. Neither Deutsche Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this announcement, any statement or other matter or arrangement referred to herein or otherwise.

Overseas jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to vote their DX Shares in respect of the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws or regulations in that jurisdiction. To the fullest extent permitted by applicable law or regulations, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

The Acquisition will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted

Jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of acceptance of the Acquisition.

Further details in relation to DX Shareholders in overseas jurisdictions are contained in the Scheme Document.

Additional information for U.S. Investors in DX

The Acquisition relates to shares of a UK company and is being made by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.

Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. Furthermore, the payment and settlement procedure with respect to the Acquisition will comply with the relevant rules under the Code, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.

Bidco reserves the right, subject to the prior consent of the Panel and in accordance with the Co-operation Agreement, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued ordinary share capital of DX, as an alternative to the Scheme. If Bidco were to elect to implement the Acquisition by means of a Takeover Offer and determines to extend the Acquisition into the United States, such Takeover Offer would be made in compliance with all applicable US laws and regulations, including any applicable US tender offer regulations and in accordance with any applicable exemptions under the US Exchange Act.

In accordance with normal United Kingdom practice, Bidco or its nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of DX outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn, in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to the Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its DX Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes. Each DX Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to such holder, including, in the case of a US holder of DX Shares, under applicable US state and local tax laws, as well as overseas and other tax laws that may be applicable.

All of DX's officers and directors reside outside the US, and some or all of its assets are or may be located in jurisdictions outside the US. Therefore, investors may have difficulty effecting service of process within the US upon those persons or recovering against DX or its officers or directors on judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment. It may not be possible to sue DX or its officers or directors in a non-US court for violations of the US securities laws.

Neither the SEC nor any US state securities commission has approved or disapproved or passed judgment upon the fairness or the merits of the Acquisition or determined if this document is adequate, accurate or complete.

Financial information relating to DX included in or incorporated by reference into this document has been or will have been prepared in accordance with IFRS and may not therefore be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

Forward-looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, oral statements made regarding the Acquisition, and other information published by DX, any member of the DX Group, Bidco or any other member of the Bidco Group contain statements which are, or may be deemed to be, "forward looking statements". These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects, (ii) business and management strategies and the expansion and growth of the operations of DX, any member of the DX Group, Bidco or any other member of the Bidco Group, (iii) the effects of government regulation on the business of DX, any member of the DX Group, Bidco or any other member of the Bidco Group, (iv) negative effects relating to this document and/or status of the Acquisition, (v) the possibility that any of the conditions to the Acquisition will not be satisfied, and (vi) significant transaction costs or unknown liabilities. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among such factors are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

These forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which DX, any member of the DX Group, Bidco or any member of the Bidco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. By their nature, these forward-looking statements involve known and unknown risks, and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this document may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this document are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. None of DX, any member of the DX Group, Bidco or any other member of the Bidco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

None of DX, any member of the DX Group, Bidco or any other member of the Bidco Group, or their respective members, directors, officers, employees, advisers or any person acting on behalf of one or more of them, has any intention or accepts any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent legally required. All subsequent oral or written forward-looking statements attributable to DX, any member of the DX Group, Bidco or any other member of the Bidco Group or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in

respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on Website

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) at <https://delta-offer.com/> by no later than 12 noon (London time) on the Business Day following the date of this announcement.

For the avoidance of doubt, neither the contents of the website referred to nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this announcement.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

APPENDIX

Summary of the Financing Documents

On 23 January 2024, Bidco (as the Company) and the Original Subscribers (among others) entered into the Notes Purchase Agreement.

Under the terms of the Notes Purchase Agreement, the Original Subscribers agreed to make available certain term notes described more particularly below. The Notes Purchase Agreement contemplates that the Original Subscribers may transfer their rights and obligations under the Notes Purchase Agreement to other banks, financial institutions, trusts, funds or other entities which are regularly engaged in or established for the purpose of making, purchasing or investing in notes, securities or other financial assets, or any other person approved in writing by Bidco.

The Term Tranche, amounts and documentation process

There is a senior secured term loan tranche in an aggregate principal amount equal to GBP 110,000,000 (the “**Term Tranche**”). The Term Tranche is available to be drawn down by Bidco, subject to satisfaction of the conditions precedent set out in the Notes Purchase Agreement (for further detail see below).

The proceeds of the Term Tranche is to be applied in accordance with clause 3.1(a) of the Notes Purchase Agreement as follows:

- (a) *The Company shall apply all amounts received by it from the issuance of Term Tranche Notes in or towards (directly or indirectly) financing or refinancing:*
 - (i) *any amounts payable under or in connection with the Acquisition and the acquisition of any Target Shares to be acquired after the Acquisition Closing Date pursuant to a Squeeze-out;*
 - (ii) *any repayment or other discharge of the outstanding indebtedness under the Interim Facilities Agreement (together with any costs, fees and expenses incurred or payable in connection with such repayment or discharge);*
 - (iii) *(including by way of one or more intercompany loans) any repayment, purchase or otherwise discharge of any indebtedness of the Group or Target Group (together with payment of any breakage costs, redemption or prepayment premium and other costs, fees and expenses incurred or payable in connection with such repayment, purchase or discharge);*
 - (iv) *the Transaction Costs; and/or*
 - (v) *the general corporate purposes and/or working capital requirements of the Group (including, for the avoidance of doubt, capital expenditure and acquisitions, bridging to Target Group cash on the Acquisition Closing Date and refinancing, replacing, cash collateralizing any existing Target Group indebtedness).*

Redemption terms - maturity

Once drawn, the Term Tranche must be redeemed in instalments in an amount equal to 2.5% of the principal amount of issued notes as at the end of the relevant availability period for the Term Tranche. The maturity date of the Term Tranche is the date falling 60 months after the first issuance under the Term Tranche (the “**Closing Date**”).

Prepayment and redemption terms - voluntary/mandatory

Bidco may voluntarily cancel and redeem the notes issued under the Term Tranche in whole or in part at any time subject to the giving of three business days' prior notice. Mandatory prepayment and cancellation rights shall apply (and/or may be exercised by the applicable holders) in respect of illegality, change of control or a sale of all or substantially all of the assets of Bidco and its subsidiaries from time to time (the "**Bidco Group**") to persons who are not members of the Bidco Group. Additionally, mandatory redemption rights shall apply (subject to various exceptions and exclusions) in respect of any excess cashflow of the Bidco Group (calculated per financial year), and of net cash proceeds received by Bidco or certain other members of the Bidco Group as a result of the sale of certain assets.

Interest rates

The rate of interest payable on the notes issued under the Term Tranche is the aggregate of the applicable margin, plus applicable SONIA (subject to a 1.00% floor).

Subject to the below, the margin in respect of the Term Tranche is 7.00% per annum in relation to the Term Tranche Notes.

The above margin rate shall apply from the Closing Date until six months thereafter, provided no material default is continuing and the Bidco Group is complying with the financial covenants (the "**Opening Margin Period**"). After the end of the Opening Margin Period, the margin rates outlined above will remain as above, provided the total leverage ratio is greater than 2.00:1. Further, there is a cumulative step-down of 0.25% bps in the margin (subject to a maximum of two step-downs) in the event that the total leverage ratio reaches each of the following total leverage ratios:

- (A) Greater than or equal to 2.00:1;
- (B) Less than 2.00:1 but greater than or equal to 1.75:1;
- (C) Less than 1.75:1.

Guarantees and security

The Original Subscribers will receive the benefit of guarantees and security in respect of the Term Tranche. Bidco will guarantee the Term Tranche and provide security over certain of its assets pursuant to a security agreement (the "**Security Agreement**"). Bidco's sole shareholder, Transit Midco Limited (a company incorporated under the laws of England and Wales with registered number 15239033) ("**Midco**"), will provide security on a limited recourse basis over the shares of Bidco and certain receivables owed to Midco by any member of the Bidco Group. In due course after the Closing Date, other members of the Bidco Group will also provide guarantees and security as is customary for a transaction of this nature.

Representations, warranties, undertakings and events of default

The Notes Purchase Agreement contains representations and warranties, financial covenants, undertakings (both operational and as regards certain information) and events of default that are customary for a financing of this nature.

Representations and warranties have been made (subject to various exceptions and materiality and other thresholds) regarding status, binding obligations, non-conflict with other obligations, power and authority, authorisations, no default and accuracy of information.

The Notes Purchase Agreement contains a financial covenant based on total leverage and debt service coverage. The total leverage financial covenant is initially set at 3.50:1, decreasing over time. It will be first tested on the last day of the financial quarter falling at least two full financial quarters after the Closing Date. The debt service

coverage financial covenant requires that the debt service coverage ratio in respect of each twelve month period ending on a financial quarter date is at least 1.00:1.

The Notes Purchase Agreement also contains typical operational general undertakings (subject to various exceptions and materiality and other thresholds) for a secured financing of this type regarding, among other things, due authorisations, compliance with laws, tax, pari passu ranking, arm's length dealings, pensions, access/investigations, intellectual property, insurance, additional guarantors and security, lines of business, holdings companies, joint ventures, anti-layering, sanctions, anti-corruption, subordinated debt, further assurance, the Acquisition and certain restrictions on demergers/mergers/consolidation/corporate reconstruction, incurring indebtedness, guarantees, acquisitions, restricted payments, negative pledge, disposal of assets and treasury transactions. In addition, certain information undertakings will be given with respect to, amongst other things, the provision of financial statements and budgets, compliance certificates and annual lender presentations.

The events of default are customary for a secured financing of this type and are subject to various exceptions, materiality and other thresholds and grace periods.

Conditions precedent

The Notes Purchase Agreement sets out a number of conditions precedent to issuance of the Term Tranche (both documentary and otherwise) which include, among other things, the execution and delivery of the Security Agreement, the Intercreditor Agreement and customary officer's certificates setting out various confirmations in respect of applicable conditions being delivered.

The foregoing description is a high-level overview of key indicative terms of the Notes Purchase Agreement and ancillary documents.