

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**For immediate release**

**16 November 2023**

**RECOMMENDED CASH ACQUISITION**

**of**

**DX (GROUP) PLC**

**by**

**TRANSIT BIDCO LIMITED**

**an indirectly wholly-owned subsidiary of funds advised or managed by H.I.G. Capital LLC or its affiliates, as advised or subadvised by H.I.G. European Capital Partners LLP**

**(to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006)**

**Summary**

- The boards of Transit Bidco Limited (“**Bidco**”) and DX (Group) plc (“**DX**”) are pleased to announce that they have reached agreement on the terms 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 subadvised by H.I.G. European Capital Partners LLP, of the entire issued and to be issued share capital of DX (the “**Acquisition**”). It is intended that the Acquisition be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, DX Shareholders will be entitled to receive:  
**for each DX Share** **48.5 pence (the “Acquisition Value”)**
- The Acquisition Value comprises, for each DX Share:  
**47.5 pence in cash (the “Cash Consideration”)**

**and**

**a final dividend of 1 penny for DX’s financial year ended 1 July 2023, which is not conditional on the Acquisition becoming effective (the “Permitted Dividend”)**

- DX announced the Permitted Dividend on 3 October 2023 and DX Shareholders on DX's register of members at the relevant record date will be entitled to receive the Permitted Dividend regardless of whether the Acquisition becomes Effective (and without any reduction in the Cash Consideration if the Acquisition does become Effective). The Permitted Dividend, if approved by DX Shareholders at DX's Annual General Meeting on 23 November 2023, will be paid by DX on 7 December 2023 to DX Shareholders on DX's register of members at 17 November 2023.
- The Acquisition Value values DX's entire issued and to be issued share capital at approximately £314.8 million.
- The Acquisition Value represents a premium of approximately:
  - 32.9 per cent. to the Closing Price per DX Share of 36.5 pence on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period);
  - 34.8 per cent. to the volume weighted average Closing Price per DX Share of 36.0 pence for the one-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period);
  - 67.0 per cent. to the volume weighted average Closing Price per DX Share of 29.0 pence for the twelve-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period); and
  - 30.0 per cent. to the highest Closing Price between 13 November 2015 and 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) of 37.3 pence per DX Share.

### **Background to, and reasons for, the Acquisition**

- Bidco believes that there is a compelling strategic and financial rationale for undertaking the Acquisition. DX operates in attractive niche markets with supportive secular market trends to continue its trajectory of growth.
- Bidco recognises the strong performance and progress made by DX in recent years, with the operational and financial improvements being a testament to the strong execution capabilities and service delivery of the management team.
- However, Bidco believes that DX's Shares continue to suffer from limited secondary market liquidity, which disincentivises potential new investors to take interest in the stock and prevents existing DX Shareholders from recognising value for their investments.
- Bidco believes that DX can better reach its full potential in a private market setting with a greater focus on longer term value creation, enabled by the acceleration of investment in growth to continue building on the progress that the management team has achieved to date.
- The Acquisition presents H.I.G. with the opportunity to enter new markets. H.I.G. has a strong track record in the Business Services and Logistics sectors deploying capital and expertise into growth-oriented businesses and supporting their management

teams in achieving their strategic ambitions. H.I.G. has considerable capital resources and deep industry-specific knowledge, allowing it to support driving the next phase of growth for DX.

### **Recommendation**

- The DX Directors, who have been so advised by Moelis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the DX Directors, Moelis has taken into account the commercial assessments of the DX Directors.
- Accordingly, the DX Directors intend to recommend unanimously that DX Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting, as the DX Directors who have an interest in DX Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of 8,777,914 DX Shares, in aggregate, representing approximately 1.5 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

### **Irrevocable undertakings and letters of intent**

- Bidco has also received irrevocable undertakings to vote (or, in relation to DX CFDs, to use reasonable endeavours to procure votes) in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from Gatemore Capital Management LLP and Lloyd Dunn in respect of 177,864,992 DX Shares and 13,250,000 DX CFDs. The total number of DX Shares which are subject to irrevocable undertakings received by Bidco from Gatemore Capital Management LLP and Lloyd Dunn is 177,864,992 DX Shares, representing approximately 29.4 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement). The total number of DX Shares and DX CFDs which are subject to irrevocable undertakings received by Bidco from Gatemore Capital Management LLP and Lloyd Dunn is 191,114,992 DX Shares and DX CFDs, representing approximately 31.6 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).
- Bidco has also received letters of intent to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from Canaccord Genuity Asset Management and Lombard Odier Asset Management (Europe) Limited in respect of 130,102,908 DX Shares, in aggregate, representing approximately 21.5 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).
- In aggregate, therefore, Bidco has received irrevocable undertakings and letters of intent to vote (or, in relation to DX CFDs, to use reasonable endeavours to procure votes) in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from the holders of 316,745,814 DX Shares and 13,250,000 DX CFDs. The total number of DX Shares which are subject to irrevocable undertakings and letters of intent received by Bidco from holders of DX Shares is 316,745,814 DX Shares, representing approximately 52.4 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement). The total number of DX Shares and DX CFDs which are subject to irrevocable undertakings and letters of intent received by Bidco from holders of DX Shares and DX CFDs is 329,995,814 DX Shares and DX CFDs,

representing approximately 54.6 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

### **Information on Bidco and H.I.G.**

#### *Bidco*

- Bidco is a private limited company incorporated in England which is indirectly wholly-owned by funds advised or managed by H.I.G. or its affiliates, as advised or subadvised by H.I.G. European Capital Partners LLP. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

#### *H.I.G.*

- H.I.G. is one of the world's largest middle-market private equity investment firms with \$59 billion of assets under management. H.I.G. invests in companies across a wide range of industries and geographies and combines operational, strategic and financial expertise, in partnership with senior management, to create significant value to its portfolio companies. H.I.G. provides the resources and capital to execute both organic growth initiatives, as well as strategic, add on acquisitions. Since its founding in 1993, H.I.G. has completed more than 350 control investments.

### **Information on DX**

#### *DX*

- DX is a well-established provider of a wide range of delivery services to both business and residential addresses across the UK and Ireland. First established in 1975 as a Document Exchange service to the legal sector, DX provides a wide range of overnight delivery services, as well as logistics services.
- The Group operates through two divisions, DX Freight and DX Express.
  - DX Freight comprises DX 1-Man, and 2-Man/Logistics, with the Division being one of only a small number of operators that provides an overnight delivery service for irregular dimension and weight freight (“IDW”).
  - DX Express comprises DX Parcels and DX Exchange and Mail, with the Division specialising in the express delivery, including pre-9am, of parcels and documents.

### **Dividends**

- Save for the Permitted Dividend, if any dividend, distribution or other return of value is announced, authorised, declared, made or paid in respect of DX Shares on or after the date of this Announcement, Bidco reserves the right to reduce the offer consideration by the aggregate amount of such dividend, distribution or other return of value. In such circumstances, DX Shareholders shall be entitled to retain any such dividend, distribution or other return of value.

### **Conditions and timetable**

- The Acquisition is conditional on, among other things: (i) the approval of DX Shareholders at the Court Meeting and the passing of the resolutions by DX Shareholders at the General Meeting; and (ii) the sanction of the Scheme by the Court; and (iii) merger control clearance in Ireland. The Acquisition is also subject to the other terms and Conditions set out in Appendix I to this Announcement, and to the full terms and conditions to be set out in the Scheme Document.
- The Acquisition is expected to become Effective in Q1 2024, subject to the satisfaction (or, where applicable, waiver) of the Conditions set out in Appendix I to this Announcement. An expected timetable of principal events will be included in the Scheme Document.
- Further details of the Acquisition will be contained in the Scheme Document which is intended to be published along with notices of the Court Meeting and General Meeting and the Forms of Proxy within 28 days of the date of this Announcement, unless DX and Bidco otherwise agree, and the Panel consents, to a later date. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on Bidco’s website at <https://delta-offer.com/> and DX’s website at [investors.dxdelivery.com](https://investors.dxdelivery.com).
- Commenting on the Acquisition, Tobias Borkowski, Managing Director of H.I.G., said:

*“We are delighted to be announcing this recommended cash acquisition of DX. DX has long established itself as a leading provider of specialist delivery services in the UK, supported by a strong management team, diligent workforce and well-invested infrastructure. We look forward to partnering with the DX management team in accelerating DX’s next phase of growth.”*

- Commenting on the Acquisition, Mark Hammond, Chair of DX, said:

*“Since the introduction of its turnaround plan in 2018, DX has demonstrated a strong track record in sales growth, profitability, and margin improvement. This progress has been most recently evidenced in our latest full year results which recorded the highest revenue in our 48-year history. Furthermore, in addition to our strong financial and operational performance, in the last eighteen months, the Board has successfully settled its claim in relation to Tuffnells, resolved its internal corporate governance inquiry, achieved the re-admittance of its shares to trading, and deepened the bench of executive and non-executive talent. Viewed in conjunction with its turnaround and financial momentum, DX is a company reinvigorated and ready for the next phase of growth.*

*Nonetheless, the Board recognises the challenges that companies of DX’s size and shareholder structure face in raising further capital for expansion or acquisitions and the challenges that major shareholders have in crystallising value for their holdings. Furthermore, DX is dependent on UK demand growth across its operating sectors, and thus exposed to potential economic and global investment sentiment headwinds.*

*The offer from Bidco recognises the value of the platform that has been built, offers shareholders an opportunity to crystallise an attractive value for their holdings and provides DX with an excellent partner for the next stage of its development.”*

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).**

**The Acquisition is subject to the Conditions and further terms that are set out in Appendix I, and to the full terms and conditions which will be set out in the Scheme Document. Appendix II contains the bases and sources of certain information used in this Announcement. Appendix III contains details of the Irrevocable Undertakings and letters of intent received in relation to the Acquisition that are referred to in this Announcement. Appendix IV contains definitions of terms used in this Announcement.**

**Enquiries:**

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Skadden, Arps, Slate, Meagher & Flom (UK) LLP is acting as legal adviser to Bidco in connection with the Acquisition. Addleshaw Goddard LLP is acting as legal adviser to DX in connection with the Acquisition.

***Important notices relating to financial advisers***

*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 Offer 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.*

*Moelis & Company UK LLP ("Moelis"), which is regulated by the FCA in the United Kingdom, is acting exclusively for DX and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than DX for providing the protections afforded to clients of Moelis, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Moelis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis in connection with this Announcement, any statement contained herein or otherwise.*

*Liberum Capital Limited ("Liberum"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as nominated adviser and joint corporate broker to DX and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than DX for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Liberum nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than DX in connection with the matters referred to in this Announcement, or otherwise.*

***Further information***

*This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer, invitation or the solicitation of an offer to purchase or subscribe, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise.*

*The Acquisition will be subject to English law and to the applicable requirements of the Code, the Panel, AIM Rules, the London Stock Exchange and the FCA.*

*The Acquisition will be made solely by the Scheme Document (or, in the event that the Offer is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme. Any voting decision or response in relation to the Acquisition should be made solely on the basis of the Scheme Document. DX Shareholders are advised to read the formal*

*documentation in relation to the Acquisition carefully once it has been published. Each DX Shareholder is urged to consult their independent professional adviser regarding the tax consequences of the Acquisition.*

*This Announcement does not constitute a prospectus or a prospectus equivalent document.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).*

### ***Overseas shareholders***

*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 will be contained in the Scheme Document.*

### ***Additional information for US investors in DX***

*The Acquisition relates to the shares of an English company and is being made by way of a scheme of arrangement provided for under Part 26 of the Companies Act. The Acquisition, implemented by way 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 and the Scheme will be subject to the disclosure requirements and practices applicable to a scheme of arrangement involving a target company incorporated in England with its securities admitted to trading on AIM, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable US laws and regulations.*

*The financial information included in this Announcement has been prepared in accordance with the accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*It may be difficult for US DX Shareholders to enforce their rights and any claim arising out of the US federal securities laws, because DX is located in a non-US country, and some or all of its officers and directors are residents of a non-US country. US DX Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US 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.*

*US DX Shareholders also should be aware that the Acquisition may have tax consequences for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws, and, that such consequences, if any, are not described herein, US DX Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

#### ***Forward-looking statements***

*This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of DX and certain plans and objectives of Bidco and DX*

*These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. These statements are based on assumptions and assessments made by DX, H.I.G. and/or Bidco in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate, and therefore are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those forward-looking statements.*

*Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aim”, “will”, “continue”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, synergies, financial conditions, market growth, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Bidco Group or the DX Group; and (iii) the effects of government regulation on the business of the Bidco Group or the DX Group. 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 the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals.*

*These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. 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 Announcement 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 Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Bidco or DX or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither of Bidco nor DX undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.*

***No profit forecasts, estimates or quantified financial benefits statements***

*No statement in this Announcement is intended as a profit forecast or estimate for any period or a quantified financial benefits statement and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Bidco or DX, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Bidco or DX, respectively.*

***Right to switch to an Offer***

*Bidco reserves the right to elect, with the consent of the Panel, and subject to the terms of the Co-operation Agreement, to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of DX as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part C of Appendix I to this Announcement.*

***Publication on website***

*A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://delta-offer.com/> and at [investors.dxdelivery.com](https://investors.dxdelivery.com) and by no later than 12 noon on the Business Day following the date of this Announcement.*

*Neither the contents of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.*

***Hard copy documents***

*In accordance with Rule 30.3 of the Code, DX Shareholders, persons with information rights and participants in the DX Share Schemes may request a hard copy of this Announcement by contacting the Company Secretary during business hours on 0333 241 1624 or [legalandregulatory@dxdelivery.com](mailto:legalandregulatory@dxdelivery.com).*

*For persons who receive a copy of this Announcement in electronic form or via a website*

notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may, subject to applicable securities laws, also request that all future documents, announcements and information be sent to them in relation to the Acquisition in hard copy form.

### **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.

### **UK Market Abuse Regulation**

This Announcement contains inside information for the purposes of Article 7 of UK MAR. Market soundings (as defined in UK MAR) were taken in respect of a potential offer with the result that certain persons became aware of inside information (as defined in UK MAR) as permitted by UK MAR. This inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to DX and its securities.

### **Electronic communications**

Addresses, electronic addresses and certain other information provided by DX Shareholders, persons with information rights and other relevant persons for the receipt of communications from DX may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 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) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day (as defined in the Code) 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 (as defined in the Code) 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 1 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 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the business day (as defined in the Code) 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 of the Code.*

*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 of the Code).*

*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](http://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.*

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**For immediate release**

**16 November 2023**

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**(to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006)**

**1. Introduction**

The boards of Bidco and DX are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition by Bidco, an indirectly wholly-owned subsidiary of funds advised or managed by H.I.G. or its affiliates, as advised or subadvised by H.I.G. European Capital Partners LLP, of the entire issued and to be issued share capital of DX. It is intended that the Acquisition be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**2. The Acquisition**

Under the terms of the Acquisition, DX Shareholders will be entitled to receive:

**for each DX Share 48.5 pence (the “Acquisition Value”)**

The Acquisition Value comprises, for each DX Share:

**47.5 pence in cash (the “Cash Consideration”)**

**and**

**a final dividend of 1 penny for DX’s financial year ended 1 July 2023, which is not conditional on the Acquisition becoming effective (the “Permitted Dividend”)**

DX announced the Permitted Dividend on 3 October 2023 and DX Shareholders on DX's register of members at the relevant record date will be entitled to receive the Permitted Dividend regardless of whether the Acquisition becomes Effective (and without any reduction in the Cash Consideration if the Acquisition does become Effective). The Permitted Dividend, if approved by DX Shareholders at DX's Annual General Meeting on 23 November 2023, will be paid by DX on 7 December 2023 to DX Shareholders on DX's register of members at 17 November 2023.

The Acquisition Value values DX's issued and to be issued share capital at approximately £314.8 million.

The Acquisition Value represents a premium of approximately:

- 32.9 per cent. to the Closing Price per DX Share of 36.5 pence on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period);
- 34.8 per cent. to the volume weighted average Closing Price per DX Share of 36.0 pence for the one-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period);
- 67.0 per cent. to the volume weighted average Closing Price per DX Share of 29.0 pence for the twelve-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period); and
- 30.0 per cent. to the highest Closing Price between 13 November 2015 and 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) of 37.3 pence per DX Share.

The DX Shares will be acquired by Bidco (or its nominee) with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement and prior to the Effective Date in respect of the DX Shares.

Save for the Permitted Dividend, if any dividend, distribution or other return of value in respect of the DX Shares is announced, authorised, declared, made or paid in respect of the DX Shares on or after the date of this Announcement and prior to the Effective Date, Bidco reserves the right to reduce the consideration payable for each DX Share by the amount of all or part of any such dividend or other distribution. In such circumstances, DX Shareholders shall be entitled to retain such dividend, distribution or other return of value.

### **3. Background to, and reasons for, the Acquisition**

Bidco believes that there is a compelling strategic and financial rationale for undertaking the Acquisition. Bidco recognises the strong performance and progress made by DX in recent years, and the opportunity to continue its positive trajectory despite the more uncertain economic environment. However, Bidco believes that DX's Shares continue to suffer from limited secondary market liquidity, which disincentivises potential new investors to take interest in the stock and prevents existing DX Shareholders from recognising value for their investments. Bidco believes that DX can better reach its full potential in a private market setting with a greater focus on longer term value creation, enabled by the acceleration of

investment in growth to continue building on the progress the management team has achieved to date.

The Acquisition presents H.I.G. with the opportunity to enter new markets. H.I.G. has a strong and complementary track record in the Business Services and Logistics sectors deploying capital and expertise into growth-oriented businesses and supporting their management teams in achieving their strategic ambitions. H.I.G. has considerable capital resources and deep industry-specific knowledge, allowing it to support driving the next phase of growth for DX.

#### **4. Recommendation**

The DX Directors, who have been so advised by Moelis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the DX Directors, Moelis has taken into account the commercial assessments of the DX Directors.

Accordingly, the DX Directors intend to recommend unanimously that DX Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting, as the DX Directors who have an interest in DX Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of 8,777,914 DX Shares, in aggregate, representing approximately 1.5 per cent. of DX's issued share capital as at 15 November 2023, being the last practicable date prior to this Announcement.

#### **5. Background to, and reasons for, the recommendation**

DX is a well-established provider of a wide range of delivery services to business and residential addresses across the UK and Ireland. It has developed from its roots as a Document Exchange service to the legal sector, into a UK leader in a wide range of overnight delivery and logistics services. In recent years, DX has successfully executed a highly-successful turnaround and capitalised on favourable market tailwinds, with strong momentum in sales, profitability and margin improvement.

In 2018, DX had revenue of £300m and negative operating profit. The DX Board is proud of the substantial improvement in revenue and profitability that followed, supported by a revised commercial strategy, increased local management responsibility, substantial investment in the business, and an emphasis on driving service levels. In 2023, DX reported revenue of £471m and adjusted operating profit of £31m (before share-based payments charge), as well as a strategic agreement to secure 15 sites from the administrators of one of its key competitors, Tuffnells.

While the DX Directors are highly confident in the long-term prospects of the business as an independent listed company, the DX Board also notes the compelling proposition offered to DX shareholders by the Acquisition against a backdrop of macroeconomic uncertainty. The DX Board did not solicit an offer for DX, but regularly considers all options for driving and improving shareholder value. Bidco's offer of an Acquisition Value of 48.5 pence per share followed the Directors having received and rejected a series of unsolicited proposals, with the first approach made in June 2023. Prior proposals were not at a level that the DX Board felt adequately reflected an appropriate valuation for DX, whereas the DX Directors believe that the terms of the Acquisition are at a level that they can recommend to shareholders to accept.

In evaluating the financial terms of the Acquisition, and determining whether they reflect an appropriate valuation for DX and proposal for DX Shareholders, the DX Board considered a number of factors, namely that:

- Bidco's offer of an Acquisition Value of 48.5 pence per share represents an opportunity for shareholders to crystallise their holdings in cash and in full at a significant premium to both recent and long-term trading levels, against a backdrop of historically limited trading liquidity;
- it represents a premium of 32.9 per cent. to the Closing Price, and 67.0 per cent. to the volume weighted average price in the 12 months to 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period);
- it implies an enterprise value of approximately 8.8 times DX's EBITDA for the 52 weeks to 1 July 2023 on a pre-IFRS 16 basis;
- the certainty of the Acquisition should be weighed against the inherent uncertainty of the delivery of future value that exists in the business, given an unsure and weakening macroeconomic backdrop in the UK;
- after careful consideration together with its advisers, Moelis, the DX Board believes that the Acquisition reflects the strength of the business today and its prospects, whilst delivering immediate value to shareholders; and
- two large shareholders, representing in aggregate approximately 31.6 per cent. of DX's issued share capital, indicated their willingness to provide, and have subsequently provided irrevocable undertakings to vote in favour of the Acquisition at the Court Meeting and the General Meeting (or, if the Acquisition is implemented by way of an Offer, to accept such offer).

The DX Directors also acknowledge the benefits of private ownership, including greater access to capital to pursue new growth opportunities, such as M&A-led growth.

In considering the Acquisition, the DX Directors have taken into account Bidco's stated intentions for the business and its employees. The DX Board believe that the Acquisition represents an opportunity which results in a positive outcome for all its stakeholders, including customers, employees, and shareholders.

Accordingly, after careful consideration of the above factors, the DX Directors are pleased to confirm their intention to recommend unanimously that DX Shareholders vote in favour of the Acquisition at the Court Meeting and the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, accept or procure acceptance of such Offer), as the DX Directors have committed to do in respect of their DX Shares (where applicable).

## **6. Irrevocable undertakings and letters of intent**

Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from the DX Directors who have an interest in DX Shares, in respect of their entire beneficial holdings, amounting to 8,777,914 DX Shares, in aggregate, representing approximately 1.5 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

Bidco has also received irrevocable undertakings to vote (or, in relation to DX CFDs, to use reasonable endeavours to procure votes) in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from Gatmore Capital Management LLP and Lloyd Dunn in respect of 177,864,992 DX Shares and 13,250,000 DX CFDs. The total number of DX Shares which are subject to irrevocable undertakings received by Bidco from Gatmore Capital Management LLP and Lloyd Dunn is 177,864,992 DX Shares, representing approximately 29.4 per cent. of the issued share capital of DX as at 15



November 2023 (being the last practicable date prior to this Announcement). The total number of DX Shares and DX CFDs which are subject to irrevocable undertakings received by Bidco from Gatemore Capital Management LLP and Lloyd Dunn is 191,114,992 DX Shares and DX CFDs, representing approximately 31.6 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

Bidco has also received letters of intent to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting from Canaccord Genuity Asset Management and Lombard Odier Asset Management (Europe) Limited in respect of 130,102,908 DX Shares, in aggregate, representing approximately 21.5 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

In aggregate, therefore, Bidco has received irrevocable undertakings and letters of intent to vote (or, in relation to DX CFDs, to use reasonable endeavours to procure votes) in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting in respect of 316,745,814 DX Shares and 13,250,000 DX CFDs. The total number of DX Shares which are subject to irrevocable undertakings and letters of intent received by Bidco from holders of DX Shares is 316,745,814 DX Shares, representing approximately 52.4 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement). The total number of DX Shares and DX CFDs which are subject to irrevocable undertakings and letters of intent received by Bidco from holders of DX Shares and DX CFDs is 329,995,814 DX Shares and DX CFDs, representing approximately 54.6 per cent. of the issued share capital of DX as at 15 November 2023 (being the last practicable date prior to this Announcement).

Further details of these irrevocable undertakings and letters of intent are set out in Appendix III.

## **7. Information on Bidco and H.I.G.**

### ***Bidco***

Bidco is a private limited company incorporated in England which is indirectly wholly-owned by funds advised or managed by H.I.G. or its affiliates, as advised or subadvised by H.I.G. European Capital Partners LLP. It was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

### ***H.I.G.***

H.I.G. is one of the world's largest middle-market private equity investment firms with \$59 billion of assets under management. H.I.G. invests in companies across a wide range of industries and geographies and combines operational, strategic and financial expertise in partnership with senior management to create significant value to its portfolio companies. H.I.G. provides the resources and capital to execute both organic growth initiatives, as well as strategic, add on acquisitions. Since its founding in 1993, H.I.G. has completed more than 350 control investments.

## 8. Information on DX

### *DX*

DX is a well-established provider of a wide range of delivery services to both business and residential addresses across the UK and Ireland. First established in 1975 as a Document Exchange service to the legal sector, DX provides a wide range of overnight delivery services, as well as logistics services.

The DX Group operates through two divisions, DX Freight and DX Express.

- DX Freight comprises DX 1-Man, and 2-Man/Logistics, with the Division being one of only a small number of operators that provides an overnight delivery service for irregular dimension and weight freight (“IDW”).
- DX Express comprises DX Parcels and DX Exchange and Mail, with the Division specialising in the express delivery, including pre-9am, of parcels and documents.

### *Current Trading*

On 3 October 2023, DX announced its final audited results of the year ended 1 July 2023. In that announcement, it announced the following in relation to the DX Group’s outlook and opportunities:

*“We are encouraged by the progress the Group has made over the past financial year and, in particular, by the strong profit and margin growth at both DX Freight and DX Express, which has been underpinned by our focus on high levels of customer service.*

*The agreement to take over 15 former Tuffnells depots and the new relationships we have established with former customers of Tuffnells since it entered into administration is a major development for the Group. The process of optimising the depot network and absorbing these new depots is well under way, with six sites now reopened.*

*We expect to make further progress in the current financial year. This will be supported by our disciplined allocation of capital, which is prioritising ongoing investment in the business to support growth, including our strategic investment in the new regional hub at Nottingham.*

*The business has secured strong levels of new business in the first quarter of the current financial year and has a good pipeline of opportunities. It is also in a strong financial position, with healthy levels of net cash and good cash flows. While we are conscious of the current economic headwinds, the Board remains encouraged about growth prospects for the Group in the current financial year and beyond.”*

On 6 November 2023, DX announced that it had reopened 14 of the 15 former Tuffnells depots that DX took over from the administrator of Tuffnells in late June 2023.

## 9. Financing

Bidco intends to finance the Cash Consideration payable to DX Shareholders pursuant to the Acquisition from a combination of: (a) indirect capital contributions to Bidco by funds advised or managed by H.I.G. or its affiliates, as advised or subadvised by H.I.G. European Capital Partners LLP (in connection with which an equity commitment letter has been entered into with Bidco); and (b) debt to be provided by Nomura International PLC, PGIM Senior

Loan Opportunities (Levered) II, L.P. and PGIM Senior Loan Opportunities (Unlevered) II, L.P. as Interim Lenders pursuant to the Interim Facilities Agreement.

Deutsche Numis, as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the Cash Consideration payable to DX Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

## **10. Management, employees, pensions, research and development, locations**

### ***Bidco's strategic plans for DX***

As set out in Section 3 (*Background to, and reasons for, the Acquisition*), Bidco believes that the Acquisition has compelling strategic and financial rationale.

In line with market practice for a UK public takeover, Bidco completed a short period of confirmatory due diligence on DX prior to the date of this Announcement. However, Bidco has not yet had access to sufficiently detailed operational information to formulate a detailed strategy for DX. As is customary for new H.I.G. acquisitions, H.I.G. intends to review DX's business and operations following the Scheme becoming Effective. Bidco is supportive of DX's strategy and believes there are further initiatives that would help accelerate its existing strategy and which it intends to confirm during the review, including: (i) sourcing and executing financially and strategically accretive incremental M&A opportunities; (ii) continued operational and financial improvements; and (iii) continued investment in the management and employee team.

Bidco expects that the review will be completed within approximately six months from the Effective Date.

### ***Employees, management, existing rights and pensions***

Bidco attaches great importance and value to the skills, experience and commitment of the existing management and employees of DX and believes that they will be a key factor in maximising the success and growth of the business going forward. Bidco has no intention to make any changes to the conditions of employment or the balance of the skills and functions of DX's employees or management.

Bidco confirms that, following the completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all management and employees of the DX Group will be safeguarded in accordance with applicable law.

Bidco reiterates its commitment to DX's employees. Whilst Bidco's post-completion strategic review will seek to formulate an optimal strategy for DX within six months, Bidco does not expect the outcome of the review to result in any material reductions to DX's headcount. Any headcount reductions are expected to arise for the most part as a result of DX ceasing to be admitted to trading on AIM and will be carried out in accordance with applicable law.

It is expected that, on the Effective Date, each non-executive DX Director will resign with immediate effect.

Following completion of the Acquisition, Bidco does not intend to make any changes with regard to the agreed employer contributions into DX's existing defined contribution pension

scheme(s) or other pension schemes. The DX Group does not participate in any defined benefit pension scheme.

Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation or any other arrangements with members of DX's management. It is the intention to put in place appropriate arrangements for management of DX following completion of the Acquisition.

#### ***Headquarters, locations, research and development and fixed assets***

Bidco does not intend to change the location of DX's headquarters or places of business or to redeploy the fixed assets of DX.

DX has no research and development functions, and Bidco has no plans in this regard.

#### ***Trading facilities***

Prior to the Scheme becoming Effective, it is intended that applications will be made to the London Stock Exchange to cancel trading in the DX Shares on AIM, with effect from or shortly following the Effective Date and to re-register DX as a private company.

No statements in this Section 10 (*Management, employees, pensions, research and development, locations*) constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

### **11. DX Share Schemes**

Participants in the DX Share Schemes will be contacted regarding the effect of the Acquisition on their rights under the DX Share Schemes, and appropriate proposals will be made to such participants in accordance with Rule 15 of the Code. Further details of such proposals will be set out in the Scheme Document and in separate letters to be sent to the participants in the DX Share Schemes in due course.

### **12. Acquisition-related arrangements**

#### ***Confidentiality Agreement***

DX and H.I.G. entered into a confidentiality agreement on 14 September 2023 (the "**Confidentiality Agreement**"), pursuant to which H.I.G. has undertaken to keep confidential information relating to DX and not to disclose it to third parties (with certain exceptions) unless required by law or regulation or permitted pursuant to limited carve-outs to the obligations of confidentiality. The Confidentiality Agreement also includes customary standstill and non-solicitation obligations applicable to H.I.G.

The confidentiality obligations will remain in force until the Scheme becomes Effective or, in the event the Scheme does not become Effective, until the date falling eighteen months from the date of the Confidentiality Agreement.

#### ***Co-operation Agreement***

Pursuant to a co-operation agreement dated 16 November 2023 (the "**Co-operation Agreement**"): (a) Bidco and DX have agreed to co-operate to assist with the satisfaction of certain regulatory conditions; (b) Bidco has agreed to provide DX with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the

Scheme Document; (c) Bidco and DX have agreed certain arrangements in respect of the DX Share Schemes; and (d) the parties have agreed to certain provisions if the Acquisition should switch to an Offer.

The Co-operation Agreement will terminate, amongst other things, if: (a) agreed in writing between Bidco and DX; (b) prior to the Long Stop Date, any Condition becomes incapable of satisfaction; (c) the DX Directors withdraw their recommendation of the Acquisition or if the DX Directors recommend a competing proposal by a third party; (d) the Acquisition is withdrawn or lapses; or (e) the Scheme does not become Effective by the Long Stop Date.

### **13. Structure of the Acquisition**

#### ***Scheme***

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between DX and the DX Shareholders under Part 26 of the Companies Act (although Bidco reserves the right to implement the Acquisition by means of an Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

The purpose of the Scheme is to provide for Bidco (or its nominee) to become the holder of the entire issued and to be issued share capital of DX. Pursuant to the Scheme, the DX Shares will be transferred to Bidco in consideration for which the DX Shareholders who are on DX's register of members at the Scheme Record Time will receive the Cash Consideration on the basis set out in Section 2 (*The Acquisition*) of this Announcement.

#### ***Approval by Court Meeting and General Meeting***

To become Effective, the Scheme requires, among other things:

- (a) satisfaction (or, where applicable, waiver) of the Conditions including the receipt of clearances or relevant waiting periods having expired as applicable under the merger control regime in Ireland;
- (b) approval by a majority in number of the Scheme Shareholders who are present and vote, either in person or by proxy, at the Court Meeting (and at any separate class meeting which may be required by the Court) and who represent not less than 75 per cent. in value of the DX Shares voted by those Scheme Shareholders;
- (c) approval by the requisite majority(ies) of the votes cast, either in person or by proxy, of the resolutions required to approve and implement the Scheme at the General Meeting; and
- (d) sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Court Order to the Registrar of Companies.

#### ***Application to Court to sanction the Scheme***

Once the approvals of the DX Shareholders have been obtained at the Court Meeting and the General Meeting, and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court at the Court Hearing.

The Scheme will become effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies. Upon the Scheme becoming Effective, it will be

binding on all DX Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting, or whether they voted in favour of or against the Scheme.

***Full details of the Scheme to be set out in the Scheme Document***

The Scheme Document will contain further information about the Acquisition and the notices of the Court Meeting and General Meeting, together with the associated Forms of Proxy. Further details of the Scheme will be set out in the Scheme Document, including the expected timetable and the action to be taken by DX Shareholders.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the FCA and the AIM Rules.

It is expected that the Scheme Document, together with the associated Forms of Proxy will be published and sent to DX Shareholders and, for information only, to participants in the DX Share Schemes within 28 days of this Announcement, unless Bidco and DX otherwise agree, and the Panel consents, to a later date.

At this stage, subject to the approval and availability of the Court (which is subject to change), and subject to the satisfaction (or, where applicable, waiver) of the Conditions, Bidco expects the Acquisition will become Effective in Q1 2024.

Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on Bidco's website at <https://delta-offer.com/> and DX's website at [investors.dxdelivery.com](https://investors.dxdelivery.com).

***Conditions to the Acquisition***

The Acquisition will be subject to the Conditions and further terms set out in full in Appendix I to this Announcement and to be set out in the Scheme Document.

Amongst others, the Conditions include the receipt of clearances or relevant waiting periods having expired as applicable under the merger control regime in Ireland.

The Conditions set out in paragraphs 1 and 2 of Appendix I to this Announcement provide that the Scheme will lapse, and the Acquisition shall not proceed (unless the Panel otherwise consents) if:

- (a) it does not become Effective by 11.59 p.m. on the Long Stop Date (31 May 2024);
- (b) the Court Meeting is not held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and DX and the Court may allow);
- (c) the General Meeting is not held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and DX and the Court may allow); or
- (d) the Scheme is not sanctioned on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and DX and the Court may allow) and a copy of the Court Order is not delivered to the Registrar of Companies,

and such deadlines are not waived by Bidco or otherwise extended by agreement between Bidco, DX, the Panel and the Court.

### ***Right to switch to an Offer***

Bidco reserves the right to elect, with the consent of the Panel, and subject to the terms of the Co-operation Agreement, to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of DX as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part C of Appendix I to this Announcement.

## **14. De-listing, cancellation of trading and re-registration**

Prior to the Scheme becoming Effective, a request will be made by DX to the London Stock Exchange to cancel trading in DX Shares on AIM to take effect on, or shortly after, the Effective Date.

On the Effective Date, share certificates in respect of DX Shares will cease to be valid (and should be destroyed) and entitlements to DX Shares held within the CREST system will be cancelled.

As soon as practicable after the Effective Date and after the cancellation of the admission to trading in DX Shares on AIM, it is intended that DX will be re-registered as a private limited company under the relevant provisions of the Companies Act.

## **15. Disclosure of interests in DX**

As at the close of business on 15 November 2023 (being the last practicable date prior to this Announcement), save for the Irrevocable Undertakings referred to in Section 6 (*Irrevocable undertakings and letters of intent*), none of Bidco or any of its directors or, so far as Bidco is aware, any person acting, or deemed to be acting, in concert with Bidco had:

- any interest in, or right to subscribe for, relevant securities of DX;
- any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, relevant securities of DX;
- procured an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of DX; or
- borrowed or lent, or entered into any financial collateral arrangements or dealing arrangements in respect of, any relevant securities of DX.

Furthermore, no indemnity or dealing arrangement (of the kind referred to in Note 11 of the definition of “acting in concert” in the Code) exists between Bidco or DX or any person acting in concert with Bidco or DX in relation to DX Shares.

## **16. General**

The Acquisition will be subject to the Conditions and other terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

Deutsche Numis and Moelis have each given and not withdrawn their consent to the publication of this Announcement with the inclusion of their names in the form and context in which they appear.

**17. Documents available on a website**

Subject to certain restrictions relating to persons in Restricted Jurisdictions, copies of the following documents will, by no later than 12 noon on the Business Day following the date of this Announcement, be made available on Bidco's website at <https://delta-offer.com/> and DX's website at [investors.dxdelivery.com](https://investors.dxdelivery.com) (as applicable) until the end of the Offer Period:

- (a) this Announcement;
- (b) the Confidentiality Agreement;
- (c) the Co-operation Agreement;
- (d) the documents relating to the financing of the Acquisition referred to in Section 9 (*Financing*); and
- (e) the Irrevocable Undertakings and letters of intent.

Neither the contents of Bidco's website nor the contents of DX's website, nor the contents of any other website accessible from hyperlinks on either such website, are incorporated into or forms part of, this Announcement.

**Enquiries:**

**H.I.G.**

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Katie Tzouliadis/Robert Morton

Skadden, Arps, Slate, Meagher & Flom (UK) LLP is acting as legal adviser to Bidco in connection with the Acquisition. Addleshaw Goddard LLP is acting as legal adviser to DX in connection with the Acquisition.

***Important notices relating to financial advisers***

*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 Offer 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.*

*Moelis & Company UK LLP ("Moelis"), which is regulated by the FCA in the United Kingdom, is acting exclusively for DX and no one else in connection with the Acquisition and other matters set out in this Announcement and will not be responsible to anyone other than DX for providing the protections afforded to clients of Moelis, or for providing advice in connection with the Acquisition or any matter referred to herein. Neither Moelis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis in connection with this Announcement, any statement contained herein or otherwise.*

*Liberum Capital Limited ("Liberum"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as nominated adviser and joint corporate broker to DX and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than DX for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Liberum nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than DX in connection with the matters referred to in this Announcement, or otherwise.*

***Further information***

*This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer, invitation or the solicitation of an offer to purchase or subscribe, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any*

*securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise.*

*The Acquisition will be subject to English law and to the applicable requirements of the Code, the Panel, AIM Rules, the London Stock Exchange and the FCA.*

*The Acquisition will be made solely by the Scheme Document (or, in the event that the Offer is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Scheme. Any voting decision or response in relation to the Acquisition should be made solely on the basis of the Scheme Document. DX Shareholders are advised to read the formal documentation in relation to the Acquisition carefully once it has been published. Each DX Shareholder is urged to consult their independent professional adviser regarding the tax consequences of the Acquisition.*

*This Announcement does not constitute a prospectus or a prospectus equivalent document.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).*

#### ***Overseas shareholders***

*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 will be contained in the Scheme Document.*

#### ***Additional information for US investors in DX***

*The Acquisition relates to the shares of an English company and is being made by way of a scheme of arrangement provided for under Part 26 of the Companies Act. The Acquisition, implemented by way 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 and the Scheme will be subject to the disclosure requirements and practices applicable to a scheme of arrangement involving a target company incorporated in England with its securities admitted to trading on AIM, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable US laws and regulations.*

*The financial information included in this Announcement has been prepared in accordance with the accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*It may be difficult for US DX Shareholders to enforce their rights and any claim arising out of the US federal securities laws, because DX is located in a non-US country, and some or all of its officers and directors are residents of a non-US country. US DX Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US 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.*

*US DX Shareholders also should be aware that the Acquisition may have tax consequences for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws, and, that such consequences, if any, are not described herein, US DX Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

#### ***Forward-looking statements***

*This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of DX and certain plans and objectives of Bidco and DX*

*These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. These statements are based on assumptions and assessments made by DX, H.I.G. and/or Bidco in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate, and therefore are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those forward-looking statements.*

*Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aim”, “will”, “continue”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative*

thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, synergies, financial conditions, market growth, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Bidco Group or the DX Group; and (iii) the effects of government regulation on the business of the Bidco Group or the DX Group. 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 the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. 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 Announcement 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 Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Bidco or DX or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither of Bidco nor DX undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

#### **No profit forecasts, estimates or quantified financial benefits statements**

No statement in this Announcement is intended as a profit forecast or estimate for any period or a quantified financial benefits statement and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Bidco or DX, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Bidco or DX, respectively.

#### **Right to switch to an Offer**

Bidco reserves the right to elect, with the consent of the Panel, and subject to the terms of the Co-operation Agreement, to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of DX as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part C of Appendix I to this Announcement.

#### **Publication on website**

A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://delta-offer.com/> and at [investors.dxdelivery.com](https://investors.dxdelivery.com) and by no later than 12 noon on the Business Day following the date of this Announcement.

*Neither the contents of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.*

### ***Hard copy documents***

*In accordance with Rule 30.3 of the Code, DX Shareholders, persons with information rights and participants in the DX Share Schemes may request a hard copy of this Announcement by contacting the Company Secretary during business hours on 0333 241 1624 or [legalandregulatory@dxdelivery.com](mailto:legalandregulatory@dxdelivery.com).*

*For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may, subject to applicable securities laws, also request that all future documents, announcements and information be sent to them in relation to the Acquisition in hard copy form.*

### ***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.*

### ***UK Market Abuse Regulation***

*This Announcement contains inside information for the purposes of Article 7 of UK MAR. Market soundings (as defined in UK MAR) were taken in respect of a potential offer with the result that certain persons became aware of inside information (as defined in UK MAR) as permitted by UK MAR. This inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to DX and its securities.*

### ***Electronic communications***

*Addresses, electronic addresses and certain other information provided by DX Shareholders, persons with information rights and other relevant persons for the receipt of communications from DX may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.*

### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in 1 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) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day (as defined in the Code) 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 (as defined in the Code) 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 1 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 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the business day (as defined in the Code) 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 of the Code.*

*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 of the Code).*

*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](http://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.*

## APPENDIX I

### CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

#### Part A

##### Conditions to the Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date.

##### Scheme approval

2. The Scheme will be conditional upon:
  - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of the DX Shareholders (or the relevant class or classes thereof, if applicable) in each case present, entitled to vote and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and
  - (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and DX may agree and the Court may allow);
  - (b) (ii) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting; and
  - (ii) the General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and DX may agree and the Court may allow); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to Bidco and DX)) and the delivery of a copy of the Court Order to the Registrar of Companies; and
  - (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, as Bidco and DX may agree and the Court may allow).

##### Other Conditions

3. The Acquisition will also be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where capable of waiver, waived:

## **Ireland**

- (a) the required notification pursuant to section 18(1) of the Competition Act 2002 (as amended) (the “**Irish Competition Act**”) having been made, and one of the following events having occurred:
  - (i) the Competition and Consumer Protection Commission (“**CCPC**”) having informed the parties that it has determined, pursuant to Section 21(2)(a) of the Irish Competition Act that the Acquisition may be put into effect, either unconditionally or subject to conditions that are acceptable to Bidco, and the CCPC’s determination has not expired; or
  - (ii) the period specified in Section 21(2) of the Irish Competition Act, including, if applicable, any period of extension pursuant to Section 21(4) of the Irish Competition Act, having elapsed without the CCPC having informed the parties of the determination (if any) it has made under Section 21(2) of the Irish Competition Act in relation to the Acquisition;
- (b) in the event that the CCPC determines that it will carry out a full investigation of the following events having occurred:
  - (iii) following the carrying out by the CCPC of a full investigation, the CCPC having made a determination that the Acquisition may be put into effect either without conditions in accordance with Section 22(3)(a) of the Irish Competition Act or subject to conditions pursuant to Section 22(3)(c) of the Irish Competition Act and, in each case, the CCPC’s determination has (a) not expired and (b) been given on terms that are acceptable to Bidco; or
  - (iv) the period specified in section 19(1)(d) of the Irish Competition Act having elapsed without the CCPC having made a determination under Section 22(3) of the Irish Competition Act in relation to the Acquisition. For the purposes of this paragraph, where section 22(4B) of the Competition Act applies, references to ‘120 working days’ shall be replaced with ‘135 working days’;

## **General third party clearances**

- (c) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider DX Group or the Wider Bidco Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, DX by Bidco or any member of the Bidco Group;
- (d) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:



- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group or any member of the Wider DX Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which in any such case would be material in the context of the Wider DX Group or Wider Bidco Group taken as a whole;
- (ii) require, prevent or materially delay, or materially alter the terms envisaged for, any proposed divestiture by any member of the Wider Bidco Group of any shares or other securities in DX;
- (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider DX Group or the Wider Bidco Group or to exercise management control over any such member, in each case, to an extent which is material in the context of the Wider DX Group or the Wider Bidco Group;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Bidco Group or of any member of the Wider DX Group to an extent which is material in the context of the Wider Bidco Group or the Wider DX Group, in either case taken as a whole;
- (v) make the Acquisition or its implementation or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in, or control of DX void, illegal, or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose material additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (vi) require (save as envisaged by the Acquisition) any member of the Wider Bidco Group or the Wider DX Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider DX Group or the Wider Bidco Group owned by any third party where such acquisition would be material in the context of the Wider DX Group taken as a whole or, as the case may be, the Wider Bidco Group taken as a whole;
- (vii) impose any limitation on the ability of any member of the Wider Bidco Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider DX Group which is adverse to and material in the context of the Wider DX Group or the Wider Bidco Group, in each case taken as a whole in the context of the Acquisition; or
- (viii) result in any member of the Wider DX Group ceasing to be able to carry on business under any name under which it presently does so, and all

applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any DX Shares having expired, lapsed or been terminated;

- (e) in addition to the competition law approval referred to in Condition 3(a)-(b) above, all necessary filings or applications having been made in connection with the Acquisition and all necessary statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Bidco Group of any shares or other securities in, or control of, DX and all authorisations, orders, recognitions, grants, consents, licences, determinations confirmations, clearances, permissions, exemptions and approvals or the proposed acquisition of any shares or other securities in, or control of, DX by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or persons with whom any member of the Wider DX Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, determinations, confirmations, clearances, permissions, exemptions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider DX Group, in each case which is material in the context of the Wider Bidco Group or the Wider DX Group as a whole, remaining in full force and effect and all material filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

**Certain matters arising as a result of any arrangement, agreement etc.**

- (f) except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider DX Group is a party or by or to which any such member or any of its assets are or may be bound, entitled or subject, which, in each case as a consequence of the Acquisition or the proposed acquisition of any shares or other securities in DX or because of a change in the control or management of DX or otherwise, would or would reasonably be expected to result in (in each case to an extent which is material in the context of the Wider DX Group as a whole, or in the context of the Acquisition):
  - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any onerous

obligation or liability arising or any action being taken or arising thereunder;

- (iii) any assets or interests of any such member being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member other than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so;
- (viii) the creation of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person), other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (ix) any liability of any such member to make any severance, termination, bonus or other payment to any of its directors or other officers,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider DX Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in subparagraphs (i) to (ix) of this Condition (e), in each case which is or would be material in the context of the Wider DX Group taken as a whole;

**No material transactions, claims or changes in the conduct of the business of the DX Group**

- (g) except as Disclosed, no member of the Wider DX Group having, since 1 July 2023:
  - (i) save as between DX and wholly-owned subsidiaries of DX or for DX Shares issued pursuant to the exercise of options or vesting of awards granted under the DX Share Schemes, issued, authorised or proposed the issue of additional shares of any class or transferred or sold any shares out of treasury;

- (ii) save as between DX and wholly-owned subsidiaries of DX or for the grant of options and awards and other rights under the DX Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) save for the Permitted Dividend and other than to another member of the DX Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-DX Group transactions, authorised, implemented or announced any merger or demerger with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
- (v) save for intra-DX Group transactions, made or authorised or proposed or announced an intention to propose any material change in its loan capital;
- (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-DX Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any liability (actual or contingent);
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any contract with any director or senior executive;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider DX Group or the Wider Bidco Group or which involves an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which, in any such case, is material in the context of the Wider DX Group or the Wider Bidco Group taken as a whole;
- (x) been unable or deemed unable, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business

which, in any such case, is material in the context of the Wider DX Group taken as a whole;

- (xi) (other than in respect of a member of the Wider DX Group which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xii) commenced negotiations with any of its creditors or taken any step, in each case in connection with financial difficulties of the DX Group, with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise, or entered into any agreement with any of its creditors to refinance, reschedule or restructure any of its indebtedness;
- (xiii) waived, settled or compromised any claim otherwise than in the ordinary course of business and which is material in the context of the Wider DX Group taken as a whole;
- (xiv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (f) and which is material in the context of the Wider DX Group taken as a whole;
- (xv) made any alteration to its constitutional documents (other than in connection with the Scheme) which is material and adverse to the interests of Bidco in the context of the Acquisition;
- (xvi) made or agreed or consented to any significant change to:
  - (A) the terms of the trust deeds, scheme rules or other documentation constituting the pension scheme(s) established by any member of the Wider DX Group for its directors, employees or their dependents;
  - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made, in each case, to the extent which is material in the context of the Wider DX Group taken as a whole;

- (xvii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider DX Group and in each case which is material in the context of the Wider DX Group taken as a whole; or
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of DX Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

**No adverse change, litigation or regulatory enquiry**

- (h) except as Disclosed, since 1 July 2023:
  - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider DX Group which is material in the context of the Wider DX Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider DX Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider DX Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider DX Group which is material in the context of the Wider DX Group taken as a whole;
  - (iii) no contingent or other liability having arisen or become apparent to Bidco which would be likely to adversely affect any member of the Wider DX Group, taken as a whole;
  - (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider DX Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect of the Wider DX Group taken as a whole or in the context of the Acquisition; and
  - (v) no member of the Wider DX Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider DX Group taken as a whole;

**No discovery of certain matters**

- (i) except as Disclosed, Bidco not having discovered:
  - (i) that any financial, business or other information concerning the Wider DX Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider DX Group is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading; or

- (ii) that any member of the Wider DX Group is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of DX for the financial year ended 1 July 2023,

in each case, to the extent which is material in the context of the Wider DX Group taken as a whole;

- (j) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member of the Wider DX Group has failed to comply in any material respect with any or all applicable legislation or regulations, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair materially the environment (including property) or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission which would be likely to give rise to any material liability (actual or contingent) or material cost on the part of any member of the Wider DX Group; or
  - (ii) there is, or is likely to be, for that or any other reason whatsoever, any material liability (actual or contingent) of any past or present member of the Wider DX Group to make good, remediate, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider DX Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction; or
  - (iii) circumstances exist (whether as a result of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Bidco Group, or any present or past member of the Wider DX Group, would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider DX Group (or on its behalf) or by any person for which a member of the Wider DX Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the DX Group taken as a whole; or

## **Anti-corruption, economic sanctions, criminal property and money laundering**

- (k) save as Disclosed, Bidco not having discovered that:
  - (i) any past or present member, director, officer or employee of the Wider DX Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti bribery law, rule or regulation or any other law, rule or regulation concerning improper payments or kickbacks, or any person that performs or has performed services for or on behalf of the Wider DX Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption law, rule or regulation or any other law, rule or regulation concerning improper payments or kickbacks; or
  - (ii) any asset of any member of the Wider DX Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule or regulation concerning money laundering or proceeds of crime or any member of the Wider DX Group is found to have engaged in activities constituting money laundering under any applicable law, rule or regulation concerning money laundering; or
  - (iii) any past or present member, director, officer or employee of the DX Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the UK; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states; or
  - (iv) any past or present member, director, officer or employee of the Wider DX Group, or any other person for whom any such person may be liable or responsible (a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, (b) has engaged in conduct which would violate any relevant anti-boycott law, rule or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State, (c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule or regulation concerning false imprisonment, torture or other



cruel and unusual punishment, or child labour, or (iv) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality or international organisation or found to have violated any applicable law, rule or regulation concerning government contracting or public procurement; or

- (v) any member of the DX Group is or has been engaged in any transaction which would cause Bidco to be in breach of any law or regulation upon its acquisition of DX, including but not limited to the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury & Customs in the UK, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states,

in each case, to the extent which is material in the context of the Wider DX Group taken as a whole.

## **Part B**

### **Waiver and Invocation of the Conditions**

1. Subject to the requirements of the Panel in accordance with the Code, Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions in Part A above, except for Conditions 2(a)(i), 2(b)(i) and 2(c)(i) (*Scheme Approval*), which cannot be waived. If any of Conditions 2(a)(i), 2(b)(i) and 2(c)(i) (*Scheme Approval*) is not satisfied by the relevant deadline specified in the relevant Condition, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadline or agreed with DX to extend the relevant deadline.
2. The Acquisition will be subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A above, and to certain further terms set out in Part D below, and to the full terms and conditions which will be set out in the Scheme Document.
3. Conditions 2(a)(i), 2(b)(i) and 3(a) to (k) (inclusive) must be fulfilled, determined by Bidco to be or to remain satisfied or (if capable of waiver) waived, by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing, failing which the Acquisition will lapse. Bidco shall be under no obligation to waive or treat as satisfied any of Conditions 3(a) to (k) (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions to the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or be withdrawn without the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. Conditions 1 and 2 of Part A (and, if applicable, any acceptance condition adopted on the basis specified in paragraph 2 of Part C below in relation to any Offer) are not subject to this provision of the Code. Each other Condition will be subject to Rule 13.5(a) of the Code and may be waived by Bidco.

## **Part C**

### **Implementation by way of an Offer**

1. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme with the consent of the Panel and subject to the terms of the Co-operation Agreement.
2. In such event, such Offer will be implemented on the same terms and conditions or, if Bidco so decides, on such other terms and conditions being no less favourable, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Offer, including (without limitation) the inclusion of an acceptance condition set at 75 per cent. of the DX Shares to which the Offer relates or such lesser percentage as Bidco, with the consent of the Panel, decides, being in any case more than 50 per cent. of the DX Shares to which the Offer relates.

## **Part D**

### **Certain further terms of the Acquisition**

1. The Acquisition will lapse if the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date.
2. The availability of the Acquisition to persons not resident in the UK may be affected by the laws and regulations of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about, and observe, any applicable requirements. DX Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and observe any applicable requirements.
3. This Acquisition will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions set out in the Scheme Document. The Acquisition will be subject to the applicable rules and regulations of the FCA, the London Stock Exchange, the Panel and the Code.
4. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
5. The DX Shares will be acquired by Bidco (or its nominee) with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the DX Shares.
6. Save for the Permitted Dividend, if any dividend, distribution or other return of value is announced, authorised, declared, made or paid in respect of the DX Shares on or after the date of this Announcement and prior to the Effective Date, Bidco reserves the right to reduce the consideration payable pursuant to the Acquisition in respect of each DX

Share by the amount of all or part of any such dividend, distribution or other return of value. In such circumstances, DX Shareholders shall be entitled to retain such dividend, distribution or other return of value.

7. If Bidco is required by the Panel to make an offer for DX pursuant to Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of the Code.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- DX's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 650,035,435 DX Shares, calculated as:
  - 604,900,491 DX Shares in issue on 15 November 2023 (being the latest practicable date prior to this Announcement); plus
  - 45,134,944 DX Shares to be issued on the expected exercise of options granted or expected to be granted under the DX Share Schemes being the expected number of DX Shares which could be issued on or after the date of this Announcement on the exercise of options under the DX Share Schemes.
- The premium calculations to the price per DX Share used in this Announcement have been calculated by reference to:
  - the Closing Price on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) of 36.5 pence per DX Share;
  - the volume weighted average Closing Price of 36.0 pence per DX Share for the one-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) derived from Bloomberg;
  - the volume weighted average Closing Price of 29.0 pence per DX Share for the twelve-month period ended on 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) derived from Bloomberg; and
  - the highest Closing Price between 13 November 2015 and 8 September 2023 (being the last Business Day prior to the date of the commencement of the Offer Period) of 37.3 pence per DX Share.
- The implied enterprise value of 8.8x DX's 2023 EBITDA (on a pre-IFRS 16 basis) in this Announcement is calculated based on:
  - an enterprise value of £277.2 million, comprising:
    - the Acquisition Value of £314.8 million based on the issued and to be issued full share capital of DX as set out above; *less*
    - the DX net cash position of £37.6 million disclosed in the "DX FY23 final results"
  - the 2023 EBITDA (on a pre-IFRS 16 basis) of £31.6 million, comprising:
    - the DX 2023 EBITDA (on an IFRS 16 basis) of £60.2 million disclosed in the "DX FY23 final results"; *less*
    - the DX 2023 Depreciation of right-of-use assets of £23.5 million

disclosed in the “DX FY23 final results”; *less*

- the DX 2023 Interest on lease liabilities of £5.1 million disclosed in the “DX FY23 final results”

Certain figures included in this Announcement have been subject to rounding adjustments.

The financial information concerning DX has been extracted from the Annual Report and Accounts of DX for the year ended 1 July 2023.

## APPENDIX III

### IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

#### Directors' Irrevocable Undertakings

Bidco has received irrevocable undertakings from the DX Directors to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting in respect of their beneficial holdings of DX Shares representing in aggregate approximately 1.5 per cent. of the existing issued ordinary share capital of DX.

<b>Name of DX Director</b>	<b>Number of DX Shares</b>	<b>% of DX issued share capital</b>
Mark Hammond	700,000	0.1%
Paul Ibbetson	3,826,041	0.6%
David Mulligan	4,251,873	0.7%
<b>TOTAL</b>	<b>8,777,914</b>	<b>1.5%</b>

These irrevocable undertakings given by the DX Directors will continue to be binding in the event that a higher competing offer is made for DX.

The irrevocable undertakings given by the DX Directors will cease to be binding if:

- Bidco announces, with the consent of the Panel and prior to publication of the Scheme Document, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme is announced by Bidco in accordance with Rule 2.7 of the Code at the same time; or
- the Scheme lapses or is withdrawn in accordance with its terms (other than where such lapse or withdrawal is a result of Bidco electing to implement the Acquisition by way of an Offer) and no new, revised or replacement Scheme is announced by Bidco in accordance with Rule 2.7 of the Code at the same time; or
- the Scheme has not become effective by 11.59 p.m. on the Long Stop Date.

#### Other Irrevocable Undertakings

Bidco has received irrevocable undertakings from the following DX Shareholders to vote (or, in relation to DX CFDs, to use reasonable endeavours to procure votes) in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting in respect of their beneficial holdings of DX Shares and DX CFDs representing in aggregate approximately 31.6 per cent. of the existing issued ordinary share capital of DX.

<b>Name of DX Shareholder</b>	<b>Number of DX Shares</b>	<b>% of DX issued share capital (DX Shares)</b>	<b>Number of DX CFDs</b>	<b>Number of DX Shares and DX CFDs</b>	<b>% of DX issued share capital (DX Shares and CFDs)</b>
Gatemore Capital Management LLP	101,503,538	16.8%	13,250,000	114,753,538	19.0%

Lloyd Dunn	76,361,454	12.6%	0	76,361,454	12.6%
<b>TOTAL</b>	<b>177,864,992</b>	<b>29.4%</b>	<b>13,250,000</b>	<b>191,114,992</b>	<b>31.6%</b>

These irrevocable undertakings given by Gatemore Capital Management LLP and Lloyd Dunn will continue to be binding in the event that a higher competing offer is made for DX.

The irrevocable undertakings given by Gatemore Capital Management LLP and Lloyd Dunn will cease to be binding if:

- Bidco announces, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme is announced by Bidco in accordance with Rule 2.7 of the Code at the same time; or
- the Scheme lapses or is withdrawn in accordance with its terms (other than where such lapse or withdrawal is a result of Bidco electing to implement the Acquisition by way of an Offer) and no new, revised or replacement Scheme is announced by Bidco in accordance with Rule 2.7 of the Code at the same time; or
- the Scheme Document is not published within 28 days of the issue of this Announcement (or such longer period as Bidco, with the consent of the Panel, determines), provided that if Bidco elects to exercise its right to implement the Acquisition by way of an Offer, such time period shall be extended to within 28 days of the issue of such announcement announcing the change in structure (or such other date as the Panel may require); or
- the Scheme has not become effective by 11.59 p.m. on 31 March 2024.

#### **Letters of intent**

Bidco has received letters of intent from the following DX Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting in respect of their beneficial holdings of DX Shares representing in aggregate approximately 21.5 per cent. of the existing issued ordinary share capital of DX:

<b>Name of DX Shareholder</b>	<b>Number of DX Shares</b>	<b>% of DX issued share capital</b>
Canaccord Genuity Asset Management	80,000,000	13.2%
Lombard Odier Asset Management (Europe) Limited	50,102,908	8.3%
<b>TOTAL</b>	<b>130,102,908</b>	<b>21.5%</b>

## APPENDIX IV

### DEFINITIONS

The following definitions apply throughout this Announcement, unless the context otherwise requires:

<b>Acquisition</b>	the proposed recommended cash acquisition by Bidco of the entire issued and to be issued share capital of DX
<b>Acquisition Value</b>	has the meaning given in Section 2 ( <i>The Acquisition</i> ) of this Announcement
<b>AIM</b>	the Alternative Investment Market of the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies as published by the London Stock Exchange (as amended from time to time)
<b>Announcement</b>	this announcement made pursuant to Rule 2.7 of the Code
<b>Bidco</b>	Transit Bidco Limited, a company incorporated in England with its registered office at 10 Grosvenor Street, London, United Kingdom, W1K 4QB
<b>Bidco Board</b>	the board of directors of Bidco
<b>Bidco Directors</b>	the directors of Bidco at the date of this Announcement or, where the context so requires, the directors of Bidco from time to time
<b>Bidco Group</b>	Bidco and its subsidiary undertakings and associated undertakings
<b>Business Day</b>	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London
<b>Cash Consideration</b>	has the meaning given in Section 2 ( <i>The Acquisition</i> ) of this Announcement
<b>Closing Price</b>	the closing middle market quotation of a share derived from the Daily Official List of the London Stock Exchange
<b>Code</b>	the City Code on Takeovers and Mergers
<b>Companies Act</b>	the Companies Act 2006
<b>Conditions</b>	the conditions to the Acquisition set out in Part A of Appendix I to this Announcement and to be set out in the Scheme Document
<b>Confidentiality Agreement</b>	the confidentiality agreement between H.I.G. and DX dated



	14 September 2023, as described in Section 12 ( <i>Acquisition-related arrangements</i> ) of this Announcement
<b>Co-operation Agreement</b>	the co-operation agreement between Bidco and Target dated 16 November 2023, as described in Section 12 ( <i>Acquisition-related arrangements</i> ) of this Announcement
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Hearing</b>	the hearing of the Court at which DX will seek the Court Order
<b>Court Meeting</b>	the meeting or meetings of DX Shareholders to be convened by the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment approved or imposed by the Court and agreed to by Bidco and DX) including any adjournment, postponement or reconvention of any such meeting, notice of which shall be contained in the Scheme Document
<b>Court Order</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
<b>CREST</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations))
<b>Deutsche Numis</b>	Numis Securities Limited
<b>Disclosed</b>	the information which has been fairly disclosed: (i) prior to the date of this Announcement by or on behalf of DX to the Bidco Group; (ii) in DX's published annual or half year report and accounts for the relevant financial period or periods referred to in the relevant Condition and published prior to the date of this Announcement; (iii) in a public announcement by DX prior to the date of this Announcement by way of any Regulatory Information Service; or (iv) in this Announcement
<b>DX</b>	DX (Group) plc, a public limited company incorporated in England and Wales with registered number 8696699
<b>DX Board</b>	the board of directors of DX
<b>DX CFDs</b>	contracts for difference referenced to DX Shares
<b>DX Directors</b>	the directors of DX as at the date of this Announcement or, where the context so requires, the directors of DX from time to time

<b>DX Group</b>	DX and its subsidiary undertakings and associated undertakings
<b>DX Shareholders</b>	the holders of DX Shares from time to time
<b>DX Shares</b>	the ordinary shares of 1 penny each in the capital of DX
<b>DX Share Schemes</b>	the 2017 Performance Share Plan and the Save As You Earn (SAYE) Scheme
<b>Effective</b>	means: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of an Offer, the Offer having been declared or become unconditional in accordance with the requirements of the Code
<b>Effective Date</b>	the date on which the Acquisition becomes Effective
<b>FCA</b>	the UK Financial Conduct Authority
<b>Forms of Proxy</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
<b>FSMA</b>	the Financial Services and Markets Act 2000
<b>General Meeting</b>	the general meeting of DX Shareholders (including any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the resolutions necessary to enable DX to implement the Acquisition, notice of which shall be contained in the Scheme Document
<b>H.I.G.</b>	H.I.G. Capital LLC
<b>Interim Facilities Agreement</b>	an interim facilities agreement incorporating an interim term loan in an aggregate amount equal to £110,000,000 and an interim working capital bridge facility in an aggregate amount equal to £20,000,000 entered into between, among others, Nomura International PLC, PGIM Senior Loan Opportunities (Levered) II, L.P. and PGIM Senior Loan Opportunities (Unlevered) II, L.P. on or before the date hereof
<b>Irrevocable Undertakings</b>	the irrevocable undertakings given by the DX Directors and certain DX Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting, as detailed in Section 6 ( <i>Irrevocable Undertakings and Letters of Intent</i> ) of this Announcement
<b>London Stock Exchange</b>	London Stock Exchange plc

<b>Long Stop Date</b>	31 May 2024 or such later date as Bidco and DX may agree (with the consent of the Panel, and the Court may approve (if such approval is required))
<b>Meetings</b>	the Court Meeting and the General Meeting
<b>Moelis</b>	Moelis & Company UK LLP
<b>Offer</b>	if the Acquisition is implemented by way of a takeover offer (as that term is defined in section 974 of the Companies Act), the offer to be made by or on behalf of Bidco, or an association undertaking thereof, to acquire the entire issued and to be issued ordinary share capital of DX including, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>Offer Period</b>	the offer period (as defined in the Code) relating to DX, which commenced on 11 September 2023
<b>Official List</b>	the official list maintained by the FCA pursuant to Part 6 of FSMA
<b>Opening Position Disclosure</b>	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer if the person concerned has such a position, as defined in Rule 8 of the Code
<b>Panel</b>	the UK Panel on Takeovers and Mergers
<b>Permitted Dividend</b>	has the meaning given in Section 2 ( <i>The Acquisition</i> ) of this Announcement
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulatory Information Service</b>	a primary information provider (as defined in the FCA's Handbook of Rules and Guidance)
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to DX Shareholders in that jurisdiction
<b>Scheme</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between DX and DX Shareholders to implement the Acquisition to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Bidco and DX
<b>Scheme Document</b>	the document to be published and sent to DX Shareholders containing, among other things, the full terms and conditions of the Scheme and notices of the Meetings

<b>Scheme Record Time</b>	the time and date to be specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately preceding the Effective Date, or such other time as Bidco and DX may agree
<b>significant interest</b>	a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) or the equivalent
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 (as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018)
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>US Exchange Act</b>	the US Securities Exchange Act 1934
<b>Wider Bidco Group</b>	Bidco, funds advised or managed by H.I.G. or its affiliates, and their respective subsidiary undertakings, associated undertakings and any other undertaking in which Bidco and/or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time)
<b>Wider DX Group</b>	DX and its subsidiary undertakings, associated undertakings and any other undertaking in which DX or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time) but excluding the Wider Bidco Group

All references to GBP, pence, Sterling, Pounds, Pounds Sterling, p or £ are to the lawful currency of the United Kingdom. All references to USD, \$, US\$, US dollars, United States dollars and cents are to the lawful currency of the United States of America.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

All references to “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the respective meanings given to them in the Companies Act.