

DISCLOSURE UNDER RULE 2.10(a) OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE “CODE”)

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For immediate release

1 November 2023

POSSIBLE OFFER FOR DX GROUP PLC (“DX”)

Further letters of intent given by Gatemore Capital Management LLP and Lloyd Dunn

DISCLOSURE UNDER RULE 2.10(a) OF THE CODE

On 12 September 2023, H.I.G. European Capital Partners LLP, acting in its capacity as advisor or subadvisor to H.I.G. Capital LLC, and on behalf of the funds advised or managed by it or its affiliates (“**H.I.G.**”), announced in accordance with Rule 2.10(b) of the Code, that it had received letters of intent (the “**Original Letters of Intent**”) in support of its possible offer for DX, announced on 11 September 2023 (the “**Possible Offer**”), from Gatemore Capital Management LLP (“**Gatemore**”) and Lloyd Dunn.

The Original Letters of Intent expired on 31 October 2023 and H.I.G. has now received further letters of intent from Gatemore and Lloyd Dunn in support of the Possible Offer (the “**New Letters of Intent**”).

The New Letter of Intent given by Gatemore relates to 101,503,538 ordinary shares of 1 pence each in the capital of DX (“**DX Shares**”) and 13,250,000 contracts for difference referenced to such DX Shares (“**CFDs**”), with Gatemore having discretionary fund management control over such DX Shares and CFDs, and with such DX Shares representing approximately 16.8 per cent. of the issued share capital of DX and such CFDs representing approximately 2.2 per cent. of the issued share capital of DX as at 31 October 2023 (being the date prior to the date of this announcement).

The New Letter of Intent given by Lloyd Dunn relates to 76,361,454 DX Shares, representing approximately 12.6 per cent. of the issued share capital of DX as at 31 October 2023 (being the date prior to the date of this announcement).

Therefore:

- the total number of DX Shares which are subject to letters of intent received by H.I.G from holders of DX shares is 177,864,992 DX Shares, representing approximately 29.4 per cent of the issued share capital of DX as at 31 October 2023 (being the date prior to the date of this announcement); and
- the total number of DX Shares and CFDs which are subject to letters of intent received by H.I.G from holders of DX shares and CFDs is 191,114,992 DX Shares and CFDs, representing approximately 31.6 per cent. of the issued share capital of DX as at 31 October 2023 (being the date prior to the date of this announcement).

The New Letters of Intent state that it is the intention of both Gatemore and Lloyd Dunn to provide hard irrevocable undertakings in support of any cash offer of at least 48.5 pence (inclusive of the 1 pence final dividend announced by DX on 3 October 2023) per DX Share made by H.I.G, subject to a unanimous unqualified recommendation of the DX board on or before 6 November 2023. The New Letters of Intent also state that both Gatemore and Lloyd Dunn would be minded to provide a further extension to the support the Possible Offer, so long as, in their view, H.I.G. was making appropriate progress.

The Possible Offer is subject to the satisfactory completion of confirmatory due diligence and the unanimous and unconditional recommendation of the Possible Offer by the Board of DX to DX’s shareholders. Each of these pre-conditions is waivable by H.I.G.

There can be no certainty that an offer will ultimately be made even if the pre-conditions are satisfied or waived. A further statement will be made as and when appropriate.

Rule 2.6(a) of the Code requires H.I.G., by no later than 5.00 p.m. on 6 November 2023, to either announce a firm intention to make an offer for DX in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel, in accordance with Rule 2.6(c) of the Code.

In accordance with Rule 2.5(a) of the Code, H.I.G. reserves the right to make an offer for DX at a lower value or on less favourable terms than the Possible Offer: (i) with the agreement or recommendation of the Board of DX; (ii) if a third party announces a firm intention to make an offer for DX which, at that date, is of a value less than the value of the Possible Offer; or (iii) following the announcement by DX of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code.

If DX declares, makes or pays any dividend or distribution or other return of value or payment to its shareholders, H.I.G. reserves the right to make an equivalent reduction to the Possible Offer.

In connection with the possibility of H.I.G. making a cash offer for DX (if it were so inclined), H.I.G. reserves the right to vary the form and / or mix of the consideration it would offer.

Subject to certain restrictions relating to persons in Restricted Jurisdictions, copies of the New Letters of Intent will be made available at <https://delta-offer.com/>

Enquiries:

Deutsche Numis (Sole Financial Adviser to H.I.G.)

+44 (0) 207 260 1000

Stuart Skinner

Alec Pratt

William Wickham

Alexander Kladov

Further information

Numis Securities Limited (“**Deutsche Numis**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for H.I.G. and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than H.I.G. for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein. Neither Numis nor any of its affiliates (nor any of their respective directors, officers, employees or 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 who is not a client of Numis in connection with this announcement, any statement contained herein or otherwise.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

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, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at <https://delta-offer.com/> promptly and in any event by no later than 12 noon on the business day following this announcement. The content of this website is not incorporated into and does not form part of this announcement.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments.