

THIS LETTER AND THE ACCOMPANYING FORM OF INSTRUCTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Acquisition, the contents of this Letter or as to the action you should take, you are recommended to seek your own personal financial, tax and/or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, if not, from another appropriately authorised independent adviser in the relevant jurisdiction.

DX (Group) plc
Ditton Park
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SL3 9GL

Transit Bidco Limited
10 Grosvenor Street
London
W1K 4QB

11 December 2023

To the holders of options under the DX Performance Share Plan 2017

Dear Participant

Recommended cash acquisition of DX (Group) plc (DX) by Transit Bidco Limited an indirectly wholly-owned subsidiary of funds advised or managed by H.I.G. Capital LLC (Bidco)

Introduction

On 16 November 2023, the boards of Bidco and DX announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of the entire issued and to be issued ordinary share capital of DX (the **Acquisition**).

This Letter tells you about the impact of the Acquisition on the options you hold under the DX Performance Share Plan 2017 (**PSP**) and the decisions you are able to make. In this Letter, an option granted to you over DX Shares under the PSP is referred to as a **PSP Option**. The information in this Letter applies to any PSP Options you hold.

Please read everything in this Letter, its appendices and the Form of Instruction carefully. **Their contents are very important.**

You will find a list of definitions in **Appendix A** which explain the key defined terms used in this Letter (any capitalised terms not included in Appendix A will have the meaning given to them in the Scheme Document).

The Acquisition and the Scheme

The Acquisition is being implemented through what is known as a 'Scheme of Arrangement' (the **Scheme**). Under the terms of the Scheme, which is subject to the conditions and further terms set out in the Scheme Document, DX Shareholders will receive:

for each DX Share they own:

47.5 pence in cash

You should note that the Scheme is subject to the approval of the DX Shareholders, and is also subject to Court approval.

Your PSP Options

You are receiving this Letter because you hold one or more PSP Options granted under the PSP. All PSP Options which you hold which are outstanding and not already exercisable immediately before the Sanction Date will (in consequence of the Acquisition) vest in full and become exercisable upon the Scheme being sanctioned by the Court. This Letter sets out the proposals being made by Bidco in respect of your PSP Options (at paragraph 2 of the "Impact on your PSP Options" section) (**Proposal**), the alternatives open to you in relation to your PSP Options, and the recommendation of the DX Directors (at paragraph 12 of the "Impact on your PSP Options" section).

In broad terms, the Proposal is that you exercise your PSP Options using the enclosed Form of Instruction with such exercise conditional upon but to take effect immediately upon the Scheme being sanctioned by the Court, and sell each of the DX Shares you acquire on exercise for 47.5 pence in cash under the Acquisition.

Action to take

If you wish to exercise your PSP Options in accordance with the Proposal, please return a copy of the Form of Instruction duly signed, dated and completed to legalandregulatory@dxdelivery.com TO BE RECEIVED AS SOON AS POSSIBLE AND IN ANY EVENT BY NO LATER THAN 5PM ON 12 JANUARY 2024.

If you want to remind yourself of what PSP Options you hold, please refer to the schedule recently emailed to you.

You will need to take action to realise value from your PSP Options as this will not happen automatically. If you do not take any action, your PSP Options will lapse and cease to be exercisable one month after the Sanction Date, unless they lapse earlier under the rules of the PSP, and you will not receive any value for your PSP Options.

Questions

If you have any questions on the contents of this Letter or how to complete the enclosed Form of Instruction, please contact legalandregulatory@dxdelivery.com. However, please be aware that no legal, tax, financial or investment advice on the Acquisition or its effect on your PSP Options can be provided by DX or Bidco. **If you are in any doubt as to the action you should take, you should seek your own independent, professional advice.**

Yours faithfully

**Paul Ibbetson
Chief Executive Officer**

**For and on behalf of:
DX (Group) plc**

**Tobias Borkowski
Director**

**For and on behalf of:
Transit Bidco Limited**

IMPACT ON YOUR PSP OPTIONS

1. When can I exercise my PSP Options?

Vested PSP Options due to become exercisable on 21 December 2023

Certain PSP Options are due to become exercisable on 21 December 2023 in accordance with the PSP rules.

Once exercisable, you can elect to exercise a vested PSP Option either before the Sanction Date using the normal exercise procedures, or by accepting the Proposal set out in paragraph 2.

If you elect to exercise your vested PSP Option using the normal exercise procedures and choose to retain your DX Shares, each DX Share that you hold at the Scheme Record Time will be acquired by Bidco under the Acquisition and you will receive 47.5 pence per DX Share in cash subject to the terms of the Acquisition.

Unvested PSP Options

To the extent your PSP Options are currently unvested, your PSP Options will vest in full and become exercisable on the Scheme being sanctioned by the Court at the Sanction Hearing. This is earlier than would ordinarily be the case. A PSP Option would normally vest on the "Normal Vesting Date" (such term defined in the rules of the PSP and confirmed in your PSP option agreement) and then be subject to a further holding period of one year.

All PSP Options will be exercisable until one month after the Sanction Date, or earlier under the rules of the PSP, and will then lapse at the end of the applicable exercise period if they are not so exercised.

2. How do I exercise my PSP Options and participate in the Acquisition?

The Proposal is that you exercise all of the PSP Options you hold to the maximum extent possible, conditional on the Scheme being sanctioned by the Court at the Sanction Hearing, and participate in the Acquisition in respect of the DX Shares you acquire from exercising your PSP Options.

If you wish to exercise your PSP Options to the maximum extent possible and participate in the Acquisition in respect of the DX Shares you will acquire on exercise of your PSP Options, **you should complete, sign and date the enclosed Form of Instruction and return a copy by e-mail to legalandregulatory@dxdelivery.com as soon as possible and in any event so as to be received by no later than 5pm on 12 January 2024.** If you do so, the exercise of your PSP Options will take effect immediately on the Scheme being sanctioned by the Court at the Sanction Hearing.

For each DX Share sold pursuant to the Acquisition, you will be entitled to receive 47.5 pence in cash (the **Cash Consideration**).

3. If I submit my Form of Instruction, when will the consideration due for my DX Shares be paid to me?

Payment of the Cash Consideration (following the deduction of the applicable exercise price and any income tax and National Insurance contributions (or equivalent social security contributions) that DX is required to withhold – see paragraphs 4 and 5) will be made to you by DX in the next practicable payroll following the Effective Date.

4. Do I need to pay anything to exercise my PSP Options?

There is an exercise price of £0.01 per DX Share payable on the exercise of your PSP Options. The aggregate exercise price payable will be deducted from the Cash Consideration due to you in respect of the DX Shares that you acquire on exercise of your PSP Options.

5. What tax will I have to pay if I exercise my PSP Options?

Please see **Appendix B**, which sets out a brief summary of the UK tax consequences in relation to the exercise of your PSP Options and the sale of any DX Shares you acquire as a result. Before you decide what action you would like to take, you should consider your personal tax position. If you are in any doubt as to your tax position, you should seek your own independent, professional tax advice immediately.

Any income tax and National Insurance contributions (or equivalent social security contributions) that a member of the DX Group is required to withhold in connection with the exercise of your PSP Options, will be deducted from the Cash Consideration due to you by DX, and accounted for to HMRC (or other applicable tax authority) by the relevant member of the DX Group.

6. Other courses of action

You do not have to exercise your PSP Options using the enclosed Form of Instruction.

You may also exercise any PSP Options which vest and become exercisable on the Sanction Date during the one month period following the Sanction Date using the normal exercise procedures. However, please note that if you exercise your PSP Options during this period you will receive identical consideration to that you would have received had you exercised using the enclosed Form of Instruction, due to an amendment to be made to the DX Articles. However, such consideration will be paid to you later than if you had exercised your PSP Options using the enclosed Form of Instruction and participated in the Acquisition.

If you do not exercise your PSP Options within this one month period, all your PSP Options will lapse automatically.

7. What happens if I leave employment with the DX Group?

In order to be able to exercise your PSP Options in accordance with the Proposal, you must be an employee within the DX Group on the Sanction Date (except where you have already ceased employment in certain circumstances specified in the PSP rules).

If you cease to be an employee within the DX Group before your PSP Options are exercised (other than in certain circumstances), your PSP Options will lapse on the date of cessation of employment even if you have previously submitted a Form of Instruction.

It has been determined that any employers National Insurance contributions paid at any time by the DX Group in connection with the exercise of your PSP Options (whether such exercise took place before or on or after the date of the Sanction Hearing) will not be subject to potential claw back from you on termination of employment (or otherwise).

8. Can I give my Options to someone else?

No, under the rules of the PSP, you cannot transfer your PSP Options.

9. What happens if I do nothing?

If you do not submit the Form of Instruction or otherwise exercise your PSP Options after they become exercisable, your PSP Options will lapse following the expiry of the one month period after the Sanction Date, or earlier under the rules of the PSP.

10. What if I hold options under other DX share plans?

This Letter only relates to the PSP Options you hold under the PSP. If you hold options under other DX share plans (such as the SAYE Plan), you will receive a separate communication with details of the proposals being made in respect of such options. Please also read those letters carefully as the treatment under these plans may be different from the treatment of PSP Options.

11. Will I receive dividends in relation to my PSP Options?

You are not entitled to receive dividends in respect of the DX Shares acquired pursuant to your PSP Options. Therefore, you won't be entitled to receive the 1p final dividend for DX's financial year ended 1 July 2023 (only DX Shareholders on the register of members at 17 November 2023 are entitled to that dividend).

However, under the PSP rules, you are entitled to receive a number of additional DX Shares equivalent to the value of the dividends that would have been paid on the DX Shares to be acquired on the exercise of your PSP Options between the grant date and the exercise date (being the Sanction Date). Income tax and employee National Insurance contributions due on such dividend equivalents will be deducted from the Cash Consideration due to you.

12. What is the view of the DX Directors?

The DX Directors, who have been so advised by Moelis as to the financial terms of the Proposal, consider the terms of the Proposal set out in this Letter to be fair and reasonable in the context of the Acquisition. In providing their advice to the DX Directors, Moelis has taken into account the commercial assessments of the DX Directors.

The DX Directors recommend that you exercise your PSP Options in accordance with the Proposal. You should consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your PSP Options.

13. How do I exercise my PSP Options in accordance with the Proposal?

You should consider the Proposal set out in paragraph 2 carefully, keeping in mind your financial position and the consequences of accepting the Proposal. If you are in any doubt you should seek your own independent financial advice.

If you wish to accept the Proposal you should [complete, sign and date the enclosed Form of Instruction](mailto:legalandregulatory@dxdelivery.com) and return a copy by e-mail to legalandregulatory@dxdelivery.com as soon as possible and in any event so as to be received by no later than 5pm on 12 January 2024 .

If you take no action your PSP Options will lapse on the expiry of the one month period after the Sanction Date, unless they lapse earlier under the PSP rules.

14. Important notes

Nothing in this Letter, its appendices or the Form of Instruction constitutes financial advice to any holder of DX Shares, share awards or share options (including PSP Options) over DX Shares. None of DX, Bidco, nor any of their employees, directors or advisers can provide legal, tax, financial or investment advice on the Acquisition.

If there is a conflict between the information in this Letter, the Form of Instruction, and the PSP rules or any relevant legislation, the PSP rules and the legislation (as applicable) will prevail.

ACQUISITION SUMMARY

1. How does the Acquisition work?

The Acquisition will result in DX and its subsidiaries becoming wholly-owned subsidiaries of Bidco.

The Acquisition will be carried out through what is called a "Scheme of Arrangement". This is a procedure that has to be first approved by DX Shareholders at a shareholder meeting, which is currently scheduled to be held on 9 January 2024, and then requires final approval by the Court on a date referred to in this Letter as the "Sanction Date" (which is yet to be confirmed). This is not the date on which the Acquisition will be completed. The Acquisition is currently due to complete two business days after the Sanction Hearing when the Scheme becomes effective. If you want to read more about this, please go to the DX website at <https://investors.dxdelivery.com> or the Bidco website at <https://delta-offer.com/> where you will find the Scheme Document that was sent to you and DX Shareholders around the date of this Letter as well as a copy of this Letter.

2. What can DX Shareholders receive under the Scheme?

The terms of the Scheme are set out in full in the Scheme Document. However, in summary (and subject to the terms of the Acquisition), for each DX Share sold to Bidco through the Scheme, a DX Shareholder will receive 47.5 pence in cash.

3. When will the Acquisition take place?

The date of the Sanction Hearing is still to be confirmed but it is expected to be in the first quarter of 2024 with the Effective Date expected to be two business days after the Sanction Hearing, subject to DX Shareholder approval and receipt of the relevant regulatory and merger control approvals. An expected timeline of key events relating to the Acquisition is available in the Scheme Document.

Once the date of the Sanction Hearing is known, DX will announce this via a Regulatory Information Service (with such announcement being made available on DX's website at <https://investors.dxdelivery.com>).

4. Will the Acquisition definitely go ahead?

The Acquisition is conditional on various approvals and consents including: (i) approval by DX Shareholders at a meeting currently scheduled to be held on 9 January 2024; (ii) obtaining certain regulatory and merger control approvals; and (iii) the sanction of the Court. You should note that there is no certainty that DX Shareholders will approve the Acquisition nor that the Court will sanction the Scheme.

5. What if the Acquisition does not go ahead?

If the Scheme does not become effective, your PSP Options will continue as normal under the rules of the PSP. For the avoidance of doubt, in this event, you will not be entitled to receive any Cash Consideration.

6. Can I exercise my PSP Options and retain the DX Shares?

No, if the Acquisition proceeds, all DX Shares will be acquired by Bidco for the Cash Consideration.

Notes

- 1 The release, publication or distribution of this Letter and any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Letter and any accompanying documents comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, DX and Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.
- 2 The DX Directors, whose names are set out in paragraph 2.1 of Part VI of the Scheme Document, accept responsibility for the information contained in, or incorporated by reference into, this Letter (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraphs 3 and 4 below. To the best of the knowledge and belief of the DX Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 3 The Bidco Directors, whose names are set out in paragraph 2.2 of Part VI of the Scheme Document, accept responsibility for the information contained in, or incorporated by reference into, this Letter (including any expressions of opinion and statements of intention) relating to Bidco, the Bidco Group, the Bidco Directors and the close relatives, related trusts of and persons connected with the Bidco Directors and persons acting in concert (as such term is defined in the Code) with Bidco. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 4 The H.I.G. Responsible Persons, whose names are set out in paragraph 2.3 of Part VI of the Scheme Document, accept responsibility for the information contained in, or incorporated by reference into, this Letter (including any expressions of opinion and statements of intention) relating to H.I.G., Bidco, the Wider Bidco Group, themselves and their respective close relatives, related trusts of and other connected persons and persons acting in concert (as such term is defined in the Code) with Bidco. To the best of the knowledge and belief of the H.I.G. Responsible Persons (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 5 Moelis, which is regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for DX and no one else in connection with the matters set out in this Letter and will not be responsible to anyone other than DX for providing the protections afforded to clients of Moelis, or for providing advice in relation to the contents of, or matters referred to in, this Letter. 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 Letter, any statement contained herein or otherwise.
- 6 Moelis has given and not withdrawn its written consent to the issue of this Letter with the inclusion of references to its name in the form and context in which they are included.

- 7 Accidental omission to dispatch this Letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the Proposal in this Letter is made or should be made will not invalidate the Proposal in any way.
- 8 Your PSP Options are governed by the PSP rules and in the event of a conflict between this Letter and the rules of the PSP or any relevant legislation, the rules of the PSP or the legislation (as applicable) will prevail.
- 9 The statements contained in this Letter are not to be construed as legal, investment, financial or tax advice. If you are in any doubt as to the action you should take, you should seek your own independent professional advice.

Appendix A

Defined Terms

Bidco	Transit Bidco Limited, a company incorporated in England and Wales with registered number 15239006;
Bidco Directors	the persons whose names are set out in paragraph 2.2 of Part VI (Additional Information) of the Scheme Document or, where the context so requires, the directors of Bidco from time to time;
Cash Consideration	the cash amount of 47.5 pence payable by Bidco in respect of each Scheme Share, subject to any applicable adjustment in accordance with the terms of the Acquisition;
Court	the High Court of Justice in England and Wales;
DX	DX (Group) plc, a public limited company incorporated in England and Wales with registered number 08696699 and whose registered office is at Ditton Park, Riding Court Road, Datchet, Slough, England, SL3 9GL;
DX Articles	the articles of association of DX as amended from time to time;
DX Directors	the directors of DX as at the date of this Letter;
DX Group	means DX and any subsidiaries or subsidiary undertakings of DX and “ member of the DX Group ” shall be construed accordingly;
DX Shareholders	the holders of DX Shares from time to time;
DX Shares	the ordinary shares of 1 penny each in the capital of DX;
Effective Date	the date upon which the Scheme becomes effective in accordance with its terms;
Form of Instruction	the form of instruction provided with the Letter;
H.I.G. Responsible Persons	the persons whose names are set out in paragraph 2.3 of Part VI (Additional Information) of the Scheme Document);

Letter	this letter from DX and Bidco explaining the impact of the Acquisition on the PSP Options;
Moelis	Moelis & Company UK LLP;
PSP	the DX Performance Share Plan 2017;
PSP Option	an option to acquire DX Shares granted by DX under the PSP;
Sanction Date	the date the Court sanctions the Scheme under section 899 of the Companies Act;
Sanction Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;
Scheme	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between DX and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court (where relevant) and agreed to by DX and Bidco, as set out in Part IV (The Scheme of Arrangement) of the Scheme Document;
Scheme Document	the document dated on or around the date hereof sent by DX to the DX Shareholders, of which the Scheme forms part;
Scheme Record Time	6:00 p.m. on the Business Day immediately prior to the Effective Date or such later time as Bidco and DX may agree;
SAYE Plan	the DX Group SAYE Scheme; and
Takeover Code	the City Code on Takeovers and Mergers.

Appendix B

UK Taxation

The information in this Appendix B applies to PSP Options. This information is intended as a general guide to the UK tax implications of exercising your PSP Options and selling your DX Shares to Bidco, and does not constitute tax advice to any individual participant. Please remember that tax law can and often does change, and you should not necessarily assume the current tax position will continue. As the tax rules for each country are different, the final amount of tax and National Insurance contributions (or equivalent social security contributions) you will have to pay depends on where you are resident for tax purposes. The below assumes you are working, resident and domiciled for tax purposes in the UK at all material times. This summary is not a full description of all the circumstances in which a tax liability may arise.

Please be aware that you are responsible for your personal tax position and that none of DX, Bidco nor their employees, directors or advisors can provide you with tax advice. **If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional, independent adviser without delay.**

1 Income tax and National Insurance contributions (NICs)

- 1.1 You will be subject to income tax and employee NICs charges at the time your PSP Options are exercised on the difference between the market value of the DX Shares you acquire on the date you acquire them, and the exercise price you pay to exercise your PSP Option (the **Gain**). If you exercise your PSP Options pursuant to the Proposal, the income tax and employee NICs due will be deducted from the Cash Consideration payable to you by Bidco via DX payroll, and remitted to HMRC by DX.
- 1.2 It has been determined that all participants except Executive Directors of DX will not be required to bear the cost of any employer NICs that arise on the exercise of PSP Options in connection with the Acquisition.
- 1.3 Executive Directors of DX will be required to bear the cost of any employer NICs that arise on the exercise of their PSP Options in respect of the part of the Gain above 40 pence per DX Share, and any such amount will also be deducted from the Cash Consideration payable to them by Bidco via DX payroll. Any employer NICs payable will be deducted from the Gain for the purposes of calculating the income tax liability arising on exercise of their PSP Options.

2 Capital gains tax (CGT)

- 2.1 When your DX Shares are acquired by Bidco at the offer price of 47.5 pence per DX Share pursuant to the Scheme, you will be treated as having disposed of your DX Shares for CGT purposes. You will make a capital gain on the disposal of the DX Shares if and to the extent that the proceeds that you receive for the DX Shares exceeds the base cost of those DX Shares. The base cost will be the value of the DX Shares on the date you exercise your PSP Option and acquire the underlying DX Shares. Therefore, if the base cost of the DX Shares is 47.5 pence per DX Share, there will be no CGT charge.
- 2.2 However, you should be aware that if you own other DX Shares (other than the ones you acquire from exercising your PSP Options in accordance with the Proposal) that are sold as part of the Acquisition there are complex CGT rules that may apply. You should take

independent tax advice on these arrangements and report all applicable sales on your annual self-assessment tax return by 31 January 2025.