

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
Riding Court Road
Datchet
Slough
SL3 9GL

Transit Bidco Limited
10 Grosvenor Street
London
W1K 4QB

11 December 2023

To the holders of options under the DX Group Save As You Earn Scheme

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 Group Save As You Earn Scheme (**SAYE**) and the decisions you are able to make. In this Letter an option granted to you over DX Shares under the SAYE is referred to as an **SAYE Option**. The information in this Letter applies to any SAYE 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 SAYE Options

You are receiving this Letter because you hold one or more SAYE Options.

There are two elements to the SAYE: (i) a weekly or monthly savings arrangement that you have been contributing to through salary deductions; and (ii) a share option, which gives you the right to buy DX Shares (known as “exercising your option”) at a specific price (called the “exercise price”) which is fixed at the time of grant.

Depending on the savings scheme(s) you participate in, the following exercise price applies to your SAYE Options:

SAYE Option year of grant	Exercise Price
2021	25.82p
2023	24.34p

If you decide to exercise your SAYE Options, your accumulated weekly/monthly (as applicable) savings are used to pay the exercise price to exercise your SAYE Option and acquire the underlying DX Shares.

Your Link account at <https://www.dxshares.co.uk> contains details of the SAYE Options you hold.

Impact of the Acquisition on your SAYE Options

Normally, you would only be able to exercise your SAYE Options and acquire the underlying DX Shares at the end of the three-year savings period. However, as a result of the Acquisition, you may not be able to continue saving until the end of the relevant savings period. You will need to decide whether you want to exercise your SAYE Options to acquire DX Shares with the savings that you have made at the time of the Acquisition (which is expected to be in the first quarter of 2024) or let your SAYE Options lapse and withdraw your savings. If you decide to exercise your SAYE Options to acquire DX Shares, they will then be sold to Bidco and you will receive the Cash Consideration (as defined below).

This Letter sets out at paragraph 2 of the "Impact on your Options" section the proposal being made to you by Bidco in relation to your SAYE Options (the **Proposal**) and sets out the courses of action available to you. In broad terms, the Proposal is that you exercise your SAYE Options using the enclosed Form of Instruction, conditional upon the Scheme being sanctioned by the Court, and participate in the Acquisition in respect of any DX Shares that you acquire on exercise. Under the Proposal, the exercise will take place at the latest possible time in order to maximise the savings contributions you can make, which will be no later than 20 days after the Effective Date.

If you accept this Proposal, your SAYE Options will be exercised to the maximum extent possible using your savings at the date of exercise, and the DX Shares that you acquire on exercise will then be sold to Bidco for 47.5 pence per DX Share.

This Letter also sets out the recommendation of the DX Directors set out at paragraph 15 of the “Impact on your SAYE Options” section.

Action to take

If you wish to exercise your SAYE 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.

Please note that if you take no action your SAYE Options will cease to be exercisable after the Effective Date and you can request your accumulated savings to be returned to you in cash.

You will need to take action to realise value from your SAYE Options as this will not happen automatically. If you do not take any action, your SAYE Options will lapse.

Questions

If you have any questions on the contents of this Letter, how to access your Link account at <https://www.dxshares.co.uk> or how to complete and submit the 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 SAYE 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 SAYE OPTIONS

1. When can I exercise my SAYE Options?

As a result of the Acquisition, your SAYE Options will become exercisable early, on the Scheme being sanctioned by the Court at the Sanction Hearing. Your SAYE Options will be exercisable until 20 days after the Effective Date, and will then lapse if they are not exercised.

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

The Proposal in relation to your SAYE Options is as follows.

You may choose to exercise your SAYE Options to the maximum extent possible, conditional on the Scheme being sanctioned by the Court at the Sanction Hearing, with such exercise to take effect at the latest possible time in order to maximise the savings contributions you can make.

The latest day on which the exercise of your SAYE Options may take effect will be 20 days after the Effective Date (see further paragraph 3 below).

If you wish to exercise your SAYE Options in accordance with the Proposal and participate in the Acquisition in respect of the DX Shares you will acquire on exercise of your SAYE 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.**

3. If I accept the Proposal, when will the exercise of my SAYE Options take effect?

This will depend on the savings arrangements.

If no contribution to the relevant savings contract would be made in the period beginning on the Sanction Date and ending 20 days after the Effective Date, the exercise of your SAYE Options will take effect on the Sanction Date using your accumulated savings contributions at the Sanction Date. This will include where you have completed your savings contract (which will likely be the case in respect of SAYE Options granted in 2021).

If an additional weekly/monthly (as applicable) savings contribution can be made under your savings contract during the period beginning on the Sanction Date and ending 20 days after the Effective Date, the exercise of your SAYE Options will take effect on the date of that applicable savings contribution.

The benefit of accepting the Proposal is that, if a savings contribution to the savings contract can be made in the period beginning on the Sanction Date and ending 20 days after the Effective Date, you will be able to buy more DX Shares compared to if you exercise on the Sanction Date (or before, if permissible under the SAYE rules).

4. What happens to my savings if I accept the Proposal?

Your savings will be used to pay the exercise price of your SAYE Options. Therefore, you don't need to make any additional payment in order to exercise your SAYE Options. The residual amount of your savings after exercise (if any) will be returned to you.

After your SAYE Options are exercised you will no longer make savings contributions.

5. What do I receive if I exercise my SAYE Options through the Proposal?

For each DX Share sold pursuant to the Acquisition, you will be entitled to receive 47.5 pence in cash (the **Cash Consideration**). Depending on when the exercise of your SAYE Options takes effect, the DX Shares will be acquired by Bidco pursuant to either the Scheme or the compulsory transfer provisions in the DX Articles.

If the exercise of your SAYE Options takes effect prior to the Scheme Record Time, you will receive the Cash Consideration in the next practicable following the Effective Date. If the exercise of your SAYE Options takes effect after the Scheme Record Time, you will receive the Cash Consideration in the next practicable payroll following the date of which the exercise of your SAYE Options takes effect.

Payment of the Cash Consideration will be made to you directly by your employer into the same bank account as you receive your salary.

6. What tax will I have to pay if I exercise my SAYE Options?

Please see **Appendix B**, which sets out a brief summary of the UK tax consequences in relation to the exercise of your SAYE 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.

7. If I have submitted a Form of Instruction can I change my mind?

Once you have submitted your Form of Instruction, this is considered to be your binding decision. However, if you choose to withdraw your savings prior to the exercise of your SAYE Options taking effect, the Form of Instruction will be of no effect as your SAYE Options will lapse.

8. Can I exercise my SAYE Options at another time?

Unless you leave employment within the DX Group, or if you have already left, in certain “good leaver” circumstances, your SAYE Options will not be exercisable until the Sanction Date, at which point your SAYE Options will become exercisable until 20 days following the Effective Date.

If you wish to exercise your SAYE Options immediately on the Sanction Date regardless of whether you could make a further monthly savings contribution after that, please contact Link by email, at SAYEteam@linkgroup.co.uk by 12 January 2024.

Please note that regardless of the time the exercise of your SAYE Options takes effect on or following the Sanction Date, each of your DX Shares will be acquired by Bidco for 47.5 pence in cash under the Acquisition.

9. What about the normal vesting of 2021 SAYE Options?

SAYE Options granted in 2021 (**2021 SAYE Options**) are due to vest in their ordinary course on 1 March 2024. However, it is expected that the Sanction Date will occur prior to then. If for any reason the Sanction Date falls after 1 March 2024, holders of 2021 SAYE Options will receive a further communication.

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

In order to be able to exercise your SAYE Options in accordance with the Proposal, you must be an employee within the DX Group on the Sanction Date (except if you leave employment with the DX Group, or if you have already left, in certain "good leaver" circumstances). If you leave employment with the DX Group other than in "good leaver" circumstances, your SAYE Options will lapse when you leave. If your SAYE Options lapse before exercise takes effect, you will not be able to exercise your SAYE Options and the savings you have made up until the date you leave will be returned to you. Special rules apply on the death of a participant.

11. Can I give my SAYE Options to someone else?

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

12. What happens if I do nothing?

If you do not submit the Form of Instruction or otherwise exercise your SAYE Options after they become exercisable, your SAYE Options will lapse in due course after the Sanction Date. In that instance you will need to close your savings account and your savings will be returned to you following the lapse date.

13. Can I choose not to exercise my SAYE Options?

If you do not wish to exercise your SAYE Options, you can contact Link via <https://www.dxshares.co.uk> and request your accumulated savings to be returned to you.

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

This Letter only relates to the SAYE Options you hold under the SAYE. If you hold options under other DX share plans (such as the PSP), 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 SAYE Options.

15. 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 SAYE Options in accordance with the Proposal using the Form of Instruction.

16. How do I exercise my SAYE 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 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 SAYE Options will lapse in due course.

17. 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 SAYE options) over DX Shares. None of DX, Bidco, Link 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 SAYE rules or any relevant legislation, the SAYE 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. Will I receive the 1p final dividend for the year ended 1 July 2023?

Only DX Shareholders on the register of members at 17 November 2023 will be entitled to be paid the 1p final dividend for the year ended 1 July 2023. Therefore, you will **not** be entitled to that dividend in respect of any DX Shares that you acquire pursuant to your SAYE Options.

4. 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>).

5. 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.

6. What if the Acquisition does not go ahead?

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

7. Can I exercise my SAYE 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 SAYE Options are governed by the SAYE rules and in the event of a conflict between this Letter and the rules of the SAYE or any relevant legislation, the rules of the SAYE 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 which accompanies this 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 SAYE Options;
Link	a trading name of Link Market Services Limited, the administrator of the SAYE;
Moelis	Moelis & Company UK LLP;
PSP	DX Performance Share Plan 2017;
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	the DX Group Save As You Earn Scheme;
SAYE Option	an option to acquire DX Shares granted under the SAYE; and
Takeover Code	the City Code on Takeovers and Mergers.

Appendix B

UK Taxation

The information in this Appendix B applies to SAYE Options.

This information is intended as a general guide to the **UK tax** implications of exercising your SAYE 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 (if any) 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, Link 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 No income tax or employee NICs charge should arise either on the exercise of your SAYE Options or the sale of your DX Shares to Bidco.

2 Capital gains tax (CGT)

- 2.1 CGT arises on the disposal of chargeable assets, such as shares. You will have a chargeable gain for CGT purposes on the sale of DX Shares to Bidco in connection with the Acquisition (whether that disposal is pursuant to the Scheme or the compulsory acquisition provisions in the DX Articles).
- 2.2 The amount of the chargeable gain would be equal to the amount of the total consideration you receive on the disposal of your DX Shares (i.e. 47.5p for each DX Share disposed of) less the amount you paid for those DX Shares (which will be the exercise price for each DX Share under your SAYE Option).
- 2.3 You only have to pay CGT on your overall gains above the annual exempt amount, which will be up to £6,000 for the tax year 2023/24. You may also be able to reduce your CGT liability by deducting losses or claiming reliefs.

3 Accounting For Tax Under Self-Assessment

Under the self-assessment regime, taxpayers are required to provide HMRC with all the information needed to calculate their taxable income (from all sources) and any chargeable gains. The calculation of tax may then be carried out either by you as the taxpayer or by HMRC. The time limit for filing a return on-line and paying your CGT (if any) is 31 January after the end of the tax year in which the chargeable gain arises. For example, if you sell your DX Shares in the 2023/2024 tax year (i.e. between 6 April 2023 and 5 April 2024) the deadline is 31 January 2025.