

1 December 2022

Logistics Development Group plc

("LDG" or the "Company")

Synsion Investment and Intended Further Share Buyback

LDG is pleased to announce an investment of €18.5m (c.£15.9m) into Synsion TopCo Ltd ("**Synsion Topco**"), the private holding company of a group of companies (the "**Synsion Group**") formed by DBAY Advisors Limited ("**DBAY**"), the Company's investment manager, specifically to invest in SQLI S.A. (ENXTPA:SQLI) ("**SQLI**") (the "**Investment**"), a leading pan-European digital transformation business. The Company is also pleased to announce its intention to initiate a further share buyback, additional details of which are set out below.

Synsion / SQLI Investment

The Synsion Group is controlled by funds discretionally managed by DBAY (the "**DBAY Funds**") and currently holds 72.3% of SQLI, following a number of historical investments by the DBAY Funds made via the Synsion Group, culminating in a tender offer to SQLI shareholders, announced in September 2021. The Investment will be utilised by the Synsion Group to acquire an additional stake in SQLI at €44.25 per share and is expected to increase the Synsion Group's holding in SQLI by c.9%, to c.81.3%.

LDG's investment into Synsion Topco will initially be made by way of an €18.5m loan, which will be converted into an approximate 11.1% equity interest in Synsion Topco corresponding to an see-through stake in SQLI of approximately 9% in due course. Synsion Topco's management accounts, for the period from date of incorporation on 16 July 2021 to 31 December 2021, reported unaudited net assets of €40.6m (c.£35.0m) and net losses of €278.9k (c.£240.4k).

SQLI, listed on the Euronext Paris, is a pan-European digital transformation business with a leading positions in the fast-growing ecommerce/omnichannel integration space. SQLI is headquartered in Paris and has more than 2,100 employees in over 13 countries, including over 600 in its offshoring delivery centre in Morocco. The company's blue-chip clients include LVMH, Airbus, Nestle, Carlsberg, L'Oreal, Bridgestone, Adidas and Generali. For the year ending 31 December 2021, SQLI reported revenues of €225.4m (c. £194.3m), EBITDA (excl. IFRS16) of €15.2m (c. £13.1m), net assets of €100.9m (c.£87.0m) and net profits of €5.3m (c. £4.6m). For the half year ending 30 June 2022 SQLI reported revenues of €124.5m (up €10.7m on H1 2021; +9.4%) and EBITDA (excl. IFRS16) of €12.1m (up €4.1m on H1 2021).

The Investment is in excess of the threshold for individual investments (10 per cent. of NAV) set out in the Company's investing policy, therefore DBAY has sought and obtained LDG Board approval for the Investment.

Related Party Transaction

Synsion Topco is an associate of DBAY, which, as LDG's investment manager and 25.58% shareholder, is a Related Party to LDG. Accordingly, the Investment is being treated as a Related Party Transaction pursuant to AIM Rule 13 and the independent directors (being the LDG directors excluding Peter Nixon, who is a DBAY appointee), having consulted with Strand Hanson as the Company's nominated

adviser, consider the terms of the Investment to be fair and reasonable insofar as the shareholders are concerned.

Proposed Share Buyback

On 14 January 2022, the Company announced a reduction of capital, change of Investing Policy and share buyback (the “**Prior Buyback**”). Shareholder approval to complete the Prior Buyback was obtained on 31 January 2022 and, pursuant to the Prior Buyback, the Company acquired 140,441,180 ordinary shares of 1 pence each in the capital of the Company (“**Ordinary Shares**”), in market trades via its retained broker, at an average price of 15.7 pence per share, between 25 February 2022 and 6 April 2022. Following completion of the Prior Buyback, the Company has made a number of new investments, however, trading in the Company’s Ordinary Shares has returned to a level which represents a significant discount to the Company’s net asset value (NAV) per Ordinary Share.

Accordingly, the Company intends to seek shareholder authority to acquire additional Ordinary Shares in the market, up to an amount representing approximately 20% of the Company’s issued share capital (the “**Further Share Buyback**”), which the Board believes may serve to reduce the observed discount to NAV per Ordinary Share. The Board expects to limit the total consideration for the Further Share Buyback to £15.0m.

The Board believes that the Further Share Buyback may also provide an exit opportunity for any shareholders who do not wish to retain their investment in the Company. Shareholders should note, however, that there is no guarantee that the proposed Further Share Buyback, if implemented, will either eliminate or reduce the observed discount to NAV per Ordinary Share, nor that any shareholders wishing to do so will be able to exit their investment in the Company in full under the Further Share Buyback.

DBAY, which represents the Company’s largest shareholder (with one of its managed funds, DBAY Fund III, holding approximately 25.58% of the Company’s issued share capital), and certain associates presumed to be acting in concert with DBAY (together with DBAY, the “**Concert Party**”) together hold in aggregate approximately 32.98% of the Company’s issued share capital. Given the Concert Party holds interests in Ordinary Shares, in aggregate, between 30% and 50% of the Company’s issued ordinary share capital, any increase in the Concert Party’s aggregate percentage voting rights as a result of the Share Buyback would require the Concert Party to make an offer for the Ordinary Shares not owned by the Concert Party in accordance with Rule 9 of the City Code on Takeovers and Mergers (the “**Takeover Code**”). Accordingly, the Company’s ability to commence the Further Share Buyback programme will be conditional on independent shareholders passing a Resolution approving a waiver of the obligation for the Concert Party to make a general offer pursuant to Rule 37 of the Takeover Code.

Accordingly, the Company will apply to the Takeover Panel for a waiver from the obligation for the Concert Party to make a general offer that would otherwise arise as a result of the Further Share Buyback, subject to the approval, on a poll, of independent shareholders (the “**Whitewash Resolution**”). Accordingly, with the consent of the Takeover Panel, the Whitewash Resolution will be proposed at a General Meeting and will be taken on a poll at a General Meeting, notice of which will be set out in the Circular to be distributed to shareholders in due course.

Further announcements will be made as and when appropriate.

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