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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

29 November 2019

Eddie Stobart Logistics plc

Response to TVFB (3) Limited

The Board of Eddie Stobart Logistics plc ("**Eddie Stobart**" or the "**Company**") notes the announcements made on 26 November 2019 and yesterday by TVFB (3) Limited ("**TVFB**").

- The Board of Eddie Stobart has worked constructively with TVFB since its highly preliminary approach in September 2019, and has continued to provide it with access to due diligence
- The Company currently has a waiver from the Lenders relating to the breaches of its Credit Facility which is contingent on the DBAY Proposal being voted through
- In the event that the EGM vote is not successful the Board will be faced with an imminent liquidity shortfall, imminent expiry of the waiver and no support from the Lenders to explore alternative options. In these circumstances the Lenders would support the Board taking steps to achieve the DBAY transaction by an alternative route which would see no return to shareholders
- For any acquisition / recapitalisation proposal for Eddie Stobart to be capable of being implemented it requires either for the Credit Facilities to be repaid in full or to have consent of the Lenders
- The DBAY Proposal has the support of the Lenders, who have agreed to provide the financing arrangements necessary for the DBAY Proposal to be implemented
- The Lenders have informed the Board that if any alternative proposal requires additional funding in order to be implemented, the Lenders would not be willing to provide this
- The Board has further been informed by representatives of the Lenders that they have communicated this position directly to representatives of TVFB on 20 November 2019
- As such, the only proposal received to date capable of being implemented with the consent of the Lenders is the DBAY Proposal
- **For this reason, the Board continues to recommend that shareholders vote in favour of the DBAY Proposal at the General Meeting on 6 December 2019. This proposal is the only concrete offer to date which has the support of the Lenders and secures the long-term future of the Company.**

Background

Since its announcement on 23 August 2019, and its subsequent announcements, the Board of Eddie Stobart has looked to work constructively with all parties who have expressed an interest in assisting Eddie Stobart to bring forward proposals to its stakeholders.

On 18 September 2019, the Board of Eddie Stobart noted the media speculation at the time and confirmed that it had received a highly preliminary expression of interest from TVFB (a company controlled by Andrew Tinkler) in relation to a possible offer for the entire issued, and to be issued share capital of the Company.

On 16 October 2019, the Board of Eddie Stobart confirmed that it had not received any proposal from TVFB regarding a possible offer for the Company. Accordingly, TVFB had confirmed to the Company that it has no intention of making an offer for the Company (the “**No Intention to Bid Statement**”).

Since its highly preliminary expression of interest, the Board of Eddie Stobart has provided access to company information, and provided multiple meetings with senior management, to TVFB and its advisers. Further, since its No Intention to Bid Statement, the Board of Eddie Stobart has continued to allow TVFB (and its representatives) to work with due diligence information in order to try and allow it to bring forward a proposal to shareholders that would satisfy all stakeholders.

Financing arrangements

In order for any acquisition or recapitalisation proposal for the Company to be capable of being implemented, either the current banking facilities need to be repaid or amendments to the existing Credit Facility (including amendments to future covenants) will be required.

The DBAY proposal has the support of the Lenders who have agreed amendments to the Credit Facility that include changes to covenants, an incremental £20m facility and an extension of maturities.

Currently, the DBAY Proposal is the only proposal that has secured the necessary amendments to the Credit Facilities and is therefore the only proposal able to be implemented with the consent of the Lenders.

Facility Waivers

As detailed in the Circular posted to shareholders on 20 November 2019, a key component of bringing any concrete proposal to shareholders requires Facility Waivers by the Lenders to Eddie Stobart.

On 20 November 2019 the Company announced that it was in advanced negotiations with its Lenders to extend the Facility Waivers further to 13 December 2019, in order to allow the DBAY Proposal to Complete.

The Company today confirms that it has extended the Facility Waivers to 13 December 2019 with the consent of its Lenders in order to allow the DBAY Proposal to be voted on at the General Meeting.

Any proposal to acquire or recapitalise Eddie Stobart is conditional on these Facility Waivers, and for any alternative proposal to the DBAY Proposal to have the opportunity to be successful, similar agreements must be reached with the Company’s Lenders.

If Shareholder Approval for the DBAY Proposal is not received, then these Facility Waivers will expire, and the respective finance parties will be able (amongst other things) to enforce their rights in respect of the share security over 100% of the issued share capital of Greenwhitestar.

The Lenders have informed the Board that in the circumstances they would not be supportive of any proposal by the Company to seek to instigate a new or further process to find a buyer for the Company (or parts of it) or to raise equity funding. In particular, if the Company required funding in order to be in a position to pursue such a proposal, the Lenders would not be willing to provide this.

TVFB proposal

Since the highly preliminary approach to the Board of Eddie Stobart announced on 18 September 2019, the Board has worked constructively with TVFB and has continued to provide it with access to due diligence.

The Board of Eddie Stobart (and its advisers) have made clear on multiple occasions to TVFB (and its representatives) that it must reach agreement with the Lenders in order to be able to put forward a proposal that the Board of Eddie Stobart is capable of putting forward to shareholders.

The Board of Eddie Stobart understands that no agreement has been reached with the Lenders. The Lenders have informed the Board of Eddie Stobart that they are supportive of the DBAY Proposal and that if the Company required funding in order to be in a position to pursue an alternative proposal, the Lenders would not be willing to provide this.

The Board has further been informed by representatives of the Lenders that they communicated their position directly to representatives of TVFB on 20 November 2019 and, despite this, no further proposal has been forthcoming from TVFB.

As such, the proposals that have been brought forward to the Board of Eddie Stobart by TVFB do not have the support of the Lenders and, as a consequence, the Board believes that the TVFB proposals are currently not capable of being implemented.

DBAY proposal

As announced on 20 November 2019, Eddie Stobart published a Circular in relation to the DBAY Proposal whereby Marcelos Limited ("**Marcelos**"), a wholly-owned subsidiary of DouglasBay Capital III Fund LP (the "**Fund**"), a fund managed by DBAY Advisors Limited ("**DBAY**"), will on satisfaction of certain conditions acquire a 51% stake in Greenwhitestar Acquisitions Limited, which is currently a wholly-owned Subsidiary of the Company and in turn holds the Company's interests in the trading entities of the Group, and DBAY will agree to (directly or indirectly) inject approximately £55m of new financing into the Group's operations through the Interim PIK Facility and the PIK Facility, which will be used to provide necessary liquidity (the "**Proposed Transaction**" or the "**DBAY Proposal**").

The Board continues to believe the DBAY Proposal to be in the best interests of the Company and its Shareholders as a whole.

Other

Terms in this announcement shall have the same meaning as those detailed in the Circular to shareholders posted on 20 November 2019.

The person responsible for arranging the release of this announcement on behalf of Eddie Stobart is Anoop Kang, Chief Financial Officer.

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Additional Information

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