

1 July 2021

Logistics Development Group plc

(the “Company” or “LDG”)

Disposal of Greenwhitestar Acquisitions

- Disposal of interest follows successful turnaround of the business
- Provides LDG with substantial resources to deliver its investment strategy focused on growth opportunities

Logistics Development Group plc, the AIM investing company, is pleased to announce the disposal of its interest in Greenwhitestar Acquisitions Limited (“GWSA”), which is held through the Company’s 49 per cent. stake in Marcelos Limited (“Marcelos”) and Marcelos’ wholly-owned subsidiary Alpha Cassiopeiae Limited (“Alpha C”). GWSA is the holding company for the Eddie Stobart, The Pallet Network, IForce, Eddie Stobart Europe and The Logistics People businesses.

Alpha C has agreed to sell its wholly-owned subsidiary, GWSA, to Culina Group Limited (“Culina”) for an undisclosed consideration (the “Transaction”) and LDG has consented to the Transaction pursuant to the Marcelos shareholders’ agreement.

LDG expects to receive a net cash inflow of not less than £120 million, including repayment of the recent £6m investment in the PIK loan. On that basis, LDG’s available cash will be not less than £127 million. As at 30 November 2020, the fair value of LDG’s investment in Marcelos was £35.8 million.

LDG and DBAY Advisors Limited (“DBAY”), its co-shareholder in Marcelos, concluded that the offer by Culina represented a unique opportunity to realise investor value from the successful management-led return to profitability achieved by GWSA since the 2019 refinancing by DBAY. As reported in LDG’s 2020 Annual Report, for the year ended 30 November 2020 GWSA had group revenue of £874.3 million and an EBITDA (excluding the impact of IFRS 16) of £47.8 million.

The board of LDG and its investment manager DBAY continue to believe that the current post-Covid19 lockdown environment continues to offer many opportunities in line with its investment policy and intend to apply the substantial cash funds generated for LDG from the Transaction to create more value for shareholders from new investments.

Adrian Collins, Chairman of LDG said: “The board of LDG would like to thank William Stobart and his management team for their successful efforts to streamline and refocus the business. We are proud they have been able to do so during very challenging times. We are confident that the Culina Group will be a good home for the business and its staff. Looking ahead, we now have substantial resources to invest in new opportunities and we look forward to working with our investment manager DBAY to identify investments that will create further value to shareholders.”

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR") WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.