

Acquisition of minority stake in Gnewt Cargo

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DX (Group) plc ("DX")

Leading independent parcels, mail and logistics operator

Acquires significant minority stake in 'green' delivery services provider, Gnewt Cargo

DX, the leading independent parcels, mail and logistics network operator, is pleased to announce that it has acquired a 49.8% shareholding in Gnewt Cargo Limited ("Gnewt"), the fast-growing environmentally-friendly delivery services provider, for approximately £1.75 million in cash on completion. The co-founders of the business will retain the balance of shares in Gnewt and will continue to lead the ongoing growth of the business following acquisition. Supplementing the founders of the business, DX will be appointing two directors to the Board of Gnewt.

Founded in 2009 with the aim of reducing pollution, particulate emissions and congestion, Gnewt operates a fleet of over 100 electric zero-emission vehicles, including cargo-cycles and minivans. It offers multi-drop 'last mile' delivery services in Central London.

Gnewt has been independently verified to cut carbon dioxide emissions per parcel delivered by 62% and its services have won multiple awards, including most recently, Corporate Environment Winner 2014 at the National Institute of Courier awards and the Transport Solutions Provider of the Year 2014 from the Energy Saving Trust Fleet Hero Awards. In addition, its delivery services achieve 99.5% on time and accuracy.

Gnewt has grown rapidly since inception and by 200 per cent over the course of the past year to achieve annualised revenues of approximately £3.75 million and EBITDA of circa £0.3 million. DX will be supporting Gnewt's continuing growth and, in particular, the roll-out of its services across other cities in the UK. The investment will provide new capability for DX's existing Customers in the Legal, Financial and Public sectors as well as enhancing its existing operations in both the high street and Ecommerce retail arenas.

Petar Cvetkovic, Chief Executive of DX, commented:

"I am delighted that Matt and Sam, who both co-founded Gnewt, have chosen to partner with DX. We use Gnewt's services ourselves and therefore know just how efficient and Customer-focused they are - and, of course, how they help to reduce emissions and make city centres better places to be. We now look forward to working with the Gnewt team to expand their environmentally-friendly 'last mile' delivery services to other UK cities. We will be combining Gnewt's technical expertise with DX's funding support and core volumes to start-up Gnewt locations across the UK."

Sam Clarke, co-founder and director of Gnewt Cargo, said:

"The idea behind Gnewt was to offer an outstanding delivery service within city centres while making a difference to air quality and people's well-being. Gnewt has grown fast over the last five years and we want to take our service to other UK cities. DX shares our vision and like us is passionately committed to delivering a great service to Customers. We are very excited by this new partnership - it represents a new stage in our development and growth."

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About DX

www.thedx.co.uk

Established in 1975 and based in Iver, Buckinghamshire, [DX](#) is a leading independent logistics and parcel distribution company. It operates throughout the UK and Ireland, delivering c. 170 million items a year.

The Company offers an unrivalled range of services, providing next day delivery services for mail, parcels and 2-Man deliveries to business and residential addresses. In particular, DX specialises in next day or scheduled delivery of time-sensitive, mission critical and high value items.

Its customers are mainly commercial organisations but also include public sector companies and national and local governmental organisations.

About Gnewt Cargo

www.gnewtcargo.co.uk

Gnewt Cargo is an award-winning, FORS accredited, 'last mile' logistics company operating in the Central London congestion charge zone using a fully electric fleet of over a 100 vehicles.

Its vision is to build on and remain the zero emission delivery firm of choice in London and within city centres in the UK.

It was founded with the mission to disrupt the logistics industry for the better, reducing pollution, particulate emissions and congestion while delivering better performance and door step experiences than any of its competitors.

Over the last year Gnewt has grown over 200% (compared to the 50% year-on-year growth previously) and has set-up its second major Central London site this year.

Gnewt's vehicles are sourced either direct from large and small manufacturers alike. Gnewt has been covered in The Sunday Times Business section as well as trade press and is working towards its ISO 14001 accreditation.

This year Gnewt took receipt of a further 55 electric Renault Kangoos ZE's. This represents Renault's largest commercial sale of electric vehicles in the UK and Renault believes that Gnewt now has the largest commercial fully electric fleet of any city in the world. Gnewt's fleet ranges from 2 and 3 wheeled electric cargo-cycles through to small and large commercial electric vehicles, and has strong working relationships with all the leading EV manufacturers worldwide.

Gnewt's environmental impact is measured through independent assessment of its emissions and it has been independently verified by the University of Westminster to cut CO2 emitted per parcel by 62% on like-for-like deliveries.

This information is provided by RNS
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