

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (“**MAR**”). Market Soundings, as defined in MAR, were taken in respect of the proposed Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information in relation to the Placing is set out in this Announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a Market Sounding are no longer in possession of inside information relating to the Company and its securities.

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Eddie Stobart Logistics plc
(“Eddie Stobart” or the “Company”)
Acquisition of The Pallet Network Group Limited
and
Placing of shares to raise £30 million

Further to the announcement made on 7 June 2018, Eddie Stobart, a leading UK supply chain, transport and logistics group, is pleased to announce that it has entered into an agreement to acquire the entire issued share capital of The Pallet Network Group Limited (“**TPN**”), a leading provider of pallet distribution services across UK and Ireland, for total consideration of £52.8 million, on a cash and debt free basis (the “**Acquisition**”). Completion of the Acquisition is expected to occur on or around 29 June 2018 following admission of the Placing Shares.

Eddie Stobart also announces a placing with institutional investors to raise £30 million before expenses (the “**Placing**”) through the issue of 21,428,572 Placing shares of 1 pence each in the capital of the Company (“**Placing Shares**”) for 140 pence (“**Placing Price**”) per Placing Share. The Placing was well supported by new and existing institutional investors.

Of the total consideration of £52.8 million, £44.14 million is payable in cash upon completion and the remaining £8.66 million will be payable to certain of the Sellers over a period of two years following completion. The Acquisition will be funded in part by the net proceeds of the Placing and in part through the extension of the Eddie Stobart group’s (“**Eddie Stobart Logistics**”) existing debt facilities with its current syndicate of lending banks.

Alex Laffey, Chief Executive Officer of Eddie Stobart, commented:

“We are delighted that TPN will be joining Eddie Stobart Logistics. TPN is a leading player in pallet distribution across the UK and we are confident that this transaction will significantly enhance our capabilities in a space in which we do not currently operate and consequently offers cross-selling opportunities to serve our clients’ growing needs.

I would like to welcome Mark Duggan, Managing Director, the management team and the TPN network members to Eddie Stobart Logistics and look forward to working closely with them all. This acquisition is in line with our strategy and the Board is confident that TPN will strengthen our position as a leading provider of end-to-end supply chain solutions.”

Background to and strategic rationale for the Acquisition

The acquisition of TPN significantly enhances Eddie Stobart Logistics’ existing skills and capabilities, including meeting customers’ needs for next day, less than truck load deliveries, positioning Eddie Stobart Logistics in an attractive segment which has grown at a significantly greater rate than the wider logistics market over the last three years. The Directors believe that this combination will provide benefits to both businesses and to TPN network members, through cross-selling to existing Eddie Stobart UK customers and collaboratively deploying our enhanced operating model into Europe.

The TPN management team, led by Mark Duggan, will continue to run the TPN business following completion. The Acquisition is expected to be earnings and cash enhancing in Eddie Stobart Logistics’ 2018 financial year.

About TPN

TPN is one of the UK's leading palletised freight distribution networks offering premium, economy and tail-lift services throughout the UK and Ireland.

Founded in 2000 and headquartered in Minworth, TPN operates the UK's second largest pallet network, comprising 106 regional hauliers ("**members**"). TPN's hub-and-spoke model provides distribution services from three central hubs in Minworth, Preston and Northampton to a total of 121 distribution sites.

Employing over 230 staff, TPN processed approximately 3.9 million pallets in the twelve months to 31 March 2018, with daily capacity for up to circa 21,000 pallets for customers across a broad range of sectors. TPN has a loyal membership base, with the majority of members having formed part of TPN's network for more than ten years.

For the period from 15 December 2015 to 31 March 2017, TPN recorded audited EBITA of £5.3 million and profit before tax of £0.8 million on revenues of £119.5 million and as at 31 March 2017, had net assets of £0.4 million. For the twelve months to 30 November 2017, TPN generated unaudited revenues of £108.9 million and adjusted EBITA of £5.8 million.

The Sellers of TPN are LDC, Neil England and the TPN management team, being Mark Duggan, Paul Robinson and Mark Kendall. The acquisition provides an exit for TPN's institutional investor, LDC, the private equity arm of Lloyds Banking Group. The Placing and the Acquisition are inter-conditional.

The Placing

The Board is pleased to announce that the Company has conditionally raised gross proceeds of approximately £30 million through a placing (the "**Placing**") of 21,428,572 new Placing Shares at a price of 140 pence per share. The Placing has been undertaken with new and existing institutional shareholders by Cenkos Securities PLC ("**Cenkos**") and Joh. Berenberg, Gossler & Co. KG, London Branch ("**Berenberg**")

The net proceeds of the Placing (after commission and expenses of the Placing of approximately £1 million) will be used to fund the Acquisition and for general corporate purposes.

The Placing Price represents a discount of 0.4% to the closing middle market price of 140.5 pence per existing ordinary share on 27 June 2018, being the last Business Day before the announcement of the Placing.

The Placing Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on ordinary shares by reference to record dates falling after their date of issue and otherwise rank *pari passu* in all respects with the existing ordinary shares.

Application has been made for the Placing Shares to be admitted to AIM and, subject to the Placing and the Acquisition becoming unconditional, it is expected that Admission will become effective and trading in the Placing Shares will commence at 8:00 a.m. on 29 June 2018

The Placing and the allotment of the Placing Shares are being made pursuant to existing authorities to allot shares and disapply pre-emption rights under section 551 and section 570 of the Companies Act 2006, which the Directors were given at the Company's Annual General Meeting held on 29 May 2018.

Total Voting Rights

Following admission of the Placing Shares, Eddie Stobart's issued ordinary share capital will comprise 379,347,372 ordinary shares. Therefore, the total number of ordinary shares with voting rights in Eddie Stobart following admission will be 379,347,372.

The above figure of 379,347,372 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Eddie Stobart under the FCA's Disclosure Guidance and Transparency Rules.

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About Eddie Stobart

Eddie Stobart is a leading supply chain, transport and logistics business providing industry-leading service to many of the UK's best-known brands.

Founded in 1970 by Edward Stobart, the business is listed on the London Stock Exchange's Alternative Investment Market (AIM) and operates across a broad array of core sectors including e-commerce, manufacturing, industrial & bulk, retail and consumer.

From its headquarters in Warrington, the business operates circa.2,300 vehicles, c.4,000 trailers and 26 distribution centres throughout the UK and Europe, providing its services to a range of national and international customers.

Through Eddie Stobart's acquisitions, its network and scale has grown. iForce (acquired in April 2017) has three owned distribution centres and operates out of six customer sites and Speedy Freight (acquired in July 2017) has 40 branches. Collectively, these sites significantly expanded the scale of the Eddie Stobart network.

Further information about Eddie Stobart is available at: <http://eddiestobart.com/>

Please click here to find information for investors: <http://eddiestobart.com/investor-relations/>

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Further information about TPN visit <https://thepalletnetworkltd.co.uk/>

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The Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state in the United States or any Restricted Jurisdiction and, unless an exemption under such act or laws is available may not be offered for sale or subscription or sold or subscribed directly or indirectly within the Restricted Jurisdictions or for the account or benefit of any national, resident or citizen of the Restricted Jurisdictions. No public offering of securities will be made in the United States. The distribution of this announcement in other jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Berenberg, which is authorised by the German Federal Financial Supervisory Authority and subject to limited regulation by the Financial Conduct Authority in the United Kingdom and Cenkos Securities, which is authorised and regulated by the Financial Conduct Authority, are acting exclusively for Eddie Stobart and for no one else in connection with the Placing and will not be responsible to anyone other than Eddie Stobart for providing the protections afforded to clients of Berenberg and Cenkos Securities, respectively, nor for providing advice in relation to the Placing or any other matters referred to in this announcement.

In member states of the European Economic Area (the “EEA”), this announcement is being distributed only to and is directed only at persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (as amended, including by Directive 2010/ 73/EU, to the extent such amendments have been implemented in the relevant Member State and including any relevant implementing measure in the relevant Member State) (“Qualified Investors”).

This announcement is being distributed only to, and is directed only at, persons in the United Kingdom who have professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the “Order”) or are high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts or other persons falling within Articles 49(2)(a)-(d) of the Order and who in each case are also Qualified Investors (together, “**Relevant Persons**”). Any investment activity to which this announcement relates is available only to, and will be engaged in only with, Relevant Persons. No person who is not a Relevant Person may rely on this announcement.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.