

**RNS**

Offer Update

Acceptance Level Update

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Pan-European Infrastructure III
05 May 2022

OFFER UPDATE

INFRAMOBILITY UK BIDCO LIMITED

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RESTRICTED JURISDICTION OR WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF
THE RELEVANT LAWS OF ANY SUCH JURISDICTION**

FOR IMMEDIATE RELEASE

5 May 2022

RECOMMENDED ALL CASH OFFER

by

INFRAMOBILITY UK BIDCO LIMITED

(a newly incorporated company that is indirectly wholly owned by Pan-European Infrastructure III, SCSp)

for

STAGECOACH GROUP PLC

**INFRAMOBILITY UK BIDCO LIMITED LOWERS MINIMUM LEVEL OF ACCEPTANCES
REQUIRED TO SATISFY ACCEPTANCE CONDITION FROM 75 PER CENT. TO 50 PER CENT.
PLUS ONE SHARE, INCLUDING SHARES HELD BY INFRAMOBILITY UK BIDCO LIMITED**

ACCEPTANCES MUST BE RECEIVED BY 1.00 P.M. (LONDON TIME) ON 21 MAY 2022

Introduction

On 9 March 2022, the boards of Inframobility UK Bidco Limited ("**PEIF III Bidco**") and Stagecoach Group plc ("**Stagecoach**") announced that they had reached agreement on the terms of a recommended all cash offer for Stagecoach (the "**Offer**").

The Offer represents a 54.3 per cent. premium to the Closing Price of 68.05 pence per Stagecoach Share on 20 September 2021, and a premium of 51.4 per cent. when compared to the look-through value of the National Express Offer of 69.34 pence per Stagecoach Share, calculated as 0.36 times the Closing Price of 192.60 pence per National Express Share on 8 March 2022.

The Offer provides increased value certainty for Stagecoach Shareholders through the opportunity to crystallise in cash the value of their holdings today, and a shorter timetable to completion with lower execution risk, given the absence of any substantive competition conditions and no requirement for subsequent approval from the shareholders of PEIF III Bidco. We note that as currently proposed, the National Express Offer (effected by means of a scheme of arrangement) has not been published and is currently incapable of becoming effective.

The Offer also presents a number of specific benefits to other Stagecoach key stakeholders as well as supporting the significant growth opportunities ahead. PEIF III Bidco (through a nominee) owns 93,720,491 Stagecoach Shares pursuant to an acquisition from Threadneedle Asset Management Limited (part of Columbia Threadneedle Investments) and has also received an irrevocable undertaking from Dame Ann Gloag (through HGT Finance A Limited) to accept the Offer in respect of 57,661,967 Stagecoach Shares, which together comprise a total of 151,382,458 Stagecoach Shares, representing approximately 27.45 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares).

The full terms and conditions of the Offer and the procedures for acceptance of the Offer were set out in the offer document published by PEIF III Bidco on 22 March 2022, which was supplemented by further disclosure made by an announcement by PEIF III Bidco on 30 March 2022 (the "**Offer Document**").

Acceptance Condition

PEIF III Bidco is pleased to announce that it has decided to lower the threshold required to satisfy the Acceptance Condition. The Acceptance Condition shall now be satisfied if valid acceptances of the Offer have been received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on 21 May 2022 (or such other time(s) and/or date(s) as PEIF III Bidco may specify (the "**Unconditional Date**"), subject to the rules of the Code and, where applicable, the consent of the Panel) in respect of Stagecoach Shares, which, taken together with all other Stagecoach Shares which PEIF III Bidco and/or any of its wholly owned subsidiaries (and/or any of their nominee(s)) have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), carry in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Stagecoach.

Unless the Panel consents otherwise, this condition shall only be capable of being satisfied when all of the Conditions set out in paragraphs 2(a) to (h) in Part A of Appendix I of the Offer Document have been satisfied or waived.

For this purpose:

- (a) Stagecoach Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription rights or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (b) valid acceptances shall be deemed to have been received in respect of Stagecoach Shares which are treated for the purposes of the Companies Act as having been acquired or contracted to be acquired by PEIF III Bidco by virtue of acceptances of the Offer or otherwise; and
- (c) all percentages of voting rights and share capital are to be calculated by reference to the percentages held and in issue excluding any and all shares held in treasury by Stagecoach from time to time.

Hamish Mackenzie, Head of Infrastructure at DWS, said: "By lowering the acceptance threshold, DWS Infrastructure is demonstrating its commitment to the acquisition of Stagecoach, and providing further assurance to Stagecoach's stakeholders.

As we look ahead, DWS Infrastructure will provide the substantial capital investment and long-term perspective needed to unlock value and capture the significant growth opportunities presented by increased public and private investment in the UK bus and coach sector."

Unconditional date

The Offer, which remains subject to the Acceptance Condition set out above and the other outstanding Conditions set out in the Offer Document, remains open until 1.00 p.m. (London time) on the Unconditional Date.

Action to be taken

Stagecoach Shareholders who have not yet accepted the Offer are urged to do so as soon as possible in accordance with the following procedures:

- acceptances of the Offer in respect of certificated Stagecoach Shares should be made by completing and returning the Form of Acceptance accompanying the Offer Document and returning the relevant share certificate(s) as soon as possible and, in any event, so as to be received by Link Group by no later than 1.00 p.m. (London time) on 21 May 2022; or
- acceptances in respect of uncertificated Stagecoach Shares should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on 21 May 2022. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Full details on how to accept the Offer are set out in paragraph 15 of Part II and Parts D and E of Appendix I of the Offer Document.

The Offer Document and the Form of Acceptance are available on PEIF III Bidco's website at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/ and Stagecoach's website at <https://www.stagecoachgroup.com/>.

Further copies of the Offer Document and the Form of Acceptance may be obtained by contacting Link Group on 0371 664 0443 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

General

Defined terms used but not defined in this Announcement have the same meanings as set out in the Offer Document.

Enquiries:

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PEIF III Bidco)**

Guy Lamming
Ed Simpkins
Gordon Simpson

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Pan-European Infrastructure III, SCSp ("**PEIF III**") and PEIF III Bidco in connection with the Offer.

Important notices relating to the Financial Adviser

Morgan Stanley, which is authorised by Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA in the United Kingdom, is acting as financial adviser exclusively to PEIF III Bidco and PEIF III and for no one else and will not be responsible to anyone other than PEIF III Bidco and PEIF III for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Announcement. Neither Morgan Stanley, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Morgan Stanley in connection with this Announcement, any statement contained herein or otherwise.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Stagecoach pursuant to the Offer or otherwise in any jurisdiction in contravention of applicable laws. The Offer will be made solely by means of the Offer Document and (in respect of Stagecoach Shares held in certificated form) the accompanying Forms of Acceptance, which will, together, contain the full terms and conditions of the Offer including details of how it may be accepted. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document and (in respect of Stagecoach Shares held in certificated form) the Forms of Acceptance.

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purposes of complying with English and Scots law, the rules of the London Stock Exchange, the Listing Rules and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdictions outside the United Kingdom.

Overseas jurisdictions

The availability of the Offer to Stagecoach Shareholders who are not resident in and citizens of the United Kingdom or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom or the United States should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States should inform themselves about, and observe any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This Announcement has been prepared for the purpose of complying with English and Scots law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by PEIF III Bidco or required by the City Code, and permitted by applicable law and regulation, the Offer is not being made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Accordingly, copies of this Announcement and any other documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction.

The Offer is subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Notice to US Stagecoach Shareholders

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this Announcement has been prepared in accordance with accounting standards applicable in the United Kingdom, and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Offer is being made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other

procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of Stagecoach Shares will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Stagecoach Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for US holders of Stagecoach Shares to enforce their rights and any claim arising out of the US federal securities laws, since PEIF III Bidco and Stagecoach are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Stagecoach Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, PEIF III Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Stagecoach Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

In accordance with the Code, normal UK market practice and Rule 14e-5(b) of the US Exchange Act, Morgan Stanley & Co. International plc will continue to act as an exempt principal trader in Stagecoach Shares on the London Stock Exchange. Those purchases and activities by an exempt principal trader which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer and other information published by PEIF III Bidco and Stagecoach contain statements which are, or may be deemed to be, "forward-looking statements" with respect to the financial condition, results of operations and business of Stagecoach and certain plans and objectives of PEIF III Bidco. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of PEIF III Bidco and Stagecoach about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "is subject to", "budget", "scheduled", "forecast", "intend", or other words of similar meaning. These statements are based on assumptions and assessments made by PEIF III Bidco and/or DWS Infrastructure and/or Stagecoach in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to Stagecoach Group, refer to the annual report and accounts of Stagecoach Group for the financial year ended 1 May 2021.

Each forward-looking statement speaks only as at the date of this Announcement. None of PEIF III Bidco, the Wider PEIF III Topco Group, Stagecoach nor the Stagecoach Group, nor any of their respective associates or directors, officers, employees or advisers, assumes any obligation to update or revise any forward-looking statements contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and service of this Announcement shall not give rise to any implication that there has been no change in the facts set forth in this Announcement since such date. Nothing in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of PEIF III Bidco or the Stagecoach Group except where otherwise stated.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening

Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, free of charge on PEIF III Bidco's website at https://www.dws.com/Our-Profile/media/media-releases/DWS_Infrastructure. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this Announcement.

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