



HERBERT
SMITH
FREEHILLS

EXECUTION VERSION

INFRAMOBILITY UK BIDCO LIMITED
and
STAGECOACH GROUP PLC

CO-OPERATION AGREEMENT

Herbert Smith Freehills LLP

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THIS AGREEMENT is made on 9 March 2022

BETWEEN:

- (1) **INFRAMOBILITY UK BIDCO LIMITED** a company incorporated and registered in England and Wales (with company number 13957417) and whose registered office is Solent Business Park, Forum 4, C/O Aztec Financial Services (Uk) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD ("**PEIF III Bidco**"); and
- (2) **STAGECOACH GROUP PLC** a company incorporated and registered in Scotland (with company number SC100764) and whose registered office is 10 Dunkeld Road, Perth, Perthshire PH1 5TW ("**Stagecoach**"),

together referred to as the "**Parties**" and each as a "**Party**" to this Agreement.

RECITALS:

- (A) PEIF III Bidco which is a company indirectly wholly-owned by Pan-European Infrastructure III, SCSp, intends to announce a firm intention to make a recommended cash offer for the entire issued and to be issued share capital of Stagecoach on the terms and subject to the conditions set out in the Announcement (as defined below) (the "**Acquisition**").
- (B) The Parties intend the Acquisition to be implemented by means of the Offer (as defined below).
- (C) The Parties have agreed to enter into this Agreement to set out their respective commitments to regulate the basis on which they are willing to implement the Acquisition.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement (including the Recitals and the Schedules other than Schedule 1), each of the following words and expressions has the following meanings unless expressly stated otherwise:

"**Acceptance Condition**" means the acceptance condition to the Offer;

"**Acquisition**" has the meaning given in Recital (A) above;

"**Agreement**" means this co-operation agreement;

"**Announcement**" means the announcement of PEIF III Bidco's firm intention to make an offer for Stagecoach in the agreed form set out in Schedule 1;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for general business in Edinburgh and London;

"**Clean Team Agreement**" means the agreement governing the exchange of commercially sensitive information through a clean team, dated 25 November 2021, between DWS Alternatives and Stagecoach;

"**Code**" means the City Code on Takeovers and Mergers;

"**Companies Act**" means the Companies Act 2006, as amended from time to time;

"**Competing Proposal**" means:

- (i) an offer (including a partial, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover and/or business merger (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent or more of the issued or to be issued share capital of Stagecoach (when aggregated with any shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing "control" (as defined in the Code) of Stagecoach;
- (ii) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 25 per cent or more) of the business, assets and/or undertakings of the

Stagecoach Group calculated by reference to any of its revenue, profits or value taken as a whole (or the announcement of a firm intention to do the same);

- (iii) a demerger, or any material re-organisation and/or liquidation, involving all or a significant portion (being 25 per cent or more) of the Stagecoach Group calculated by reference to any of its revenue, profits or value taken as a whole (or the announcement of a firm intention to do the same); or
- (iv) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede or delay or prejudice the implementation of the Acquisition (including, for the avoidance of doubt, any transaction or arrangement which would constitute a class 1 transaction for the purposes of the Listing Rules undertaken by a member of the Stagecoach Group (or the announcement of a firm intention to do the same)),

in each case which is not effected by PEIF III Bidco (or a person acting in concert with PEIF III Bidco) or at PEIF III Bidco's discretion, whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

"Conditions" means the conditions to the implementation of the Offer as set out in Appendix 1 of the Announcement (as may be amended with the Parties' consent in accordance with the Code);

"Confidentiality Agreement" means the confidentiality agreement, dated 25 November 2021, between DWS Alternatives and Stagecoach;

"Day 60" has the meaning given in the Code;

"DWS Alternatives" means DWS Alternatives Global Limited;

"Effective Date" means the date upon which the Offer becomes or is declared unconditional in all respects in accordance with the requirements of the Code;

"Form of Acceptance" means the form of acceptance to be used by the Stagecoach Shareholders in relation to an Offer;

"Law" means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Regulatory Authority;

"Listing Rules" means the rules and regulations made by the Financial Conduct Authority pursuant to Part 6 of the Financial Services and Markets Act 2000, and contained in the Financial Conduct Authority's publication of the same name;

"Long Stop Date" means the date set out in the Announcement by which the Offer must become effective (or such other later date as may be agreed by the Parties, in accordance with this Agreement and the Code);

"National Express Offer" means the all-share offer by National Express Group plc for the entire issued and to be issued ordinary share capital of Stagecoach as set out in the firm offer announcement made under Rule 2.7 of the Code on 14 December 2021;

"Offer" means a takeover offer within the meaning of section 974 of the Companies Act, such offer, including any subsequent revision, amendment, variation, extension or renewal;

"Offer Document" means an offer document published by or on behalf of PEIF III Bidco in connection with any Offer, including (as the context requires) any revised offer document;

"Panel" means the Panel on Takeovers and Mergers in the UK;

"PEIF III Bidco Directors" means the directors of PEIF III Bidco from time to time;

"PEIF III Bidco Group" means PEIF III Bidco and its direct parent entities from time to time and "member of the PEIF III Bidco Group" shall be construed accordingly;

"Recipient" has the meaning given in Clause 7.3;

"Regulatory Authority" means any merger control authority, any court or competition, antitrust, national, supranational or supervisory body or other government, governmental, trade or regulatory agency or body, in each case in any jurisdiction;

"Relevant Third Party" has the meaning given in Clause 10.4.1;

"Representative" has the meaning given in Clause 7.3;

"RIS" means a regulatory information service as defined in the Listing Rules;

"Stagecoach Board Recommendation" means the unanimous and unconditional recommendation of the Stagecoach Directors to the Stagecoach Shareholders to accept the Offer, including the statement in the Announcement that the Stagecoach Directors intend to make such recommendation;

"Stagecoach Board Recommendation Change" means

- (i) any failure to include the Stagecoach Board Recommendation in the Offer Document;
- (ii) except as contemplated in this Agreement, any announcement by Stagecoach that the Stagecoach Directors no longer intend to make the Stagecoach Board Recommendation or intend adversely to modify or qualify such recommendation; or
- (iii) any withdrawal, adverse qualification or adverse modification of the Stagecoach Board Recommendation without PEIF III Bidco's prior written consent;

"Stagecoach Directors" means the directors of Stagecoach from time to time;

"Stagecoach Group" means Stagecoach, its subsidiaries and its subsidiary undertakings from time to time and **"member of the Stagecoach Group"** shall be construed accordingly;

"Stagecoach Shareholders" means the holders of Stagecoach Shares from time to time; and

"Stagecoach Shares" means the ordinary shares of 125/228p each in the capital of Stagecoach from time to time.

1.2 Interpretation

1.2.1 In this Agreement, except where the context otherwise requires:

- (A) a reference to this Agreement includes any Recitals and Schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement unless the context requires otherwise;
- (B) a reference to a time of day is to London time;
- (C) a reference to a day (including within the defined term "Business Day") means a period of 24 hours ending at midnight;
- (D) any period of time is calculated exclusive of the day from which the time period is expressed to run or the day upon which the event occurs which causes the period to start running;
- (E) a reference to a statute, instrument or statutory provision is a reference to it as amended, extended, re-enacted, incorporated or reproduced from time to time and to any subordinate legislation made under it;
- (F) the words "acting in concert" shall be construed in accordance with the Takeover Code;
- (G) a reference to a "person" includes any company, partnership or unincorporated association, government, state, state agency, (whether or not having separate legal personality) and includes a reference to that

person's legal personal representatives, successors and permitted assigns;

- (H) a reference to "writing" or "written" means any method of reproducing words in a legible form and shall include email but shall exclude writing in a transitory form;
- (I) the words and phrases "includes", "including", "in particular" (or any terms of similar effect) shall not be construed as implying any limitation and general words shall not be given a restrictive meaning because they are preceded or followed by particular examples;
- (J) a reference to the singular include the plural and vice versa; and
- (K) a reference to the termination of this Agreement includes a reference to its expiry by effluxion of time.

1.2.2 The headings in this Agreement do not affect its interpretation.

1.2.3 The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.

1.3 **Definitions incorporated from Companies Act 2006**

In this Agreement, words and expressions defined in the Companies Act bear the same meaning as in that Act unless expressly stated otherwise.

2. **PUBLICATION OF ANNOUNCEMENT AND TERMS OF ACQUISITION**

2.1 The obligations of the Parties under this Agreement, other than this Clause 2.1 and Clauses 6 to 11 (inclusive), shall be conditional on the release of the Announcement via a RIS on the date of this Agreement, or such later date as the Parties may agree (and, where required by the Code, approved by the Panel). This Clause 2.1 and Clauses 6 to 11 (inclusive) shall take effect upon execution of this Agreement.

2.2 The principal terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the Parties in writing (save in the case of an improvement to the terms of the Acquisition in favour of the Stagecoach Shareholders, which will be at the sole discretion of PEIF III Bidco and, where required by the Code, approved by the Panel). The terms of the Acquisition shall be set out in the Offer Document in accordance with the provisions of Clause 3.

3. **OFFER**

3.1 Unless otherwise agreed with Stagecoach or required by the Panel:

3.1.1 PEIF III Bidco will:

- (A) prepare, as soon as reasonably practicable, the Offer Document and Form of Acceptance; and
- (B) consult in good faith with Stagecoach as to the timing of publication, form and content of the Offer Document and Form of Acceptance;

3.1.2 PEIF III Bidco shall not, except in circumstances where the National Express Offer has been withdrawn or has lapsed, take any action pursuant to Rule 31.6 of the Code which could cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to Day 60;

3.1.3 PEIF III Bidco shall ensure that, subject to the terms of this Agreement, the Offer is made on the same terms as those set out in the Announcement and the only conditions of the Offer shall be the Conditions unless the Parties agree otherwise

in writing or with any modification or amendment to such terms and Conditions as may be required by the Panel;

- 3.1.4 PEIF III Bidco shall keep Stagecoach informed, on a confidential basis on the next Business Day following receipt of a written request from Stagecoach, of the number of Stagecoach Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly or invalidly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Stagecoach Shares to which such forms relate.

4. REMUNERATION PROPOSALS

- 4.1 The Parties agree that the provisions of Schedule 2 with respect to certain employee-related matters shall be implemented in accordance with that Schedule.

5. DIRECTORS' AND OFFICERS' INSURANCE

- 5.1 To the extent such obligations are permitted by Law, for six years after the Effective Date, PEIF III Bidco shall procure that the members of the Stagecoach Group fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance reasonable expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 5.2 PEIF III Bidco acknowledges that Stagecoach may prior to the Effective Date purchase directors' and officers' liability insurance cover for both current and former directors and officers of Stagecoach, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts or omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equal to that provided under the Stagecoach directors' and officers' liability insurance as at the date of this Agreement.

6. TERMINATION

- 6.1 Subject to Clauses 6.2 and 6.3, this Agreement shall terminate with immediate effect and all rights and obligations of the Parties under the Agreement shall cease forthwith, if one or more of the following occurs:
- 6.1.1 if such termination is agreed in writing between the Parties;
- 6.1.2 if the Announcement is not released on or before the date specified in Clause 2.1 (unless prior to that date the Parties have agreed another date in accordance with that Clause);
- 6.1.3 upon service of written notice by PEIF III Bidco to Stagecoach if a Stagecoach Board Recommendation Change occurs;
- 6.1.4 upon service of written notice by Stagecoach to PEIF III Bidco if a Competing Proposal completes, becomes effective, or is declared or becomes unconditional in all respects;
- 6.1.5 upon service of written notice by PEIF III Bidco to Stagecoach stating that:
- (A) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date and, notwithstanding that it has the right to waive such Condition, PEIF III Bidco will not do so; or
- (B) any Condition which is incapable of waiver has become incapable of satisfaction by the Long Stop Date,
- in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;
- 6.1.6 upon service of written notice by PEIF III Bidco to Stagecoach if a Competing Proposal: (i) completes, becomes effective, or is declared or becomes

unconditional in all respects; or (ii) is recommended in whole or in part by the board of Stagecoach Directors;

6.1.7 if the Acquisition is withdrawn, lapses or terminates on or prior to the Long Stop Date; or

6.1.8 on the Effective Date.

6.2 Termination of this Agreement shall be without prejudice to the rights of any of the Parties which have arisen before termination.

6.3 The whole of this Clause 6, Clauses 7 to 11 (inclusive) and, in circumstances where this Agreement is terminated on or after the Effective Date, Clause 4 and Schedule 2, shall survive termination of this Agreement.

7. WARRANTIES AND UNDERTAKING

7.1 Each Party warrants to the other Party on the date of this Agreement that:

7.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;

7.1.2 this Agreement constitutes its binding obligations in accordance with its terms;

7.1.3 the execution and delivery of, and performance of its obligations under, this Agreement will not:

(A) result in a breach of any provision of its constitutional documents;

(B) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or

(C) result in a breach of any order, judgment or decree or any court or governmental agency to which it is a party or by which it is bound.

7.2 Each Party shall have no claim against the other Party for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

7.3 Each Party acknowledges and agrees that any information and/or assistance provided by any of the other Party's directors, officers, employees or advisers (each a "**Representative**") to it and/or any other person acting in concert with either of them, and any of their respective directors, officers, employees or advisers (each a "**Recipient**"), whether before, on or after the date of this Agreement: (i) pursuant to the obligations of the relevant Party or any member of their respective groups under or otherwise in connection with this Agreement; or (ii) in connection with the Acquisition, shall in each case be (and have been) given on the basis that the relevant Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any of the Recipient's may suffer as a result of the provision of any such information and/or assistance, save, in each case for loss or damage resulting from the fraudulent misrepresentation of the relevant Representative.

8. NOTICES

8.1 Requirements for notices

A notice (including any approval, consent or other communication) given in connection with this Agreement and the documents referred to in it must be in writing and must be given by one of the following methods:

8.1.1 by hand (including by courier or process server) to the address of the addressee; or

8.1.2 by pre-paid registered post (or airmail if posted from a place outside the United Kingdom) to the address of the addressee; or

8.1.3 by email to the email address of the addressee.

being the address or email address (as applicable) specified in Clause 8.2 in relation to the Party to whom the notice is addressed, and marked for the attention of the person so specified, or to such other address in the United Kingdom, or marked for the attention of such other person, as the relevant Party may from time to time specify by notice given to the other Party in accordance with this Clause.

8.2 Parties' contact details

The relevant address and specified details for each of the Parties at the date of this Agreement is as follows:

PEIF III Bidco

Address: Solent Business Park, Forum 4, C/O Aztec Financial Services (UK) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD

For the attention of: [REDACTED]

Email: [REDACTED]

with a copy to:

[REDACTED]): Freshfields LLP, 100 Bishopsgate, London EC1P 2SR

Stagecoach

Address: 10 Dunkeld Road, Perth, Perthshire PH1 5TW

For the attention of: [REDACTED]

Email: [REDACTED]

with a copy to:

[REDACTED] of: Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG

8.3 Deemed receipt

Unless it is proved that it was received earlier, a notice is deemed to be received and therefore to have been given;

8.3.1 in the case of a notice given by hand (including by courier or process server), at the time when the notice is left at the relevant address;

8.3.2 in the case of a notice given by registered mail, one Business Day after posting; and

8.3.3 if sent by email when actually received by the intended recipient in readable form.

9. ENTIRE AGREEMENT

9.1 The provisions of this Agreement shall be supplemental to and shall not prejudice the terms of the Confidentiality Agreement and Clean Team Agreement which shall remain in full force and effect notwithstanding the execution of this Agreement.

9.2 This Agreement, together with the Confidentiality Agreement and Clean Team Agreement, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

9.3 Each Party confirms that, except as provided in this Agreement, the Confidentiality Agreement and Clean Team Agreement, no Party has relied on any undertaking, representation or warranty which is not contained in this Agreement, the Confidentiality Agreement or Clean Team Agreement and no Party shall be under any liability or shall have any remedy in respect of any misrepresentation or untrue statement unless and to the extent

that a claim lies under this Agreement, the Confidentiality Agreement or the Clean Team Agreement.

10. MISCELLANEOUS

10.1 Assignment

No Party may assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, hold on trust or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement or sub contract or delegate in any manner whatsoever its performance under this Agreement and any such purported dealing in contravention of this Clause 10.1 shall be ineffective, without the prior written consent of the other Party.

10.2 Code

10.2.1 Nothing in this Agreement shall in any way limit the Parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms.

10.2.2 Nothing in this Agreement shall oblige:

- (A) Stagecoach to take any action which the Panel determines would not be permitted by Rule 21.2 of the Code; or
- (B) Stagecoach or Stagecoach Directors to recommend an Offer proposed by PEIF III Bidco or any member of the PEIF III Bidco Group.

10.3 Legal relationship

Nothing in this Agreement or in any document referred to in it or any action taken by the Parties under it or any document referred to in it shall constitute any of the Parties a partner of any other.

10.4 Third party rights

10.4.1 Each of:

- (A) the current and/or former directors and officers of the members of the Stagecoach Group to which Clause 5 applies; and
- (B) the Representative of Stagecoach to which Clause 7.3 applies,

(each such person being a "**Relevant Third Party**") may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clause 5 and/or 7.3 (as applicable). This right is subject to: (i) the rights of the Parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or variation of Clause 5 and/or 7.3 shall require the consent of the affected Relevant Third Party); and (ii) the other terms and conditions of this Agreement.

10.4.2 The provisions of Schedule 2 confer benefits on certain employees and other beneficiaries who may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Schedule 2.

10.4.3 Save for as set out in Clauses 10.4.1 and 10.4.2 above, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement.

10.5 Variation and waiver

10.5.1 No variation of this Agreement shall be effective unless it is in writing (which for this purpose, does not include email) and signed by, or on behalf of, each of the Parties. The expression "variation" includes any variation, supplement, deletion or replacement however effected.

10.5.2 No waiver of any right or remedy provided by this Agreement or by law shall be effective unless it is in writing (which for this purpose, does not include email) and signed by, or on behalf of, the Party granting it.

10.5.3 The failure to exercise, or delay in exercising, any right or remedy provided by this Agreement or by law does not:

- (A) constitute a waiver of that right or remedy;
- (B) restrict any further exercise of that right or remedy; or
- (C) affect any other rights or remedies.

10.5.4 A single or partial exercise of any right or remedy does not prevent any further or other exercise of that right or remedy or the exercise of any other right or remedy.

10.6 Counterparts

This Agreement may be executed in any number of counterparts and by each Party on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts together constitute one instrument. Delivery of an executed signature page of a counterpart by electronic transmission shall take effect as delivery of an executed counterpart of this Agreement.

10.7 Time of the essence

Time shall be of the essence of this Agreement in respect of any dates, times and periods mentioned throughout this Agreement and in respect of any dates and periods which may be substituted for them in accordance with this Agreement or by agreement in writing by the Parties.

10.8 Severance

10.8.1 If any provision or part of any provision of this Agreement is or becomes invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement.

10.8.2 If any provision of this Agreement is or becomes invalid or unenforceable in any respect, but would be valid and enforceable if some part of the provision were deleted, the provision in question shall apply with such deletion as may be necessary to make it valid and enforceable.

10.8.3 The Parties agree that, if the Panel determines that any provision of this Agreement that requires Stagecoach to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

10.9 Costs

Each Party shall bear its own costs and expenses incurred in connection with the negotiation and preparation of this Agreement and any other documents referred to in this Agreement and any other documents which are ancillary or incidental to it.

10.10 Further assurance

Each Party shall, at its own cost, use all reasonable endeavours to, or procure that any Relevant Third Party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement and to implement the Acquisition.

11. GOVERNING LAW AND DISPUTE RESOLUTION

11.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

11.2 Each Party irrevocably agrees that the courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Agreement or its

subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims).

- 11.3 Each Party irrevocably waives any right that it may have to object to an action being brought in the courts of England, to claim that the action has been brought in an inconvenient forum, or to claim that the courts of England do not have jurisdiction.

**SCHEDULE 1
ANNOUNCEMENT**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

9 March 2022

RECOMMENDED CASH OFFER
FOR
STAGECOACH GROUP PLC
BY
INFRAMOBILITY UK BIDCO LIMITED

1. **Summary**

The board of directors of Inframobility UK Bidco Limited ("**PEIF III Bidco**"), a company indirectly wholly owned by Pan-European Infrastructure III, SCSp ("**PEIF III**"), an infrastructure fund managed and advised by DWS Infrastructure, and the board of directors of Stagecoach Group plc ("**Stagecoach**") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by PEIF III Bidco to acquire the entire issued and to be issued ordinary share capital of Stagecoach. Consequently, the Stagecoach Directors have today confirmed that they no longer intend to recommend the National Express Offer announced on 14 December 2021.

The Offer, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Offer Document, will be made on the following basis:

105 pence in cash for each Stagecoach Share

valuing Stagecoach's existing issued and to be issued ordinary share capital at approximately £594.9 million on a fully diluted basis.

The Offer Price represents a premium of approximately:

- 54.3 per cent. to the closing price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement);
- 37.2 per cent. to the closing price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the date of this Announcement);
- 22.7 per cent. to the volume-weighted average closing price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the date of this Announcement);
- 51.4 per cent. 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 (being the last Business Day before the date of this Announcement); and

- 19.6 per cent. to the average volume weighted look-through value of the National Express Offer of 87.80 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the date of this Announcement).

The cash consideration payable by PEIF III Bidco to holders of Stagecoach Shares under the terms of the Offer will be financed by equity capital committed by PEIF III.

In addition to the cash premium and certainty for investors, the Offer presents a number of benefits to other Stagecoach key stakeholders as well as supporting the significant growth opportunities ahead:

- Stagecoach and DWS share a vision around the benefits of transitioning to a more sustainable world and both have a track record of unlocking value for all stakeholders.
- It will provide continuity in terms of the well-regarded senior management team, with the retention of the current Chief Executive, Finance Director and UK Managing Director.
- For employees, it will provide greater certainty over the future, with overall headcount in frontline operational roles expected to remain the same, as well as the retention of Stagecoach's existing headquarter functions and related roles in Perth, London and Stockport. Employees will also benefit from the commitments given to the SGPS.
- The Offer will provide access to capital to invest in services and deliver on Stagecoach's existing strategy to transition to a net-zero future, delivering multiple benefits to the customers and communities it serves.

2. **Background to and reasons for the Offer**

DWS Infrastructure is a patient long-term infrastructure investor with a proven track record and extensive expertise in unlocking the value of its portfolio companies using its experience, network and ability to deploy further capital in return enhancing investments. Transportation and essential infrastructure represent a core sector of focus for DWS Infrastructure, with multiple investments in the UK such as Corelink, Kelda (the owner of Yorkshire Water) and Peel Ports where DWS Infrastructure has actively supported capital expenditure investments of >£1 billion during its ownership. DWS Infrastructure has also invested in other leading European transportation platforms, including Hansea, a leading Belgian public bus operator, where DWS Infrastructure is supporting the acceleration of its growth strategy and has engaged with the relevant passenger transport authorities ("**PTAs**") to agree a roadmap for the replacement of the company's bus fleet with low or zero emission vehicles.

As a leading transportation services provider in the UK, with a significant market share and a track record of strong financial performance and predictable long-term cash flows, the Stagecoach business fits with DWS Infrastructure's investment criteria.

DWS Infrastructure has a strong conviction about the UK bus market opportunity on the back of the introduction of Enhanced Partnerships and potential Franchising arrangements expected to drive increases in bus patronage and improvements in the quality of the service of the network.

DWS Infrastructure intends to focus on long-term sustainable value creation through continued capital investment in Stagecoach's asset base, supporting the management team in delivering the business plan.

The UK bus sector is at an inflection point as the country looks to (i) decarbonise and transition to low or zero emission vehicles as part of ambitious UK Government plans to reach net zero in the transport sector over the next decade; and (ii) maximise the opportunities from the National Bus Strategy to deliver on the joint improvement plans of local transport authorities and operators to attract people away from private cars towards more sustainable bus travel.

The transition to a low carbon footprint sector and the announced improvement of services will require substantial capital investments in the medium to long-term in order to meet the expectations of passengers and the UK Government. As a leading UK bus operator, Stagecoach will play a key role in driving such transition.

Public transport is critical to government successfully achieving its ambitions around economic recovery, levelling up, better health outcomes for citizens and delivering decarbonisation. Stagecoach is already in a strong position to play a central role in meeting these objectives and this will be enhanced by the opportunities provided by the Offer.

DWS Infrastructure's experience in the transportation sector combined with its long-term investment horizon makes it well-placed to support the Stagecoach business and provide benefits for all stakeholders.

3. **Stagecoach Group Pension Scheme**

DWS Infrastructure has held constructive discussions with the trustees of the SGPS and PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees relating to the future funding and investment strategy of the SGPS. DWS Infrastructure and the trustees of the SGPS have also updated the Pensions Regulator about the Offer, the engagement between DWS Infrastructure and the trustees, and the Memorandum of Understanding.

4. **Offer Structure and Timetable**

It is intended that the Offer will be implemented by way of a takeover offer (as defined in Part 28 of the Companies Act). The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Offer Document.

As described in and subject to Appendix 1 and the rules of the Takeover Code, the Acceptance Condition shall be satisfied once valid acceptances of the Offer have been received in respect of 75 per cent. in nominal value of the Stagecoach Shares to which the Offer relates and of the voting rights attached to those shares (when aggregated with any Stagecoach Shares acquired or agreed to be acquired by PEIF III Bidco or any member of the PEIF III Topco Group).

PEIF III Bidco may decide to waive the Acceptance Condition down to a lesser percentage subject to and in accordance with the terms of the Acceptance Condition and Rule 10 of the Takeover Code.

PEIF III Bidco reserves the right, with the consent of the Panel and Stagecoach, to elect to implement the acquisition of the Stagecoach Shares by way of a scheme of arrangement of Stagecoach under Part 26 of the Companies Act.

Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1, it is expected that the Offer will become or be declared unconditional in the first half of 2022.

5. Irrevocable Undertaking

PEIF III Bidco has received an irrevocable undertaking to accept the Offer (or to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting, as necessary) from Dame Ann Gloag (through HGT Finance A Limited) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.5 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares) on 8 March 2022 (being the last Business Day before the date of this Announcement).

This irrevocable undertaking will remain binding if a higher competing offer for Stagecoach is made. Further details of the irrevocable undertaking (including the circumstances in which it will lapse) are set out in Appendix 3 to this Announcement.

6. Recommendation

The Stagecoach Directors, who have been so advised by Deutsche Bank and RBC as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their financial advice to the Stagecoach Directors, Deutsche Bank and RBC have taken into account the commercial assessments of the Stagecoach Directors.

Although both Deutsche Bank and RBC are acting as financial advisers to Stagecoach, because DWS is ultimately controlled by Deutsche Bank, only RBC is acting as the independent financial adviser to Stagecoach for the purposes of providing independent advice to the Stagecoach Directors on the Offer under Rule 3 of the Takeover Code.

Accordingly, the Stagecoach Directors intend unanimously to recommend that Stagecoach Shareholders accept or procure the acceptance of the Offer (or in the event that the Offer is implemented by way of a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Offer at a Stagecoach General Meeting).

On 14 December 2021, National Express Group PLC ("**National Express**") and Stagecoach announced that they had reached agreement on the terms of a recommended all-share combination of National Express and Stagecoach by way of a court-sanctioned scheme of arrangement of Stagecoach under Part 26 of the Companies Act (the "**National Express Offer**"). The National Express Firm Offer Announcement stated that the Stagecoach Directors intend to unanimously recommend that Stagecoach Shareholders vote in favour of the National Express Offer at the relevant shareholder meetings.

In light of their intended recommendation of the Offer by PEIF III Bidco, the Stagecoach Directors have decided unanimously to withdraw their recommendation of the National Express Offer.

In connection with the National Express Offer, on 26 January 2022 the CMA imposed an initial enforcement order on Stagecoach and National Express ("**IEO**"). The IEO was issued with the aim of ensuring neither National Express nor Stagecoach take any pre-emptive action that might prejudice the CMA's investigation of the National Express Offer. Its terms extend to preventing any action which might result in a transfer of the ownership or control of Stagecoach's business, or the disposal of any assets of Stagecoach. The CMA has confirmed to Stagecoach that neither the recommendation and announcement of, nor steps taken to implement and complete, the Offer will engage the IEO. As such, the IEO will not operate to prevent PEIF III Bidco from proceeding with the Offer.

On 14 December 2021, Stagecoach announced that it had entered into agreements to sell the marketing, retail and customer service activities of three of its inter-city coach businesses to ComfortDelGro Corporation Limited ("**CDG**"), (together the "**Disposal**"). The Disposal

proactively addresses potential regulatory considerations in respect of the National Express Offer. Following the issue of the IEO preventing Stagecoach from disposing of material UK assets, the completion date of the Disposal has been delayed. The Disposal does not automatically terminate as a result of the Offer and Stagecoach continues to comply with its contractual obligations to CDG. For confidentiality reasons it has not been practicable for Stagecoach to discuss the implications of the Offer on the Disposal with CDG in advance of this Announcement but Stagecoach will now do so and provide an update in due course.

Commenting on the Offer, Hamish Mackenzie, Head of Infrastructure at DWS said:

"Stagecoach is a fantastic business with an exciting future as a central player in a revitalised UK bus and coach market. As a long-term investor in essential services with a strong track record in the UK and European transport sectors, DWS Infrastructure will back Stagecoach to rapidly capitalise on the growth opportunities presented by increased public and private investment in UK bus and coach."

"We are focused on supporting Stagecoach and its management team to deliver their strategy for the benefit of passengers, local communities and employees, as well as helping achieve ambitious plans for reaching Net Zero. We are pleased the Board of Stagecoach has unanimously recommended our offer and we look forward to working with the existing management team to grow the business sustainably for the long-term."

Commenting on the Offer, Martin Griffiths, Chief Executive of Stagecoach said:

"Stagecoach is a leading multi-modal public transport operator and the proposed offer presents a major opportunity to maximise the significant growth potential ahead as governments seek to deliver economic recovery, level up communities, provide better health outcomes for citizens, and transition to a net zero future."

"We believe it will open a new and exciting chapter for Stagecoach, backed by a team who share our vision for a more sustainable future. We also believe it will deliver positive outcomes both now and in the long-term for all of our key stakeholders: the customers and the communities we serve, the people who deliver our high-quality transport services, our partners in national and local government, and the investors who have supported our continued success over many decades."

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).

The Offer will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Offer Document. Appendix 2 contains the sources of information and bases of calculation of certain information contained in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertaking received in relation to the Offer that are referred to in this Announcement, as well as details of certain irrevocable undertakings and a letter of intent received by National Express in relation to the National Express Offer. Appendix 4 contains definitions of certain terms used in this summary and this Announcement.

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Freshfields Bruckhaus Deringer LLP is acting as legal adviser to PEIF III and PEIF III Bidco and Herbert Smith Freehills LLP is acting as legal adviser to Stagecoach in connection with the Offer.

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 acceptance forms accompanying the Offer Document, 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 acceptance forms accompanying the Offer Document.

Stagecoach Shareholders are advised to read the Offer Document and (in respect of Stagecoach Shares held in certificated form) the acceptance forms accompanying the Offer Document carefully when they become available because they will contain important information in relation to the Offer.

Information Relating to Stagecoach Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Stagecoach Shareholders, persons with information rights and other relevant persons for the receipt of communications from Stagecoach may be provided to PEIF III Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code.

Overseas Jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom 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 Takeover 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 Takeover Code, and permitted by applicable law and regulation, the Offer will not be 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 may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this Announcement and any formal 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 availability of the Offer to Stagecoach Shareholders who are not resident in and citizens of the United Kingdom 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 should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Stagecoach Shareholders in overseas jurisdictions will be contained in the Offer Document.

The Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority (the "FCA").

Additional Information for US Investors

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. Financial information included in this Announcement and the Offer Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that 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 will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Takeover 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 laws, since PEIF III Bidco and Stagecoach are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. 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 of the US, 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 Takeover 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 Takeover 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.

Important Notices Relating to the Financial Advisers

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the Prudential Regulation Authority ("**PRA**") with deemed variation of permission. It is subject to regulation by the FCA and limited regulation by the PRA. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. Deutsche Bank AG, London Branch ("**Deutsche Bank**") is acting exclusively as financial adviser to Stagecoach and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the subject matter of this Announcement or any other matter referred to in this Announcement.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom and is a wholly owned subsidiary of Royal Bank of Canada, is acting for Stagecoach and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of RBC, or for providing advice in connection with matters referred to in this Announcement. Neither RBC nor its parent nor any of its subsidiaries or 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 RBC in connection with this Announcement or any matter referred to herein.

Morgan Stanley, which is authorised by PRA and regulated by the 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.

Cautionary Note Regarding Forward Looking Statements

This Announcement (including information incorporated by reference into this Announcement), oral statements 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. Neither PEIF III Bidco or Stagecoach, nor any member of their respective groups, 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.

No Profit Forecasts or Estimates

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Stagecoach for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Stagecoach.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the Takeover 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 Takeover 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 and availability of hard copies

A copy of this Announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on PEIF III Bidco's website at https://www.dws.com/Our-Profile/media/media-releases/DWS_Infrastructure and on Stagecoach's website at <https://www.stagecoachgroup.com/investors.aspx> by no later than 12 noon (London time) on the

Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Stagecoach Shareholders may request a hard copy of this Announcement by contacting Link Group, Stagecoach Group Share Register at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephoning +44 (0)371 664 0443 or by emailing StagecoachGroup@linkgroup.co.uk.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for 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.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

9 March 2022

RECOMMENDED CASH OFFER
FOR
STAGECOACH GROUP PLC
BY
INFRAMOBILITY UK BIDCO LIMITED

1. Introduction

The board of directors of Inframobility UK Bidco Limited ("**PEIF III Bidco**"), a company indirectly wholly owned by Pan-European Infrastructure III, SCSp ("**PEIF III**"), an infrastructure fund managed and advised by DWS Infrastructure, and the board of directors of Stagecoach Group plc ("**Stagecoach**") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by PEIF III Bidco to acquire the entire issued and to be issued ordinary share capital of Stagecoach. Consequently, the Stagecoach Directors have today confirmed that they no longer intend to recommend the National Express Offer announced on 14 December 2021.

2. The Offer

The Offer, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Offer Document, will be made on the following basis:

105 pence in cash for each Stagecoach Share

valuing Stagecoach's existing issued and to be issued ordinary share capital at approximately £594.9 million on a fully diluted basis.

The Offer Price represents a premium of approximately:

- 54.3 per cent. to the closing price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement);
- 37.2 per cent. to the closing price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the date of this Announcement);
- 22.7 per cent. to the volume-weighted average closing price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the date of this Announcement);

- 51.4 per cent. 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 (being the last Business Day before the date of this Announcement); and
- 19.6 per cent. to the average volume weighted look-through value of the National Express Offer of 87.80 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the date of this Announcement).

The cash consideration payable by PEIF III Bidco to holders of Stagecoach Shares under the terms of the Offer will be financed by equity capital committed by PEIF III.

In addition to the cash premium and certainty for investors, the Offer presents a number of benefits to other Stagecoach key stakeholders as well as supporting the significant growth opportunities ahead:

- Stagecoach and DWS share a vision around the benefits of transitioning to a more sustainable world and both have a track record of unlocking value for all stakeholders.
- It will provide continuity in terms of the well-regarded senior management team, with the retention of the current Chief Executive, Finance Director and UK Managing Director.
- For employees, it will provide greater certainty over the future, with overall headcount in frontline operational roles expected to remain the same, as well as the retention of Stagecoach's existing headquarter functions and related roles in Perth, London and Stockport. Employees will also benefit from the commitments given to the SGPS.
- The Offer will provide access to capital to invest in services and deliver on Stagecoach's existing strategy to transition to a net-zero future, delivering multiple benefits to the customers and communities it serves.

If, on or after the date of this Announcement, any dividend and/or other distribution or form of capital return is announced, declared, made or paid by Stagecoach or becomes payable in respect of Stagecoach Shares, PEIF III Bidco reserves the right to reduce the consideration payable under the terms of the Offer at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

3. **Background to and reasons for the Offer**

DWS Infrastructure has a strong track record

DWS Infrastructure is a patient long-term infrastructure investor with a proven track record and extensive expertise in unlocking the value of its portfolio companies using its experience, network and ability to deploy further capital in return enhancing investments. Transportation and essential infrastructure represent a core sector of focus for DWS Infrastructure, with multiple investments in the UK such as Corelink, Kelda (the owner of Yorkshire Water) and Peel Ports where DWS Infrastructure has actively supported capital expenditure investments of >£1 billion during its ownership. DWS Infrastructure has also invested in other leading European transportation platforms, including Hansea, a leading Belgian public bus operator, where DWS Infrastructure is supporting the acceleration of its growth strategy and has engaged

with the relevant passenger transport authorities ("**PTAs**") to agree a roadmap for the replacement of the company's bus fleet with low or zero emission vehicles.

Compelling Strategic and Financial Rationale for the acquisition of Stagecoach

As a leading transportation services provider in the UK, with a significant market share and a track record of strong financial performance and predictable long-term cash flows, the Stagecoach business fits with DWS Infrastructure's investment criteria.

DWS Infrastructure has a strong conviction about the UK bus market opportunity on the back of the introduction of Enhanced Partnerships and potential Franchising arrangements expected to drive increases in bus patronage and improvements in the quality of the service of the network.

DWS Infrastructure intends to focus on long-term sustainable value creation through continued capital investment in Stagecoach's asset base, supporting the management team in delivering the business plan.

The UK bus sector is at an inflection point as the country looks to (i) decarbonise and transition to low or zero emission vehicles as part of ambitious UK Government plans to reach net zero in the transport sector over the next decade; and (ii) maximise the opportunities from the National Bus Strategy to deliver on the joint improvement plans of local transport authorities and operators to attract people away from private cars towards more sustainable bus travel.

The transition to a low carbon footprint sector and the announced improvement of services will require substantial capital investments in the medium to long-term in order to meet the expectations of passengers and the UK Government. As a leading UK bus operator, Stagecoach will play a key role in driving such transition.

Public transport is critical to government successfully achieving its ambitions around economic recovery, levelling up, better health outcomes for citizens and delivering decarbonisation. Stagecoach is already in a strong position to play a central role in meeting these objectives and this will be enhanced by the opportunities provided by the Offer.

DWS Infrastructure's experience in the transportation sector combined with its long-term investment horizon makes it well-placed to support the Stagecoach business and provide benefits for all stakeholders:

- **Backing for the management team:** DWS Infrastructure is highly supportive of the current management team and will support the team to deliver on the market opportunity;
- **Access to capital:** DWS Infrastructure has a track record of supporting significant capital expenditure projects across its portfolio companies and will support Stagecoach's management in accessing capital to deliver its decarbonization objectives;
- **Continued focus on the UK:** DWS Infrastructure will ensure the continued focus of the Stagecoach business on the UK market and the delivery of public transport services through bus, coach and light rail. Under DWS Infrastructure, the priority for Stagecoach will remain delivering for bus passengers in the UK;
- **Aiming to enhance services:** supporting Stagecoach in achieving sustainable growth and service quality improvements for passengers and communities around the UK; and

- **Approach to Stagecoach's pensions schemes:** DWS Infrastructure as a patient long-term capital infrastructure investor is a sound steward for Stagecoach's pension schemes and has a long-term approach to safeguarding Stagecoach's pension commitments in alignment with the trustees of the SGPS.

4. **Recommendation**

The Stagecoach Directors, who have been so advised by Deutsche Bank and RBC as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their financial advice to the Stagecoach Directors, Deutsche Bank and RBC have taken into account the commercial assessments of the Stagecoach Directors.

Although both Deutsche Bank and RBC are acting as financial advisers to Stagecoach, because DWS is ultimately controlled by Deutsche Bank, only RBC is acting as the independent financial adviser to Stagecoach for the purposes of providing independent advice to the Stagecoach Directors on the Offer under Rule 3 of the Takeover Code.

Accordingly, the Stagecoach Directors intend unanimously to recommend that Stagecoach Shareholders accept or procure the acceptance of the Offer (or in the event that the Offer is implemented by way of a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Offer at a Stagecoach General Meeting).

On 14 December 2021, National Express Group PLC ("**National Express**") and Stagecoach announced that they had reached agreement on the terms of a recommended all-share combination of National Express and Stagecoach by way of a court-sanctioned scheme of arrangement of Stagecoach under Part 26 of the Companies Act (the "**National Express Offer**"). The National Express Firm Offer Announcement stated that the Stagecoach Directors intend to unanimously recommend that Stagecoach Shareholders vote in favour of the National Express Offer at the relevant shareholder meetings.

In light of their intended recommendation of the Offer by PEIF III Bidco, the Stagecoach Directors have decided unanimously to withdraw their recommendation of the National Express Offer.

5. **Background to and reasons for the recommendation**

Subsequent to the announcement of a possible all-share combination of National Express and Stagecoach on 21 September 2021, on 10 November 2021 Stagecoach received an unsolicited expression of interest from PEIF III, acting by DWS Alternatives regarding a possible cash offer. This expression of interest was highly conditional and did not indicate the value at which PEIF III would be willing to make such an offer.

On 14 December 2021, Stagecoach and National Express announced they had reached agreement on the recommended all-share National Express Offer. Under the terms of the National Express Offer, Stagecoach Shareholders would receive 0.36 National Express Shares per Stagecoach Share.

Subsequently, in February 2022, PEIF III made a number of proposals in relation to a possible cash offer for Stagecoach, before subsequently increasing its proposal to 105 pence per Stagecoach Share and reaching agreement on the terms of the proposal announced today.

The Stagecoach Board, together with its financial advisers Deutsche Bank and RBC, has carefully considered and evaluated the financial terms of the Offer and concluded that the Offer represents a superior offer for Stagecoach Shareholders as compared with the

National Express Offer. RBC is providing financial advice to Stagecoach under Rule 3 of the Takeover Code.

In making its assessment, the Stagecoach Board has also carefully evaluated DWS Infrastructure's intentions regarding the conduct of the Stagecoach business under PEIF III Bidco's ownership.

Accordingly, the Stagecoach Directors have decided unanimously to withdraw their recommendation for the National Express Offer and intend to recommend unanimously the Offer to Stagecoach Shareholders.

In deciding to unanimously recommend the Offer, the Stagecoach Directors consider that the value, certainty and timing advantage of the all-cash Offer provides a more attractive proposition for Stagecoach Shareholders than the National Express Offer.

The Stagecoach Directors continue to see positive long-term prospects for the business but also recognise that there are uncertainties relating to the extent and pace of recovery in customer demand, the direction of future government policy and funding, and cost inflation. In this context, the Stagecoach Directors have concluded that the terms of the Offer reflect the strengths of Stagecoach's business and its prospects, and represents a material premium to the look-through value of the National Express Offer.

In addition, in comparison with the National Express Offer, 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 the offeror.

In considering the financial terms of the Offer and determining whether they reflect an appropriate valuation of Stagecoach and its future prospects, the Stagecoach Board has taken into account a number of factors, including the value of the Offer relative to the value of the National Express Offer, and the value of the Offer relative to the standalone value of Stagecoach.

In particular, the Stagecoach Directors considered that, relative to the value of the National Express Offer, the Offer represents:

- a 51.4 per cent. premium 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 (being the last Business Day before the date of this Announcement);
- a 37.2 per cent. premium to the closing price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the date of this Announcement); and
- a 22.7 per cent. premium to the volume-weighted average closing price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the date of this Announcement).

Further, the Stagecoach Directors considered that, relative to the value of the undisturbed standalone value of Stagecoach, the Offer represents:

- a 54.3 per cent. premium to the closing price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement); and
- a 28.3 per cent. premium to the volume-weighted average closing price of 81.84 pence per Stagecoach Share for the three-month period ended 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement).

6. **Information relating to Stagecoach**

Stagecoach Group is a leading multi-modal UK public transport company, serving more than 100 communities across England, Scotland and Wales.

Stagecoach Group operates services in regulated and deregulated markets. It is a leading UK bus operator, with major city bus operations in London, Manchester, Liverpool, Newcastle, Hull, Sheffield, Oxford and Cambridge, as well as inter-urban services linking smaller locations and a tram network in Sheffield.

Stagecoach is already progressing a detailed long-term sustainability strategy, which includes a stated target of delivering a net zero UK bus fleet by 2035 as part of a wider set of environmental, social and governance commitments.

Stagecoach Group has around 24,000 employees and around 7,900 buses, coaches and trams.

7. **Information relating to DWS, DWS Infrastructure, PEIF III and PEIF III Bidco**

DWS is one of the world's leading asset managers with EUR 928bn of assets under management (as of 31 December 2021), and is currently listed on the Frankfurt Stock Exchange. Building on more than 60 years of experience, it has a reputation for excellence in Germany, Europe, the Americas and Asia. Size and global reach are fundamental to DWS' capabilities and strengths across the active, passive, and alternatives investment spaces. DWS is recognised by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines. DWS' products and solutions cover equities, fixed income, cash, real estate, infrastructure, and private equity, as well as a range of sustainable investments. DWS is a proud pioneer in responsible investing, being an early PRI Signatory (since 2008) and with dedicated proprietary ESG research capabilities.

DWS Infrastructure is a leading global infrastructure investor with approximately EUR 24.4 billion of assets under management (as of September 2021), in Europe and North America across the debt, equity, and listed platforms and a c. 25-year investment track-record. Over this time period, DWS Infrastructure has acquired over 100 infrastructure investments in total in the transport, energy and utility sectors. DWS Infrastructure has a dedicated team of specialized investment professionals, which is complemented by a network of highly experienced senior advisers.

PEIF III is the EUR 3.1bn flagship fund which reached final close in June 2021 with an investor base of over 50 investors globally and has invested in five portfolio companies to date. It is the latest fund in a series of unlisted equity funds managed by DWS Infrastructure, which target long-term and sustainable investments in critical infrastructure assets and companies across Europe and North America.

PEIF III Bidco is a newly incorporated English company, formed by DWS Infrastructure for the purpose of making the Offer. PEIF III Bidco is indirectly wholly owned by PEIF III.

8. **Directors, management, employees, pensions and locations**

Strategic plans for Stagecoach

DWS Infrastructure sees significant opportunities for Stagecoach in the United Kingdom and is well-placed to support Stagecoach with its existing growth strategy for the United Kingdom. In particular, DWS Infrastructure intends to accelerate Stagecoach's investments in electric buses and associated charging infrastructure in order to enable it to become the leading zero emission bus operator in the UK. In addition, DWS Infrastructure is committed to working with Stagecoach's management team through the structural change in the bus market and the opportunities it presents, including the introduction of Enhanced Partnerships and Franchising in the Regional Bus market, where Stagecoach is the leading player.

DWS Infrastructure notes the two bus contracts in Dubai for which Stagecoach Group is a shortlisted bidder. DWS intends to pursue those opportunities and to consider any additional opportunities identified by Stagecoach management to diversify and grow the business overseas. Following completion of the Offer, DWS Infrastructure intends to work with Stagecoach's management to undertake a detailed review of Stagecoach and its strategy, which will consider both the short and long-term objectives of the business. DWS Infrastructure expects that this review will be completed within approximately 9 to 12 months following the Offer becoming or being declared unconditional. While the parameters of the review have not yet been finalised, it will involve the following areas of strategic focus in collaboration with Stagecoach's management:

- discuss and define the Regional Bus strategy with a view to expanding the geographic footprint of the business via the introduction of Enhanced Partnerships and potential Franchising arrangements on a region-by-region basis across the United Kingdom;
- discuss and define the strategy for London in order to identify opportunities for growing the contract portfolio;
- discuss and define the parameters and path for fleet electrification, including definition of asset ownership model in order to accelerate investment in electric buses and the charging infrastructure;
- discuss and define the organisation and target operating model in order to optimise operations away from the public markets;
- discuss and define HR strategy and objective setting across the organisation; and
- discuss other areas of potential future growth.

Directors, management and employees

PEIF III Bidco recognises the important contribution that Stagecoach's management and employees have made to the success of the business to date and the key role they have in its future success. Accordingly, PEIF III Bidco intends to retain the current Chairman, Chief Executive and Finance Director of Stagecoach. In addition, DWS intends that Stagecoach's UK Managing Director will remain in her role following completion of the Offer.

DWS Infrastructure has not made any decisions in relation to any specific actions that might be taken as a result of the review referred to above. Accordingly, DWS Infrastructure cannot be certain what impact there will be on the employment of the management and employees of Stagecoach Group. However, overall headcount in frontline operational roles is expected to

remain the same, and DWS Infrastructure expects to continue Stagecoach management's efforts to recruit for such roles.

As referred to above, there may no longer be a need for certain central support functions in the UK that currently support Stagecoach's status as a publicly listed company, although any impact of this on employees is expected to be limited. Furthermore, Stagecoach is currently in the process of unwinding the affairs of its former UK train operating companies. The small number of roles within the business development function supporting this process may no longer be required when this process is expected to be complete in FY 2024. To the extent required, any reduction in, or relocation of, such roles will be subject to appropriate engagement and consultation with affected employees and any appropriate employee representative bodies in accordance with existing legal obligations. Where appropriate, employees may be offered the opportunity to relocate or be reassigned to other appropriate roles within Stagecoach and any engagement and consultation process would be undertaken sufficiently in advance of any final decisions being taken to implement job reductions so as to ensure compliance with applicable legal obligations.

Upon completion of the Offer, it is currently expected that each of the non-executive members of the Stagecoach board of directors, with the exception of the Chairman, will resign from his or her office as a Stagecoach Director. However, PEIF III Bidco intends to consider Stagecoach's post-Offer board structure further in light of any required governance considerations (including in respect of Stagecoach's £400,000,000 4.00 per cent bonds due 2025).

Following completion of the Offer, the existing contractual and statutory employment rights of Stagecoach employees will be fully safeguarded and observed in accordance with applicable law.

Save as set out herein, PEIF III Bidco does not expect to make any material changes to the conditions of employment or balance of skills and functions of employees or management of Stagecoach.

Pensions

Stagecoach Group participates in the SGPS, a defined benefit pension scheme in the UK. The SGPS currently has two sections - the Main Section, which closed to new entrants from 31 March 2009 and to future accrual on 30 April 2017, and the London Section, which is open to future accrual but closed to new entrants on 31 March 2010.

However, as part of the broader management of its pension arrangements, Stagecoach Group has recently allowed a small number of employees to accrue benefits in the Main Section of the SGPS. This Section was re-opened to future accrual in March 2021 for 15 employees, who formerly contributed to one of the Local Government Pension Schemes that Stagecoach Group participated in. Similarly, it is intended that a new Section of the SGPS will be established to provide future service benefits for eight active members and past service benefits for 18 past employees who currently participate in the Omnibus Section of the Railways Pension Scheme.

Stagecoach Group also participates in other funded and unfunded arrangements which are closed to new members. Together with the SGPS, these schemes produce an overall IAS19 net liability measurement of £185.4 million (net of deferred tax assets) as at 30 October 2021. This includes a small, unregistered pension scheme known as the Stagecoach Secured Employer Financed Retirement Benefit Scheme for senior executives.

Stagecoach Group in addition participates in other defined contribution arrangements.

PEIF III Bidco recognises the importance of Stagecoach Group's pension obligations and ensuring that all of Stagecoach Group's pension schemes are appropriately funded in accordance with statutory requirements and their governing documentation. PEIF III Bidco does not intend to make any changes to the benefits provided under these schemes and it is its intention for employer contributions to these schemes to continue in line with current arrangements save as regards the SGPS, as further described below.

DWS Infrastructure has held constructive discussions with the trustees of the SGPS and PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees relating to the future funding and investment strategy of the SGPS. DWS Infrastructure and the trustees of the SGPS have also updated the Pensions Regulator about the Offer, the engagement between DWS Infrastructure and the trustees, and the Memorandum of Understanding.

The key terms of the Memorandum of Understanding, to come into effect upon completion of the Offer, include:

- an agreement to work collaboratively with the trustees of the SGPS to agree within 12 months of completion of the Offer a transition plan towards a lower-risk investment strategy for the SGPS, which is more aligned with DWS Infrastructure's business strategy;
- in addition to ongoing contributions for the annual service costs, following completion there will be paid to the scheme contributions of £12.5 million per annum, increasing at 3 per cent. per annum compound, for ten years or until the scheme's long-term funding objective is met, whichever is earlier; and
- an agreed protocol to provide information to the trustees of the SGPS that is relevant for their assessment of the covenant supporting the SGPS.

PEIF III Bidco does not intend to admit any other new members to the SGPS.

PEIF III Bidco also intends for Stagecoach to: (i) satisfy the existing commitments that Stagecoach has given to the members of the Stagecoach Secured Employer Financed Retirement Benefit Scheme; and (ii) continue making contributions to the Stagecoach Secured Employer Financed Retirement Benefit Scheme in accordance with its rules, estimated at approximately £0.5 million per annum. It is expected that the scheme will close to further accrual in September 2023, consistent with Stagecoach's existing plans, and no new entrants will join the scheme before this date.

Management incentivisation arrangements

DWS Infrastructure holds the experienced and capable Stagecoach management team in high regard. Following completion of the Offer, DWS Infrastructure intends to review the management incentive structure of Stagecoach. Save as described below, PEIF III Bidco has not entered into, and has not had discussions on, any form of incentivisation or other arrangements with members of Stagecoach's management, but may put in place appropriate incentive arrangements following completion of the Offer (and any discussions with Stagecoach's management about such incentivisation arrangements will not take place until after completion of the Offer).

PEIF III Bidco has agreed that, conditional upon completion of the Offer, it will as soon as practicable after the Offer becomes or is declared unconditional, grant cash awards (the "**RSP Awards**") to Stagecoach employees who participate in the Stagecoach RSP and who remain in employment with the Stagecoach Group on the date on which the Offer becomes or is declared

unconditional to compensate them for the portion of any award under the RSP which lapses as a result of the application of time pro-rating to awards that vest as a result of the Offer.

The value of each participant's RSP Award will be equivalent to the number of Stagecoach Shares underlying the portion of the RSP award which lapses as a result of time pro-rating in accordance with the rules of the Stagecoach RSP multiplied by the Offer Price. The RSP Awards will ordinarily vest on 31 March 2025. The terms of the RSP Awards will broadly replicate the terms of the awards granted under the Stagecoach RSP (including as to malus and clawback), save that no underpin will apply, no post-vesting holding period will apply, and awards will only be forfeited if the individual ceases employment with Stagecoach Group due to resignation or dismissal for gross misconduct.

As noted in paragraph 15 below, participants in the Stagecoach Share Schemes will be contacted regarding the effect of the Offer on their rights under these schemes in due course.

Locations, fixed assets, branding and research and development

Upon completion of the Offer, it is expected that Stagecoach's headquarters will remain in Perth and that Stagecoach Group's existing headquarters functions, administrative functions and related roles in each of Perth, Stockport and London will remain there. PEIF III Bidco does not intend to make any material changes with respect to the redeployment of Stagecoach's fixed asset base.

PEIF III Bidco also intends that the Stagecoach Group will continue using the Stagecoach brand.

Stagecoach does not currently have a research and development function and PEIF III Bidco has no plans in this regard.

Trading facilities

Stagecoach is currently listed on the Official List. If PEIF III Bidco reaches the requisite acceptance thresholds referred to in paragraph 14 (*De-listing and compulsory acquisition*) below, an application will be made to the London Stock Exchange for the cancellation of the trading of the Stagecoach Shares on the Main Market of the London Stock Exchange, and to the FCA to request cancellation of the listing of the Stagecoach Shares on the Official List.

9. Financing of the Offer

The cash consideration payable by PEIF III Bidco under the terms of the Offer will be financed by equity capital committed by PEIF III.

Morgan Stanley confirms that it is satisfied that resources are available to PEIF III Bidco sufficient to satisfy full acceptance of the Offer.

Further information on the financing of the Offer will be set out in the Offer Document.

10. Offer related arrangements

(a) Confidentiality and Clean Team Agreements

DWS Alternatives and Stagecoach have entered into a mutual non-disclosure agreement dated 25 November 2021 pursuant to which each of DWS Alternatives and Stagecoach has undertaken, among other things, to keep certain information relating to the Offer and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

DWS Alternatives and Stagecoach have also entered into a clean team confidentiality agreement dated 25 November 2021 which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared.

(b) **Cooperation Agreement**

PEIF III Bidco and Stagecoach have entered into a cooperation agreement dated 9 March 2022 with respect to conduct of the Offer. Under the terms of the Cooperation Agreement, which also contains provisions in relation to Stagecoach Share Schemes, PEIF III Bidco and Stagecoach have agreed, among other things, that (in summary):

- (i) PEIF III Bidco will consult with Stagecoach as to the timing of publication, form and content of the Offer Document; and
- (ii) PEIF III Bidco will not, except in circumstances where the National Express Offer has been withdrawn or lapsed, take any action pursuant to Rule 31.6 of the Takeover Code which could cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to Day 60.

(c) **Memorandum of Understanding**

PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees of the SGPS dated 9 March 2022, to come into effect upon completion of the Offer, relating to the future funding and investment strategy of the SGPS. The key terms of the Memorandum of Understanding include:

- (i) an agreement to work collaboratively with the trustees of the SGPS to agree a transition towards a lower-risk investment strategy for the SGPS within 12 months of completion of the Offer;
- (ii) in addition to ongoing contributions for the annual service costs, following completion there will be paid to the scheme contributions of £12.5 million per annum, increasing at 3 per cent. per annum compound, for ten years or until the scheme's long-term funding objective is met, whichever is earlier; and
- (iii) an agreed protocol to provide information to the trustees of the SGPS that is relevant for their assessment of the covenant supporting the SGPS.

11. **Irrevocable undertaking**

PEIF III Bidco has received an irrevocable undertaking to accept the Offer (or to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting, as necessary) from Dame Ann Gloag (through HGT Finance A Limited) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.5 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares) on 8 March 2022 (being the last Business Day before the date of this Announcement).

This irrevocable undertaking will remain binding if a higher competing offer for Stagecoach is made. Further details of the irrevocable undertaking (including the circumstances in which it will lapse) are set out in Appendix 3 to this Announcement.

12. **Conditions to the Offer, indicative timing and Long Stop Date**

It is intended that the Offer will be implemented by way of a takeover offer (as defined in Part 28 of the Companies Act).

The Offer will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Offer Document, including the Acceptance Condition.

As described further in Appendix 1, the Acceptance Condition shall be satisfied once valid acceptances of the Offer have been received by no later than 1.00 p.m. (London time) on the Unconditional Date (or such other times and/or dates as PEIF III Bidco may specify, subject to the rules of the Takeover Code and where applicable with the consent of the Panel) in respect of 75 per cent. in nominal value of the Stagecoach Shares to which the Offer relates and of the voting rights attached to those shares (when aggregated with any Stagecoach Shares acquired or agreed to be acquired by PEIF III Bidco or any member of the PEIF III Topco Group).

PEIF III Bidco may decide to waive the Acceptance Condition down to a lesser percentage in accordance with Rule 10 of the Takeover Code, provided that the Acceptance Condition will not be satisfied unless PEIF III Bidco and/or any member of the PEIF III Topco Group has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Stagecoach Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Stagecoach (the "**Minimum Acceptance Threshold**").

Any decision by PEIF III Bidco to waive down the Acceptance Condition to a lesser percentage (including, without limitation, down to the Minimum Acceptance Threshold) shall be at the sole discretion of PEIF III Bidco.

Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1, it is expected that the Offer will become or be declared unconditional in the first half of 2022.

The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by PEIF III Bidco to be or remain satisfied, by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Code and where applicable, the consent of the Panel). Further details are set out in Part B of Appendix 1 to this Announcement.

13. **IEO and CDG Disposal**

In connection with the National Express Offer, on 26 January 2022 the CMA imposed an initial enforcement order on Stagecoach and National Express ("**IEO**"). The IEO was issued with the aim of ensuring neither National Express nor Stagecoach take any pre-emptive action that might prejudice the CMA's investigation of the National Express Offer. Its terms extend to preventing any action which might result in a transfer of the ownership or control of Stagecoach's business, or the disposal of any assets of Stagecoach. The CMA has confirmed to Stagecoach that neither the recommendation and announcement of, nor steps taken to implement and complete, the Offer will engage the IEO. As such, the IEO will not operate to prevent PEIF III Bidco from proceeding with the Offer.

On 14 December 2021, Stagecoach announced that it had entered into agreements to sell the marketing, retail and customer service activities of three of its inter-city coach businesses to ComfortDelGro Corporation Limited ("**CDG**"), (together the "**Disposal**"). The Disposal proactively addresses potential regulatory considerations in respect of the National Express Offer. Following the issue of the IEO preventing Stagecoach from disposing of material UK assets, the completion date of the Disposal has been delayed. The Disposal does not automatically terminate as a result of the Offer and Stagecoach continues to comply with its contractual obligations to CDG. For confidentiality reasons it has not been practicable for Stagecoach to discuss the implications of the Offer on the Disposal with CDG in advance of this Announcement but Stagecoach will now do so and provide an update in due course.

14. **Delisting and compulsory acquisition**

If the Offer becomes or is declared unconditional, and sufficient acceptances are received, PEIF III Bidco intends to procure that Stagecoach will make an application for the cancellation of the listing of the Stagecoach Shares on the Official List and for the cancellation of trading of the Stagecoach Shares on the London Stock Exchange's main market for listed securities.

It is anticipated that the application for cancellation of listing on the Official List and admission to trading on the London Stock Exchange will take effect no earlier than the date that is 20 Business Days after PEIF III Bidco has acquired or agreed to acquire 75 per cent. of the voting rights attaching to the Stagecoach Shares. The cancellation of the listing would significantly reduce the liquidity and marketability of any Stagecoach Shares not assented to the Offer at that time.

If PEIF III Bidco receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Stagecoach Shares to which the Offer relates, PEIF III Bidco will exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Stagecoach Shares in respect of which the Offer has not been accepted.

15. **Stagecoach Share Schemes**

Participants in the Stagecoach Share Schemes will be contacted regarding the effect of the Offer on their rights under these schemes in due course.

16. **Disclosure of Interests**

Except for the irrevocable undertaking referred to in paragraph 11 (*Irrevocable undertaking*) above, as at close of business on 8 March 2022 (being the last Business Day before the date of this Announcement), save as disclosed below, neither PEIF III Bidco, nor any of the directors of PEIF III Bidco or any member of the PEIF III Topco Group, nor, so far as the directors of PEIF III Bidco are aware, any person acting in concert with PEIF III Bidco for the purposes of the Offer, had any interest in, right to subscribe for, or had borrowed or lent any Stagecoach Shares or securities convertible or exchangeable into Stagecoach Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Takeover Code, in relation to Stagecoach Shares or in relation to any securities convertible or exchangeable into Stagecoach Shares.

As at close of business on 8 March 2022 (being the last Business Day before the date of this Announcement), the following persons acting in concert with PEIF III Bidco (within the meaning of the Takeover Code) held an interest in Stagecoach Shares:

Name	Number of Stagecoach Shares	Percentage of Stagecoach's issued share capital
DWS Investments (UK) Limited	256,415	0.00046%

In the interests of secrecy prior to this Announcement, PEIF III Bidco has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be

presumed or deemed by the Panel to be acting in concert with PEIF III Bidco for the purposes of the Offer. Enquiries of such parties will be made as soon as practicable following the date of this Announcement and any disclosure in respect of such parties will be included in the Offer Document.

17. Documents available on website

Copies of the following documents will, by no later than 12 noon (London time) on the Business Day following this Announcement, be made available on PEIF III Bidco's website at https://www.dws.com/Our-Profile/media/media-releases/DWS_Infrastructure and on Stagecoach's website at <https://www.stagecoachgroup.com/investors.aspx> until the end of the Offer:

- (a) this Announcement;
- (b) the irrevocable undertaking listed in Part A of Appendix 3 to this Announcement;
- (c) the Confidentiality Agreement;
- (d) the Clean Team Agreement;
- (e) the Cooperation Agreement;
- (f) the Memorandum of Understanding; and
- (g) consent letters from each of Deutsche Bank, Morgan Stanley and RBC.

18. General

The Offer Document will be posted to Stagecoach Shareholders as soon as practicable.

PEIF III Bidco reserves the right, with the consent of the Panel and Stagecoach, to elect to implement the acquisition of the Stagecoach Shares by way of a scheme of arrangement of Stagecoach under Part 26 of the Companies Act. In such event, the scheme of arrangement will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Offer, subject to appropriate amendments (including to statutory voting requirements) to reflect the change in method of implementing the Offer, including in particular to the amendments referred to in Part C of Appendix 1 to this Announcement.

The sources of information and bases of calculation of certain information contained in this Announcement are set out in Appendix 2 to this Announcement. Appendix 4 contains definitions of certain terms used in this Announcement.

19. Consent

Each of Deutsche Bank and RBC has given and not withdrawn its consent to the inclusion in this Announcement of reference to its advice to the Stagecoach Directors in the form and context in which they appear.

Morgan Stanley has given and not withdrawn its consent to the inclusion in this Announcement of the references to its name in the form and context in which they appear.

Enquiries:

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Guy Lamming
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Gordon Simpson

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to PEIF III and PEIF III Bidco and Herbert Smith Freehills LLP is acting as legal adviser to Stagecoach in connection with the Offer.

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 acceptance forms accompanying the Offer Document, 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 acceptance forms accompanying the Offer Document.

Stagecoach Shareholders are advised to read the Offer Document and (in respect of Stagecoach Shares held in certificated form) the acceptance forms accompanying the Offer Document carefully when they become available because they will contain important information in relation to the Offer.

Information Relating to Stagecoach Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Stagecoach Shareholders, persons with information rights and other relevant persons for the receipt of communications from Stagecoach may be provided to PEIF III Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code.

Overseas Jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom 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 Takeover 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 Takeover Code, and permitted by applicable law and regulation, the Offer will not be 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 may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this Announcement and any formal 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 availability of the Offer to Stagecoach Shareholders who are not resident in and citizens of the United Kingdom 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 should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Further details in relation to Stagecoach Shareholders in overseas jurisdictions will be contained in the Offer Document.

The Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority (the "FCA").

Additional Information for US Investors

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. Financial information included in this Announcement and the Offer Document has been or will have been prepared in accordance with

accounting standards applicable in the United Kingdom that 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 will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Takeover 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 laws, since PEIF III Bidco and Stagecoach are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. 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 of the US, 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 Takeover 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 Takeover 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.

Important Notices Relating to the Financial Advisers

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the Prudential Regulation Authority ("**PRA**") with deemed variation of permission. It is subject to regulation by the FCA and limited regulation by the PRA. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. Deutsche Bank AG, London Branch ("**Deutsche Bank**") is acting exclusively as financial adviser to Stagecoach and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of Deutsche Bank nor for providing

advice in connection with the subject matter of this Announcement or any other matter referred to in this Announcement.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom and is a wholly owned subsidiary of Royal Bank of Canada, is acting for Stagecoach and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of RBC, or for providing advice in connection with matters referred to in this Announcement. Neither RBC nor its parent nor any of its subsidiaries or 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 RBC in connection with this Announcement or any matter referred to herein.

Morgan Stanley, which is authorised by PRA and regulated by the 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.

Cautionary Note Regarding Forward Looking Statements

This Announcement (including information incorporated by reference into this Announcement), oral statements 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. Neither PEIF III Bidco or Stagecoach, nor any member of their respective groups, 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.

No Profit Forecasts or Estimates

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Stagecoach for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Stagecoach.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the Takeover 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 Takeover 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 and availability of hard copies

A copy of this Announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in

Restricted Jurisdictions, on PEIF III Bidco's website at [https://www.dws.com/Our-Profile/media/media-releases/DWS Infrastructure](https://www.dws.com/Our-Profile/media/media-releases/DWS_Infrastructure) and on Stagecoach's website at <https://www.stagecoachgroup.com/investors.aspx> by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Stagecoach Shareholders may request a hard copy of this Announcement by contacting Link Group, Stagecoach Group Share Register at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephoning +44 (0)371 664 0443 or by emailing StagecoachGroup@linkgroup.co.uk.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for 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.

APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE OFFER

Part A Conditions to the Offer

Acceptance Condition

- 1 The Offer will be conditional upon valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the Unconditional Date (or such other times and/or dates as PEIF III Bidco may specify, subject to the rules of the Takeover Code and where applicable with the consent of the Panel) in respect of not less than 75 per cent (or such lesser percentage as PEIF III Bidco may decide) in nominal value of the Stagecoach Shares to which the Offer relates and of the voting rights attached to those shares, provided that: (i) this Condition will not be satisfied unless PEIF III Bidco and/or any member of the PEIF III Topco Group has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Stagecoach Shares carrying in aggregate more than 50 per cent of the voting rights then exercisable at a general meeting of Stagecoach; and (ii) 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) below have been satisfied or waived;

For the purposes of this Condition:

- (a) Stagecoach Shares which have been unconditionally allotted but not issued before the Offer become 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;
 - (c) the expression "Stagecoach Shares to which the Offer relates" shall be construed in accordance with Part 28 of the Companies Act; and
 - (d) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue excluding any and all shares held in treasury by Stagecoach from time to time.
- 2 In addition, the Offer will be conditional upon the following Conditions and, accordingly, the Offer will not become or be declared wholly unconditional unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

(a) **General Third Party clearances**

- (i) No government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:
 - (A) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider PEIF III Topco Group or any member of the Wider Stagecoach Group

of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider PEIF III Topco Group or the Wider Stagecoach Group, in either case taken as a whole;

- (B) require, prevent or delay the divestiture by any member of the Wider PEIF III Topco Group of any shares, securities or other interests in any member of the Wider Stagecoach Group;
- (C) impose any material limitation on, or result in a delay in, the ability of any member of the Wider PEIF III Topco Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group or to exercise voting or management control over any such member;
- (D) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider PEIF III Topco Group or of any member of the Wider Stagecoach Group to an extent which is material in the context of the Wider PEIF III Topco Group or the Wider Stagecoach Group, in either case taken as a whole;
- (E) make the Offer or its implementation or the acquisition or proposed acquisition by PEIF III Bidco or any member of the Wider PEIF III Topco Group of any shares or other securities in, or control or management of Stagecoach or the Wider Stagecoach Group void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (F) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider PEIF III Topco Group or the Wider Stagecoach Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group owned by any third party;
- (G) impose any limitation on, or result in any delay of, the ability of any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group to integrate or co-ordinate its business, or any part of it, with the businesses of any other member of the Wider Stagecoach Group or the Wider PEIF III Topco Group which is adverse to and material in the context of the Wider Stagecoach Group or the Wider PEIF III Topco Group, in each case taken as a whole or in the context of the Offer; or
- (H) result in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit,

investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Stagecoach Shares having expired, lapsed or been terminated;

- (ii) All necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the proposed acquisition by any member of the Wider PEIF III Topco Group of any shares or other securities in, or control or management of, Stagecoach or any other member of the Wider Stagecoach Group and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by PEIF III Bidco or any member of the Wider PEIF III Topco Group for or in respect of the Offer or the proposed acquisition of any shares or other securities in, or control or management of, Stagecoach or any other member of the Wider Stagecoach Group by any member of the Wider PEIF III Topco Group having been obtained in terms and in a form reasonably satisfactory to PEIF III Bidco from all appropriate Third Parties or persons with whom any member of the Wider Stagecoach Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, consents, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Stagecoach Group which are material in the context of the PEIF III Topco Group or the Stagecoach Group as a whole remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

(b) **Certain matters arising as a result of any arrangement, agreement etc.**

Save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stagecoach Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition of any shares or other securities in Stagecoach or any other member of the Wider Stagecoach Group or because of a change in the control or management of Stagecoach or any other member of the Wider Stagecoach Group or otherwise, could or might result in (in each case to an extent which is material in the context of the Wider Stagecoach Group as a whole, or in the context of the Offer):

- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stagecoach Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition (in each case to the extent which is material in the context of the Wider Stagecoach Group taken as a whole);

(c) **Certain events occurring since 1 May 2021**

Save as Disclosed, no member of the Wider Stagecoach Group having, since 1 May 2021:

- (i) save as between Stagecoach and wholly owned subsidiaries of Stagecoach or for Stagecoach Shares issued pursuant to the vesting of awards granted under the Stagecoach Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
- (ii) save as between Stagecoach and wholly owned subsidiaries of Stagecoach, or for the grant of awards under the Stagecoach Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) other than to another member of Stagecoach Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-Stagecoach Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) which is material in the context of the Wider Stagecoach Group taken as a whole;

- (v) save for intra-Stagecoach Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (vi) issued, authorised or proposed the issue of any debentures or, save for intra-Stagecoach Group transactions or in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (viii) other than pursuant to the Offer (and except for transactions between Stagecoach and its wholly owned subsidiaries or between wholly owned subsidiaries of Stagecoach which are not material in the context of the Wider Stagecoach Group) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement;
- (ix) entered into or changed the terms of any contract with any director or senior executive;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business and which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (xii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Stagecoach Group other than to a nature and extent which is normal in the context of the business concerned, and in each such case which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xiii) having been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any case with a material adverse effect on the Wider Stagecoach Group taken as a whole;

- (xiv) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xvi) having made any alteration to its memorandum or articles of association which is material in the context of the Offer;
- (xvii) in relation to any pension scheme or other retirement, leaving service or death benefit arrangement established for any directors, former directors, employees or former employees of any entity in the Wider Stagecoach Group or their dependants and established by a member of the Wider Stagecoach Group (a "**Relevant Pension Plan**"):
 - (A) made or agreed or consented to or procured any change to:
 - (I) the terms of the trust deeds, rules or other governing documents constituting a Relevant Pension Plan;
 - (II) the employer and/or employee contributions payable to any Relevant Pension Plan or the benefits which accrue or to the pensions which are payable thereunder;
 - (III) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
 - (IV) the basis on which the liabilities of any Relevant Pension Plan are funded, valued or made;
 - (V) the exercise of any discretion in relation to a Relevant Pension Plan,

in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;
 - (B) entered into or proposed to enter into to any guarantee or any arrangement to provide financial covenant support or restrictions in relation to a Relevant Pension Plan;
 - (C) entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan;
 - (D) carried out any act:
 - (I) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan;
 - (II) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; or

(III) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan,

in each case which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;

- (xviii) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan (other than in the ordinary course of business);
- (xix) established or proposed the establishment of any Relevant Pension Plan to the extent which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;
- (xx) proposed, agreed to provide or modified the terms of the Stagecoach Share Schemes or any other share option or award scheme, incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Stagecoach Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Stagecoach Group, save as agreed by the Panel or by PEIF III Bidco; or
- (xxi) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Stagecoach Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code.

(d) **No adverse change, litigation or regulatory enquiry**

Save as Disclosed, since 1 May 2021:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Stagecoach Group which, in any such case, is material in the context of the Wider Stagecoach Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Stagecoach Group is or may become a party (whether as a plaintiff, defendant or otherwise) and, other than as a result of or in connection with the Offer, no investigation by any Third Party against or in respect of any member of the Wider Stagecoach Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Stagecoach Group which in any such case, has had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Stagecoach Group;
- (iii) no contingent or other liability having arisen or become apparent to PEIF III Bidco (other than in the ordinary course of business) which will or might be likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Stagecoach Group to an extent which is material in the context of the Wider Stagecoach Group taken as a whole; and

- (iv) no member of the Wider Stagecoach Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Stagecoach Group taken as a whole.

(e) **No withdrawal, cancellation, termination or modification of licence**

Save as Disclosed, no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Stagecoach Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and has had, or might reasonably be expected to have, a material adverse effect on the Wider Stagecoach Group taken as a whole;

(f) **No discovery of certain matters**

- (i) PEIF III Bidco not having discovered:

- (A) that any financial, business or other information concerning the Wider Stagecoach Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Stagecoach Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (B) save as Disclosed, that any member of the Wider Stagecoach Group is subject to any liability (contingent or otherwise), in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole; or
- (C) any information which affects the import of any information Disclosed at any time prior to this Announcement by or on behalf of any member of the Wider Stagecoach Group to any member of the Wider PEIF III Topco Group and which is material in the context of the Wider Stagecoach Group taken as a whole;

- (ii) Save as Disclosed, PEIF III Bidco not having discovered:

- (A) that any past or present member of the Wider Stagecoach Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Stagecoach Group which in any case is material in the context of Stagecoach Group taken as a whole;
- (B) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Stagecoach Group or any other property

or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of Stagecoach Group taken as a whole; or

- (C) that circumstances exist whereby a person or class of persons would be likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Stagecoach Group which is or would be likely, to adversely affect any member of the Wider Stagecoach Group and which is material in the context of Stagecoach Group taken as a whole;

(g) **Anti-corruption, sanctions and criminal property**

Save as Disclosed, PEIF III Bidco not having discovered that:

- (i) any past or present member, director, officer or employee of the Wider Stagecoach Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or (b) any person that performs or has performed services for or on behalf of the Wider Stagecoach Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (ii) any asset of any member of the Wider Stagecoach Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of Stagecoach Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of Stagecoach Group, or any person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states; or
- (iv) any past or present member, director, officer or employee of the Wider Stagecoach Group:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;

- (B) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (C) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (h) no member of the Wider Stagecoach Group being engaged in any transaction which would cause PEIF III Bidco to be in breach of any law or regulation upon its acquisition of Stagecoach, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states.

Part B Waiver and Invocation of the Conditions

- 1 PEIF III Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of this Appendix 1 above, except for Condition 1 (*Acceptance Condition*), which cannot be waived. The Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, and to the full terms and conditions which will be set out in the Offer Document and (in respect of Stagecoach Shares held in certificated form) the acceptance forms accompanying the Offer Document.
- 2 The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by PEIF III Bidco to be or remain satisfied, by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Takeover Code and where applicable the consent of the Panel).
- 3 PEIF III Bidco shall not be under any obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of the Conditions by a date earlier than the latest date specified in paragraph 2 above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
- 4 Subject to paragraph 5 below, under Rule 13.5(a) of the Takeover Code, PEIF III Bidco may only invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to the invoke the Condition are of material significance to PEIF III Bidco in the context of the Offer. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
- 5 Condition 1 (*Acceptance Condition*) is not subject to Rule 13.5(a) of the Takeover Code.
- 6 Any Condition that is subject to Rule 13.5(a) of the Code may be waived by PEIF III Bidco.

Part C Implementation by way of Scheme

- 1 PEIF III Bidco reserves the right, with the consent of the Panel and Stagecoach, to elect to implement the Offer by way of a Scheme.
- 2 If the Offer is implemented by way of a Scheme, the Scheme will be implemented on the same terms, subject to appropriate amendments to reflect the change in method of effecting the Offer, including (without limitation and subject to the consent of the Panel):
 - (a)
 - (i) its approval by a majority in number representing not less than 75 per cent. in value of the Stagecoach Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and
 - (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required);
 - (b)
 - (i) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at a Stagecoach General Meeting or at any adjournment of that meeting; and
 - (ii) such Stagecoach General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the Stagecoach General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required);
 - (c)
 - (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being on terms acceptable to PEIF III Bidco and Stagecoach) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies; and
 - (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required).
- 3 In addition, if the Offer is implemented by way of the Scheme, the Scheme will be conditional upon the Conditions set out above and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the Conditions set out above have either been waived (if permitted) or fulfilled.

Part D Certain further terms of the Offer

- 1 This Offer will be governed by English law and be subject to the Conditions and further terms set out in this Appendix 1 and to be set out in the Offer Document. The Offer will be subject to the applicable rules, regulations and requirements of the FCA, the Panel the London Stock Exchange and the Takeover Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase Stagecoach Shares or any other securities.
- 2 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 3 If PEIF III Bidco is required by the Panel to make an offer for Stagecoach Shares under the provisions of Rule 9 of the Takeover Code, PEIF III Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
- 4 The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Offer Document.
- 5 Stagecoach Shares will be acquired by PEIF III Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.
- 6 If, on or after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Stagecoach Shares, PEIF III Bidco reserves the right (without prejudice to any right of PEIF III Bidco to invoke Condition 2(c)(iii) in Part A of this Appendix 1), to reduce the consideration payable under the terms of the Offer for the Stagecoach Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement or in the Offer Document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles PEIF III Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by PEIF III Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
- 7 Save as may otherwise be required by the Panel, the Offer will not proceed, will lapse or will be withdrawn if on the Long-Stop Date:
 - (a) sufficient acceptances have not been received so as to enable Condition 1 (*Acceptance Condition*) to be satisfied; or
 - (b) where sufficient acceptances have been received so as to enable Condition 1 (*Acceptance Condition*) to be satisfied, one or more of the Conditions relating to an official authorisation or regulatory clearance has not been satisfied or waived and the Panel consents to the Offer not proceeding, lapsing or being withdrawn.

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- 1 As at close of business on 8 March 2022 (being the last Business Day before the date of this Announcement), there were 576,099,960 Stagecoach Shares in issue.
- 2 The value attributable to the existing issued and to be issued ordinary share capital of Stagecoach is based on a total of 566,563,439 Stagecoach Shares, comprised of:
 - (a) the 576,099,960 Stagecoach Shares in issue referred to in paragraph 1 of this Appendix 2 less the 24,879,294 Stagecoach Shares held in treasury; and
 - (b) 15,342,773 Stagecoach Shares which may be issued, or transferred out of treasury, on or after the date of this Announcement to satisfy the vesting of awards under the Stagecoach Share Schemes.
- 3 2,785,575 LTIP awards relating to the Stagecoach LTIP have not been included in the calculation of the existing issued and to be issued ordinary share capital of Stagecoach set out in paragraph 2 above, as these are expected to be cash settled on completion of the Offer.
- 4 The premium calculations to the price per Stagecoach Share used in this Announcement have been calculated by reference to the closing market price of a Stagecoach Share or a National Express Share (as applicable) sourced from S&P Capital IQ on any particular date.
- 5 The look-through value of the National Express Offer used in this Announcement has been calculated based on the disclosed key terms of the National Express Offer that Stagecoach Shareholders would receive (being 0.36 new National Express Shares for each Stagecoach Share) and the closing market price of a National Express Share sourced from S&P Capital IQ on any particular date.
- 6 Unless otherwise stated, the financial information relating to Stagecoach is extracted from the audited consolidated financial statements of Stagecoach for the year ended 1 May 2021.
- 7 Certain figures included in this Announcement have been subject to rounding adjustments.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

A. Irrevocable undertaking from Dame Ann Gloag

Dame Ann Gloag (through HGT Finance A Limited) has given an irrevocable undertaking to PEIF III Bidco to accept the Offer (or to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting, as necessary) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.5 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares) on 8 March 2022 (being the last Business Day before the date of this Announcement).

The obligations of Dame Ann Gloag and HGT Finance A Limited under the irrevocable undertaking shall lapse and cease to be enforceable if:

- (a) the Offer Document is not published within 28 days of the date of this Announcement, except where the Panel consents to an extension of the 28 day deadline in accordance with Rule 24.1(a) of the Takeover Code;
- (b) PEIF III Bidco announces that it does not intend to proceed with the Offer and no new or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code at the same time; or
- (c) the Offer (or Scheme, if applicable) lapses or is withdrawn and no new, revised or replacement offer or scheme has been announced in its place or is announced at the same time, in each case in accordance with Rule 2.7 of the Takeover Code.

B. Status of irrevocable undertakings and letter of intent under the National Express Offer

Irrevocable undertakings from Stagecoach Directors who hold Stagecoach Shares

Each of Gregor Alexander, Martin Griffiths, Ray O'Toole, Ross Paterson, Karen Thomson, Lynne Weedall and Sir Brian Souter* (being the Stagecoach Directors who hold Stagecoach Shares), who together hold 80,577,396 Stagecoach Shares in aggregate, representing approximately 14.6 per cent. of Stagecoach's issued share capital on 13 December 2021), provided irrevocable undertakings to vote in favour of the National Express Offer at each of the court meeting and the general meeting convened in respect of the scheme of arrangement to implement the National Express Offer (or, if the National Express Offer is to be implemented by way of a contractual takeover offer, to accept such offer) (the "**National Express Offer Director Irrevocable Undertakings**").

The obligations of these Stagecoach Directors under their respective National Express Offer Director Irrevocable Undertaking currently remain binding. Accordingly, Gregor Alexander, Martin Griffiths, Ray O'Toole, Ross Paterson, Karen Thomson, Lynne Weedall and Sir Brian Souter will not be permitted to accept the Offer (and in the event that the Offer is implemented by way of a Scheme, will be required to vote against the Scheme at the Court Meeting and the resolutions relating to the Offer at a Stagecoach General Meeting) unless their respective National Express Offer Director Irrevocable Undertaking lapses.

The obligations of the Stagecoach Directors under the National Express Director Irrevocable Undertaking shall lapse and cease to have any effect if:

- (a) the National Express Offer has not completed prior to 31 March 2023 or such later date as may be agreed in writing between National Express and Stagecoach;
- (b) National Express announces, with the consent of the Panel, that it does not intend to proceed with the National Express Offer and no new or replacement offer or scheme is announced pursuant to the Takeover Code at the same time; or

- (c) the National Express Offer lapses or is withdrawn and no new, revised or replacement offer is announced in accordance with the Takeover Code at the same time.

*The beneficial owner of the shares attributed to Sir Brian Souter is HGT Finance B Limited. HGT Finance B Limited has undertaken, so far as it is able in its capacity as the beneficial owner of such shares, to act in order that the obligations accepted by Sir Brian Souter contained in his irrevocable undertaking may be complied with.

Letter of intent from Dame Ann Gloag

In connection with the National Express Offer, National Express received a letter of intent to vote in favour of or accept the National Express Offer (as necessary) and vote in favour of any resolutions which would assist with the implementation of the National Express Offer from Dame Ann Gloag (through HGT Finance A Limited) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.5 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares) on 13 December 2021 (being the last Business Day prior to the release of the National Express Firm Offer Announcement). As stated above in section A, Dame Ann Gloag (through HGT Finance A Limited) has given an irrevocable undertaking to PEIF III Bidco to accept the Offer (or to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting, as necessary) in respect of such shares and accordingly no longer intends to comply with the terms of the letter of intent given in connection with the National Express Offer.

APPENDIX 4

DEFINITIONS

"Acceleration Statement"	a statement in which PEIF III Bidco, in accordance with Rule 31.5 of the Takeover Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived.
"Acceptance Condition"	the Condition set out in paragraph 1 of Part A of Appendix 1 to this Announcement.
"Announcement"	this announcement made pursuant to Rule 2.7 of the Takeover Code.
"Business Day"	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Edinburgh.
"Clean Team Agreement"	the clean team confidentiality agreement dated 25 November 2021 entered into between Stagecoach and DWS Alternatives.
"CMA"	the Competition and Markets Authority of the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time).
"Companies Act"	the Companies Act 2006, as amended from time to time.
"Conditions"	the conditions of the Offer set out in Appendix 1 to this Announcement and to be set out in the Offer Document.
"Confidentiality Agreement"	the non-disclosure agreement dated 25 November 2021 entered into between Stagecoach and DWS Alternatives.
"Cooperation Agreement"	the cooperation agreement dated 9 March 2022 entered into between Stagecoach and PEIF III Bidco.
"Court"	the Court of Session at Edinburgh.
"Court Meeting"	should the Offer be implemented by way of a Scheme, the meeting(s) of the Stagecoach Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof.
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations).
"Day 60"	the 60th day following the publication of the Offer Document or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the Takeover Code.

"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in relevant securities of a party to an offer.
"Deutsche Bank"	Deutsche Bank AG, London Branch.
"Disclosed"	the information fairly disclosed by, or on behalf of Stagecoach: (i) in the annual report and accounts of Stagecoach Group for the financial year ended 1 May 2021; (ii) in this Announcement; (iii) in any other public announcement made by Stagecoach in accordance with the Market Abuse Regulation, the Listing Rules and the Disclosure Rules and Transparency Rules prior to this Announcement; or (iv) as disclosed in writing prior to the date of this Announcement by or on behalf of Stagecoach to PEIF III Bidco (or its respective officers, employees, agents or advisers in their capacity as such).
"Disclosure and Transparency Rules"	the Disclosure Guidance and Transparency Rules of the FCA and contained in the FCA's publication of the same name.
"DWS"	DWS Group GmbH & Co. KGaA.
"DWS Alternatives"	DWS Alternatives Global Limited.
"DWS Infrastructure"	DWS' infrastructure business.
"FCA"	the Financial Conduct Authority.
"FSMA"	Financial Services and Markets Act 2000 (as amended).
"IEO"	the initial enforcement order dated 26 January 2022 imposed by the CMA on Stagecoach and National Express.
"Listing Rules"	the rules and regulations made by the FCA under Part VI of FSMA and contained in the FCA's publication of the same name (as amended from time to time).
"London Stock Exchange"	London Stock Exchange plc.
"Long Stop Date"	9 September 2022 or such later date as PEIF III Bidco may, with the consent of Stagecoach or with the consent of the Panel, specify.
"Main Market"	the main market for listed securities.
"Market Abuse Regulation"	Regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as applicable in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended from time to time (including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310)).
"Memorandum of Understanding"	the memorandum of understanding dated 9 March 2022 entered into between trustees of the SGPS and PEIF III Bidco.
"Morgan Stanley"	Morgan Stanley & Co. International plc.

"National Express"	National Express Group PLC, incorporated in England with registered number 02590560.
"National Express Firm Offer Announcement"	the announcement jointly released by National Express and Stagecoach under Rule 2.7 of the Takeover Code on 14 December 2021 in relation to the National Express Offer.
"National Express Offer"	the proposed all share offer by National Express for the entire issued and to be issued share capital of Stagecoach, as described in the National Express Firm Offer Announcement.
"National Express Possible Offer Announcement"	the announcement released by National Express under Rule 2.4 of the Takeover Code on 21 September 2021 in relation to the National Express Offer.
"National Express Share"	the ordinary shares of 5 pence each in the capital of National Express.
"Offer"	the recommended cash offer to be made by or on behalf of PEIF III Bidco to acquire the entire issued and to be issued ordinary share capital of Stagecoach on the terms and subject to the conditions set out in the Offer Document, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer.
"Offer Document"	the offer document to be sent to (among others) Stagecoach Shareholders containing and setting out, among other things, the full terms and conditions of the Offer.
"Offer Price"	105 pence per Stagecoach Share.
"Official List"	the official list maintained by the FCA.
"Opening Position Disclosure"	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position.
"Overseas Shareholders"	Stagecoach Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom.
"Panel"	the UK Panel on Takeovers and Mergers.
"PEIF III"	Pan-European Infrastructure III, SCSp.
"PEIF III Bidco"	Inframobility UK Bidco Limited, incorporated in England with registered number 13957417.
"PEIF III Topco"	Inframobility UK Topco Limited, incorporated in England with registered number 13919225.
"PEIF III Topco Group"	PEIF III Topco, its Subsidiaries and its subsidiary undertakings from time to time.
"PRA"	the Prudential Regulation Authority.
"RBC"	RBC Europe Limited (trading as RBC Capital Markets).

"Registrar of Companies"	the Registrar of Companies in Scotland.
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Stagecoach Shareholders in that jurisdiction.
"Scheme"	should the Offer be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, such scheme of arrangement between Stagecoach and the Stagecoach Shareholders to implement the Offer with or subject to any modification, addition or condition approved or imposed by the Court.
"Scheme Court Hearing"	should the Offer be implemented by way of a Scheme, the hearing of the Court to sanction the Scheme under section 899 of the Companies Act.
"Scheme Court Order"	should the Offer be implemented by way of a Scheme, the order of the Court sanctioning the Scheme under section 899 of the Companies Act.
"Scheme Document"	should the Offer be implemented by way of a Scheme, the document to be dispatched to Stagecoach Shareholders including the particulars required by section 897 of the Companies Act.
"SGPS"	the Stagecoach Group Pension Scheme, a defined benefit pension scheme operating in the UK.
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (1) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (2) the relevant partnership interest.
"Stagecoach"	Stagecoach Group plc, incorporated in Scotland with registered number SC100764.
"Stagecoach BAYE"	the Stagecoach Share Incentive Plan.
"Stagecoach Directors"	the directors of Stagecoach as at the date of this Announcement or, where the context so requires, the directors of Stagecoach from time to time.
"Stagecoach EPP"	the Stagecoach 2013 Executive Participation Plan.
"Stagecoach General Meeting"	should the Offer be implemented by way of a Scheme, the general meeting of Stagecoach Shareholders (and any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the shareholder resolutions necessary to enable Stagecoach to implement the Scheme.
"Stagecoach Group"	Stagecoach, its Subsidiaries and its subsidiary undertakings from time to time.
"Stagecoach LTIP"	the Stagecoach 2013 Long Term Incentive Plan.

"Stagecoach RSP"	the Stagecoach Restricted Share Plan.
"Stagecoach Shareholders"	the holders of Stagecoach Shares.
"Stagecoach Share Schemes"	the Stagecoach BAYE, the Stagecoach EPP, the Stagecoach LTIP and the Stagecoach RSP, each as amended from time to time.
"Stagecoach Shares"	<p>the ordinary shares of 125/228th pence each in the capital of Stagecoach and includes:</p> <ol style="list-style-type: none"> 1. the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 124/228th pence each in the capital of Stagecoach; 2. any further ordinary shares of 124/228th pence each in the capital of Stagecoach which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes or before such earlier date as PEIF III Bidco (subject to the Takeover Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional; and 3. any Stagecoach Shares held as treasury shares that cease to be held as treasury shares before the date on which the Offer closes or before such earlier date as PEIF III Bidco (subject to the Takeover Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional, <p>but excludes any shares held as treasury shares on such date as PEIF III Bidco may determine before the date on which the Offer closes (which may be a different date to the dates referred to in 2. and 3. above) and "Stagecoach Share" means any one of them.</p>
"Subsidiary"	has the meaning given in section 1159 of the Companies Act.
"subsidiary undertakings"	has the meaning given in section 1162 of the Companies Act.
"Takeover Code"	the City Code on Takeovers and Mergers.
"Third Party"	has the meaning given to it in paragraph 2(a)(i) of Appendix 1 to this Announcement.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.
"Unconditional Date"	Day 60 or such earlier date specified by PEIF III Bidco in the Offer Document or any Acceleration Statement unless, where permitted, it has withdrawn that statement.
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended.

"US Securities Act"	the United States Securities Act of 1933, as amended.
"Wider PEIF III Topco Group"	PEIF III Topco and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which PEIF III Topco and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider Stagecoach Group).
"Wider Stagecoach Group"	Stagecoach and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which Stagecoach and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider PEIF III Topco Group).

All times referred to are London time unless otherwise stated.

All references to "**GBP**", "**pence**", "**sterling**" or "**£**" are to the lawful currency of the United Kingdom.

All references to "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Union, as amended.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

SCHEDULE 2

REMUNERATION PROPOSALS

Stagecoach and PEIF III Bidco intend that the following arrangements and acknowledgements will, subject to the Offer becoming or being declared unconditional in all respects in accordance with the requirements of the Code, apply to the Stagecoach Share Plans and the Stagecoach Employees.

If the Offer is implemented by way of a scheme of arrangement, outstanding awards shall vest and shall lapse in accordance with their terms under the rules of the relevant Stagecoach Share Plans. In this Schedule 2, each of the following words and expressions shall have the following meanings:

"Awards"	has the meaning given to it in Part 1, paragraph 5(B) of this Schedule 2;
"BAYE"	means the Stagecoach all-employee "Buy As You Earn" Share Incentive Plan;
"BAYE Trustee"	means Link Market Services Trustees Limited in its capacity as trustee of the BAYE trust;
"EFRBS"	means the Stagecoach employer funded retirement benefits scheme;
"EPP"	means the Stagecoach 2013 Executive Participation Plan;
"LTIP"	means the Stagecoach 2013 Long Term Incentive Plan;
"Qualifying Termination"	means: <ul style="list-style-type: none"> (a) any termination by the employer other than where the employer is entitled pursuant to the employment contract, or for any reason justifying summary termination at common law, to dismiss the Stagecoach Employee summarily without notice (or payment in lieu of notice); or (b) a termination by reason of the Stagecoach Employee's resignation in circumstances amounting to constructive dismissal as determined by an Employment Tribunal or Court.

For the avoidance of doubt, if a Stagecoach Employee resigns and such resignation does not amount to constructive dismissal under limb (b) above, such Stagecoach Employee's resignation shall not amount to a Qualifying Termination.

"RSP"	means the Stagecoach Restricted Share Plan;
"Stagecoach Directors' Remuneration Policy"	means the directors' remuneration policy approved by Stagecoach Shareholders from time to time;
"Stagecoach Employees"	means the employees of the Stagecoach Group (including the Stagecoach Executive Directors);
"Stagecoach Executive Directors"	means Martin Griffiths and Ross Paterson;
"Stagecoach Group"	Stagecoach, its subsidiaries and its subsidiary undertakings from time to time;
"Stagecoach Redundancy Practices"	the Stagecoach Group's established practices at the date of this Agreement in respect of the making of redundancies of employees within the Stagecoach Group;
"Stagecoach Remuneration Committee"	means the remuneration committee of the board of directors of Stagecoach; and
"Stagecoach Share Plans"	means each of the EPP, LTIP, RSP and BAYE.

PART 1

STAGECOACH SHARE PLANS

General

1. As at 4 March 2022, the following awards were outstanding under the Stagecoach Share Plans:

Stagecoach Share Plan	Form of award(s)	Number of Stagecoach Shares subject to outstanding awards (inclusive of dividend equivalents accrued to 4 March 2022)
LTIP	Cash Award	2,785,575
EPP	Conditional Award	9,216,207
RSP	Conditional Award	6,126,566
BAYE	Beneficial interest in Stagecoach Shares	8,616,858

2. PEIF III Bidco acknowledges that additional Stagecoach Shares (or cash) will be due to be delivered by way of dividend equivalent under the rules of the LTIP, the EPP and the RSP to the extent that any dividends are declared after 4 March 2022 and before the Effective Date and to the extent awards vest.
3. Stagecoach confirms that no additional awards have been granted under the Stagecoach Share Plans or any other share option or award plan since 1 July 2021.
4. PEIF III Bidco acknowledges that, before the Effective Date, Stagecoach may continue to operate the Stagecoach Share Plans in accordance with the rules of the relevant plan, Stagecoach's normal practice and, where applicable, the Stagecoach Directors' Remuneration Policy. For the avoidance of doubt, the operation of the Stagecoach Share Plans includes (without limitation): granting awards, determining the extent to which awards vest and satisfying the vesting of awards under the LTIP, the EPP and the RSP and obligations under the BAYE. In particular, PEIF III Bidco acknowledges that Stagecoach may make additional awards under the EPP and the RSP in a manner and level (both individually and in aggregate) consistent with the rules of the EPP and the RSP, normal Stagecoach practice and the Stagecoach Directors' Remuneration Policy (as applicable). For the avoidance of doubt, Stagecoach may grant awards to Stagecoach Employees who do not currently hold awards under the EPP and the RSP where to do so is in the ordinary course of business and consistent with normal Stagecoach practice. Stagecoach will provide PEIF III Bidco with all relevant details of any such additional awards as soon as reasonably

practicable following the relevant grant date. Stagecoach confirms and PEIF III Bidco acknowledges that Stagecoach does not currently intend to grant any additional awards under the LTIP.

5. PEIF III Bidco and Stagecoach acknowledge and agree that:
 - (A) Stagecoach may amend the rules of the Stagecoach Share Plans if the Stagecoach Directors (or the relevant committee) are of the opinion that such amendments are necessary or desirable to implement the treatment set out in this Agreement, to facilitate the administration of the Stagecoach Share Plans or to obtain or maintain favourable tax treatment for participants and/or for Stagecoach;
 - (B) PEIF III Bidco and Stagecoach intend to write jointly to participants in the Stagecoach Share Plans on, or as soon as practicable after, the posting of the Offer Document to inform them of (i) the impact of the Offer on their outstanding awards under the Stagecoach Share Plans ("**Awards**"); (ii) the extent to which their Awards will vest as a result of the Offer and/or otherwise be affected by the Offer; and (iii) their right to accept the Offer conditional on the vesting of their Awards, such communications to be prepared by Stagecoach and in a form to be agreed between Stagecoach and PEIF III Bidco.
6. PEIF III Bidco acknowledges and agrees that if, for any reason, Stagecoach Shares cannot be issued or transferred when Awards vest under any of the Stagecoach Share Plans, other than the LTIP, such Awards may be settled by Stagecoach in cash.
7. PEIF III Bidco acknowledges that Stagecoach may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2, having consulted with PEIF III Bidco before making such submission, and PEIF III Bidco agrees to co-operate as soon as possible and in good faith in the making of any such submission.

LTIP

8. PEIF III Bidco acknowledges that the extent to which Awards outstanding under the LTIP vest in consequence of the Offer is to be determined solely by the Stagecoach Remuneration Committee, in accordance with the rules of the LTIP and the terms of such Awards and the performance conditions applicable to the LTIP Awards shall be applied without any further adjustment or amendment by the Stagecoach Remuneration Committee.

RSP

9. PEIF III Bidco acknowledges that the extent to which Awards outstanding under the RSP vest in consequence of the Offer (including the application of time pro-rating) is to be determined solely by the Stagecoach Remuneration Committee following consideration of any underpin (and any other condition imposed on the vesting of the award) and, where applicable, in accordance with the Stagecoach Directors' Remuneration Policy, and any remainder of the Award shall lapse. PEIF III Bidco acknowledges that it is the current intention of the Stagecoach Remuneration Committee that Awards under the RSP shall be

time pro-rated by reference to the period of time elapsed between the date of grant of a relevant Award and the Effective Date.

10. PEIF III Bidco will, conditional on the Effective Date occurring, and as soon as practicable after the Effective Date, grant to all participants in the RSP who remain in employment as at the Effective Date, in relation to the portion of their Awards under the RSP that does not vest as a result of the application of time pro-rating in accordance with paragraph 9 above, an award over a fixed cash sum (an "**RSP Rollover Award**"). The terms of an RSP Rollover Award would be as follows:
- (A) an RSP Rollover Award would be granted over a fixed cash sum, calculated by reference to the number of Stagecoach Shares subject to the RSP Awards that lapse as a result of the application of time pro-rating in accordance with paragraph 9 above, multiplied by 105 pence per Stagecoach Share; and
 - (B) any RSP Rollover Award would be subject to the terms and conditions of the RSP except that:
 - (i) the RSP Rollover Award would not be subject to any underpin;
 - (ii) the RSP Rollover Award would vest on 31 March 2025;
 - (iii) the RSP Rollover Award would not be subject to a post-vesting holding period;
 - (iv) Rules 11.1 to 11.6 of the RSP are disapplied so that if the holder of an RSP Rollover Award is served with (or serves) notice of a Qualifying Termination or is otherwise subject to a Qualifying Termination at any time prior to 31 March 2025, their RSP Rollover Award will continue to vest on 31 March 2025, with no pro-rata reduction. Conversely, if the holder of an RSP Rollover Award is served with (or serves) notice of termination of their employment or their employment is otherwise terminated, other than in connection with a Qualifying Termination, their RSP Rollover Awards will lapse immediately;
 - (v) Rule 12.5 of the RSP would not apply so that, upon the occurrence of an event in Rules 12.1 to 12.3 of the RSP relating to PEIF III Bidco or Stagecoach (other than the Offer), the RSP Rollover Award would vest without any pro-rata reduction; and
 - (C) malus and clawback provisions, as set out in Rule 13 of the RSP, will apply to the RSP Rollover Award.

EPP

11. PEIF III Bidco acknowledges that the extent to which Awards outstanding under the EPP vest in consequence of the Offer is to be determined solely by the Stagecoach Remuneration Committee in accordance with the rules of the EPP and the terms of such Awards.

BAYE

12. PEIF III Bidco acknowledges that the acquisition of "Partnership Shares", "Matching Shares" and "Dividend Shares" under the BAYE, to the extent operated by Stagecoach, may continue until the last reasonably practicable normal purchase date before the Effective Date.
13. PEIF III Bidco and Stagecoach acknowledge that the BAYE Trustee will write to participants in the BAYE to invite them to accept the Offer in respect of the Stagecoach Shares which are held in the BAYE trust on their behalf, such communications to be prepared by Stagecoach and the BAYE Trustee and in a form to be agreed between Stagecoach, PEIF III Bidco and the BAYE Trustee.

Employee Benefit Trust and Treasury Shares

14. PEIF III Bidco acknowledges that, as at 4 March 2022, other than the Stagecoach Shares which are held in trust under the BAYE, there are no shares held in any other employee benefit trust.
15. Subject to paragraph 6, PEIF III Bidco acknowledges that Stagecoach shall have discretion to determine how to satisfy Awards, including by the issue of new Stagecoach Shares or the use of Stagecoach Shares held in treasury.

PART 2 EMPLOYEES

Ordinary course of business arrangements

1. PEIF III Bidco acknowledges and agrees that before the Effective Date Stagecoach will carry out annual (or other periodic) pay reviews, pay negotiations (including the current negotiations between Stagecoach and trades unions regarding the pay of certain Stagecoach Employees), appraisals, recruitment and promotions in the ordinary course of business and consistent with normal Stagecoach practice.
2. Prior to the Effective Date, PEIF III Bidco acknowledges that Stagecoach may make ad-hoc cash bonuses to Stagecoach Employees on the basis that such bonuses are made and paid in accordance with Stagecoach's past custom and practice. Prior to the Effective Date, PEIF III Bidco shall, acting in good faith and in a timely manner, consider any other bonuses for approval, whether in connection with the Offer or otherwise.
3. PEIF III Bidco agrees, in respect of each Stagecoach Employee who remains employed within the Stagecoach Group, that:
 - (A) subject to (i) the expectation that the EFRBS will close to further accrual on 30 September 2023, consistent with Stagecoach's existing plans, and that no new entrants will join the EFRBS before that date and (ii) paragraph 3(B) below, for the period of 12 months immediately following the Effective Date it shall, or shall cause the relevant employing entity in the Stagecoach Group to, maintain at least the same contractual terms and conditions of employment (including pension) as were provided to each such Stagecoach Employee immediately prior to the Effective Date; and
 - (B) in respect of the relevant Stagecoach Employees who are members of the EFRBS, PEIF III Bidco intends for, and shall not take action to prevent or discourage, the relevant employing entity in the Stagecoach Group to satisfy the commitments that Stagecoach has given to each of the members of the EFRBS in letters to those members dated 22 June 2020.

Annual bonus

4. PEIF III Bidco acknowledges that for all Stagecoach Employees:
 - (A) Stagecoach operates annual bonus arrangements for each Stagecoach financial year that are conditional on financial and individual performance;
 - (B) bonus determinations for the Stagecoach financial year ending 30 April 2022 and for any other Stagecoach financial year completed before the Effective Date will be undertaken by Stagecoach and paid by Stagecoach in accordance with the Stagecoach Directors' Remuneration Policy (where applicable) and consistent with normal Stagecoach practice, with payment being made (and, where applicable but

subject to paragraph 4(C) below, further EPP awards being granted) on or around the normal bonus payment dates;

- (C) where a normal bonus payment date falls after the Effective Date (including in respect of any annual bonus payments for the financial year ending 30 April 2022), such bonus payments will be settled wholly in cash and not subject to deferral under the EPP or otherwise, save to the extent any recipient of a bonus remains subject to the terms of the Stagecoach Directors' Remuneration Policy;
- (D) for the Stagecoach financial year in which the Effective Date occurs, bonus determinations will be undertaken by Stagecoach shortly after the end of that Stagecoach financial year based on the performance conditions set by the Stagecoach Remuneration Committee for the relevant Stagecoach financial year in respect of such bonuses in the ordinary course of business and consistent with normal Stagecoach practice (or, where such performance conditions are no longer appropriate after the Effective Date, such performance conditions as are determined by Stagecoach but which are no more or less difficult to satisfy than the conditions they replace), with payment being made on or around the normal bonus payment dates and, for the avoidance of doubt, in accordance with paragraph 4(C) above; and
- (E) for financial years starting after the Stagecoach financial year in which the Effective Date occurs, Stagecoach Employees will be eligible to participate in bonus arrangements operated by PEIF III Bidco and/or Stagecoach in respect of Stagecoach Employees in accordance with applicable policies and practices from time to time.

Severance arrangements

- 5. PEIF III Bidco agrees that, where any Stagecoach Employee (other than a Stagecoach Executive Director) is dismissed by reason of redundancy (within the meaning of section 139 of the Employment Rights Act 1996) or resigns in circumstances amounting to constructive dismissal, as determined by an Employment Tribunal or Court, at any time during the period of twelve months from the Effective Date, such Stagecoach Employee will:
 - (A) be entitled (to the extent applicable) to statutory and contractual redundancy payments;
 - (B) remain eligible to receive a bonus in respect of the financial year in which their employment terminates to the extent that they were so eligible prior to the termination of employment, subject to the applicable performance conditions, and pro-rated to the date of termination or, if required by Law or consistent with the Stagecoach Redundancy Practices, to the date upon which notice would have expired in the absence of a payment in lieu of notice (to be paid on the normal bonus payment date, or in the case of a constructive dismissal, as soon as reasonably practicable after the date of such Employment Tribunal or Court determination);

- (C) in respect of any outstanding Awards under any Stagecoach Share Plan or outstanding awards under any other long-term incentive arrangement of general application to Stagecoach Employees and in which the Stagecoach Employee participates, be treated as a good leaver (or any similar or equivalent concept), provided that any RSP Rollover Awards will continue to be treated in accordance with paragraph 10(B)(iv) of Part 1;
 - (D) if, on termination of employment (or on settlement of a constructive dismissal claim), they enter into a settlement agreement on terms materially consistent with Stagecoach's past practice or on terms otherwise acceptable to PEIF III Bidco, receive a reasonable contribution towards legal fees incurred by such Stagecoach Employee in connection with the entry into such settlement agreement; and
 - (E) where, at the request of PEIF III Bidco, a Stagecoach Employee signs a settlement agreement pursuant to which their employment will terminate (or settles a claim for a constructive dismissal) and the terms of which settlement agreement are materially consistent with Stagecoach's past practice, that Stagecoach Employee will receive a severance payment calculated in accordance with either: (i) the Stagecoach Redundancy Practices (any such payments being set off against any amount paid pursuant to paragraph 5(A) above); or (ii) any other policy or arrangement agreed between Stagecoach and PEIF III Bidco, such policy or arrangement to be no less favourable to the relevant Stagecoach Employee on an individual basis than the formula referred to under paragraph 5(E)(i).
6. For the avoidance of doubt, PEIF III Bidco acknowledges that the Stagecoach Executive Directors' existing contractual entitlements will continue to apply following the Effective Date.

Signed by 
for and on behalf of
INFRAMOBILITY UK BIDCO LIMITED

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(Signature of authorised person)

Signed by
for and on behalf of
STAGECOACH GROUP PLC

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(Signature of authorised person)

Signed by
for and on behalf of
INFRAMOBILITY UK BIDCO LIMITED

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(Signature of authorised person)

Signed by [REDACTED]
for and on behalf of
STAGECOACH GROUP PLC

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[REDACTED]
(Signature of authorised person)