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The Directors
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28 February 2022

Ladies and Gentlemen

GXO Logistics, Inc

We report on the statement ('the Statement') made by the directors of GXO Logistics, Inc. ('the Directors') on page 23 of this Announcement to the effect that:

"The GXO Directors expect pre-tax run-rate cost synergies for the Enlarged Group of approximately £36 million to be realised by the end of the third year post completion of the Acquisition. The principal sources of these synergies are as follows:

- *approximately 54 per cent. from combining UK operations and support functions, including the removal of costs associated with Clipper's status as a listed company, in the UK;*
- *approximately 19 per cent. from combining operations in other geographies and support functions in those geographies;*
- *approximately 17 per cent. from fleet procurement and maintenance savings; and*
- *approximately 10 per cent. from other cost and procurement savings.*

It is envisaged that the realisation of the identified cost synergies will result in non-recurring integration costs of approximately £30 million in aggregate over the first 3 years post completion of the Acquisition.

Potential areas of dis-synergy have also been considered and were determined by GXO Management to be immaterial for the analysis. The expected synergies will accrue as a direct result of the success of the Acquisition and would not be achieved on a standalone basis."

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers ('the City Code') and is given for the purpose of complying with that requirement and for no other purpose.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Part A of Appendix 4 of this Announcement setting out, inter alia, the basis of the Directors' belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the City Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a) of the City Code as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in this Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Part A of Appendix 4 to this Announcement.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

We have discussed the Statement, together with the underlying plans, with the Directors and Rothschild & Co. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.



We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement. The Statement is subject to uncertainty as described in Part A of Appendix 4 to this Announcement. Because of the significant changes in the enlarged group's operations expected to flow from the transaction and since the Statement relates to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully



KPMG LLP