

DIGITAL WHOLESALE SOLUTIONS AGREES STRATEGIC PARTNERSHIP WITH INFLEXION.

Investment enables fast-growing IT, communications and cloud platform business to demerge from Daisy Group, supporting further growth.

NELSON – January 7th, 2021 – Digital Wholesale Solutions (DWS) is pleased to announce a strategic partnership with private equity firm Inflexion which sees Inflexion make a significant minority investment in the business. As part of the transaction, DWS will be demerged from Daisy Group with the majority of the shareholders of Daisy Group reinvesting directly into DWS.

The demerger, which values DWS at £1bn, is the final step in separating DWS from the Daisy Group.

DWS is a high growth, channel-only software platform business providing IT, communications and cloud products and services on a wholesale basis to over 6,000 UK partners, from vendors including Vodafone, O2, BT/EE, Microsoft, TTB and Virgin Media Business. Its services are targeted at resellers serving SME's in the 10-250 employee range.

As an independent entity DWS can further pursue its strategy of being the partner of choice across the industry, with its integrated platform enabling resellers to provide the very best in IT, communications and cloud solutions to their customers.

DWS's CEO Terry O'Brien will remain in post, leading the business with the support of his existing management team. The business will continue to operate its hugely successful, clear, and simple, customer-first, channel focused model.

O'Brien commented *"The announcement today is brilliant news for DWS, brilliant news for our vendors and most importantly brilliant news for our partners. From the get-go, it was clear that Inflexion shared our excitement about the UK channel community and the huge potential for growth as SME's increase their investment in digital technology. I'm delighted that Inflexion is joining our team, where we are obsessed with building a great channel-only business, delivering great products and a great experience for partners through a great platform."*

Matt Riley, founder of Daisy Group and who will remain as Chairman of DWS commented *"In a fast moving, dynamic, highly competitive market, with customers demanding more from their partners, we made a strategic decision to separate our direct and indirect businesses to provide better focus and agility. The change has re-ignited the growth in all our businesses and today's announcement is the next step on that journey. I'm delighted to welcome Inflexion onboard, who from first introduction recognised not only the quality of the DWS business but also its huge potential to grow in really exciting market conditions."*

Simon Turner, Managing Partner of Inflexion, commented, *"The business Matthew and his team have built up is testament to what the hard work of an ambitious entrepreneur can achieve. DWS is exceptionally well placed to continue its organic and acquisition led growth as it builds its market position further. We look forward to partnering with Matthew, Terry and the whole DWS team as they continue on their impressive journey."*

The investment is subject to regulatory approval.

The principal advisors for DWS were Oakley Advisory, EY (Financial and Commercial due diligence) and Eversheds Sutherland (Legal).

Principal advisors for Inflexion were Alantra (Advisory), PWC (Financial and Commercial due diligence) and Travers Smith (Legal)

About Digital Wholesale Solutions

DWS is a leading platform business that provides a wide range of digital IT, communications and cloud services such as mobile, SaaS, broadband, ethernet and hosted voice to over 6,000 partners in the UK, from vendors including Vodafone, Microsoft, BT, O2, TTB and Virgin Media Business.

A 100% channel partner business, DWS is obsessed about making it easy for resellers to sell, provision, manage, support and bill ICT products and services.

www.digitalwholesalesolutions.com

About IFX

Inflexion is a mid-market private equity firm which invests in high growth, entrepreneurial businesses with ambitious management teams and works in partnership with them to accelerate growth. Inflexion's flexible approach allows it to back both majority and minority investments, typically investing £10m to £300m of equity in each deal.

With bespoke teams and dedicated capital, Inflexion's funds invest across a variety of sectors from offices in London and Manchester as well as Amsterdam, Bangalore, Boston, Sao Paulo and Shanghai. Inflexion helps businesses achieve the next stage of their development through M&A, international expansion, digital enhancement, talent development, commercial strategy, and access to Inflexion's networks.

In 2020 Inflexion retained a leading position in Preqin's annual global league for consistently top performing buyout funds. It is the only UK fund to be ranked in the top 10. Inflexion has also won a number of industry accolades for its success in growing the businesses it backs.

Funds advised by Inflexion Private Equity Partners LLP have funds under management of c.£5.4bn.

Read more at www.inflexion.com

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