

28 March 2024

Kitwave Group plc

("Kitwave", the "Group" or the "Company")

Acquisition of Total Foodservice Solutions Limited

Kitwave Group plc (AIM: KITW), the delivered wholesale business, is pleased to announce that the Group has acquired the entire issued share capital of Total Foodservice Solutions Limited ("Total Foodservice"), a leading independent food wholesaler in the North of England (the "Acquisition"). The total gross consideration payable for the Acquisition is £21.0 million in cash and has been funded from the Group's current banking facilities.

Established over 130 years ago, Total Foodservice delivers wholesale catering supplies of around 4,000 product lines including chilled, frozen and ambient food, non-food and cleaning products. Total Foodservice's depots are located in Clitheroe, Lancashire and Huddersfield, Yorkshire with customers including licensed trade and restaurants, coffee shops and sandwich bars, schools and universities and the care industry across the North of England.

Total Foodservice reported an audited turnover of £25.4 million, profit before tax of £2.0 million and the balance sheet had net assets of £8.5 million for the financial year ended 30 April 2023. The acquired balance sheet includes c.£4.0 million of cash and freehold property with a book value of £2.1 million. The net cash outflow from the Group as a result of the consideration payable and the cash acquired is c.£17.0 million. The Board believes that the Acquisition will be immediately earnings enhancing after adding back costs relating to the transaction.

The Acquisition will be incorporated into Kitwave's existing Foodservice division which currently comprises the trading operations of David Miller Frozen Foods Limited, M. J. Baker Foodservice Limited, Westcountry Food Holdings Limited and H.B. Clark & Co. (Successors) Limited.

Commenting on the Acquisition, Ben Maxted, Chief Executive Officer of Kitwave, said:

"We are delighted to announce the acquisition of Total Foodservice, which is a one-stop shop for wholesale commercial catering supplies and enables us to further expand our product range offering across the North of England and in particular Yorkshire and the North West, complementing our existing foodservice offering.

"Total Foodservice is a well-established business in the catering industry and we look forward to welcoming its team to Kitwave and integrating the business into our Foodservice division.

"This acquisition is in line with Kitwave's growth strategy, and we will continue to seek to identify further opportunities in the UK's highly fragmented wholesale market to deliver further value to the Group and its shareholders."

- Ends-

For further information please contact:

Kitwave Group plc
Ben Maxted, Chief Executive Officer
David Brind, Chief Financial Officer
www.kitwave.co.uk

Tel: +44 (0) 191 259 2277

Canaccord Genuity Limited
(Nominated Adviser and Sole Broker)
Bobbie Hilliam
Alex Orr

Tel: +44 (0) 20 7523 8150

Yellow Jersey PR
(Financial media and PR)
Sarah Hollins
Shivantha Thambirajah
Rebecca Elliott

Tel: +44 (0) 20 3004 9512

Company Overview

Founded in 1987, following the acquisition of a single-site confectionery wholesale business based in North Shields, United Kingdom, Kitwave is a delivered wholesale business, specialising in selling and delivering impulse products, frozen, chilled and fresh foods, alcohol, groceries and tobacco to approximately 42,000, mainly independent, customers.

With a network of 30 depots, Kitwave is able to support delivery throughout the UK to a diverse customer base, which includes independent convenience retailers, leisure outlets, vending machine operators, foodservice providers and other wholesalers, as well as leading national retailers.

The Group's growth to date has been achieved both organically and through a strategy of acquiring smaller, predominantly family-owned, complementary businesses in the fragmented UK grocery and foodservice wholesale market.

Kitwave Group plc was admitted to trading on AIM of the London Stock Exchange in May 2021.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQMZGZFVRNGDZG