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For immediate release

1 October 2024

### **Mpac Group plc**

#### **€56 million (c.£46.6 million) Acquisition of CSi Palletising**

Mpac Group plc ("**Mpac**" or the "**Company**") (AIM: MPAC), the AIM quoted global leader in high-speed packaging and automation solutions, is pleased to announce that its indirectly wholly owned subsidiary Mpac Bidco B.V., has entered into an Acquisition Agreement with the Sellers to conditionally acquire the entire issued share capital of Elstar International B.V. a private limited liability company incorporated under the laws of the Netherlands that operates under the name CSi Palletising.

#### **Acquisition Highlights**

- Acquisition of CSi Palletising, a leading provider of design, manufacturing and installation services for end-of-line automation and palletising solutions.
- CSi Palletising has a trading history of 60 years and has a high-quality established blue-chip customer base across the FMCG sector. It is headquartered in the Netherlands and supported by well invested manufacturing facilities in Romania.
- The Board believes that the Acquisition is transformational and highly complementary to the existing Mpac business. It also believes there is clear strategic rationale for the Acquisition, extending Mpac's product line offering and customer base and accelerates its previously stated strategic intent to double revenue over the five-year period ending 31 December 2028.
- CSi Palletising has an attractive historical growth profile and the results for FY24 are expected to show continuing momentum in revenue and profit growth.
- For the year ended 31 December 2023, CSi Palletising's audited results showed €71.5 million of revenue and €7.3 million of adjusted EBITDA and in the six months to 30 June 2024, CSi Palletising generated unaudited revenue of €44.4 million and €6.8 million of EBITDA. Audited gross assets as at 31 December 2023 were €44.3 million.
- As at 30 June 2024, CSi Palletising had a project order book of €64.3 million, underpinning management forecasts for the business for the remainder of FY24 and into FY25.
- The Acquisition presents numerous synergistic opportunities across both costs and sales to both CSi Palletising and Mpac across all operating functions. Strong EPS accretion is expected over a five-year strategic cycle.

strategic cycle.

- The consideration payable to the Sellers for CSi Palletising is an enterprise value of €56 million which is to be satisfied as follows:
  - Cash Consideration of €41.5 million on Completion;
  - €5 million through the issue of 1,039,500 Consideration Shares at the Issue Price of 400 pence per share (subject to a two-year lock-up);
  - €6 million through the Vendor Loans; and
  - €3.5 million by two deferred consideration payments of €1.75 million each which become payable on 1 January 2026 and 1 January 2027.
- There will also be an additional cash payment at Completion for the agreed cash, debt and working capital adjustments in connection with the Acquisition which the Board expects to be covered by cash and any excess working capital inherited at Completion by virtue of the Acquisition<sup>1</sup>.
- The Cash Consideration will be part funded by a Placing at the Issue Price of 400 pence per Placing Share to raise gross proceeds for the Company of approximately £29 million (before fees and expenses). The Placing is being launched shortly after this Announcement by way of a separate announcement. In addition, the Company will also separately announce a Retail Offer to raise gross proceeds of up to £1 million for the Company (before fees and expenses) to allow retail Shareholders an opportunity to participate in the Fundraising at the same price as the Placing.
- The balance of the Cash Consideration is being satisfied from the Company's new Facilities with HSBC which have been entered into in connection with the Acquisition. The new Facilities consist of a RCF of £35 million (replacing the Group's existing £25 million RCF) and a new £12 million Term Loan.
- The Company will have significant undrawn borrowing facilities post Completion of the Acquisition.
- Net debt/EBITDA is expected to be less than 2.0x on Completion and the Group is expecting rapid deleveraging to less than 1.0x by the end of FY25 due to high levels of cash generation by the enlarged Group.

<sup>[1]</sup> Subject also to adjustments to add a daily cash ticker amount for the period from (and including) 1 October 2024 up to (and including) the date of Completion and to deduct any leakage during the period from (and including) 1 March 2024 up to the moment immediately preceding Completion.

**Adam Holland, Chief Executive of Mpac, commented:**

*"I'm delighted to announce the transformational acquisition of CSi Palletising, which along with our recent acquisitions of BCA and SIGA Vision, will significantly transform our customer offering and core capabilities, consistent with our stated strategic ambition. We have substantially expanded the breadth of our technology and extended our customer reach globally. We are excited about the numerous growth opportunities for the enlarged Group."*

**Jan de Bruijn, CEO of CSi Palletising, commented:**

*"CSi Palletising is very pleased with the combination of these two companies. It represents a strong fit with the strategic plans that CSi Palletising has made in the past for its Dutch, Romanian and Mexican subsidiaries. The acquisition broadens CSi Palletising's offering to all customers. Moreover, there is a good cultural fit and it increases the possibilities for CSi Palletising colleagues to develop themselves further on an international scale. This is the best possible next step for CSi Palletising."*

Further information on the Acquisition, including the expected timetable of principal events, is set out below. This Announcement should be read in its entirety.

**Unless the context otherwise provides, capitalised terms used in this Announcement have the meanings ascribed to them in the section headed "Definitions" at the end of this Announcement.**

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**Introduction**

The Company is pleased to announce that its indirectly wholly owned subsidiary Mpac Bidco, has entered into the Acquisition Agreement with the Sellers to conditionally acquire the entire issued share capital of Elstar International B.V., a private limited liability company incorporated under the laws of the Netherlands that operates under the name

CSi is a private limited liability company incorporated under the laws of the Netherlands that operates under the name CSi Palletising, a leading provider of design, manufacturing and installation services for end-of-line automation and palletising solutions.

The Board believes that CSi Palletising is highly complementary to the existing Mpac business and is in accordance with its stated acquisition strategy to develop its 'fuller' line offering.

The consideration payable to the Sellers for CSi Palletising is an enterprise value of €56 million which is to be satisfied: (a) on Completion as to €41.5 million in cash; as to €5 million through the issue of 1,039,500 Consideration Shares at the Issue Price; and as to €6 million through the Vendor Loans; and (b) by two deferred consideration payments of €1.75 million each which become payable on 1 January 2026 and 1 January 2027. There will also be an additional cash payment to the Sellers at Completion for the agreed cash, debt and working capital adjustments in connection with the Acquisition which the Board expects to be covered by cash and any excess working capital inherited at Completion by virtue of the Acquisition<sup>1</sup>.

The Cash Consideration will be part funded by a Placing at the Issue Price of 400 pence per share which is being announced later today and is expected to raise approximately £29 million for the Company (before fees and expenses). In addition, Mpac will also separately announce a Retail Offer to raise gross proceeds of up to £1 million (before fees and expenses), to allow retail Shareholders an opportunity to participate in the Fundraising at the same price as the Placing. The balance of the Cash Consideration is being satisfied from the Company's new Facilities with HSBC which have been entered into in connection with the Acquisition. The Company will have significant undrawn borrowing facilities within its RCF post Completion.

The Fundraising is conditional upon, amongst other things, the approval by the Shareholders of the Resolutions to be proposed at the General Meeting. The Fundraising will not be underwritten. The Resolutions must be passed by Shareholders at the General Meeting in order for the Fundraising to proceed. The Fundraising is not conditional on the completion of the Acquisition but the Joint Brokers have a right to terminate the Placing Agreement if the Acquisition Agreement terminates before Admission.

If the conditions relating to the issue of the Placing Shares are not satisfied or the Placing Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the associated placing monies. In this scenario, the Retail Offer will similarly not proceed and the Acquisition will not complete.

<sup>[1]</sup> Subject also to adjustments to add a daily cash ticker amount for the period from (and including) 1 October 2024 up to (and including) the date of Completion and to deduct any leakage during the period from (and including) 1 March 2024 up to the moment immediately preceding Completion.

## Background information on Mpac

Mpac is a specialist in machine building, i.e. robotics, for clients requiring solutions for packaging machinery, cartoning and case handling, particularly in the food and beverage and healthcare sectors, and now emerging in the field of clean energy. Alongside original equipment manufacture, Mpac has a well established service offering for its customers.

On 10 September 2024, the Company announced its H1 2024 results. In the H1 2024 results, the Company stated in relation to the half year period, that the Company delivered *'a strong financial performance in line with the Board's expectations, with significant revenue, margin and profit growth'*. In the H1 2024 results, the Company also gave the following update in relation to the Group's current trading and outlook:

- *Current trading is in line with the Board's expectations and the Group has a diverse order book going into H2 2024, providing good revenue coverage supported by a strong prospect pipeline;*
- *Confident in relation to the full year end and, with continued improvement in project margins, in delivering the H2 underlying profit weighting which was announced earlier in the year; and*
- *The Group's balance sheet remains strong and, as predicted, the timing of orders led to an expansion of working capital in H1 which is expected to unwind as the projects complete.*

On 18 September 2024, the Company announced that it had acquired the entire issued share capital of BCA for a total consideration of 17 million, before customary adjustments in respect of cash and working capital, of which 6 million was satisfied through the issue of 1,059,349 new Ordinary Shares. BCA operates upstream of Mpac and CSi Palletising, in the processing and handling of products in the food, life sciences and other general industrial sectors. The Board utilised the Company's existing shareholder authorities granted at the 2024 AGM to allot the BCA Consideration Shares.

## Information on CSi Palletising

### Overview of CSi Palletising

CSi Palletising, headquartered in the Netherlands, is a global leader in end-of-line packaging automation, with production facilities in Romania and additional sales presence in the USA, Mexico, Germany, France, Spain and the United Kingdom. It designs, manufactures and installs palletising, pallet handling and case transport systems, including associated aftersales services. As at 31 December 2023, CSi Palletising had, in aggregate, approximately 440 employees. CSi Palletising's sales have grown from €51.3 million in 2021 to €71.5 million in 2023.

CSi Palletising offers customers comprehensive end-of-line solutions from case transport and conveying, to integrated palletising and pallet handling systems. CSi Palletising specialises in fixed-share products such as cases and bags and its machines have a low to medium capacity range of up to a maximum of 120 cases per minute. CSi Palletising has developed integration "know-how" of both internally developed and third-party systems including autonomous robotics technology and specialist in-house software.

CSi Palletising has a longstanding customer base with 100 per cent. customer retention across major "blue chip" groups and its average length of customer relationship is over 15 years, with the top six strategic accounts each having a relationship of more than 30 years. The remaining customers in the top ten strategic accounts of CSi Palletising have an average relationship of 21 years. Key customers include Lamb Weston, Mondelez International, Nestle, PepsiCo and Unilever. CSi Palletising also has a growing global installed base of over 2,500 lines with 80 to 90 solutions being delivered per year as key elements in systems.

### CSi Palletising financial summary

The Board believes that CSi Palletising has a strong historical financial track record and is on track to achieve its management budget for 2024 with the remainder of the year underpinned by a strong forward orderbook which amounted to €64.3 million as at June 2024. The results for CSi Palletising for the financial year ending 31 December 2024 are expected to show continuing momentum in revenue and earnings growth compared to the financial year ended 31 December 2023.

Set out below is the unaudited financial summary for CSi Palletising for the year to date to 30 June 2024 and audited financial information for the financial years ended 31 December 2023, 2022 and 2021.

**Financial year ended 31 December**

|                                     | <b>YTD to 30<br/>June 2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|-------------------------------------|--------------------------------|-------------|-------------|-------------|
|                                     | <b>€m</b>                      | <b>€m</b>   | <b>€m</b>   | <b>€m</b>   |
| <b>Revenue</b>                      | 44.4                           | 71.5        | 63.1        | 51.3        |
| <b>Revenue growth</b>               | -                              | 13.3%       | 19.5%       | -           |
| <b>Gross profit</b>                 | 26.0                           | 38.9        | 33.3        | 30.4        |
| <b>Operating expense</b>            | (19.2)                         | (31.6)      | (28.2)      | (26.8)      |
| <b>EBITDA</b>                       | 6.8                            | 7.3         | 5.1         | 3.6         |
| <b>EBITDA margin %</b>              | 15%                            | 10%         | 8%          | 7%          |
| <b>Underlying profit before tax</b> | 6.3                            | 6.0         | 3.9         | 2.4         |
| <b>Operating cash-flow</b>          | 5.6                            | 16.5        | 7.5         | (0.6)       |

Source: CSi Palletising

For the financial year ended 31 December 2023, CSi Palletising's top five customers accounted for 80 per cent. of revenue generated, including one very large blue-chip customer which accounted for slightly over 50 per cent. of revenue. The revenue from this largest customer in the financial year ended 31 December 2023 was generated from 47 separate orders and change orders from many different decision makers, across both Original Equipment and Service ranging from €10,000 to €12.3 million in value. In 2023, CSi Palletising won 156 orders across all customers.

Project order intake for the first eight months of 2024 (January to August 2024) has remained strong at €32.4 million, with a broader customer mix than revenue for the financial year ended 31 December 2023, following CSi Palletising management's strategy of diversifying order intake. As a result, the largest customer from the financial year ended 31 December 2023 represents 28 per cent. of the order intake to August 2024 and is no longer the largest contributor to order intake. In addition, this customer placed 38 separate orders and change orders, ranging from €12,000 to €1.4 million, whilst its second largest customer placed 25 separate orders and change orders ranging from €5,000 to €6.9 million. CSi Palletising has won 104 orders in the first eight months of 2024 for palletising alone.

#### **Background to and reasons for the Acquisition**

The Directors believe that the Acquisition is highly complementary to Mpac's existing business, and significantly improves and increases its capability and offering in end-of-line and palletising solutions. The Acquisition is in line with the Company's stated ambition to double revenue in five years from 2023. The Directors believe that the key attractions of CSi Palletising and the Acquisition for the Company are as follows:

- CSi Palletising is a high-quality provider of solutions for palletising and material handling;
- CSi Palletising offers an enhanced package of maintenance and aftermarket services across a growing global installed base;
- CSi Palletising has long-standing, "blue-chip" customer relationships in attractive sectors and its top six customers all exceed 30-year tenures;
- CSi Palletising has strong robotics and systems integration/turnkey capabilities;
- CSi Palletising has long-established, lower-cost manufacturing and assembly facilities in Romania; and
- CSi Palletising has an established and self-sufficient leadership teams across all sites.

#### **Key synergy opportunities from the Acquisition**

Mpac has developed an integration plan for the Acquisition which it intends to implement on Completion. The Directors believe that the Acquisition presents numerous synergistic opportunities to both CSi Palletising and Mpac across all operating functions, including the opportunity to:

- increase CSi Palletising's product sales in North America by utilising Mpac's existing presence and relationships in the United States and Canada;
- develop a stronger sales presence in Latin America, supported through a Mexico location, and to drive Mpac sales in the region through CSi Palletising's experience and relationships;
- secure access to a lower cost manufacturing and assembly facility in Romania and to drive cost-saving efficiencies within Mpac's existing operations;
- cross sell Mpac's equipment to CSi Palletising's strategic accounts;
- generate pull through sales of CSi Palletising's palletisers to existing Mpac customers; and
- utilise Mpac's experience in after sales service to drive cost-saving synergies.

The Company has detailed knowledge of CSi Palletising's operating markets and overlapping customer relationships. As a result, the Board believes execution risk associated with the Acquisition is mitigated by its integration plan.

#### **Financial effects of the Acquisition**

The Acquisition will provide a step change in the Group's earnings and create a significantly larger Group. The Directors expect that the Acquisition will provide strong EPS accretion to the Group over a five year strategic cycle.



Following Completion, consolidated FY24 net debt/adjusted EBITDA is expected to be approximately 1.8x. The Board expects the enlarged Group to be highly cash generative which will drive a rapid deleveraging and is expecting leverage to fall to below 1.0x by the end of FY25.

### Principal terms of the Acquisition

On 30 September 2024, Mpac Bidco, an indirectly wholly owned subsidiary of Mpac, incorporated in the Netherlands for the purposes of making the Acquisition, entered into the Acquisition Agreement pursuant to which it agreed conditionally to purchase the entire issued share capital of CSi Palletising, from the Sellers. The Acquisition Agreement is governed by the laws of the Netherlands.

There is €56 million of consideration payable to the Sellers pursuant to the terms of the Acquisition Agreement consisting of:

- €41.5 million in cash, payable at Completion;
- the Vendor Loans which will be put in place at Completion and comprise: (i) a €1.5 million loan from the Sellers to Mpac Bidco which is repayable at any time up to the date falling 12 months following Completion; and (ii) a €4.5 million loan from the Sellers to Mpac Bidco repayable at any time up to the date falling 24 months following Completion, each of which bears interest at 10 per cent. per annum, payable in cash quarterly;
- the issue to the Sellers at Completion of Consideration Shares with a value of €5 million at the Issue Price; and
- two deferred consideration payments of €1.75 million each which become payable on 1 January 2026 and 1 January 2027, respectively.

There is also an additional €21 million (approximately) for the agreed cash, debt and working capital adjustments, payable in cash to the Sellers at Completion which the Board expects to be covered by cash and any excess working capital inherited at Completion by virtue of the Acquisition<sup>1</sup>.

In relation to the Consideration Shares, the Sellers have undertaken that, subject to certain limited exceptions, they will not dispose of any interest they hold in the Consideration Shares during the period from the date of issue of the Consideration Shares until and including the date 24 months after Completion.

The Acquisition is conditional upon, amongst other things, the Placing Agreement having become unconditional in all respects, the Acquisition having been unconditionally authorised from a national security perspective by a decision of the Romanian Competition Council on terms that are reasonably satisfactory to Mpac Bidco, the Resolutions being duly passed and the consultation procedures with the works council established at the level of CSi Industries B.V. in accordance with article 25 of the Dutch Works Council Act (*Wet op de ondernemingsraden*) having been complied with. The Company has already submitted a notification to the Romanian Competition Council for its authorisation of the Acquisition from a national security perspective and, based on advice it has received, the Company expects a decision to be made within two to three months.

The Acquisition Agreement contains certain customary warranties (including tax warranties) given by the Sellers in favour of Mpac Bidco, subject to certain customary limitations, as well as other customary undertakings and restrictive covenants given by the Sellers.

Mpac Bidco has obtained a buy-side warranty and indemnity insurance policy which, subject to certain exceptions, provides cover for claims against the Sellers under the business and tax warranties and the tax indemnity in the Acquisition Agreement of up to €16.8 million and under the fundamental warranties in the Acquisition Agreement of up to €52.5 million, subject to an aggregate cap for all claims under the insurance policy of €52.5 million. The Sellers have agreed to bear the vast majority of the premium payable for the insurance policy.

<sup>1</sup> Subject also to adjustments to add a daily cash ticker amount for the period from (and including) 1 October 2024 up to (and including) the date of Completion and to deduct any leakage during the period from (and including) 1 March 2024 up to the moment immediately preceding Completion.

### Principal terms of the Facilities

#### Facilities Agreement

On 30 September 2024, the Company (as borrower), Mpac Corporate Services Limited, Mpac Overseas Holdings Limited and Mpac Lambert Limited (as guarantors) (together the "**Obligors**") and HSBC (as lender) entered into the Facilities Agreement, pursuant to which HSBC has agreed to provide the Company with a term loan facility of £12 million (the "**Term Loan**") and a revolving credit facility of £35 million (the "**RCF**"), replacing the Group's existing bank facilities. Certain other subsidiaries of the Company incorporated in Canada, the US and the Netherlands have acceded to the Facilities Agreement in order to provide guarantees and indemnities immediately after the Company's entry into the Facilities Agreement, and certain members of CSi Palletising's group will also accede to the Facilities Agreement after Completion.

Amounts borrowed under the Term Loan are to be used for funding the acquisition of CSi Palletising and amounts borrowed under the RCF are to be used for funding the Acquisition and for general corporate and working capital purposes, including for permitted acquisitions and refinancings.

The Term Loan is repayable quarterly in instalments of £1 million of principal plus any related interest due on such repayment instalments. The final repayment instalment (covering the balance of all amounts outstanding in relation to the Term Loan) will be due on 30 September 2027.

Amounts borrowed under the RCF are repayable quarterly, unless rolled over into the following quarter at the option of the Company, with the final repayment due on 30 September 2027.

The Company has the option to extend the provision of the RCF until 30 September 2028 and again until 30 September 2029, with the consent of HSBC (subject to an agreed extension fee at the relevant time). There are also options for the Company to request increase or incremental facilities up to a maximum of £12 million if the Term Loan is not drawn (subject to fees to be agreed at the time).

The Facilities Agreement contains adjusted leverage and interest cover financial covenants, each to be tested quarterly in respect of each period of 12 months ending on or about the last day of each financial quarter.

The Facilities Agreement also contains terms relating to default and mandatory repayment, as well as covenants and undertakings that are customary for agreements of this type.

The Facilities Agreement is governed by English law.

### Security

On 30 September 2024, the Obligors also entered into a debenture and security confirmation deed in favour of HSBC, both of which are governed by English law.

Some of which are governed by English law.

Under the terms of the debenture, each Obligor has granted security over all of its assets, including the shares of certain subsidiaries owned by the Company. The security is granted to secure all present and future obligations owing to HSBC by any of the Obligors.

Pursuant to the terms of the security confirmation deed, the Obligors confirm that various guarantees and security provided to HSBC under previous financings will remain in full force and effect and will secure the debt outstanding under the Facilities Agreement.

#### Expected timetable of Events

|  |   |
|--|---|
| Announcement of the Acquisition  | 1 October 2024                                |
| Announcement of the Placing  | 1 October 2024                                |
| Announcement of the Retail Offer   | 1 October 2024                                |
| Announcement of the results of the Placing   | 1 October 2024                                |
| Publication of the Circular  | 2 October 2024                                |
| Announcement of the results of the Retail Offer  | 8 October 2024                                |
| Latest time and date for receipt of completed proxy appointments and CREST voting instructions                   | 9.00 a.m. on 16 October 2024                  |
| General Meeting  | 9.00 a.m. on 18 October 2024                  |
| Announcement of results of General Meeting   | 18 October 2024                               |
| First Admission and commencement of dealings in the Fundraising Shares on AIM                                    | 8.00 a.m. on 21 October 2024                  |
| Where applicable, expected date for crediting of the Fundraising Shares in uncertificated form to CREST accounts | As soon as possible following First Admission |
| Where applicable, expected date for despatch of share certificates in respect of the Fundraising Shares          | Within 10 business days of First Admission    |
| Expected timing for Completion   | Approximately December 2024                   |

#### Notes:

1. All references to times in this document are to London time.
2. The dates and times set out in the above timetable and in the rest of this document are indicative only and may be subject to change. If any such dates and times should change, the revised times and/or dates will be notified by the Company by announcement via RIS.
3. All events in the above timetable scheduled to take place after the General Meeting are conditional on the approval by the Shareholders of the Resolutions.

#### Definitions

The following definitions apply throughout this Announcement (unless the context otherwise requires):

|   |   |
|---|---|
| "2024 AGM"                                    | the annual general meeting of the Company held on 15 May 2024;  |
| "Acquisition"                                 | the proposed acquisition by the Company of the entire issued share capital of CSI Palletising pursuant to the terms of the Acquisition Agreement;   |
| "Acquisition Agreement"                       | the conditional acquisition agreement dated 30 September 2024 between Mpac Bidco and the Sellers, further details of which are set out in this Announcement;  |
| "Act"   | the Companies Act 2006 (as amended from time to time);  |
| "Admission"                                   | First Admission and Second Admission, as the context may require;   |
| "AIM"   | AIM, the market of that name operated by the London Stock Exchange;   |
| "AIM Rules"                                   | the 'AIM Rules for Companies' published by the London Stock Exchange (as amended from time to time);  |
| "BCA"   | Boston Conveyor & Automation, Inc., which was acquired by the Company on 18 September 2024;   |
| "BCA Consideration Shares"                    | the 1,059,349 new Ordinary Shares which were allotted in connection with the acquisition of BCA;  |
| "Bookbuild Platform"                          | the online capital markets platform developed by BB Technology Limited;   |
| "Cash Consideration"                          | €41.5 million (plus an additional sum for the agreed cash, debt and working capital adjustments which the Board expects to be covered by cash and any excess working capital inherited at Completion by virtue of the Acquisition) payable in cash by Mpac Bidco to the Sellers in accordance with the Acquisition Agreement; |
| "certificated form" or "in certificated form" | an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST);   |
| "Company" or "Mpac"                           | Mpac Group plc, a company incorporated and registered in England and Wales with registered number 00124855;   |
| "Completion"                                  | completion of the Acquisition in accordance with the terms of the Acquisition Agreement;  |

|                                    |   |
|------------------------------------|---|
| <b>"Consideration"</b>             | the consideration payable under the Acquisition Agreement, being the Cash Consideration, the Consideration Shares and the Vendor Loans;   |
| <b>"Consideration Shares"</b>      | the 1,039,500 new Ordinary Shares to be issued by the Company to the Sellers in connection with the Acquisition;  |
| <b>"CREST"</b>                     | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations) which facilitates the transfer of title to shares in uncertificated form;                 |
| <b>"CREST Regulations"</b>         | the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended from time to time);   |
| <b>"CSi Palletising"</b>           | Elstar International B.V., a private limited liability company incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 17202065, and which operates under the name 'CSi Palletising'; |
| <b>"Directors" or "Board"</b>      | the directors of the Company or any duly authorised committee thereof;  |
| <b>"EBITDA"</b>                    | earnings before interest, tax, depreciation and amortisation;   |
| <b>"Enlarged Share Capital"</b>    | the issued share capital of the Company following First Admission (including the Fundraising Shares, assuming full take-up under the Retail Offer);   |
| <b>"Euroclear"</b>                 | Euroclear UK & International Limited, the operator of CREST;  |
| <b>"Existing Ordinary Shares"</b>  | 21,533,773 ordinary shares of £0.25 (25 pence) each in the capital of the Company in issue at the date of this Announcement, all of which are admitted to trading on AIM;   |
| <b>"Facilities"</b>                | the facilities made available to the Group pursuant to the Facilities Agreement;  |
| <b>"Facilities Agreement"</b>      | the facilities agreement between, amongst others, the Company (as borrower) and HSBC (as lender), further details of which are set out in this Announcement;  |
| <b>"FCA"</b>                       | the UK Financial Conduct Authority;   |
| <b>"First Admission"</b>           | admission of the Fundraising Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;  |
| <b>"FSMA"</b>                      | the Financial Services and Markets Act 2000 (as amended from time to time);   |
| <b>"Fundraising"</b>               | the Placing and the Retail Offer;   |
| <b>"Fundraising Shares"</b>        | the Placing Shares and the Retail Offer Shares;   |
| <b>"FY24"</b>                      | financial year ending 31 December 2024;   |
| <b>"FY25"</b>                      | financial year ending 31 December 2025;   |
| <b>"General Meeting"</b>           | the general meeting of the Company to be held at 2 Argosy Court, Coventry, CV3 4GA at 9.00 a.m. on Friday 18 October 2024 (or any adjournment thereof);   |
| <b>"Group"</b>                     | the Company, its subsidiaries and its subsidiary undertakings (each as defined in the Act) as at the date of this document;   |
| <b>"H1 2024"</b>                   | the six month period ended 30 June 2024;  |
| <b>"H2 2024"</b>                   | the six month period ended 31 December 2024;  |
| <b>"HSBC"</b>                      | HSBC UK Bank plc, the lender under the Facilities;  |
| <b>"ISIN"</b>                      | International Securities Identification Number;   |
| <b>"Issue Price"</b>               | 400 pence per New Ordinary Share;   |
| <b>"Joint Brokers"</b>             | SCS and Panmure Liberum;  |
| <b>"London Stock Exchange"</b>     | London Stock Exchange plc;  |
| <b>"Mpac Bidco"</b>                | Mpac Bidco B.V., a private limited liability company incorporated under the laws of the Netherlands, registered with the Dutch trade register under number 94964823 and which was incorporated for the purposes of the Acquisition; |
| <b>"New Ordinary Shares"</b>       | together, the Placing Shares, the Consideration Shares and the Retail Offer Shares;   |
| <b>"Notice of General Meeting"</b> | the notice convening the General Meeting which will be included in the Circular;  |
| <b>"Official List"</b>             | the Official List of the FCA;   |
| <b>"Ordinary Shares"</b>           | the ordinary shares of £0.25 (25 pence) each in the capital of the Company;   |
| <b>"Panmure Liberum"</b>           | Panmure Liberum Limited, the Company's joint broker;  |
| <b>"Placing"</b>                   | the conditional placing of the Placing Shares by the Joint Brokers, as agents on behalf of the Company, pursuant to the Placing Agreement,;   |
| <b>"Placing Agreement"</b>         | the conditional agreement dated 1 October 2024 between: (i) SCC; (ii) SCS; (iii) Panmure Liberum; and (iv) the Company relating to the Placing;   |

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| <b>"Placing Shares"</b>              | the new Ordinary Shares to be issued, conditional on First Admission, in connection with the Placing;  |
| <b>"Prospectus Regulation Rules"</b> | the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA;   |
| <b>"RCF"</b>                         | the revolving credit facility of £35 million made available to the Company pursuant to the Facilities Agreement;   |
| <b>"Registrar"</b>                   | Link Group Limited, the Company's registrar;   |
| <b>"Resolutions"</b>                 | the shareholder resolutions set out in the Notice of General Meeting to be proposed at the General Meeting to grant the Directors the authority to allot and issue the New Ordinary Shares on a non-pre-emptive basis; |
| <b>"Retail Investors"</b>            | retail Shareholders, who are resident in the United Kingdom, and are a customer of one of the intermediaries operating through the Bookbuild Platform;   |
| <b>"Retail Offer"</b>                | the separate offer by the Company of the Retail Offer Shares, through the Bookbuild Platform, for Retail Investors, further details of which will be announced later today;  |
| <b>"Retail Offer Shares"</b>         | up to 250,000 new Ordinary Shares to be issued, conditional on First Admission, in connection with the Retail Offer;   |
| <b>"R I S"</b>                       | a regulatory information service operated by the London Stock Exchange as defined in the AIM Rules;  |
| <b>"SCC"</b>                         | Shore Capital and Corporate Limited, the Company's nominated adviser for the purposes of the AIM Rules;  |
| <b>"SCS"</b>                         | Shore Capital Stockbrokers Limited, the Company's joint broker;  |
| <b>"Second Admission"</b>            | admission of the Consideration Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;   |
| <b>"Securities Act"</b>              | the United States Securities Act of 1933, as amended;  |
| <b>"Sellers"</b>                     | CSitsme B.V., Aaseck B.V. and Lust4Life Holding B.V.;  |
| <b>"Shareholders"</b>                | holders of the Ordinary Shares of the Company from time to time;   |
| <b>"Shore Capital"</b>               | SCC and/or SCS as the case may be;   |
| <b>"Term Loan"</b>                   | the term loan facility of £12 million provided by HSBC to the Company pursuant to the Facilities Agreement;  |
| <b>"UK"</b>                          | the United Kingdom of Great Britain and Northern Ireland;  |
| <b>"UK Market Abuse Regulation"</b>  | the Market Abuse Regulation (Regulation 596/2014) (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended);   |
| <b>"uncertificated form"</b>         | Ordinary Shares recorded on the share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred within the CREST settlement system;            |
| <b>"US" or "USA"</b>                 | the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction; and   |
| <b>"Vendor Loans"</b>                | loans with an aggregate value of €6 million to be made at Completion by the Sellers to Mpac Bidco in connection with the Acquisition, further details of which are set out in this Announcement.                       |

### IMPORTANT NOTICES

Shore Capital is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for Mpac and no one else in connection with the Placing, and Shore Capital will not be responsible to anyone (including any Placees) other than Mpac for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

Panmure Liberum is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for Mpac and no one else in connection with the Placing, and Panmure Liberum will not be responsible to anyone (including any Placees) other than Mpac for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective Representatives as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The responsibilities of SCC as Mpac's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to Mpac or to any Director or to any other person.

This Announcement may contain, or may be deemed to contain, "forward-looking statements" with respect to certain of Mpac's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of Mpac, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which Mpac and its affiliates operate, the effect of volatility in the equity, capital and credit markets on Mpac's profitability and ability to access capital and credit, a decline in Mpac's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of Mpac may differ materially



from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of Mpac speak only as of the date they are made. Except as required by applicable law or regulation, Mpac expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in Mpac's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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

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