

Coral Products plc

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

Acquisition of the assets of Arrow Film Converters Limited

Coral Products plc, a group of specialist businesses in the design, UK manufacture and omni-channel supply of a wide range of bespoke plastic products based in Wythenshawe, Manchester, is pleased to announce that it has agreed to purchase the business and certain assets of Arrow Film Converters Limited ("Arrow") from its administrators for a total consideration of £502,899 in cash, through its wholly owned subsidiary Film & Foil Solutions Limited ("Film & Foil").

The assets consist of state-of-the-art flexographic printing machines, laminators, slitting and punching facilities, which add to and complement the Company's existing Film & Foil business and capabilities.

The Company has made an initial cash payment of £202,899 with the outstanding balance of £300,000 to be settled within 14 days following completion. This balance is secured by way of a company guarantee in favour of Arrow's administrators, which will be released upon receipt of full payment. The cash payments have been funded without any increase to existing Group facilities.

Film & Foil have agreed to a 6-month licence to occupy the BRCgS fully accredited Castleford facility with a view to negotiate a long-term agreement for the premises. As part of the acquisition, Film & Foil will assume approx. 55 employees previously employed by Arrow and intend to run the business as a going concern.

For context, Arrow is an approved supplier to UK supermarkets and reported sales of £12.5 million in the 12-month period to 31 January 2022, £17.9 million in the 18-month period to 31 July 2023 and current sales demand of circa £1 million per month. There can be no guarantee that similar financial performance will be replicated following integration into Film & Foil and the broader Group.

Joe Grimmond, Non-Executive Chairman, said "This acquisition propels Film & Foil into the front line of specialist flexible packaging and provides Coral Products plc with capacity toward its medium-term goal of £50 million of production availability."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). The Directors of the Company take responsibility for this announcement.

For further information, please contact:

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Caution regarding forward looking statements

This announcement contains unaudited information and forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and undue reliance should not be placed on any such statement because they speak only as at the date of this document and are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Coral's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Coral undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected because of new information, future events or otherwise, save as required by law and regulations.

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