

Coral Products plc

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

Acquisition of the assets of AAC Cyroma 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 assets of AAC Cyroma Ltd ("AAC Cyroma") from its liquidators for a total consideration of £95,000 in cash, through its wholly owned subsidiary Manplas Ltd ("Manplas"), part of its Rigid Plastics Division.

The acquisition was completed via an insolvent sale from the joint liquidators for selected plant and machinery, goodwill,

stock and certain intellectual property. No shares were acquired, and no historic liabilities, pension obligations or creditor balances have been assumed by the Group.

The total consideration payable for the acquisition was £95,000 plus VAT and was funded from the Group's existing cash resources.

AAC Cyroma generated revenues of approximately £2.5 million in the year ended 30 September 2024 (with similar revenue performance achieved in the prior period) and operated in similar end markets to Manplas, where it had been a direct competitor. The business experienced financial distress following a change in ownership and management in October 2024, which ultimately resulted in its insolvency.

All employees of AAC Cyroma were made redundant prior to completion. Manplas intends to retain a limited number of key technical personnel, subject to agreement, in order to support knowledge transfer and customer continuity.

The Group has agreed an eight week licence to occupy and expects to complete the relocation and integration of the acquired plant and machinery into Manplas' existing manufacturing facility in Wythenshawe within eight weeks of completion. The integration will be undertaken within the Group's existing operational footprint and is not expected to result in any increase in fixed overhead.

Following preparatory work undertaken by Manplas prior to completion, the Group expects to retain a significant proportion of AAC Cyroma's former customer base. The transaction is expected to result in the retention of between £1.6 million and £2.0 million of annualised revenue, which will be absorbed into Manplas' existing operations.

The acquired plant and machinery enhance Manplas' current manufacturing capability and accelerate its planned capital upgrade programme, particularly across vacuum forming and CNC machining. In addition, the assets provide incremental injection moulding capacity, which is expected to support the wider Group, including Tatra Rotalac Ltd.

Based on the commitments made by AAC Cyroma customers, the Board expects the acquisition to be earnings enhancing in the current financial year following a short integration. The transaction is consistent with the Group's strategy of selectively acquiring complementary assets at attractive valuations where they strengthen existing operations and improve asset utilisation.

Ian Hillman, Chief Executive Officer of Coral Products Plc, commented:

"AAC Cyroma has been a long-established competitor within our core markets. This transaction provides a timely opportunity to support the continued development of Manplas by adding incremental revenue into an existing operational platform with available capacity. The acquisition of the plant and machinery also accelerates planned investment and enhances flexibility across the wider Group."

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.

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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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