The information contained within this announcement was previously deemed by the Company to constitute inside information as stipulated by Market Abuse Regulation (EU) No 596/2014 ("EU MAR") and the retained UK law version of EU MAR pursuant to the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310) ("UK MAR"). With the publication of this announcement via a Regulatory Information Service, this information is now considered to be in the public domain

Norish plc ("Norish" or the "Company")

Proposed Disposal of Cold Stores

RNS Number: ●

30 September 2021

Norish plc (AIM: NSH), is pleased to announce the conditional agreement for the sale of its cold storage division to Nichirei Holding Holland B.V, a wholly owned subsidiary of Nichirei Logistics Group Inc. for a consideration of £65.706 million (“the Disposal”). Following the settlement of indebtedness and the operation of a completion accounts mechanism in the Sale and Purchase Agreement, this will result in a consideration receivable by the Company of approximately £57.3 million.

In its preliminary results for 2020, the Company announced its intention to conduct a strategic review in relation to its cold store division and appointed Investec Corporate Finance to conduct a sale process which has culminated in the Disposal.

The Disposal constitutes a fundamental change of business of the Company for the purposes of Rule 15 of the AIM Rules and as such is conditional on shareholder approval. Accordingly, an Extraordinary General Meeting (“EGM”) is being convened for the purposes of passing the approval resolution (“the Resolution”). A Circular convening the EGM will be posted to shareholders following this announcement. The EGM is scheduled to take place at 9:00 a.m. on 20 October 2021.

Norish’s cold storage division, which is the subject of the Disposal, is organized through the Cold Storage Group, being its wholly-owned subsidiary Norish (NI) Ltd and that company’s wholly-owned subsidiary Norish Ltd. The division currently operates from 6 strategically located sites and provides in excess of 47,500 racked temperature-controlled pallet spaces.

* Bury St. Edmunds, Suffolk (Cold store)
* Brierley Hill, West Midlands (Cold store)
* Wrexham, Clwyd (Cold store)
* Braintree, Essex (Cold store)
* Lympne, Kent (Cold store)
* Gillingham, Kent (Cold store)

The division provides supply chain solutions for companies on a local, regional and national basis by way of storage including bonded storage, handling, freezing, de-vanning, picking and cross-docking.

The Disposal will result in the Group’s primary business changing from temperature-controlled storage to product sourcing, dairy farming and manufacture of value-add A2 dairy and functional nutrition products. For the year ended 31 December 2020 the cold storage division generated revenue of £14.6 million, profit after tax of £2.3 million and had net assets of £12.1 million.

The Disposal represents an opportunity for the Company to realize substantial cash proceeds and for Shareholders to participate in that cash realization. It is planned that approximately £50 million of the consideration received will be paid to shareholders by way of a return of capital, particulars of which will be announced in due course following completion of the Disposal. The balance of the proceeds of the Disposal will be retained for the payment of fees and exceptional charges arising from the transaction and for general corporate purposes of the Company and its subsidiaries (“the continuing Group”).

Following the Disposal, it is planned to change the name of the Company to Roebuck Food Group plc.

Under the terms of the Sale and Purchase Agreement, the Company has conditionally agreed to sell the Cold Storage Group, by way of sale of the entire issued share capital of Norish (NI) Ltd to Nichirei Holding Holland B.V., a wholly-owned subsidiary of Nichirei Logistics Group Inc. for the above-mentioned cash consideration. The Sale and Purchase Agreement is subject to one condition only, that being the passing of the Resolution at the EGM. Subject to the passing of the Resolution, the Disposal will complete 5 working days following the EGM. The Company gives various warranties and indemnities to the Purchaser, concerning (among other things) the share capital, business and assets of Norish (NI) Ltd and its subsidiary. Warranty and indemnity insurance has been obtained in respect of the majority of these warranties and indemnities.

The Directors consider that the current trading of the continuing Group is in line with expectations and remain confident of the continuing Group’s prospects for the current financial year.

The Directors consider the terms of the Disposal to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that all Shareholders vote in favour of the Resolution, as they intend to do so in respect of their own beneficial holding of 7,566,898 Ordinary Shares, representing approximately 25.16 per cent. of the issued share capital of the Company.

The Directors of the Company accept responsibility for the contents of this announcement.

 Enquiries:

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