

Kollect on Demand Holding AB announces acquisition of minority stake in an Irish bakery group (Dessert First & Old Mill)

Kollect on Demand Holding AB (publ) (the "Company"), the acquisitive Irish SME investor, has today announced the acquisition of 19.5% of MFC Foods t/a Dessert First ("MFC") and that it has supported MFC's acquisition of G&S Foods Limited t/a Old Mill ("Old Mill") which has completed successfully

Background

- At the Company's AGM on 27 June 2024, Shareholders approved an expanded Irish strategy which included the investment in and support of Irish SMEs (the "Expanded Strategy").
- The Company is currently undergoing a name change to Mashup Ireland AB which reflects this expanded strategy.

Acquisition of MFC Foods t/a Dessert First ("MFC")

- The Company acquired 10% of MFC Foods Limited from Mashup Savings Group Limited ("MSGSL"). There was no consideration for this shareholding, as the shares were gifted to the Company from MSGSL (which owns 84% of the Company). This is represented by 6 shares.
- MSGSL gifted the shares to the Company to support the acceleration of the Company's plans to become a significant value-added investor in Irish SMEs.
- The Company subscribed EUR 75k (approx. SEK 852k) for new ordinary shares in MFC, increasing the Company's MFC shareholding to 19.5%.
- The Company entered into a consulting agreement with MFC which will generate EUR 75k (approx. SEK 852k) of fee income for the Company over the next 3 years. As part of an incentive arrangement, the Company has agreed that its MFC shareholding will reduce by 5% when the Company receives the full EUR 75k consulting fees in accordance with the fee payment schedule that has been agreed.
- The consultancy agreement will cover strategic business advisory services and the provision of financial advisory services.

Support of MFC's acquisition of Old Mill

- The Company provided MFC (now a portfolio company of the Company's) with a short-term loan of EUR 295k (approx. SEK 3.3m) to support MFC's completion of the acquisition of Old Mill.
- MFC now owns 100% of Old Mill.
- The short-term loan of EUR 295k was repaid in full, after the acquisition was completed.
- The combined businesses will be led by CEO Danny Buckley and supported by successful entrepreneurs who have experience building and scaling profitable SMEs within Ireland.

About the companies

Old Mill and Dessert First are both Irish SMEs, operating within the food production industry (scratch bakeries).

With a 40-year history in Cork, 400+ customers and a dedicated staff of 38, the Old Mill is a cherished (scratch bakery) institution renowned for its delightful fresh cream and ambient cakes.

Dessert First is a scratch bakery based in Waterford, South East Ireland, where it focuses on the production of quality desserts for sale to retailers, hotels and restaurants in the South of Ireland. It currently employs 16 staff.

For the last 12-month period of accounts for each of the two businesses, there were combined revenues of EUR 3.3m (approximately SEK 37.3m) and adjusted EBITDA of EUR 160K (approximately SEK 1.8m) before any synergies between the businesses were realised.

Comment from the Board

We are delighted to announce these transactions and look forward to further supporting Danny and his team with the exciting growth plans for Old Mill and Dessert First.

These Irish SME transactions are excellent examples of the execution of the Expanded Strategy that was approved by the Shareholders in June.

We acquired an interest in an Irish SME and then used our financial resources and transactional experience to support that SME to acquire a highly complementary SME, approximately four times its size.

We look forward to the continued growth of the Company by supporting more talented and hard-working SME management teams with value-creating opportunities like these.

The Board of Directors

For additional information, please contact

Jamie Walsh, CFO
Phone: [+353] 85 871 9756
E-mail: jamie@kollect.ie

Kollect on Demand Holding AB's Certified Adviser is Mangold

Attachments

[Kollect on Demand Holding AB announces acquisition of minority stake in an Irish bakery group \(Dessert First & Old Mill\)](#)