

Market Release NZX: MPG, ASX: MPP

12 September 2024

## **Metro Performance Glass Reaches Conditional Agreement for Extended and Revised Funding Facilities and Significant Equity Investment, and Updated Plan for Capital Raise by way of Pro Rata Offer**

Metro Directors are pleased to announce the company has entered into conditional agreements (“terms sheets”) with Cowes Bay Group Pty Ltd, a large Australian based family office. Under the terms sheets, Cowes Bay will become a shareholder in Metro through a placement of new shares, provide a commitment to invest further capital in the Company’s planned equity capital raise, and become the company’s main lender. The Directors have also agreed to support Cowes Bay appointing a director to Metro’s board.

Cowes Bay brings substantial manufacturing and investment experience in New Zealand and Australian companies. Simon Bennett, Executive Director of Metro said “We are very pleased to be partnering with Cowes Bay. They are a strong strategic and financial supporter, and their input will greatly assist us in resetting our NZ business to return it to sustainable profitability and further grow our successful Australian business.”

### *Placement*

The terms sheets provide for Cowes Bay to subscribe for 27.8 million new ordinary shares in Metro at a price of 7 cents per share, raising approximately \$1.9 million. On completion CBG will hold a 13% shareholding in Metro.

### *Loan Facilities*

Cowes Bay is entering into an agreement with Metro’s existing banking syndicate to step into the lending syndicate and refinance the company’s loan facilities.

Under the terms sheets with Cowes Bay, Metro’s loan facilities will be extended to 31 October 2027 and the structure amended to provide Metro with an overall funding package which allows both time and headroom for it to execute its medium term strategies. Other terms under the facility, including sizing and pricing remain materially unchanged.

### *Conditions*

The agreement with the banks and terms sheets and resulting transactions are conditional on satisfaction of confirmatory due diligence by Cowes Bay and completion of final documentation. These are expected to be completed in approximately 4 weeks.

### *Capital raise by way of pro rata issue*

The Board's previously announced intention to raise capital remains, reflecting the extension of the term of the Loan Facilities and the proceeds of the Placement. The Board now expects to target raising \$10 to \$15m of capital from shareholders through a pro rata issue soon after the completion of the transactions above.

As part of the terms sheets, Cowes Bay has committed that it will take up its pro rata entitlement under the pro rata offer, and that it intends to subscribe for shortfall shares not taken up, provided that the subscription amount does not result in its shareholding in Metro exceeding 19.9%. This is based on the expected terms of the offer, being a pro rata offer at a subscription price of 3 cents per share.

Under a pro rata offer all existing shareholders would receive the opportunity to subscribe for new shares at the subscription price for each existing share they hold. The amount of new shares will depend on the amount of capital sought, but for illustrative purposes, this would represent 1.6 new shares for each existing share held for a \$10 million raise, and 2.3 new shares for each existing share held for a \$15 million raise.

As noted in the company's 29 May release, the board and management have and continue to implement a range of initiatives in its New Zealand business to improve operational performance, remove unnecessary costs and better serve its customers in an extremely tough market environment. The company has been encouraged by the strong engagement and commitment it has received from its people and customers.

"We are pleased Cowes Bay has recognised the capability of Metro's people across New Zealand and Australia and the opportunities for Metro to profitably grow in New Zealand and Australia by supporting our customers. We look forward to working with Cowes Bay to deliver substantial value growth for shareholders" said Mr Bennett.

### *Cowes Bay*

Cowes Bay Group is a large, well-resourced investment firm based in Melbourne with investments across publicly traded and private market instruments and direct equity investments in operating companies. Its direct investment focus is on capable and market leading manufacturing companies where Cowes Bay can work with management and other stakeholders to create long term, sustainable growth.

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