



MPS Limited

A-1, Tower A, 4th Floor, Windsor IT Park, Sector 125, Noida
Tel: +91 120 4599 750 Fax: +91 120 4021 280

Ref: MPSTL/SE/88/2023-24

Date: 29 February 2024

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051, India Symbol: MPSTLTD ISIN: INE943D01017	✓	BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, India Scrip Code: 532440 ISIN: INE943D01017
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Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI Listing Regulations this is to inform you that MPS North America LLC (“**MPS NA LLC**”), the wholly-owned subsidiary of MPS Limited (“**Company**”) via its Special Purpose Vehicle (“**SPV**”) American Journal Experts LLC (“**SPV**”) incorporated w.e.f. 20 February 2024, in the state of Delaware, USA, has acquired 100% stake in Research Square AJE LLC, North Carolina, USA (“**AJE LLC**”) along with its subsidiary American Journal Online (Beijing) Information Consulting Limited, Beijing, China, (“**American Journal Online**”), AI-Tool (“**Curie**”) and Research Quality Evaluation (“**RQE**”) from Springer Science+Business Media LLC a Subsidiary of Springer Nature Group and has executed a Membership Interest Purchase Agreement dated 29 February 2024, for a consideration of **USD 8.40 Million**. The consideration has been paid as per the terms of the Membership Interest Purchase Agreement and other transaction documents.

The details required to be furnished in compliance with Regulation 30 read with Para A of Part A of Schedule III of SEBI Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023 is enclosed as “**Annexure-A**”.

The Press Release on the same is enclosed herewith as “**Annexure-B**”.

Date and time of occurrence of event: 29 February 2024, 20:03 hours.

This is for your kind information and record.

Thanking you,

Yours Faithfully,
For MPS Limited

Raman Sapra
Company Secretary and Compliance Officer

Encl: As Above

www.mpslimited.com

Details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023

a. Name of the target entity, details in brief such as size, turnover etc.;

Research Square AJE LLC ("AJE LLC") along with its subsidiary American Journal Online (Beijing) Information Consulting Limited ("American Journal Online"), AI-Tool ("Curie") and Research Quality Evaluation ("RQE") ("the Target") through MPS North America LLC ("MPS NA LLC"), the wholly owned subsidiary of MPS Limited ("Company") via its SPV i.e. American Journal Experts LLC ("SPV").

The Revenue of the Target Entity for the year ended 31 December 2022 is USD 33.67 Million.

b. Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";

The acquisition of the Target Entity would not fall within related party transaction(s). None of the promoter/promoter group/group companies, have any interest in the business being acquired.

c. Industry to which the entity being acquired belongs;

Author Solutions, AI NLP, and Platforms

d. Objects and effects of acquisition (including but not limited to, disclosure of reasons for the acquisition of target entity, if its business is outside the main line of business of the listed entity);

MPS Group has a vision to surpass INR 1,500 crores in Revenue at similar margins by FY28. A considerable part of this growth is expected to come out of inorganic initiatives. As part of its vision, MPS intends to be the largest and most loved partner of choice for its strategic customers. Springer Nature is one of our premier customers and this strategic investment is a great opportunity to strengthen ties with Springer Nature while growing inorganically. AJE is an excellent fit for MPS to successfully achieve its envisaged growth plans.

1. **Scaling up AI Capabilities.** MPS invested in developing Bengaluru-based MPS Labs a few years ago to help future proof MPS and its customers. More recently many of these advances have been linked to AI and its deployment to drive speed and efficiency. Curie adds a new edge to MPS' AI portfolio through a platform approach, which will have a near-term positive impact on MPS.
2. **Definitive entry into the B2C marketplace.** The entry into B2C elevates the likelihood and speed toward Vision 2027 for MPS. A strategic move that is expected to have a meaningfully positive impact on our scale agenda.

3. **Expansion into China.** After adding Australia and New Zealand in 2023 through the majority investment in Liberate Learning, the entry into China further diversifies our business. Further, the scaling agenda for MPS does assume enhances global presence and geographic expansion.
 4. **Value-chain advancement.** AJE's acquisition advances us upstream in the value chain, bringing MPS closer to authors. The strategic move will gradually makes MPS even more relevant in the marketplace, including the funding bodies that sponsor discovery and research, and are the largest players in the value chain.
 5. **Premier Customer Partnership.** An emphasis on premier accounts that includes a step-up in scale and lines of business is a core element of MPS' growth strategy. Springer Nature is the most longstanding customer for MPS and is a premier account. Through the acquisition process, Springer Nature and MPS have committed to realizing the tremendous value that will be created by advancing our strategic partnership.
- e. **Brief details of any governmental or regulatory approvals required for the acquisition;**
No governmental or regulatory approvals are required for the said acquisition.
- f. **Indicative time period for completion of the acquisition;**
MPS NA LLC via its SPV, acquired 100% stake on 29 February 2024.
- g. **Consideration - whether cash consideration or share swap or any other form and details of the same;**
Cash Consideration.
- h. **Cost of acquisition or the price at which the shares are acquired;**
MPS NA LLC via its SPV, acquired 100% stake in Target entity for a consideration of USD 8.40 Million, which has been paid as per the terms of the Membership Interest Purchase Agreement and other transaction documents.
- i. **Percentage of shareholding/control acquired and/or number of shares acquired;**
MPS NA LLC via its SPV, acquired 100% stake in the target.
- j. **Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);**

Business Overview and History

American Journal Experts (AJE), an author solutions company was established in 2004 in Durham, North Carolina, USA. In 2020, Research Square Company was formed to unite the two businesses i.e. American Journal Experts (AJE) and Research Square.

AJE LLC, a subsidiary of Springer Nature Group, established in 2004, and headquartered in Durham, North Carolina, USA, is a leading scientific language editing service provider and trusted partner to academic and author communities with >1M manuscripts edited.



AJE's is a transactional B2C-dominated business with excellent gross margins. AJE's strong gross margins are driven by a focus on automation and applying ML/AI in the editing process. AJE has a dedicated AI team with the opportunity to enter the AI NLP market, which is expected to grow to \$112 billion in 2030 at a CAGR of 25%. Springer Nature initially bought a minority share in AJE LLC in 2016, a majority share in 2018, and completed a 100% acquisition in 2022.

AJE LLC delivers a wide range of digital language editing services under the brands American Journal Experts ("AJE") and Springer Nature Author Services ("SNAS"). These services comprise language editing, academic translations in several languages, scientific editing, formatting services and custom illustration.

"American Journal Online" (AJO), a 100% subsidiary of AJE LLC headquartered in Beijing, China, was established in 2019. American Journal Online functions as a wholly foreign-owned enterprise with a dedicated local team. Its business portfolio contains services identical to AJE LLC's. Since 2004, it has served more than 1,000 Chinese research institutions and groups and has edited more than 520,000 Chinese research manuscripts. AJO has a long-term commitment to supporting the Chinese research community with high-quality services and superior customer support.

The transaction perimeter composed of two legal entities, one registered in the US and another registered in China, and additional two products as detailed below, owned by Springer Science+Business Media LLC:

- "Curie" is an AI-based proprietary language SaaS platform. Curie provides intelligent suggestions, improves writing structure, enhances flow, and assists with citations, thus facilitating the creation of high-quality academic content. The platform improves language quality by enhancing phrasing, article use, and grammar and makes direct edits using tracked changes.
- Research Quality Evaluation" (RQE) services engage qualified reviewers to expedite the peer review process. With its team of active researchers with terminal degrees (for example, PhD, MD, and DrPh), RQE helps eliminate publishing bottlenecks by speeding up the peer review process.

Value Proposition

- AJE has a long track record of internal AI/ML applications for scientific language editing. Based on this, AJE launched Curie a Microsoft Word plugin for scientific writers. This allows MPS to enter and compete in the digital editing market.
- China has been the primary market for AJE for several years and the AJE's US origin and global brand provides a strong platform for international expansion. A concerted effort in the Chinese Market will be instrumental in unlocking the full market's potential for MPS.
- AJE is a long-standing language editing service provider for STM publishers, allowing AJE to expand its partner program with other publisher clients of MPS once AJE becomes independent.
- AJE provides a synergy opportunity as integrating with existing language editing businesses is highly accretive to profit margin via overhead reduction opportunities.

- AJE LLC gives a unique opportunity to MPS to strengthen its association with Springer Nature, one of the leading STM publishers and the largest client of MPS.
- AJE Tailors its customer Acquisition Strategy into Three Distinct Strategies: B2C, B2B and B2B2C. This allows MPS to target B2C & B2B2C in its offering basket to other clients:



B2C

Individuals (mostly researchers at various career stages)

- Referral programs
- Loyalty discounts
- Online ads
- Other ads (SEO, 3rd party ads)
- Content and Events



B2B

Universities, Laboratories, Publishers, Learned Societies etc.

- Products sold through in-house and parent company B2B sales team



B2B2C

Researchers within Institutions (Universities, Learned Societies etc.) and Research Offices

- Lead generation with the support of AJE's parent company's institutional sales team

Historical Revenue:

(USD in Million)

Particulars	FY20	FY21	FY22
Revenue	35.45	36.04	33.67

The target follows the year ended 31st December.

Note: The figures for the year ended 31 December 2023 have not been finalized as of the date of the transaction and have not been included in the aforesaid figures.

Press Release

29 February 2024

MPS acquires AJE to scale AI capabilities and enter B2C market

Durham, NC: MPS North America LLC, a wholly owned subsidiary of MPS Limited, announced today the successful completion of the acquisition of AJE LLC, including its subsidiary American Journal Online (Beijing) Information Consulting Limited. The strategic move marks MPS' entry into the B2C marketplace and significantly enhances its AI capabilities. The acquisition includes Curie, an AI-powered writing assistant that provides intelligent suggestions, improves writing structure, enhances flow, and assists with citations, thus facilitating the creation of high-quality academic content.

For AJE, joining MPS means that the author-focused company is now part of a publisher-agnostic ecosystem, with more opportunities to grow its customer base and enter new markets. In addition, AJE's customers can take advantage of services offered by MPS' deep bench of publishing professionals.

Marc Spenle, COO of Springer Nature, stated:

"AJE has been part of the Springer Nature family for eight years, and we are therefore delighted to have found in MPS, with its expertise in global solutions, a publisher-neutral owner better placed to grow the business as it moves forward. This is an extremely exciting opportunity for AJE, and we look forward to continuing to be a customer, ensuring Springer Nature authors continue to have access to their high-quality language editing services."

Rahul Arora, Chairman and CEO of MPS Limited, stated:

New York, NY: "The acquisition of AJE drives us toward Vision 2027 in a meaningful way, and the scale-up will profoundly impact our Content and Platform Solutions business. Additionally, current and future AJE customers will see significant benefits from MPS' long-term strategy of embracing technology and leveraging efficiency to drive value and quality for our customers."

The acquisition brings five strategic advantages:

1. Integration of Curie into our portfolio further enhances our AI-driven capabilities, aligning with our commitment to consistent innovation through MPS Labs.
2. A definitive entry into the B2C marketplace broadens our reach. A strategic move that is expected to have a meaningfully positive impact on our scale agenda.
3. Expansion into China further diversifies our business and aligns with our agenda to strengthen our global presence.
4. AJE's acquisition advances us upstream in the value chain, keeping us close to authors. MPS now stands as the only global player with the end-to-end capabilities to service academic publishing from author to researcher.
5. Through the acquisition process, Springer Nature and MPS have committed to realizing the tremendous value that will be created by advancing our strategic partnership.

In summary, the acquisition of AJE aligns with our growth strategy called 'Supercharging Gestalt,' focusing on a market-based approach, premier customers, expansion into new markets, investment in new capabilities, and acquisition of growing assets."



About AJE, AJO, Curie, and RQE

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"Research Quality Evaluation" (RQE) services engage qualified reviewers to expedite the peer review process. With its team of active researchers with terminal degrees (for example, PhD, MD, and DrPh), RQE helps eliminate publishing bottlenecks by speeding up the peer review process.

For more information, please visit <https://www.aje.com/>

About Springer Nature

For over 180 years Springer Nature has been advancing discovery by providing the best possible service to the whole research community. We help researchers uncover new ideas, make sure all the research we publish is significant, robust and stands up to objective scrutiny, that it reaches all relevant audiences in the best possible format, and can be discovered, accessed, used, re-used and shared. We support librarians and institutions with innovations in technology and data and provide quality publishing support to societies. As a research publisher, Springer Nature is home to trusted brands including Springer, Nature Portfolio, BMC, Palgrave Macmillan and Scientific American.

For more information, please visit <http://www.springernature.com> and [@SpringerNature](https://twitter.com/SpringerNature).



MPS Limited

A-1, Tower A, 4th Floor, Windsor IT Park, Sector 125, Noida
Tel: +91 120 4599 750 Fax: +91 120 4021 280

About MPS Limited and MPS North America LLC

MPS was established as a subsidiary of Macmillan Limited in 1970 to change the way the world learns. After a change of ownership in 2012, MPS developed significant momentum because of consistent reinvestment in the business and considerable diversification by completing nine acquisitions between 2013 and 2023. Recently, MPS has entered a new growth phase by unlocking synergies between all its acquisitions. The journey to 2027 for MPS is about building a serious scale with a market-oriented approach to drive organic growth and an enhanced acquisition playbook involving growing assets at competitive prices. MPS North America is a wholly-owned subsidiary of MPS Limited that was established in 2013 to serve US-based operations and client services for MPS customers in North America. Most of MPS' acquisitions in the US, including Element, EPS, and TSI, have been completed through MPS North America.

For more information, please contact:

Investor Relations Desk

MPS Limited

Email: investors@mpslimited.com

Telephone: +91-120-4599750

www.mpslimited.com

Registered Office: RR Towers IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600032 (INDIA), Tel: +91 44 49162222 Fax: +91 44 49 16 2225 Email: info@mpslimited.com

Corporate Identification Number: L22122TN1970PLC005795