

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

CEPS PLC
("CEPS" or the "Company")

Proposed Disposal of ICA Group Limited

and

Related Party Transaction

CEPS announces that it has conditionally agreed to sell its subsidiary, ICA Group Ltd ("ICA"), to a newly formed bidco, CERTANIA ACQUICO-UK LTD (the "Disposal"). The Buyer has been established by Certania Holding GmbH management for the purposes of the acquisition.

The Total Consideration for the Disposal comprises an Upfront Payment and an Earn-Out Payment. The CEPS Consideration is included in the Upfront Payment, with CEPS receiving full consideration for 100 per cent of its equity ownership in ICA upon Completion. CEPS will not participate in the Earn-Out Payment. Accordingly, the CEPS Consideration is fully de-risked upon Completion, as it does not include any contingent or performance-based elements.

The Upfront Payment amounts to an enterprise value of £30.45 million on a debt free cash free basis, which represents approximately 10 times the FY25 unaudited adjusted EBITDA of ICA.

While CEPS' primary focus remains driving the growth and profitability of its underlying subsidiaries, the Board notes that once a subsidiary attains a certain scale, there is a marked increase in enquiries regarding CEPS' potential interest in a sale.

As ICA continues to expand and pursue larger acquisitions, it has become evident that CEPS' capacity to support ICA's growth ambitions will be inherently constrained.

The CEPS Consideration is a total of £14.00 million receivable by the Company comprising £12.74 million due for 100% of CEPS' equity ownership in ICA and £1.27 million for the repayment of outstanding Loan Notes and interest thereon that will be received in full upon approval of the Disposal by shareholders.

The Board believes that the CEPS Consideration represents excellent value for CEPS shareholders. Since CEPS' initial investment in January 2016, CEPS has committed a total of £872,000 into ICA. Taking the Disposal consideration into account, an internal rate of return of approximately 39.8% and a money multiple of approximately 18.8x would be achieved for CEPS.

The CEPS Consideration will provide the Company with the resources with which to pay down the Company's existing external debts, with the remaining funds dedicated to advancing the relevant strategic business drivers that CEPS uses as the foundation for delivering sustained long-term value for shareholders, namely:

- I. self-funded bolt-on transactions in existing subsidiaries
- II. increase in CEPS' shareholdings in subsidiaries
- III. share buy backs and cancellation

In the six months ended 30 June 2025, ICA generated unaudited revenues of £11.53 million (12 months ended 31 December 2024: £21.39 million), unaudited profit before tax of £0.76 million (12 months ended 31 December 2024: £1.21 million) and had unaudited net assets of £4.21 million (FY24 to 31 December 2024: £4.36 million).

Information on the Buyer

The Buyer is a global group of testing, inspection and certification ("TIC") companies, headquartered in Germany. The Buyer network contains a broad portfolio of partner companies across various core business segments including life sciences, food and consumer goods, certification and compliance, industrials and buildings and infrastructure.

The Buyer puts importance on the partner companies retaining entrepreneurial independence under its ownership alongside providing opportunities for synergies with other partner companies.

Use of proceeds

Of the net sale proceeds receivable by the Company upon Completion (the "Sale Proceeds"), it is proposed that £4.95 million will be used to repay all of the Company's existing external debt.

The remaining Sale Proceeds will provide the Company with additional resources dedicated to advancing the strategic business drivers that CEPS uses as the foundation for delivering sustained long-term value for shareholders.

AIM Rule 15 - fundamental change of business

As set out above, in view of the Sale Proceeds payable to the Company in respect of the Disposal relative to the aggregate market value of the Shares, the Disposal will result in a fundamental change in the business of the Company for the purposes of Rule 15 of the AIM Rules and Completion of the Disposal is, therefore, conditional upon the approval of Shareholders.

Following Completion, the Company will continue to own, control and conduct trading businesses, activities and assets and will not, therefore, become an AIM Rule 15 cash shell and, as such, will not be required to make an acquisition or acquisitions which constitutes a reverse takeover under Rule 14 of the AIM Rules.

Related Party Transactions

The Management Shareholders are all directors of either ICA or subsidiaries of ICA and are therefore related parties of CEPS. The Management Shareholders' consideration is structured differently to CEPS' consideration. The Management Shareholders will receive the majority of their consideration via the Upfront Payment with the balance of their equity interest being defined by the Earn-Out Payment. There is no certainty of the future trading in ICA and therefore no certainty of the quantum of the Earn-Out Payment.

In addition, the Warrantors are entering into an indemnity together with CEPS (the "Indemnity"). CEPS has agreed to assume a greater proportion of the indemnity exposure than such Warrantors. The Indemnity for CEPS is capped at a value of £200k.

The Company's independent directors, being for this purpose all the Directors, having consulted with the Company's nominated adviser, SPARK Advisory Partners Limited, consider that the terms of Disposal, in respect of the Earn-Out Payment and Indemnity, are fair and reasonable insofar as the Company's shareholders are concerned.

General Meeting

In view of the amount of the sale proceeds payable to CEPS in respect of the Disposal relative to the aggregate market value of the Shares, the Disposal will result in a fundamental change in the business of the Company for the purposes of Rule 15 of the AIM Rules and Completion of the Disposal is therefore conditional, *inter alia*, upon the approval of Shareholders.

The Company intends, shortly, to publish and send the Circular to shareholders convening the General Meeting. The Circular will also be available on the Company's website: www.cepsplc.com.

Board Recommendation

The Board considers the Disposal to be in the best interests of the Company and its Shareholders as a whole. Accordingly, they unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings.

Certain shareholders have irrevocably undertaken to vote or procure to vote in favour of the Resolution to be proposed at the General Meeting in respect of 11,426,138 Shares, in aggregate, representing approximately 54.41 per cent. of the issued ordinary share capital of the Company.

Given that irrevocable undertakings have been received in respect of more than 50% of the Shares to vote in favour of the Disposal, the Resolution will be approved at the General Meeting.

The Directors of the Company are responsible for the release of this announcement.

Enquiries

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SPARK Advisory Partners | limited

Caution Regarding Forward Looking Statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envise", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the directors' current beliefs and assumptions and are based on information currently available to the directors.

Definitions

"Act"	the Companies Act 2006 (as amended)
"AIM"	the AIM market operated by London Stock Exchange
"AIM Rules"	the AIM Rules for Companies, as published by London Stock Exchange from time to time
"Board" or "Directors"	the board of Directors of the Company from time to time
"Buyer"	CERTANIA ACQUICO-UK LTD, a newly form bidco established by the management of Certania Holding GmbH for the purposes of the acquisition of ICA
"CEPS Consideration"	the total of £14.00 million due to CEPS comprising £12.74 million due for 100% of CEPS' equity ownership in ICA and £1.27 million of outstanding Loan Notes and interest thereon that will be repaid in full upon approval of the Disposal by shareholders together with 50.7% of the Profit Ticker
"Completion"	completion of the Disposal under the terms of the SPA, and "Complete" and "Completing" shall be construed accordingly
"Earn-Out Payment"	part of the consideration due to the Management Shareholders and the JNP Scheme
"Group"	the Company, its Subsidiaries and its subsidiary undertakings from time to time and "Group Company" shall mean any one of them
"JNP Scheme"	means Janet Pryke and Prydis SSAS Trustees Ltd of the JNP Consultancy Pension Scheme
"Loan Notes"	the £1,254,544.71 8% fixed rate, unsecured loan notes owned by CEPS in ICA that remain outstanding
"London Stock Exchange"	London Stock Exchange plc
"Longstop Date"	20 business days following the date of the SPA, or such later date as may be agreed in writing by the Buyer and the Sellers
"Management Shareholders"	being Matthew Brown, James Cook, Janet Pyrke, Tom Connelly, Rebecca Hanson, Paul Armstrong, Lee Bradshaw, Laura Bradshaw, David Hartill, Michael Clemence and Wendy Dowse, who are all shareholders of ICA
"Profit Ticker"	an additional amount for the profit of ICA from the date of the SPA up to Completion calculated in accordance with the SPA
"Resolution"	the resolution to be proposed at the General Meeting and set out in the Notice of General Meeting
"Restricted Jurisdiction"	each of Australia, Canada, Japan, the Republic of South Africa, the United States, and any other jurisdiction where the distribution of this document may be restricted by law
"Sellers"	together, the Company, the JNP Scheme, the Management Shareholders, Antony Mobbs, Chella Pollard, David Gutteridge, Agness O'Brien, Jennifer Martin-Smith, Robin Garratt, Alice May, Oliver May and Brian May, Dominic May and David Street as Trustees of the Berthon Boat Company Limited Retirement Benefit Scheme
"Shareholder"	a holder of Shares, and "Shareholding" shall be construed accordingly
"Shares"	the ordinary shares of £0.003 each in the share capital of the Company, each a "Share"
"Shareholder Approval"	the approval of the Disposal by the Shareholders at the General Meeting
"SPA"	the conditional sale and purchase agreements dated 10 February 2026 entered into by the Sellers and the Buyer relating to the Disposal
"TIC"	Testing, Inspection and Certification
"Total Consideration"	The total aggregate amount of the Upfront Payment and Earn Out Payment

"UK" or "United Kingdom"	Upfront Payment	the United Kingdom of Great Britain and Northern Ireland
"Upfront Payment"		the consideration due to the Sellers upon Completion, based upon an enterprise value for ICA of £30.45 million plus the Profit Ticker
"US" or "United States"		the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"Warrantors"		means Matthew Brown, James Cook and Janet Pryke
"W&I Insurance Policy"		means the warranty and indemnity insurance policy issued by Fusion Speciality UK Limited on the date of the SPA

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