

Surface Transforms plc â€“ In Administration
(the "Company")

Sale of business and assets

On 22 April 2026 the Company announced that Michael Magnay, Joanna Bull and Jonathan Marston of Alvarez & Marsal Europe LLP (the "**Joint Administrators**") had been appointed as Joint Administrators of the Company. The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability.

The Company, acting by the Joint Administrators, has entered into an asset sale agreement (the "**Sale Agreement**") to sell substantially all of the business and assets of the Company to CCST Limited (the "**Buyer**"). This transaction completed on 22 May 2026. The assets included in the transaction include the trading business, computer systems, intellectual property, contracts, equipment, stock, records and goodwill of the Company including the right to use the name Surface Transforms.

The Transaction is being treated as a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 and accordingly the ten remaining employees engaged in the business of the Company immediately prior to Completion have transferred to the Buyer.

The Buyer is recommencing the manufacture of carbon ceramic brake discs from the existing site in Knowsley, Liverpool and will be looking to employ workers in the area with the requisite skill set to assist with this.

The consideration received by the Company as a result of this transaction is Â£1.4 million (exclusive of any applicable VAT), which was satisfied in full in cash on completion. No shares or other securities form part of the consideration.

In addition:

- the Buyer has agreed to pay the sum of Â£90,000 due to Close Brothers Limited trading as Close Brothers Asset Finance (â€œCloseâ€) in respect of assets financed by Close; and
- the Company owns a dynamometer which is held at a third-party site in Germany. This asset has not been included in the transaction, but the Buyer has an option to purchase this asset for a further Â£200,000 consideration. This option expires six months post-completion.

The Joint Administrators have received an independent valuation of the relevant assets from Gordon Brothers Asset Ingenuity Limited (â€œGordon Brothersâ€) and are satisfied that the consideration received is greater than the net orderly liquidation value of the relevant assets. The Companyâ€™s secured creditors have provided their consent to the transaction.

The Buyer is a connected party as a former director of the Company is also a director of the Buyer. Therefore, under the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 (the â€œRegulationsâ€), a qualifying report from an independent evaluator has been obtained by the Buyer. This report states that the evaluator is satisfied that the consideration provided and the reasons for the transaction are reasonable in the circumstances.

The consideration will be utilised by the Joint Administrators to meet the costs of the Administration and to make payments to the Companyâ€™s secured, preferential and unsecured creditors in due course. There are insufficient realisations to pay any return to shareholders and the Companyâ€™s shares will be de-listed from AIM on 26 May 2026.

Following completion the Company will have disposed of substantially all of its operating business and will have no continuing trading operations. The transaction has been undertaken in the context of the Companyâ€™s administration and, in the view of the Joint Administrators, represents the best outcome available to creditors as a whole in the circumstances.

Further detail in relation to the transaction will be provided in the Joint Administratorsâ€™ proposals which will be published within eight weeks of the appointment.

For further information, please contact:

Alvarez & Marsal Europe LLP
Rob Mindell
Email: rmindell@alvarezandmarsal.com
Mobile: +44 (0)7443 748 243

For additional information please visit www.surfacetransforms.com

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Alvarez & Marsal Europe LLP

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