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**SURFACE TRANSFORMS PLC**  
**("Surface Transforms" or the "Company")**

**Proposed Placing and Subscription to raise approximately £6.5 million (before expenses) via an accelerated bookbuild, and Open Offer to raise up to a further £2.0 million (before expenses)**

Surface Transforms (AIM:SCE), manufacturers of carbon fibre reinforced ceramic automotive brake discs, is pleased to announce that it proposes to raise approximately £0.8 million (before expenses) by means of a Firm Placing and Subscription, and a further £5.7 million (before expenses) by means of a Conditional Placing (together, the "Placing and Subscription"), with a total 650,000 New Ordinary Shares at 1 pence per New Ordinary Share. In addition to the Placing and Subscription, the Company proposes to raise up to a further £2.0 million (before expenses), subject to the Board's discretion to increase the size of the Open Offer, by way of an Open Offer (together with the Placing and Subscription, the "Fundraise").

The net proceeds from the Placing and Subscription will be used for immediate working capital requirements, both in terms of existing operations, but also the Phase 2 and manufacturing scale-up. Any excess raised pursuant to the Open Offer will provide additional working capital headroom.

The Placing will be conducted by way of an accelerated bookbuild ("Bookbuild") which will be launched immediately following this Announcement, in accordance with the terms and conditions set out in the Appendix to this Announcement.

The Firm Placing will be effected by way of a cashbox placing of new Ordinary Shares for non-cash consideration, further details of which are set out below. The cashbox placing structure is being used due to the Issue Price being at a substantial discount, which would otherwise limit the net proceeds receivable by the Company given the existing allotment authorities available to the Board for issuing Ordinary Shares on a non-pre-emptive basis.

**KEY HIGHLIGHTS**

- Proposed Placing of approximately £6.3 million (before expenses) with institutional investors, proposed Subscription of £0.2 million by the Directors (before expenses) and certain PDMRs and proposed Open Offer of up to £2.0 million (before expenses), subject to the Board's discretion to increase the size of the Open Offer, to existing Qualifying Shareholders, in each case at the Issue Price.
- The Company intends to use the net proceeds of the proposed Fundraise for working capital requirements and to support existing operations and the manufacturing scale-up
- The Issue Price represents a discount of approximately 66 per cent. to the closing mid-market price of 2.9 pence per Ordinary Share on 30 April 2024, being the last Business Day prior to the date of this Announcement.
- Zeus is acting as Nominated Adviser and Joint Broker to the Company and Cavendish is acting as Joint Broker to the Company in connection with the Fundraise.
- Completion of the Conditional Placing is subject to, *inter alia*, the Resolutions being passed at a General Meeting of the Company, expected to be held at 11.00 a.m. on 23 May 2024.

The timing for the close of the Bookbuild and allocation of the Placing Shares shall be at the absolute discretion of the Joint Brokers, in consultation with the Company. The allocation of the Placing Shares between First Admission and Second Admission shall be at the absolute discretion of the Joint Brokers, in consultation with the Company. The final number of Placing Shares to be issued pursuant to the Placing will be agreed by the Joint Brokers and the Company at the close of

Placing Shares to be placed pursuant to the Placing will be agreed by the Joint Brokers and the Company at the close of the Bookbuild. The result of the Placing will be announced as soon as practicable thereafter. The Placing is not underwritten.

In addition, the Directors and certain PDMRs have indicated an intention to participate in the Fundraising (by way of a direct Subscription for Subscription Shares) as follows:

<b>Director</b>	<b>Intended Subscription</b>	<b>Number of Subscription Shares</b>
Matthew Taylor	£100,000	10,000,000
David Bundred	£25,000	2,500,000
Kevin Johnson	£25,000	2,500,000
Ian Cleminson	£25,000	2,500,000
Julia Woodhouse	£25,000	2,500,000
Isabelle Maddock	£3,500	350,000
Stephen Easton <sup>1</sup>	£15,000	1,500,000

<sup>1</sup> Stephen Easton is the non-Board Chief Operating Officer and a PDMR of the Company

In addition to the Placing and Subscription, the Company intends to provide all Qualifying Shareholders with the opportunity to subscribe for an aggregate of 200,000,000 Open Offer Shares at the Issue Price of 1 pence per Open Offer Share to raise up to approximately £2.0 million (before expenses), subject to the Board's discretion to increase the size of the Open Offer. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through an excess application facility. The Open Offer is not underwritten.

The issue of the Firm Placing Shares and the Subscription Shares are conditional, *inter alia*, on the Firm Placing Admission. The issue of the Conditional Placing Shares and the Open Offer Shares are conditional, *inter alia*, the passing by Shareholders of the Resolutions at the General Meeting of the Company, expected to be held at 11.00 a.m. on 23 May 2024.

Shareholders should note that the Conditional Placing and Open Offer are conditional, *inter alia*, on the passing of the Resolutions. Failure to approve the Resolutions would therefore prevent the Company from raising funds pursuant to the Conditional Placing and Open Offer, and only part of the net proceeds would be received by the Company. This would require the Company to seek urgent alternate financing that may or may not be available and, if available, may or may not be on worse terms than the Fundraising. The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions.

A circular containing further details of the Placing, the Subscription and the Open Offer, Notice of General Meeting, proxy form and Application Form will be despatched to Shareholders following announcement of the result of the Placing and Subscription and will thereafter be available on the Company's website at [www.surfacettransforms.com](http://www.surfacettransforms.com).

Applications will be made to the London Stock Exchange for the admission of the Firm and Conditional Placing Shares, Subscription Shares and Open Offer Shares to be admitted to trading on AIM. Admission of the Firm Placing Shares and the Subscription Shares is expected to commence at 8.00 a.m. on 7 May 2024 and admission of the Conditional Placing at 8.00 am on 24 May 2024 and the Open Offer Shares at 8.00 am on 28 May 2024.

The New Ordinary Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares.

**The Appendix to this Announcement (which forms part of this Announcement) contains the detailed terms and conditions of the Placing.**

**For further information, please contact:**

**Surface Transforms plc**

+44 151 356 2141

David Bundred, Chairman

Kevin Johnson, CEO

Isabelle Maddock, CFO

**Zeus (Nominated Adviser and Joint Broker)**

+44 203 829 5000

David Foreman / James Edis / Ed Beddows (Investment Banking)

Dominic King (Corporate Broking)

**Cavendish Capital Markets Ltd (Joint Broker)**

+44 20 7220 0500

Ed Frisby / Abigail Kelly (Corporate Finance)

Andrew Burdis / Harriet Ward (ECM)

**Introduction**

Surface Transforms announces that it proposes to raise approximately £0.8 million (before expenses) by means of a Firm Placing and Subscription, and a further £5.7 million (before expenses) by means of a Conditional Placing, with a total 650,000,000 New Ordinary Shares at 1 pence per New Ordinary Share. In addition, the Company proposes to raise up to a further £2.0 million (before expenses), subject to the Board's discretion to increase the size of the Open Offer, by way of an

Open Offer.

The Conditional Placing is conditional the passing of the Resolutions and the Conditional Placing Admission.

### **Background to and reasons for the Fundraising**

Surface Transforms has announced a Placing and Subscription raising gross proceeds of £6.5 million, together with an Open Offer to raise up to £2.0 million (before expenses). The net proceeds of the Fundraising will be used for immediate working capital requirements and to support existing operations and the manufacturing scale-up.

It is important to note that Surface Transforms already has a secured and prospective customer pipeline for approximately £700 million<sup>1</sup> of sales, of which approximately £390 million<sup>2</sup> is contracted. Over the next three years (and potentially beyond), Surface Transforms expect to be able to sell as many discs as it can manufacture. Related to which, the Board continues to target increasing factory capacity to £75 million<sup>3</sup> sales per annum over the next few years with a medium-term target of £150 million<sup>3</sup> per annum. However, and as recent trading statements released by the Company have shown, improving manufacturing resilience is at least as important as the capacity scale-up, and operational management, led by the Company's Chief Executive, Kevin Johnson and new Chief Operating Officer, Stephen Easton, are addressing this.

The Company raised £11.0 million (gross) in Q4-2023 with the expectation that the net proceeds of that fundraising (together with the £13.2 million Loan Facility entered into in December 2023) and estimated future operating cash inflows, would be sufficient to deliver an expanded plant capable of delivering the medium-term target of £150 million<sup>3</sup> sales per annum. Due to a combination of factors, which are described further below, this is not currently the case, and the Company requires the net proceeds from the Fundraising for short-term working capital purposes, which once resolved, will mean the medium-term opportunity can once again be fully focused upon and delivered.

The Board is acutely aware of shareholder frustrations with the need for this Fundraising, not least given the proximity to the previous equity fundraising completed by the Company in Q4-2023, but the Directors do therefore want to remind Shareholders of:

- the automotive market drivers and recent progress with the Company's OEM customers;
- the Company's manufacturing strategy including progress on installing new capacity; and
- how such drivers and progress translate into recent and forecast revenues.

which are considered in turn in more detail below.

Finally, each member of the Board and one non-Board PDMR have indicated an intention to subscribe for a total of 21,850,000 New Ordinary Shares pursuant to the subscription. The Directors have also irrevocably undertaken to vote in favour of all the Resolutions to be proposed at the General Meeting in respect of their own beneficial holdings amounting to in aggregate 5,402,757 Ordinary Shares, representing approximately 1.53 per cent. of the Existing Ordinary Shares.

### **Automotive market drivers**

Surface Transforms produce lightweight carbon ceramic brake discs for the automotive industry. Historically, iron discs have been utilised. However, there are compelling drivers for the increasing adoption of carbon ceramic brakes, with the likes of AMG, Aston Martin, Audi, Bentley, BMW, General Motors, Ferrari, Jaguar Land Rover, Lamborghini, Lucid, Koenigsegg, McLaren, Nissan, Porsche, Tesla and VW who are now offering carbon ceramic brakes on selected vehicles.

The drivers for the adoption of carbon ceramic brakes are multi-faceted and include:

- *Technological:* carbon ceramic discs provide superior braking performance than iron discs being both stronger and more durable as well as being able to dissipate more heat - increased heat evacuation reduces the brake temperature which improves performance. In addition, carbon ceramic discs can be up to 70 per cent. lighter - in certain instances each carbon ceramic brake disc is 25 kg lighter resulting in a total chassis weight reduction of 100 kg;
- *Environmental:* reduced chassis weight results in lower CO2 emissions. In addition, carbon ceramic discs produce significantly less brake pad dust pollution than iron discs, an increasingly important issue for regulators;
- *Competition:* Brembo SGL are currently the leading carbon ceramic brake disc manufacturer by volume and have historically enjoyed a near monopolistic position. Automotive OEMs desire de-risked supply arrangements wherever possible. The Board consider Surface Transforms to be the only credible alternative supplier of carbon ceramic brakes to Brembo SGL, and anticipate this to be the situation for some time;
- *Lifetime and total cost of ownership:* Carbon ceramic discs last approximately four times longer than iron discs. This increased service life therefore has a commensurate reduction in the total cost of ownership;
- *Quality:* Carbon ceramic discs provide enhanced handling, comfort and performance compared with heavier iron discs. Furthermore, carbon ceramic discs materially reduce the prospect of galvanic corrosion, a safety concern for grey iron discs on EVs;
- *Aesthetics:* Carbon ceramic discs are desirable, especially when combined with colourful calipers, and because they do not corrode like iron discs, they generate significantly less brake dust resulting in cleaner wheels, and unlike iron discs do not rust;
- *Shift to EV:* The EV market is becoming more prominent in the wider automotive space, led by stringent rules in the EU, California and Japan to reduce carbon emissions. In addition to the above, weight saving on EVs can lead to smaller and potentially cheaper batteries.

While there are substantial market drivers outlined above, the considerable testing requirements of the OEMs continue to limit the competition. Surface Transforms is currently taking market share from both Brembo SGL and iron disc manufacturers, and expects to continue to win new contracts during the coming years.

### **Progress with OEM customers**

Surface Transforms' growth continues to be driven by contracting directly with OEMs to supply carbon ceramic brake

discs for upcoming models. The Company has 12 nominated OEM contracts, with an expected total lifetime value of £390 million<sup>4</sup>, equating to £79 million<sup>5</sup> per annum. This includes the most recent nomination with OEM 10, expected to result in £100 million<sup>6</sup> of lifetime value.

Of the 12 nominated OEM contracts, five are in a multi-year revenue generation phase with the remaining contracts expected to enter SOP at regular intervals between now and 2027.

In addition, expected revenue continues to grow through "follow on" contracts, in which OEM customers use existing product approvals on their future models.

The Company's strategy is to achieve annual revenue of £100 million<sup>7</sup> within the next five years, with a PCP of £300 million, which includes other potential customers alongside awarded and nominated contracts.

Whilst there can be no guarantee that Surface Transforms will be awarded any further supply contracts to any of the OEMs or, even if awarded, what the actual vehicle volumes will transpire to be, the Board note their continuing success winning new contracts, particularly follow on contracts.

Whilst Surface Transforms can fulfil its existing supply contracts through existing, and planned increases in manufacturing capacity through 2024 and 2025 at the Company's Knowsley facility, there remains insufficient resilience and future capacity expansion will be required to deliver the PCP, should these be converted into actual contract awards.

### Manufacturing strategy

During Q1 2024, the Company continued to progress its three-phased manufacturing capacity scale-up, building on Phase 1 which provides a revenue capacity of £20 million per annum.

The Company has commenced Phase 2, which is expected to increase production capacity to £75 million<sup>8</sup> per annum by 2025, with a capital cost of £14 million. Phase 2 comprises two parts, with Part 1 anticipated to be available for production in 2024 and Part 2 remaining on course to be completed and available for production in 2025. Part 1 will increase production capacity to £50 million<sup>8</sup> per annum, helping support 2024 customer demand and provide the necessary resilience to mitigate the risk of and/or overcome single points of failure. The Company has to date invested £6 million into Phase 2, with the balance to be financed by the Loan Facility which was secured in December 2023.

Phase 3 of the manufacturing strategy is to increase revenue to £150 million<sup>8</sup> per annum through the expansion of the factory on an adjacent 2 acre site. Phase 3 is expected to be completed by 2027, with an expected capital cost of £30 million, being financed by the Loan Facility and retained cash flows generated from operations.

### Progress on installing Phase 2 new capacity

Part 1 of Phase 2 is proceeding to plan with all but one of the furnaces to be on site by mid-2024. The last furnace is slightly delayed, not due to an issue with the furnace itself, but due to protracted negotiations regarding the site expansion including the positioning of this last furnace, which have now concluded.

Capacity increases can also be achieved by internal work on already installed furnaces which can, over time, be substantial. The Company has a number of internal work projects underway; they are progressing well and form part of 2024 capacity contingency plans.

### Manufacturing yield

Date	2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	H1-25	H2-25	Strategic Goal
Yield	47%	75%	83%	85%	86%	88%	90%	99%

As described in the section below, production has been constrained with manufacturing yields too low, due to high scrappage rates, primarily in Q1-2024. A dedicated team, overseen by Stephen Easton, Chief Operating Officer, have completed a large number of process refinements during FY 2023 and Q1 2024, as shown in the below chart. Moreover, there remains a detailed programme of further quarterly initiatives to be performed throughout 2024 and 2025.

### Production stability

Process refinements have been introduced and managed to address the objectives of building capacity, improving yield and reducing costs. The vast majority of these refinements for FY 2024 and beyond have already been explicitly identified, which combined with recent successful implementations, gives management confidence that these further process improvements will generate improved manufacturing yields during FY 2024 and FY 2025, enhance capacity and reduce costs.

Date	Avg 2023/Q	Q1-2024	Q2-2024	Q3-2024	Q4-2024	H1-25	H2-25	Strategic Goal
# Process Refinements	72	42	16	15	25	5	8	5

### Cost reductions

The above initiatives as well as other specific projects will enable the Company to reduce manufacturing costs per disc, as set out in the table below:

Date	2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	Strategic Goal
Cost reduction saving/disc (£)	(56)	(32)	48	60	60	100	125	150	210

### Utilisation of proceeds for the 6 months to the end of Q1 2024

The Company raised net proceeds of £10.1 million in Q4-2023 which have primarily been utilised against management budgets at the time, as follows:

Foregone contribution from missed sales during FY 2024 to date	£1.5 million
Combined cost of scrappage, both foregone contribution of lost sales and sunk cost of production through to point of scrappage	£2.4 million
Increased development and other overhead costs supporting scale-up, including tooling and repairs and maintenance to resolve certain single points of failure but particularly in understanding and conducting programmes to reduce scrappage rates	£1.2 million

in understanding and conducting programmes to reduce scrappage rates	
Loan Financing - timing differences to originally assumed cash phasing	£3.5 million
Positive working capital variance - linked to Q1-2024 activity being lower than originally forecast	(£1.9 million)

The combination of the above factors, namely foregone sales contribution, increased costs and certain adverse timing differences, have resulted in the Company being working capital constrained.

### Reasons for the Fundraising

For the reasons set out above, the Company has been and expects to continue to be working capital constrained in the absence of a cash injection. Accordingly, the proposed Placing and Subscription raising net proceeds of approximately £6.0 million will support the immediate working capital requirements of the Company, both in terms of existing operations, but also the Phase 2 and manufacturing scale-up. Any excess raised pursuant to the Open Offer will provide additional working capital headroom. The Company does not currently anticipate requiring any further external funding for future expansion up to and including Phase 3 of the manufacturing scale-up but will likely explore non-equity options in the first instance should any further external funding be required.

The Board has considered various options to address this short term working capital constraint and concluded that an equity fundraising is the optimal solution, acknowledging that at the Issue Price, the proposed Placing and Subscription will be significantly dilutive to Existing Shareholders. Accordingly, the Board intends to propose the Open Offer to allow its supporting Existing Shareholders (who are also Qualifying Shareholders) the opportunity to participate in the Fundraising through the Open Offer and minimise dilution.

### Trading update and outlook

As recently reported in the Company's RNS announcement on 17 April 2024 entitled "2024 Sales Outlook", sales are anticipated to grow between 111 - 165 per cent. in FY 2024 (compared to FY 2023 sales of £8.3 million) resulting in a projected FY 2024 range of £17.5 million to £22 million sales.

Sales were constrained in Q1-2024 due primarily to continuing high levels of scrap from processes that are not yet fully capable. Significant progress has been made in reducing scrap and this is expected to continue through 2024, unlocking further capacity. Similarly, progress on expanding the Company's capacity during 2024 is advancing. These three activities are all boosting sales which the Board maintain will drive the Company's rapid growth during the year.

Management have detailed plans in place to continue to drive all three areas with the pace of progress determining a current spread in expected revenues for FY 2024 of between £17.5 million and £22 million. With continuing improvements in scrappage rates and generally better visibility on customer deliveries, the Board expect this sales range to narrow, and the Company will provide updates on progress throughout the year.

The Company's ambition remains generating revenues of £100 million<sup>9</sup> per annum within the next five years. The below table sets out actual FY 2023 and Q1 2024 revenues together with management expectations through Q2 2025, set against the targeted £25 million quarterly revenue:

Date	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Strategic Goal
<b>Quarterly Revenues (£m)</b>	1.4	1.9	2.0	3.0	3.0	4.0	4.8	5.8	7.0	7.0	25.0

These quarterly revenues (above) need to be viewed against the effective revenue capacity of the Company during the same period (as set out in the below table):

Date	Avg 2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Strategic Goal
<b>Effective Capacity Revenue (£m)</b>	2.0	3.0	7.0	7.0	9.0	10.0	11.0	38.0

Sales in Q1 2024 were £3.0 million. Accepting that £3.0 million maintained the Company's quarterly revenue rate rather than increasing it, sales in Mar-24 were £1.5 million. Furthermore, significant improvements in the underlying operational performance, led by Stephen Easton, Chief Operating Officer, have also been achieved. The single point of failure capacity constraints have now, almost all, been resolved, the revised maintenance procedures and continuing operator training have significantly improved plant availability, and performance.

The Company has also agreed revised 2024 delivery schedules with all customers that progressively pull back arrears. The Company is broadly keeping to these schedules and the Board are of the view that the customer situation is stable.

In April 2024, the Company agreed revised financial covenants for the Loan Facility, with updated banking documentation currently being prepared. Management's low-case estimates (with FY24 sales of £17.5 million) include approximately £10.45 million total use of the Loan Facility by the end of the two-year drawdown period ending 31 December 2025. Under such scenario, management anticipate they would request an extension of the Loan Facility to utilise any undrawn amounts during FY26. If the financial performance of the Company exceeds this low-case forecast, management expect the full £13.2 million will be drawn down.

### Board change

David Bundred, Chairman, has confirmed that after 12 years on the Board, he intends to retire from this role in 2024. A search process has now started, led by Julia Woodhouse, independent non-executive director. Further updates will be provided in due course.

### The Placing and Subscription

The Company intends to raise £0.8 million (before expenses), and conditionally raise a further £5.7 million (before expenses), by means of the Placing and Subscription of 650,000,000 new Ordinary Shares, which are not subject to clawback, at the Issue Price for the benefit of the Company.

The Placing Shares and the Subscription Shares, when issued and fully paid, will rank equally in all respects with the Existing Ordinary Shares.

The Firm Placing will be effected by way of a cashbox placing of New Ordinary Shares for non-cash consideration. The cashbox structure is expected to have the effect of providing the Company with the ability to realise distributable reserves approximately equal to the net proceeds of the Firm Placing less the nominal value of the Firm Placing Shares issued by the Company.

Zeus will, pursuant to the Subscription and Transfer Agreements, subscribe for redeemable preference shares in Bumblebee Finance (Jersey) Limited a new Jersey-incorporated subsidiary of the Company ("JerseyCo") in an amount equal to the gross proceeds of the Firm Placing. Monies received from Placees taking up Firm Placing Shares will be applied by Zeus to subscribe for redeemable preference shares in JerseyCo.

The Company will allot and issue the Firm Placing Shares on a non-pre-emptive basis to Placees who have participated in the Firm Placing in consideration for the transfer, pursuant to the terms of the Subscription and Transfer Agreements, of the redeemable preference shares in JerseyCo that will be issued to Zeus. Accordingly, at the conclusion of this cashbox placing process, JerseyCo will be a wholly owned subsidiary of the Company and its principal assets will be cash reserves approximately equal to the gross proceeds of the Firm Placing. Shareholder approval is not required to effect the Firm Placing by way of a cashbox placing.

Instead of receiving cash as consideration for the issue of the Firm Placing Shares, following completion of the Firm Placing, the Company will own the entire issued share capital of JerseyCo, whose only asset will be its cash reserves as noted above. The Company will then be able to access those funds by redeeming the redeemable preference shares it holds in JerseyCo.

Accordingly, by subscribing for the Firm Placing Shares under the Firm Placing and submitting a valid payment in respect thereof, each Placee instructs Zeus to hold such payment on their respective behalves and: (i) to the extent of a successful application under the Firm Placing, to apply such payment solely to permit Zeus to subscribe (as principal) for redeemable preference shares in JerseyCo; and (ii) to the extent of an unsuccessful application under the Firm Placing, to return the relevant payment without interest to the Placee.

The Subscription is a private subscription at the Issue Price with Subscription Letters between the Company and each of the Directors and one non-Board PDMR of the Company. The Subscription Shares will be issued at Firm Placing Admission under the Company's existing allotment authorities obtained at the Company's general meeting held on 18 December 2023.

#### **The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Zeus and Cavendish, as agents to the Company, have conditionally agreed to use their reasonable endeavours to procure Placees for the Placing Shares to be issued under the Placing. The Firm Placing is conditional, inter alia, upon neither of the Joint Brokers having exercised their right to terminate the Placing Agreement and the Firm Placing Admission occurring not later than 8.00 a.m. on 7 May 2024. The Firm Placing is not conditional on the Resolutions being passed at the GM. Once the Firm Placing Admission has occurred, neither of the Joint Brokers will have the right to terminate any of its obligations under the Placing Agreement with regard to the Firm Placing, but may at any time up to the Conditional Placing Admission terminate its obligations under the Placing Agreement as regards the Conditional Placing.

The Conditional Placing is conditional, inter alia, upon the Firm Placing Admission having occurred not later than 8.00 am on 7 May 2024, the Resolutions being passed at the GM without amendment, the Company having full performed its obligations under the Placing Agreement to the extent that they fall to be performed prior to the Conditional Placing Admission, the Placing Agreement becoming unconditional and not being terminated in accordance with its terms and, the Conditional Placing Admission occurring by no later than 8.00 a.m. on 24 May 2024 (or such later date as the Company and the Joint Brokers may agree, being no later than 8.00 a.m. on 11 June 2024). Once the Conditional Placing Admission has occurred, no party to the Placing Agreement can terminate any part of the Placing Agreement which relates to the Conditional Placing Admission and/or the Placing, allotment and/or issue of the shares subject to the Conditional Placing Admission.

#### **The Subscription and Transfer Agreements**

In connection with the Firm Placing, (a) the Company, Zeus and JerseyCo have entered into a subscription and transfer agreement and (b) the Company and Zeus have entered into a put and call option agreement (together the "Subscription and Transfer Agreements"), each agreement being dated on or around the date of the Placing Agreement, in relation to the subscription and transfer of the redeemable preference shares in JerseyCo to the Company.

Under the terms of the Subscription and Transfer Agreements:

- (a) the Company and Zeus will acquire ordinary shares in JerseyCo;
- (b) the Company and Zeus have entered into certain put and call options in respect of the ordinary shares in JerseyCo subscribed for by Zeus that are exercisable if the Firm Placing does not complete;
- (c) Zeus will apply monies received from Placees under the Firm Placing, to subscribe for redeemable preference shares in JerseyCo to an aggregate value equal to such monies; and
- (d) the Company will allot and issue the Firm Placing Shares to those persons entitled to them in consideration of Zeus transferring its holding of redeemable preference shares and ordinary shares in JerseyCo to the Company.

Placees and Qualifying Shareholders are not party to these arrangements and so will not acquire any direct right against Zeus pursuant to these arrangements. The Company will be responsible for enforcing the obligations of Zeus under these arrangements.

#### **Director and non-Board PDMR Participation in the Fundraising**

The Directors and PDMRs have indicated an intention to participate in the Subscription by way of a direct Subscription, as follows:

<b>Director</b>	<b>Intended Subscription</b>	<b>Number of Subscription Shares</b>
Matthew Taylor	£100,000	10,000,000
David Bundred	£25,000	2,500,000
Kevin Johnson	£25,000	2,500,000
Ian Cleminson	£25,000	2,500,000
Julia Woodhouse	£25,000	2,500,000
Isabelle Maddock	£3,500	350,000
Stephen Easton <sup>1</sup>	£15,000	1,500,000

<sup>1</sup> Stephen Easton is the non-Board Chief Operating Officer and a PDMM of the Company

The Subscription Shares, when issued and fully paid, will rank equally in all respects with the Existing Ordinary Shares. The Subscription is conditional upon, *inter alia*, the Firm Placing Admission.

Application will be made to the London Stock Exchange for admission of the Subscription Shares to trading on AIM. Admission of the Subscription Shares is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 7 May 2024.

### Open Offer

In order to provide all Qualifying Shareholders with an opportunity to participate, the Company is conducting an Open Offer providing those shareholders the opportunity to subscribe at the Issue Price for an aggregate of 200,000,000 Open Offer Shares. The Board has discretion to increase the size of the Open Offer up to an aggregate of 300,000,000 Open Offer Shares. This allows Qualifying Shareholders to participate on a pre-emptive basis whilst providing the Company with the flexibility to raise additional equity capital to further improve its financial position.

Qualifying Shareholders are being offered the opportunity to apply through the Excess Application Facility for additional Open Offer Shares in excess of their pro rata entitlements to the extent that other Qualifying Shareholders do not take up their entitlements in full. Qualifying Shareholders with nil basic entitlement will still be eligible to apply for Open Offer Shares under the Excess Application Facility. In the event of applications in excess of the maximum number of Open Offer Shares available, the Company will decide on the basis for allocation, however, if this scenario occurs, preference is likely to be given to Qualifying Shareholders with smaller shareholdings (who historically may have had less opportunity to participate in placings conducted by the Company). The Open Offer Shares will not have been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 200,000,000 Open Offer Shares issued pursuant to the Open Offer.

The Open Offer provides Qualifying Shareholders the opportunity to participate in the Fundraising, up to £2.0 million worth of Open Offer Shares to be issued at the Issue Price. The Open Offer is being made on the basis of 1 Open Offer Share for every 1.760363190 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. However, should the Open Offer be significantly oversubscribed, the Directors may, at their absolute discretion, increase the Open Offer up to a maximum aggregate amount of £3.0 million worth of Open Offer Shares to be issued at the Issue Price.

The Conditional Placing and the Open Offer are conditional upon, *inter alia*, the Firm Placing Admission having occurred not later than 8.00 am on 7 May 2024, the approval of Shareholders of the Resolutions at the General Meeting and upon the Placing Agreement becoming unconditional in all respects (other than as to the Conditional Placing Admission and the Open Offer Admission (as the case may be)) and not having been terminated in accordance with its terms.

### Investor presentation

The Company will provide a live presentation to investors and any other interested parties via Hardman & Co's platform at 12.00 noon on 9 May 2024. Interested parties can register for the presentation at [https://us06web.zoom.us/webinar/register/WN\\_mUnp-l2KTomKBRFgUhFEow](https://us06web.zoom.us/webinar/register/WN_mUnp-l2KTomKBRFgUhFEow)

Surface Transforms is committed to ensuring that there are appropriate communication structures for all its Shareholders. Questions can be submitted in advance as well as during the event via the "Ask a Question" function. Although management may not be in a position to answer every question received, they will address the most prominent ones within the confines of information already disclosed to the market.

### Expected timetable of principal events

Record Date	1 May 2024
Announcement of the Fundraising	1 May 2024
Announcement of the result of the Placing and the Subscription	2 May 2024
Despatch of the Circular	3 May 2024
Admission of the Firm Placing Shares and Subscription Shares	8.00 a.m. on 7 May 2024
Announcement of the results of the General Meeting	23 May 2024
Announcement of the result of the Open Offer	by 24 May 2024
Announcement of the result of the Open Offer	by 24 May 2024
Admission of the Conditional Placing Shares	8.00 a.m. on 24 May 2024
Admission of the Open Offer Shares	8.00 a.m. on 28 May 2024

### Irrevocable commitments

The Directors (or persons connected with the Directors within the meaning of sections 252 - 255 of the Act), who in aggregate hold 5,402,757 Existing Ordinary Shares, representing approximately 1.53 per cent. of the Existing Ordinary Shares, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting and not to subscribe for any of the Open Offer Shares.

### Important information

## **important information**

This Announcement is for information purposes only and does not itself constitute an offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities in the Company and does not constitute investment advice.

Neither this Announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, in or into the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of the securities laws of any state or territory of the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa. The distribution of this Announcement in other jurisdictions may be restricted by law and persons into whose possession this Announcement comes should inform themselves about, and observe any such restrictions.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this Announcement nor any part of it nor the fact of its distribution shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

In particular, the Placing Shares, the Subscription Shares and the Open Offer Shares have not been and will not be registered under the US Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States, and accordingly the Placing Shares, the Subscription Shares and the Open Offer Shares may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from the registration requirements of the US Securities Act and the securities laws of any relevant state or other jurisdiction of the United States. There is no intention to register any portion of the Fundraising in the United States or to conduct a public offering of securities in the United States or elsewhere.

Zeus is authorised and regulated in the United Kingdom by the FCA and is acting as nominated adviser and Joint Broker to the Company in respect of the Fundraising. Cavendish is authorised and regulated in the United Kingdom by the FCA and is acting as Joint Broker to the Company in respect of the Fundraising. Each of Zeus and Cavendish is acting for the Company and for no-one else in connection with the Fundraising, and will not be treating any other person as its client in relation thereto, and will not be responsible for providing the regulatory protections afforded to its customers nor for providing advice in connection with the Fundraising or any other matters referred to herein and apart from the responsibilities and liabilities (if any) imposed on Zeus or Cavendish, as the case may be, by FSMA, any liability therefor is expressly disclaimed. Any other person in receipt of this Announcement should seek their own independent legal, investment and tax advice as they see fit.

## **Forward-looking statements**

This Announcement contains statements about Surface Transforms that are, or may be deemed to be, "forward-looking statements".

All statements, other than statements of historical facts, included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Surface Transforms.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules for Companies, the Prospectus Rules, the FSMA and/or MAR), does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Surface Transforms or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Announcement are based on information available to the Directors at the date of this Announcement, unless some other time is specified in relation to them, and the posting or receipt of this Announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

## **References**

1. *Based on the Directors' expectations of existing customer contracts and their understanding of the relevant OEM's production plan and estimated demand for discs.*
2. *Based on the Directors' expectations and their understanding of the relevant OEM's production plan and estimated demand for discs and it takes into account the expected lifetime revenue from the Company's contract with OEM which is anticipated to be entered into following the Company's recent nomination as OEM 10's tier one supplier of a carbon ceramic brake discs.*
3. *Based on the Directors' estimates of sales proceeds from expected production volumes.*
4. *Based on the Directors' expectations and their understanding of the relevant OEM's production plan and estimated demand for discs and it takes into account the expected lifetime revenue from the Company's contract with OEM which is anticipated to be entered into following the Company's recent nomination as OEM 10's tier one supplier of a carbon ceramic brake discs.*
5. *Based on the directors' expectations, their understanding of the relevant OEMs production plans and an assumed disc demand*
6. *The Directors believe that based on existing customer contracts and PCPs, the current capacity will not provide the required production capacity to meet demands from OEMs*
7. *Based on the Directors' expectations of sales proceeds from expected production volumes for existing customer contracts and PCPs.*
8. *Based on the Directors' estimates of sales proceeds from expected production volumes.*
9. *Based on the Directors' expectations of sales proceeds from expected production volumes for existing customer contracts and PCP.*

## **APPENDIX**

### **TERMS AND CONDITIONS OF THE PLACING**



IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THE ANNOUNCEMENT REGARDING THE PLACING (THE "**ANNOUNCEMENT**") AND THE TERMS AND CONDITIONS SET OUT HEREIN ("**TERMS AND CONDITIONS**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**"); (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(e) OF REGULATION (EU) 2017/1129 WHICH FORMS PART OF DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**") WHO ALSO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS); (II) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (C) PERSONS TO WHOM THEY MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THE ANNOUNCEMENT AND THE TERMS AND CONDITIONS AND THE INFORMATION THEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THE ANNOUNCEMENT AND/OR THE TERMS AND CONDITIONS MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THE ANNOUNCEMENT AND THE TERMS AND CONDITIONS DO NOT THEMSELVES CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN SURFACE TRANSFORMS PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THE ANNOUNCEMENT AND THE TERMS AND CONDITIONS ARE RESTRICTED AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, THE REPUBLIC OF SOUTH AFRICA, OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of the Announcement and/or the Terms and Conditions and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of the Announcement and/or the Terms and Conditions or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession the Announcement and/or these Terms and Conditions come are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

The Announcement and these Terms and Conditions or any part of them are for information purposes only and do not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Australia, New Zealand, Canada, the Republic of South Africa or Japan or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

In the United Kingdom, the Announcement and these Terms and Conditions are being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of the Announcement and these Terms and Conditions or the Circular. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, the Republic of Ireland, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, the Republic of Ireland, the United States, Canada, the Republic of South Africa or Japan or any other jurisdiction in which such offer, sale, re-sale or delivery would be unlawful.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of the Announcement (or any part of it) and/or these Terms and Conditions should seek appropriate advice before taking any action.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II ("**MiFID II Delegated Directive**"); and (c) local implementing measures, (including insofar as MiFID II and the MiFID II Delegated Directive constitute retained EU law (as defined in section 6(7) of the European Union (Withdrawal) Act 2018) in the United Kingdom) ("**Retained MiFID Provisions**") (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II and the Retained MiFID Provisions; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II or the Retained MiFID Provisions (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or the Retained MiFID Provisions; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

The Terms and Conditions should be read in their entirety.

### Key Terms and Dates

In addition to the definitions set out at the end of these Terms and Conditions, the following defined terms and dates are relevant to these Terms and Conditions:

"Admission"	means First Admission and/or Second Admission, as the context requires becoming effective as provided in Rule 6 of the AIM Rules for Companies;
"First Admission"	means admission of the Firm Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
"First Admission Date"	means 8.00 a.m. on 7 May 2024 or such later time as the Joint Bookrunners may agree with the Company but in any event no later than 8.00 a.m. on 11 June 2024;
"First Settlement Date"	means the date the settlement of transactions in the Firm Placing Shares following First Admission will take place within the CREST system (subject to certain exceptions) which is expected to occur on 7 May 2024;
"Issue Price"	means 1 pence per Ordinary Share;
"Second Admission"	means admission of the Conditional Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
"Second Admission Date"	means 8.00 a.m. on 24 May 2024 or such later time as the Joint Bookrunners may agree with the Company but in any event no later than 8.00 a.m. on 11 June 2024;
"Second Settlement Date"	means the date the settlement of transactions in the Conditional Placing Shares following Admission will take place within the CREST system (subject to certain exceptions) which is expected to occur on 24 May 2024; and
"Settlement Date"	means First Settlement Date and/or Second Settlement Date, as the context requires.

### Details of the Placing Agreement and the Placing Shares

The Joint Bookrunners have entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, each of the Joint Bookrunners, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. The Placing is not being underwritten by either of the Joint Bookrunners or any other person.

The exact number of Placing Shares to be allocated and issued to Placees shall be determined by the Joint Bookrunners and the Company following completion of the Bookbuild (as defined below).

The issue of the Firm Placing Shares is to be effected by way of a cashbox placing. The Company will allot and issue the Firm Placing Shares on a non-pre-emptive basis to the Placees in consideration for Zeus transferring its holdings of redeemable preference shares and ordinary subscriber shares in Bumblebee Finance (Jersey) Limited ("**JerseyCo**") to the Company. Accordingly, instead of receiving cash as consideration for the issue of the Firm Placing Shares, at the conclusion of the Firm Placing the Company will own all of the issued ordinary shares and redeemable preference shares of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Firm Placing.

The Subscription and the Open Offer are independent from the Placing and for the avoidance of doubt completion of the Placing is not conditional on completion of the Subscription and/or the Open Offer. The Open Offer will be launched on conclusion of the Firm Placing and the Placing Shares will not be part of the Open Offer. The Open Offer Shares are expected to be admitted to trading on AIM separately after Second Admission.

The Placing Shares will, when issued, be subject to the memorandum and articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

### Accelerated bookbuilding process

Commencing today, the Joint Bookrunners will be conducting an accelerated bookbuilding process to determine demand for participation in the Placing by Placees (the "**Bookbuild**"). The Announcement gives details of the terms and conditions of, and the mechanics of participation in, the Placing. However, the Joint Bookrunners will be entitled to effect the Placing by such alternative method to the Bookbuild as they may, after consultation with the Company, determine. No commissions will be paid by Placees in respect of any participation in the Placing or subscription for Placing Shares.

A bid in the Bookbuild will be made on these Terms and Conditions which are attached to the Announcement and will be legally binding on the Placee on behalf of which it is made.

The book will open with immediate effect. The final number of Placing Shares to be issued pursuant to the Placing will be agreed by the Joint Bookrunners and the Company at the close of the Bookbuild, and the result of the Placing will be announced as soon as practicable thereafter. The timing for the close of the Bookbuild and the allocation of the Placing Shares (including without limitation whether and to what extent Placees are allocated Firm Placing Shares and/or Conditional Placing Shares) shall be at the absolute discretion of the Joint Bookrunners, in consultation with the Company.

To the fullest extent permissible by law, neither:

- (a) the Joint Bookrunners (or either of them);

- (b) any of their respective affiliates, agents, advisers, directors, officers, consultants or employees; nor
- (c) to the extent not contained within (a) or (b), any person connected with either of the Joint Bookrunners as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of the relevant Joint Bookrunner),

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither of the Joint Bookrunners nor any of their respective affiliates shall have any liability (including, to the extent legally permissible, any fiduciary duties), in respect of their conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners may determine.

By participating in the Placing (such participation up to an agreed maximum level to be confirmed in and evidenced by either (i) a recorded telephone call or (ii) email correspondence, in either case between representatives of the Joint Bookrunner to whom the Placee's commitment is given ("**Relevant Joint Bookrunner**") and the relevant Placee (a "**Recorded Commitment**"), each Placee will be deemed to have read and understood the Announcement and these Terms and Conditions in their entirety, to be participating and acquiring Placing Shares on these Terms and Conditions and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in these Terms and Conditions.

In particular, each such Placee irrevocably represents, warrants, undertakes, agrees and acknowledges (amongst other things) severally to the Company and each of the Joint Bookrunners that:

1. it is a Relevant Person and that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
  - (d) it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and
  - (e) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; and
3. in the case of a Relevant Person in a member state of the EEA (each, a "**Relevant State**") who acquires any Placing Shares pursuant to the Placing:
  - (a) it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation;
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant State other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
4. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in these Terms and Conditions;
5. it understands (or if acting for the account of another person, such person has confirmed that such person understands) and agrees to comply with the resale and transfer restrictions set out in these Terms and Conditions; and
6. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

#### **No prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in the Announcement and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of these Terms and Conditions (the "**Publicly Available Information**") and subject to any further terms set forth in writing in any contract note or trade confirmation sent to an individual Placee.

Each Placee, by participating in the Placing, agrees that the content of the Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of the Joint Bookrunners or the Company or any other person and none of the Joint Bookrunners, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in the Announcement or these Terms and Conditions to be legal, tax, business or other advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### **Application for admission to trading**

Application(s) will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that First Admission will take place on the First Admission Date and that dealings in the Firm Placing Shares on AIM will commence at the same time.

It is expected that Second Admission will take place on the Second Admission Date and that dealings in the Conditional Placing Shares on AIM will commence at the same time.

#### **Principal terms of the Placing**

Zeus is acting as nominated adviser and joint broker to the Placing, as agent for and on behalf of the Company. Zeus is also

acting as subscriber of shares in JerseyCo for the purposes of the Firm Placing which is structured as a cashbox placing.

Cavendish is acting as joint broker to the Placing, as agent for and on behalf of the Company.

Participation in the Placing is by invitation only and will only be available to persons who may lawfully be, and are, invited by either of the Joint Bookrunners to participate. The Joint Bookrunners and any of their respective affiliates are entitled to participate in the Placing as principal.

Each Placee will confirm the maximum number of Placing Shares it is willing to acquire in a Recorded Commitment. Once they have made a Recorded Commitment, each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Relevant Joint Bookrunner (as agent for the Company), to subscribe and pay for, at the Issue Price, the number of Placing Shares allocated to it, up to the agreed maximum.

Each Placee's allocation (and whether such Placee participates in the Placing) will be determined by the Joint Bookrunners in their discretion following consultation with the Company and will be confirmed by the Relevant Joint Bookrunner either orally or in writing via a contract note or trade confirmation after the Recorded Commitment has taken place.

Each Placee's commitment will be confirmed in and evidenced by a Recorded Commitment. These Terms and Conditions will be deemed incorporated into each contract which is entered into by way of a Recorded Commitment and will be legally binding on the relevant Placee(s) on behalf of whom the commitment is made with effect from the end of the Recorded Commitment and, except with the Relevant Joint Bookrunner's prior written consent, will not be capable of variation or revocation after such time. A contract note or trade confirmation confirming each Placee's allocation of Placing Shares will be sent to them following the Recorded Commitment and the allocation process. These Terms and Conditions shall be deemed incorporated into any such contract note or trade confirmation.

Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Relevant Joint Bookrunner (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares allocated to such Placee (subject always to such Placee's agreed maximum).

The Joint Bookrunners reserve the right to scale back the number of Placing Shares to be subscribed by any Placee in the event that the Placing is oversubscribed and the allocation of the Placing Shares between First Admission and Second Admission shall be at their absolute discretion, in consultation with the Company. The Joint Bookrunners also reserve the right not to accept offers to subscribe for Placing Shares or to accept such offers in part rather than in whole. The acceptance and, if applicable, scaling back of offers shall be at the absolute discretion of the Joint Bookrunners.

Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners (or either of them) or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time on the basis explained below under "*Registration and settlement*".

All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing*".

By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

#### **Registration and settlement**

By participating in the Placing, each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Relevant Joint Bookrunner in accordance with either the standing CREST or certificated settlement instructions which they have in place with the Relevant Joint Bookrunner.

Settlement of transactions in the Firm Placing Shares following First Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be on a delivery versus payment basis ("**DVP**") unless otherwise notified by the Relevant Joint Bookrunner and is expected to occur on the First Settlement Date.

Settlement of transactions in the Conditional Placing Shares following Second Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be on a DVP basis unless otherwise notified by the Relevant Joint Bookrunner and is expected to occur on the Second Settlement Date.

In the event of any difficulties or delays in the admission of any Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Joint Bookrunners may agree that the Placing Shares (or any of them) should be issued in certificated form. Each of the Joint Bookrunners reserves the right to require settlement for any of the Placing Shares, and to deliver any of the Placing Shares to any Placees, by such other means as it deems necessary if delivery or settlement to any Placee is not practicable within the CREST system or would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located.

Interest is chargeable daily on payments not received from Placees on or before the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 3 percentage points above the prevailing base rate of Barclays Bank plc as determined by the Relevant Joint Bookrunner.

Each Placee is deemed to agree that if it does not comply with these obligations, the Relevant Joint Bookrunner may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for the Relevant Joint Bookrunner's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Issue Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, any relevant contract note or trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax.

#### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Furthermore, the Conditional Placing is conditional upon the Resolutions being passed at the General Meeting without amendment.

The obligations of the Joint Bookrunners under the Placing Agreement in respect of the Firm Placing Shares and the Subscription Shares are, and the Firm Placing is, conditional upon, *inter alia*:

- (a) the warranties and undertakings contained in the Placing Agreement ("**Warranties**") being true, accurate and not misleading when made on the date of the Placing Agreement and at all times up to First Admission by reference to the facts and circumstances subsisting at that time;
- (b) the Company having fully performed its obligations under the Placing Agreement, the Option Agreement and the Transfer Agreement to the extent that they fall to be performed prior to First Admission;
- (c) neither of the Joint Bookrunners having exercised their right to terminate the Placing Agreement; and
- (d) First Admission having occurred on or before 8:00 a.m. on the First Admission Date.

(g) First Admission having occurred on or before 8:00 a.m. on the First Admission Date;

The obligations of the Joint Bookrunners under the Placing Agreement in respect of the Conditional Placing Shares are, and the Conditional Placing is, conditional upon, *inter alia*:

- (a) First Admission having occurred not later than 8.00 a.m. on the First Admission Date;
- (b) the Circular and a form of proxy having been sent to Shareholders by no later than 3 May 2024 in accordance with the Company's articles of association;
- (c) the Resolutions being passed at the General Meeting without amendment;
- (d) the Warranties being true, accurate and not misleading when made on the date of the Placing Agreement and at all times up to Second Admission by reference to the facts and circumstances subsisting at that time;
- (e) the Company having fully performed its obligations under the Placing Agreement to the extent that they fall to be performed prior to Second Admission;
- (f) neither of the Joint Bookrunners having exercised their right to terminate the Placing Agreement with regard to the Conditional Placing; and
- (g) Second Admission having occurred on or before 8:00 a.m. on the Second Admission Date;

(all conditions to the obligations of the Joint Bookrunners included in the Placing Agreement in respect of the Firm Placing Shares, the Subscription Shares and/or the Conditional Placing Shares being together, the "**conditions**").

If any of the conditions is not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Joint Bookrunners may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing (or such part of it as may then remain to be completed) will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing*" below and will not be capable of rescission or termination by it.

The Joint Bookrunners may, in their absolute discretion (but acting together) and upon such terms as they think fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions (including the condition relating to Admission referred to in paragraph (e) above) may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in these Terms and Conditions.

Either of the Joint Bookrunners may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither the Joint Bookrunners nor any of their respective affiliates, agents, advisers, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing (or any part thereof) nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally (or any part thereof) and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

#### **Termination of the Placing**

Save as set out below, either of the Joint Bookrunners may, in its absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Second Admission if, *inter alia*, it is of the opinion, in its absolute discretion, that any of the following has occurred and it is, as a result of such matter, inappropriate to proceed with the Placing (or any part of it):

- (a) any statement contained in the Circular or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing ("**Placing Documents**") has become untrue, inaccurate or misleading or any matter has arisen which would, if the Placing Documents were issued at that time, constitute a material omission from the Placing Documents or any of them;
- (b) any of the Warranties was untrue, inaccurate or misleading when made and/or that any of the Warranties has ceased to be true or accurate or has become misleading at any time prior to Admission, in each case by reference to the facts and circumstances subsisting at that time;
- (c) the Company has not complied or cannot comply with any of its obligations under the Placing Agreement, the Option Agreement or the Transfer Agreement or otherwise relating to the Placing and Admission (to the extent that such obligations fall to be complied with prior to Admission);
- (d) there has occurred any material adverse change in the financial position or prospects of the Company (or its group on a consolidated basis); or
- (e) there has occurred any change in national or international financial, monetary, market (including fluctuations in exchange rates), industrial, economic, legal or political conditions or there has occurred or been a material worsening of any international or national crisis, civil unrest, act of terrorism or outbreak of hostilities which is material in the context of the Placing.

Once First Admission has occurred, neither of the Joint Bookrunners will have the right to terminate any of its obligations under the Placing Agreement with regard to the Firm Placing, but may at any time up to Second Admission terminate its obligations under the Placing Agreement as regards the Conditional Placing.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Firm Placing as described in these Terms and Conditions shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

If the Placing Agreement is terminated in accordance with its terms at any time after First Admission but prior to Second Admission, the rights and obligations of each Placee in respect of the Conditional Placing as described in these Terms and Conditions shall cease and terminate at such time and no claim can be made by any Placee in respect thereof, but for the avoidance of doubt the rights and obligations of any Placee in respect of the Firm Placing shall not be capable of termination at any time after First Admission.

By participating in the Placing, each Placee agrees with the Company and the Joint Bookrunners that the exercise by the Company or the Joint Bookrunners of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Joint Bookrunners (or either of them) or for agreement between the Company and the Joint Bookrunners (as the case may be) and that neither the Company nor the Joint Bookrunners need make any reference to such Placee and that none of the Company, the Joint Bookrunners nor any of their respective affiliates, agents, advisers, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By agreeing with a Joint Bookrunner (as agent of the Company) to subscribe for Placing Shares under the Placing, a Placee (and any person acting on a Placee's behalf) will irrevocably acknowledge and confirm and warrant and undertake to, and

agree with, each of the Company and the Joint Bookrunners, in each case as a fundamental term of such Placee's application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to it or at its direction, that its rights and obligations in respect of the Placing (or any part of it) will terminate only in the circumstances described above and under the "Conditions of the Placing" section above and will not be capable of rescission or termination by it in any other circumstances.

### **Representations, warranties and further terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges, undertakes, confirms and agrees (for itself and for any such prospective Placee) that (save where the Relevant Joint Bookrunner expressly agrees in writing to the contrary):

1. it has read and understood the Announcement and these Terms and Conditions in their entirety and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in the Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document:
  - (a) is required under any applicable law; or
  - (b) has been or will be prepared in connection with the Placingand, in particular, that the Subscription and Open Offer referred to in the Announcement and the Circular relating thereto are separate from the Placing and do not form part of any offer or agreement concerning the Placing and/or any Placing Shares;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and the Market Abuse Regulation (EU Regulation No. 596/2014 which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018) ("**UK MAR**")), which includes a description of the nature of the Company's business and the Company's most recent published balance sheet and statement of total comprehensive income and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial position and other aspects of the Company in accepting a participation in the Placing and neither the Joint Bookrunners nor the Company nor any of their respective affiliates, agents, advisers, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in the Announcement and these Terms and Conditions or the Publicly Available Information; nor has it requested either of the Joint Bookrunners, the Company, any of their respective affiliates, agents, advisers, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
5. neither of the Joint Bookrunners nor any person acting on behalf of them nor any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in these Terms and Conditions excludes the liability of any person for any fraudulent misrepresentation made by that person;
6. the only information on which it is entitled to rely on and on which it has relied on in committing to acquire the Placing Shares is contained in the Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on the Announcement and the Publicly Available Information;
7. neither the Joint Bookrunners nor any of their respective affiliates, agents, directors, officers or employees have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Announcement, the Circular or the Publicly Available Information;
8. it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
9. it has not relied on any investigation that either of the Joint Bookrunners or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
10. the contents of the Announcement, the Circular and the other Publicly Available Information as well as any information made available (in written or oral form) in presentations or as part of roadshow discussions with investors relating to the Company (the "**Information**") has been prepared by and is exclusively the responsibility of the Company and neither the Joint Bookrunners nor any persons acting on their behalf is responsible for or has or shall have any liability for any such Information, or for any representation, warranty or statement relating to the Company contained therein nor will they be liable for any Placee's decision to participate in the Placing based on any Information or any representation, warranty or statement contained therein or otherwise;
11. it has the funds available to pay for the Placing Shares which it has agreed to acquire and acknowledges and agrees that it will pay the total subscription amount in accordance with the Announcement and these Terms and Conditions by the due time and date set out herein, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as the Relevant Joint Bookrunner determines;
12. it and/or each person on whose behalf it is participating:
  - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant

- (c) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of an Relevant jurisdictions;
  - (b) has fully observed such laws and regulations;
  - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in these Terms and Conditions) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Placing Shares;
13. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are acquired will not be, a resident of, or with an address in, or subject to the laws of, Australia, New Zealand, the Republic of Ireland, Canada, the Republic of South Africa or Japan, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, New Zealand, the Republic of Ireland, Canada, the Republic of South Africa or Japan and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
  14. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
  15. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
  16. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
  17. it will not distribute, forward, transfer or otherwise transmit the Announcement or these Terms and Conditions and/or the Circular or any part of them, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
  18. none of the Joint Bookrunners, their respective affiliates and/or any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of either of the Joint Bookrunners and that the Joint Bookrunners have no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
  19. it will make payment to the Relevant Joint Bookrunner for the Placing Shares allocated to it in accordance with these Terms and Conditions on or by the Settlement Date, failing which the relevant Placing Shares may be placed with others on such terms as the Relevant Joint Bookrunner determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in these Terms and Conditions) which may arise upon the sale of such Placee's Placing Shares on its behalf;
  20. its Recorded Commitment to acquire Placing Shares will represent a maximum number of Placing Shares which it may be required to subscribe for, and that following the allocation process the Relevant Joint Bookrunner may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
  21. no action has been or will be taken by any of the Company, the Joint Bookrunners or any person acting on behalf of the Company or either of the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
  22. the person who it specifies for registration as holder of the Placing Shares will be:
    - (a) the Placee; or
    - (b) a nominee of the Placee, as the case may be;
  23. neither the Joint Bookrunners nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe the above requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and the Joint Bookrunners in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of (or nominated by) the Relevant Joint Bookrunner or transferred to a CREST stock account of the Relevant Joint Bookrunner who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
  24. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue

participating in the Placing as nominee or agent for any person or persons to whom the allocation, allocation, issue or delivery of Placing Shares would give rise to such a liability;

25. if it is within the United Kingdom, it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
26. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the UK Prospectus Regulation, or an offer to the public in any Relevant State within the meaning of the EU Prospectus Regulation;
27. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that neither the Announcement, these Terms and Conditions nor the Circular has been or will be approved by the Joint Bookrunners in their capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;
28. it has complied and it will comply with all applicable laws in any jurisdiction with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA and UK MAR in respect of anything done in, from or otherwise involving the United Kingdom);
29. the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to any person save in circumstances in which the express prior written consent of the Relevant Joint Bookrunner has been given to the offer or resale;
30. if it has received any inside information (for the purposes of UK MAR and/or section 56 of the Criminal Justice Act 1993 or other applicable law) about the Company in advance of the Placing, it has not:
  - (a) dealt (or attempted to deal) in the securities of the Company;
  - (b) encouraged, recommended or induced another person to deal in the securities of the Company; or
  - (c) unlawfully disclosed such information to any person, prior to the information being made publicly available;
31. neither the Joint Bookrunners, the Company nor any of their respective affiliates, agents, advisers, directors, officers or employees nor any person acting on behalf of the Joint Bookrunners or their respective affiliates, agents, advisers, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of any of the Joint Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
32. either of the Joint Bookrunners and their respective affiliates, acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in these Terms and Conditions and/or the Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, the Joint Bookrunners and/or any of their respective affiliates acting as an investor for its or their own account(s). Neither the Joint Bookrunners nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
33. it:
  - (a) has complied, and will comply, with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (in each case as amended);
  - (b) is not a person:
    - (i) with whom transactions are prohibited under the US Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury;
    - (ii) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or
    - (iii) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations or other applicable law,

(all such statutes, rules and regulations referred to in this paragraph 33 together, the "**Regulations**") and if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded



by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Relevant Joint Bookrunner such evidence, if any, as to the identity or location or legal status of any person which it may request from it in connection with the Placing (for the purpose of complying with the Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Relevant Joint Bookrunner on the basis that any failure by it to do so may result in the number of Placing Shares that are to be acquired by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Relevant Joint Bookrunner may decide at its sole discretion;

34. in order to ensure compliance with the Regulations, the Relevant Joint Bookrunner (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the Relevant Joint Bookrunner or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the Relevant Joint Bookrunner's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the Relevant Joint Bookrunner's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity the Relevant Joint Bookrunner (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either the Relevant Joint Bookrunner and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
35. its commitment to acquire Placing Shares on the Terms and Conditions will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or any Joint Bookrunner's conduct of the Placing;
36. neither of the Joint Bookrunners nor any of their respective affiliates, agents, advisers, directors, officers or employees makes any representation in respect of or shall have any responsibility for the tax treatment that any Placee may receive or expect in relation to their investment in Placing Shares;
37. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
38. it irrevocably appoints any duly authorised officer of the Relevant Joint Bookrunner as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares which it agrees to acquire upon these Terms and Conditions;
39. the Company, the Joint Bookrunners and others (including each of their respective affiliates, agents, advisers, directors, officers and employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to each of the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable;
40. it is acting as principal only in respect of the Placing or, if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it is duly authorised to do so and it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
41. time is of the essence as regards its obligations under these Terms and Conditions;
42. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Relevant Joint Bookrunner;
43. the Placing Shares will be issued subject to these Terms and Conditions; and
44. these Terms and Conditions and all documents into which these Terms and Conditions are incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these Terms and Conditions and all agreements to acquire Placing Shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute (contractual or otherwise) or matter arising out of or in connection with such contract except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with interest chargeable thereon) may be taken by the Company or the Relevant Joint Bookrunner in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Joint Bookrunners and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in these Terms and Conditions or incurred by either of the Joint Bookrunners, the Company or any of their respective affiliates, agents, directors, officers or employees arising from the non-performance of the Placee's obligations as set out in these Terms and Conditions, and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are

not being acquired in connection with arrangements to issue depository receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor the Joint Bookrunners shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify the Relevant Joint Bookrunner accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Joint Bookrunners in the event that any of the Company and/or the Joint Bookrunners have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in these Terms and Conditions are given to each of the Joint Bookrunners for itself and on behalf of the Company and are irrevocable.

The Joint Bookrunners are authorised and regulated by the FCA in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in these Terms and Conditions.

Each Placee and any person acting on behalf of the Placee acknowledges that the Joint Bookrunners do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

The provisions of these Terms and Conditions may be varied, waived or modified as regards specific Placees or on a general basis by either of the Joint Bookrunners provided always that such variation, waiver or modification is not materially prejudicial to the interests of the Company or the other Joint Bookrunner.

In the case of a joint agreement to acquire Placing Shares, references to a "**Placee**" in these Terms and Conditions are to each of such Placees and such joint Placees' liability is joint and several.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that either of the Joint Bookrunners may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with a Joint Bookrunner, any money held in an account with the Relevant Joint Bookrunners on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from the Relevant Joint Bookrunner's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

In these Terms and Conditions any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

References to time in the Terms and Conditions are to London time, unless otherwise stated.

All times and dates in these Terms and Conditions may be subject to amendment. Placees will be notified of any changes.

No statement in the Announcement, these Terms and Conditions or the Circular is intended to be a profit forecast or estimate, and no statement in the Announcement, these Terms and Conditions or the Circular should be interpreted to mean that earnings per share of the Company for the current or future financial years will necessarily match or exceed the historical published earnings per share of the Company.

The price of the Ordinary Shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the Ordinary Shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, these Terms and Conditions and/or the Announcement.

## DEFINITIONS

In this Announcement the following terms have the associated meanings:

"Act"	the Companies Act 2006 (as amended)
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules for Companies"	means the rules of AIM as set out in the publication entitled "AIM Rules for Companies" published by the London Stock Exchange from time to time
"Announcement"	this announcement
"Application Form"	the personalised application form that will be posted with the Circular for use by Qualifying Shareholders in connection with the Open Offer
"Bookbuild"	an accelerated process conducted by the Joint Bookrunners to determine demand for participation in the Placing by Placees
"Cavendish"	means, Cavendish Capital Markets Limited a company incorporated in England and Wales with company number 06198898, authorised and regulated by the FCA, and for the purpose of trade settlement in the Placing means, Cavendish Securities plc a company incorporated in England and Wales with company number 05210733, authorised and regulated by the FCA
"Circular"	means the explanatory circular to be issued by the Company to Shareholders explaining, <i>inter alia</i> , the Fundraising and incorporating the notice of the General Meeting

	incorporating the notice of the General Meeting
"Company"	Surface Transforms Plc, registered in England and Wales under number 03769702 whose registered office is at Image Business Park, Acornfield Road, Knowsley Industrial Park, Liverpool, England, L33 7UF
"Conditional Placing"	means the proposed placing of the Conditional Placing Shares by the Joint Bookrunners on behalf of the Company at the Issue Price
"Conditional Placing Shares"	means Placing Shares (in such number as is agreed between the Company and the Joint Brokers in accordance with the Placing Agreement) to be issued by the Company to the Placees pursuant to the Placing and admitted to trading on AIM on the Second Admission Date
"CREST"	the computerised settlement system to facilitate transfer of the title to an interest in securities in uncertificated form operated by Euroclear
"Directors" or "Board"	the directors of the Company at the date of this Announcement
"Euroclear"	Euroclear UK & International Limited
"EV"	means electric vehicles
"Existing Ordinary Shares"	the 352,072,638 Ordinary Shares in issue at the date of this Announcement;
"FCA"	Financial Conduct Authority of the UK;
"Firm Placing"	means the proposed placing of the Firm Placing Shares by the Joint Bookrunners on behalf of the Company at the Issue Price
"Firm Placing Shares"	means 58,727,744 Placing Shares, to be issued by the Company to the Placees pursuant to the Placing and admitted to trading on AIM on the First Admission Date
"Fundraising"	means the Placing, the Subscription and the Open Offer
"General Meeting"	means the general meeting of the Company to be held at the offices of Gateley Plc, Ship Canal House, 98 King Street, Manchester, M2 4WU on 23 May 2024 at 11.00 a.m., convened pursuant to the Notice of General Meeting
"Issue Price"	1 pence per New Ordinary Share
"JerseyCo"	Bumblebee Finance (Jersey) Limited, a new Jersey-incorporated subsidiary of the Company which has its registered office at 47 Esplanade, St Helier, Jersey JE1 0BD and registered company number is 154104
"Joint Bookrunners"	Zeus and Cavendish (each a " <b>Joint Bookrunner</b> ")
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	together the Placing Shares, Subscription Shares and the Open Offer Shares
"Notice of General Meeting"	the notice of the General Meeting contained within the Circular
"OEM"	original equipment manufacturer
"Open Offer"	means the conditional invitation proposed to be made by the Company to Qualifying Shareholders to subscribe for the Open Offer Shares
"Open Offer Shares"	means up to 200,000,000 new Ordinary Shares which are to be the subject of the Open Offer
"Option Agreement"	the initial subscription and put and call option agreement entered into on or around the date of this announcement by the Company, JerseyCo and Zeus providing for the subscription by Zeus for shares in JerseyCo and granting Zeus the option to sell and granting the Company the option to buy such JerseyCo shares held by Zeus
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company
"Placees"	means the persons with whom Placing Shares are placed pursuant to the Placing
"Placing"	means the proposed placing of the Placing Shares by the Joint Bookrunners on behalf of the Company at the Issue Price, in accordance with the Placing Agreement
"Placing Agreement"	the conditional placing agreement relating to the Placing of the Placing Shares between the Company and the Joint Bookrunners
"Placing Shares"	means the new Ordinary Shares proposed to be issued by the Company and offered for subscription to Placees at the Issue Price as part of the Placing (including the Firm Placing Shares and the Conditional Placing Shares, but excluding the Subscription Shares and the Open Offer Shares)
"Qualifying Shareholders"	Shareholders whose Ordinary Shares are on the register of members of the Company at the close of business on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident outside the United Kingdom
"Record Date"	close of business on 1 May 2024
"Regulation S"	Regulation S under the Securities Act 1933, as amended
"Resolutions"	the resolutions contained in the Notice of General Meeting

<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"SOP"</b>	start of production
<b>"Subscription"</b>	the private subscription at the Issue Price by (i) David Bundred, (ii) Ian Cleminson, (iii) Kevin Johnson, (iv) Isabelle Maddock, (v) Matthew Taylor, (vi) Julia Woodhouse and (vii) Stephen Easton (or their respective associates) directly with the Company for the Subscription Shares pursuant to the Subscription Letters
<b>"Subscription Letters"</b>	the letters to be entered into between the Company and each of (i) David Bundred, (ii) Ian Cleminson, (iii) Kevin Johnson, (iv) Isabelle Maddock, (v) Matthew Taylor, (vi) Julia Woodhouse and (vii) Stephen Easton (or their respective associates)
<b>"Subscription Shares"</b>	the 21,850,000 new Ordinary Shares which are to be issued by the Company pursuant to the Subscription
<b>"Transfer Agreement"</b>	the subscription and transfer agreement entered into on or around the date of this announcement by the Company, JerseyCo and the Joint Brokers providing, inter alia, for the subscription by the Joint Brokers for certain shares in JerseyCo and the acquisition by the Company from the Joint Brokers of such shares
<b>"United States or US"</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>"Zeus" or "Nominated Adviser"</b>	means Zeus Capital Limited, a company incorporated in England and Wales with company number 04417845, authorised and regulated by the FCA

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