

The following amendments have been made to the Open Offer timetable included within the "Results of Placing, Open Offer Launch & GM Notice" announcement released on 2 May 2024 at 09:33 under RNS No 9987M. The Ex-Entitlement date, the date of crediting of Open Offer Entitlements, the recommended latest time to request withdrawal, latest time for depositing Open Offer Entitlements, the latest time for splitting application forms and the latest time for receipt of completed application forms and payment have all been added. In addition, the number of Placing Shares subscribed by Canaccord Genuity Wealth Management Limited has been added in the section 'Related Party and PDMR Transactions'. All other text remains unchanged.

THIS ANNOUNCEMENT, AND THE INFORMATION CONTAINED HEREIN, IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED) ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA THE REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Surface Transforms plc.
("Surface Transforms" or the "Company")

Result of Placing and Subscription
Launch of Open Offer
Notice of General Meeting

Surface Transforms (AIM: SCE), manufacturers of carbon fibre reinforced ceramic automotive brake discs, is pleased to announce that further to the Company's announcement released at 5.30pm on 1 May 2024 ("Launch Announcement"), the Bookbuild has closed and the Company has conditionally raised gross proceeds of £6.5 million, through the successful placing of 58,727,744 Firm Placing Shares, 569,422,256 Conditional Placing Shares and 21,850,000 Subscription Shares at the Issue Price of 1 pence per Ordinary Share.

The Firm Placing Shares, Conditional Placing Shares and Subscription Shares represent approximately 185 per cent. of the Company's Existing Ordinary Shares. The Issue Price represents a discount of approximately 66 per cent. to the closing mid-market price per Ordinary Share of 2.9 pence on 30 April 2024, being the last Business Day prior to the Launch Announcement.

In addition to the Placing and Subscription, the Company intends to provide all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 200,000,000 Open Offer Shares at the Issue Price, to raise up to approximately £2.0 million (before expenses), on the basis of 1 Open Offer Share for every 1.760363190 Existing Ordinary Shares held on the Record Date. The Board has discretion to increase the size of the Open Offer up to an aggregate of 300,000,000 Open Offer Shares. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through an excess application facility (the "Excess Application Facility").

The Firm Placing will be effected by way of a cashbox placing of new Ordinary Shares for non-cash consideration. The Firm Placing and Subscription are conditional upon the Placing Agreement becoming unconditional in all respects (save for the condition relating to Firm Placing Admission) in relation to the Firm Placing and Firm Placing Admission. The Conditional Placing and the Open Offer are conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and upon the Placing Agreement becoming unconditional in all respects. The Conditional Placing is not conditional on the Open Offer proceeding or on any minimum take-up under the Open Offer.

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.

David Bundred, Chairman of Surface Transforms commented:

"The Board obviously regrets the circumstances that have led to this distressed fund raising and completely understands the frustration and anger of shareholders. The Board is however now confident the combination of this £6.5m Placing, the £2m Open Offer and the £13m local authority loan is sufficient for working capital and capital expenditure needs over the next few years.

I would like to thank those institutional shareholders, new and old, who have participated in this Placing for their support. We trust that the Open Offer offers smaller shareholders the opportunity to participate and ameliorate dilution through the Open Offer."

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), subject to the Board's discretion to increase the size of the Open Offer. 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 million¹ of sales, of which approximately £390 million² 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 million³ sales per annum over the next few years with a medium-term target of £150 million³ 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 million³ sales per annum. Due to a combination of factors, which are described further in the Launch Announcement, 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 fundraise 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.

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.*

Related Party and PDMR Transactions

The Directors' and certain PDMRs, interests as at today and following completion of the Fundraising are as follows:

Director	Existing beneficial interest in Ordinary Shares	% of current share capital	Subscription Shares subscribed for	Open Offer Shares to be applied for	Ordinary Shares after Placing and Subscription	% of Enlarged Share Capital ²
Matthew Taylor	1,240,203	0.35%	10,000,000	-	11,240,203	0.94%
David Bundred ¹	2,052,626	0.58%	2,500,000	-	4,552,626	0.38%
Kevin Johnson	1,141,308	0.32%	2,500,000	-	3,641,308	0.30%
Ian Cleminson	319,654	0.09%	2,500,000	-	2,819,654	0.23%
Julia Woodhouse	535,203	0.15%	2,500,000	-	3,035,203	0.25%
Isabelle Maddock	113,763	0.03%	350,000	-	463,763	0.04%
Stephen Easton ³	-	-	1,500,000	-	1,500,000	0.12%

1 Including 2,052,626 Ordinary Shares held in nominee accounts and ISAs of connected parties

2 Assuming Open Offer applications in total for £2.0 million of Open Offer Shares at the Issue Price

3 Stephen Easton is the non-Board Chief Operating Officer and a PDMR of the Company

The Directors and/or persons connected with each of them have conditionally subscribed for an aggregate of 20,350,000 Subscription Shares, which constitutes a related party transaction under the AIM Rules. Stephen Easton, a PDMR, has also conditionally subscribed for 1,500,000 Subscription Shares.

All of the Directors have agreed to participate in the Subscription, subscribing for in aggregate 20,350,000 Subscription Shares (the "Directors' Participation"), which constitutes a related party transaction under the AIM Rules. As there are no independent Directors to provide a fair and reasonable statement because all of the Directors are participating in the Subscription, Zeus (in its capacity as nominated adviser for the purposes of the AIM Rules) considers the Directors' Participation to be fair and reasonable insofar as Shareholders are concerned.

Canaccord Genuity Wealth Management Limited, as a substantial shareholder of the Company, is also subscribing for 30,000,000 Placing Shares, which constitutes a related party transaction under the AIM Rules for Companies.

In the case of participation by Canaccord Genuity Wealth Management Limited, all the Directors are considered to be independent for the purposes of AIM Rule 13. Having consulted with the Company's nominated adviser, the Directors consider that the terms of the participation in the Placing by Canaccord Genuity Wealth Management Limited is fair and reasonable insofar as Shareholders are concerned.

Firm Placing Admission

The Firm Placing Shares will, when issued, rank pari passu in all respects with the existing Ordinary Shares then in issue. Application will be made for the 58,727,744 Firm Placing Shares and 21,850,000 Subscription Shares to be admitted to trading on AIM and dealings are expected to commence at 8.00 a.m. on 7 May 2024. Following the Firm Placing Admission, the total number of voting rights in the Company will be 432,650,382 and Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Conditional Placing Admission

The Conditional Placing Shares will, when issued, rank pari passu in all respects with the existing Ordinary Shares then in

The Conditional Placing Shares may, when issued, rank pari passu in all respects with the existing Ordinary Shares then in issue. Application will be made for the 569,422,256 Conditional Placing Shares to be admitted to trading on AIM and dealings are expected to commence at 8.00 a.m. on 24 May 2024.

Posting of Circular

The Company expects to post a Circular to Shareholders tomorrow, 3 May 2024, containing a Notice of General Meeting, proxy form and full details of the Open Offer including the Application Form. The Circular will also be available on the Company's website at www.surfacetransforms.co.uk.

Investor presentation

The Company will provide a live presentation to investors and any other interested parties on 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

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.

General Meeting

The Fundraising is conditional upon, *inter alia*, the passing of the Resolutions. The General Meeting will be held at the offices of Gateley Plc, Ship Canal House, 98 King Street, Manchester, M2 4WU at 11.00 a.m. on 23 May 2024.

Expected timetable of principal events

Record Date for the Open Offer	close of business on 1 May 2024
Publication of Circular and Application Form	3 May 2024
Ex-entitlement date for the Open Offer	8.00 a.m. on 7 May 2024
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	as soon as possible after 8.00 a.m. on 8 May 2024
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 17 May 2024
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in to CREST	3.00 p.m. on 20 May 2024
Latest time and date for receipt of proxy forms for General Meeting	11.00 a.m. on 21 May 2024
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 21 May 2024
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 23 May 2024
General Meeting	11.00 a.m. on 23 May 2024
Announcement of the results of the General Meeting	23 May 2024
Announce result of Open Offer	by 24 May 2024
Admission and commencement of dealings in Conditional Placing Shares	8.00 a.m. on 24 May 2024
CREST members' accounts credited in respect of Conditional Placing Shares in uncertificated form	as soon as possible after 8.00 a.m. on 24 May 2024
Admission and commencement of dealings in Open Offer Shares	8.00 a.m. on 28 May 2024
CREST members' accounts credited in respect of Open Offer Shares in uncertificated form	as soon as possible after 8.00 a.m. on 28 May 2024
Dispatch of definitive share certificates for the Conditional Placing Shares and Open Offer Shares in certificated form	by 3 June 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 Ordinary Shares, representing approximately 1.53 per cent. of the Existing Ordinary Shares of the Company, 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

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 of America, its territories and possessions, any state of the United States and the District of Columbia (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 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 the Company 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 the Company.

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 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 the Company or any persons acting on its 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.

Unless expressly defined in this announcement, capitalised terms shall have the meanings as defined in the Launch Announcement.

For further information, please contact:

Surface Transforms plc

+44 151 356 2141

David Bundred, Chairperson

Kevin Johnson, CEO

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 (Joint Broker)

+44 20 7220 0500

Ed Frisby / Abigail Kelly (Corporate Finance)
Andrew Burdis / Harriet Ward (ECM)

About Surface Transforms

Surface Transforms plc. (AIM:SCE) develops and produces carbon-ceramic material automotive brake discs. The Company is the UK's only manufacturer of carbon-ceramic brake discs, and only one of two mainstream carbon ceramic brake disc companies in the world, serving customers that include major OEMs in the global automotive markets.

The Company utilises its proprietary next generation Carbon Ceramic Technology to create lightweight brake discs for high-performance road and track applications for both internal combustion engine cars and electric vehicles. While competitor carbon-ceramic brake discs use discontinuous chopped carbon fibre, Surface Transforms interweaves continuous carbon fibre to form a 3D matrix, producing a stronger and more durable product with improved heat conductivity compared to competitor products; this reduces the brake system operating temperature, resulting in lighter and longer life components with superior brake performance. These benefits are in addition to the benefits of all carbon-ceramic brake discs vs. iron brake discs: weight savings of up to 70%, longer product life, consistent performance, reduced brake pad dust and corrosion free.

The Company holds the London Stock Exchange's Green Economy Mark.

For additional information please visit www.surfacetransforms.com

Notification and public disclosure of transactions by Persons Discharging Managerial Responsibilities ("PDMR") and persons closely associated with them ("PCA")

Notification of a Transaction pursuant to Article 19(1) of Regulation (EU) No. 596/2014		
1 Details of the person discharging managerial responsibilities/person closely associated		
a.	Name	1. Matthew Taylor 2. David Bundred 3. Kevin Johnson 4. Ian Cleminson 5. Julia Woodhouse 6. Isabelle Maddock 7. Stephen Easton
2 Reason for notification		
a.	Position/Status	1. Non-Executive Director 2. Non-Executive Chairman 3. CEO 4. Non-Executive Director 5. Non-Executive Director 6. CFO 7. Non-Board Chief Operating Officer & PDMR
b.	Initial notification/ Amendment	Initial Notification
3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a.	Name	Surface Transforms plc
b.	LEI	2138007L822RL2CXMV34
4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		

a.	Description of the financial instrument, type of instrument Identification Code	Ordinary Shares of 1p each ISIN: GB0002892528			
b.	Nature of the transaction	1. Subscription for 10,000,000 Subscription Shares 2. Subscription for 2,500,000 Subscription Shares 3. Subscription for 2,500,000 Subscription Shares 4. Subscription for 2,500,000 Subscription Shares 5. Subscription for 2,500,000 Subscription Shares 6. Subscription for 350,000 Subscription Shares 7. Subscription for 1,500,000 Subscription Shares			
c.	Price(s) and volume(s)	Transaction	Price(s)	Volume(s)	
		1. Matthew Taylor	1p	10,000,000	
		2. David Bundred	1p	2,500,000	
		3. Kevin Johnson	1p	2,500,000	
		4. Ian Cleminson	1p	2,500,000	
		5. Julia Woodhouse	1p	2,500,000	
		6. Isabelle Maddock	1p	350,000	
		7. Stephen Easton	1p	1,500,000	
d.	Aggregated information	Shares: 21,850,000 Price: 1 pence per Subscription Share Aggregated total: £218,500			
e.	Date of the transactions	02/05/24			
f.	Place of the transaction	London Stock Exchange, AIM			

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ROIUPUPPAUPCGGP