

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

Surface Transforms plc
("Surface Transforms" or "the Company")
Financing, trading and operations update

Surface Transforms (AIM:SCE), manufacturers of carbon fibre reinforced ceramic automotive brake discs, announces the following financing, trading and operations update for the year to 31 December 2024 ("FY24").

Financing and working capital

The Company is pleased to advise that key customers remain highly supportive and engaged in improving the Company's manufacturing yield, output and financial stability.

As set out in the Company's interim results released on 30 September 2024, the Company has been in discussions with key customers and suppliers to optimise payment terms. Furthermore, backing from customers has included increased pricing, funded manufacturing expertise and cash advances of over £4m in 2025 to support the Company's working capital requirements. Discussions with key customers continue and any further updates will be made as appropriate in due course.

Trading update

Subject to audit, revenue for FY24 was £8.2m (2023: £7.3m).

Gross cash at 31 December 2024 was £0.5m with working capital (as noted above) becoming increasingly constrained. These working capital constraints significantly impacted both revenue as well as yield in Q4 and trading results will remain challenged until current constraints are resolved.

Despite the above, capital expenditure of approximately £5.5m continued during FY24. The Company has a £13.2m loan agreement solely for use against capital expenditure of which £4.9m had been drawn down at the year end, with further drawdowns having been made in 2025 (for the majority of the difference).

Operations update

The Company's priorities remain on operational improvements and tight management of cash. Cash constraints and supplier restrictions during Q4 impacted the efficiency of operations, resulting in yield being more inconsistent than of recent prior periods with a weekly range of 52% to 78% against the average yield target of 86% for Q4.

Kevin Johnson (CEO) said: "There remain numerous challenges to grow output and revenue at the pace required. The Company alongside customer support is working through each of these difficulties not least those posed by the cash constraints which has limited our ability to operate. Frustratingly our efforts have not yielded the results we expect of ourselves or at the levels of demand our customers require. As the Company navigates these difficult times the support of our customers remains steadfast and their desire to see the Company succeed is highly encouraging and welcome. These Q4 results are not typical and do not reflect the progress achieved during 2024 as a whole. We remain optimistic that we can firstly, find a solution to current working capital constraints and thereafter, achieve the necessary operational volumes and targets."

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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.surfacettransforms.com

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