

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 quarter ended 31 March 2025 ("Q1-25").

Financing and working capital

Key customers continue to be highly supportive of Surface Transforms and we remain hugely appreciative of this alongside their engagement on improving our manufacturing yield, output and financial stability. This support includes total cash advances (to date) of more than £8m for working capital purposes, increased disc pricing and funded external manufacturing expertise.

In addition, strategic discussions with certain key customers regarding longer-term arrangements are at an advanced stage. Further updates will be provided in due course as appropriate.

Gross cash as at 31 March 2025 was over £1.2m.

Trading and operations update

The Company's priorities remain focused on operational improvements and tight management of cash. Cash constraints and supplier restrictions during much of Q1-25 further impacted the efficiency of operations, resulting in an inconsistent yield with a weekly range of between 41% to 83% against the average yield target of >85%.

Kevin Johnson (CEO) said: "Similar to 2024, numerous challenges persist to grow output and revenue at the pace required. The Company, aided by customer support, is working through each of these challenges not least those posed by the cash constraints which have limited our ability to operate. While our efforts are starting to see improved yield, this is not yet consistent. The support of our customers continues to be strong and their desire to see the Company succeed is highly encouraging. We remain optimistic on implementing a permanent 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.surfacetransforms.com

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