

KEVIN JOHNSON, CEO
ISABELLE MADDOCK, CFO
STEPHEN EASTON, COO

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PRESENTATION TEAM



DR KEVIN JOHNSON
CHIEF EXECUTIVE OFFICER

Kevin has a doctorate in Chemistry from the University of Liverpool and an MBA from Manchester Business School. He has spent six years in product development for the chemical industry and has a broad experience with OEM multinationals in the area of new technology development for automotive and aerospace industries. Previously he worked for Avecia, formerly AstraZeneca. Kevin joined the company in 2005 and the board as CEO in 2006. Kevin is one of the world's foremost authorities on carbon ceramics and has significant experience of strategic management in the automotive sector.



ISABELLE MADDOCK
CHIEF FINANCIAL OFFICER

Isabelle is a fellow of the Chartered Institute of Management Accountants with over 30 years' experience. She joined Surface Transforms from James Cropper plc where she was Chief Financial Officer for 9 years. Prior to this she has held a number of financial roles across a variety of sectors covering manufacturing (Angus Fire Amour, Ethicon Ltd) software (Adobe Systems Europe Ltd), retail (Landmark Ltd), PFI (Haden Building Management Ltd) and publishing (CGP Ltd). Isabelle is Chair of the CBI's Economic Growth Board and joined the Board of Surface Transforms in September 2023.



STEPHEN EASTON
CHIEF OPERATING OFFICER

Stephen has over 26 years of experience and joins the organisation from SGL Carbon, a €1bn revenue global graphite and fibre manufacturing company, where he was Managing Director for their UK operations. During his 16-year tenure he held various leadership positions both in the UK and US, specialising in carbon and oxidised fibre. Prior to this, he worked in a variety of different senior operational roles within the manufacturing sector. He holds an honours degree in Manufacturing Engineering & Management from the University of Dundee. Stephen joined Surface Transforms in September 2023.



ABOUT SURFACE TRANSFORMS

Manufactures carbon-ceramic brake discs for automotive



Automotive brake discs

- Brake components installed on all four wheels of the car
- Key safety and performance feature of the vehicle
- Integrated complex system
- Braking achieved by the caliper pressing the brake pads against the brake disc
- Carbon ceramic discs are a replacement technology for grey cast iron



A leading supplier of carbon ceramic brake discs

- Premium product with proprietary technology¹
- £2b/yr addressable market²
- Advanced manufacturer with significant expansion opportunity³
- High growth with contracted models worth £390m and PCP of £300m⁴
- 5-year capital expansion plan well underway to deliver £150m capacity revenue for 2027 to support demand from contracts and PCP⁵
- Installing £50m/yr sales capacity in Q4 2024



¹ In terms of heat management and lifetime

² This is based on the directors' expectations, their understanding of the relevant OEMs production plans and estimated demand for discs

³ Directors' belief based on the proprietary technology of the Company and current customer demands and prospective contract pipeline

⁴ This is based on the directors' expectations, their understanding of the relevant OEMs production plans and estimated demand for discs and it takes into account the expected lifetime revenue from the company's contract with OEM 10 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

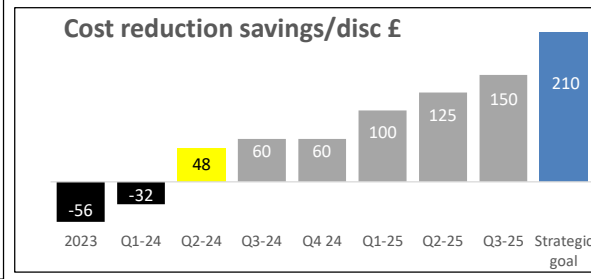
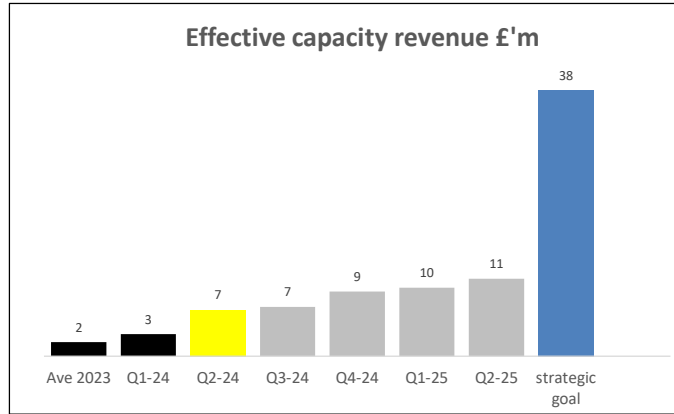
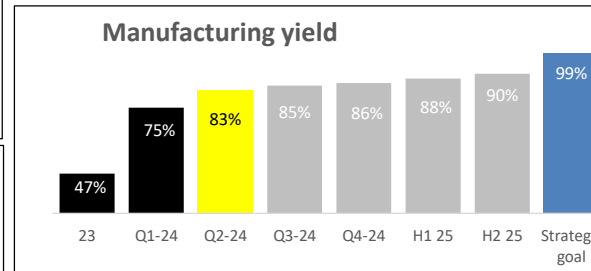
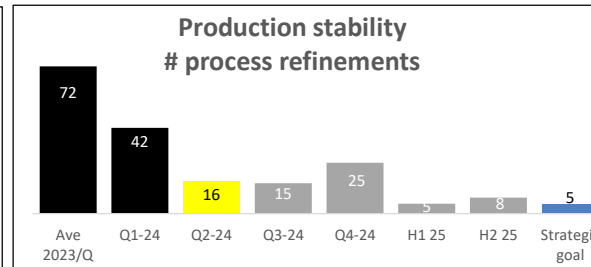
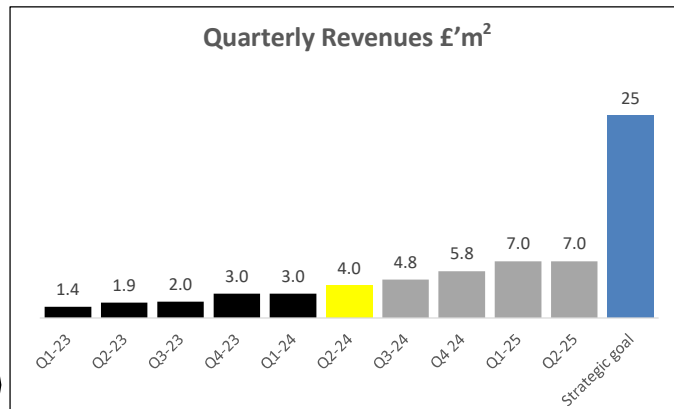
⁵ Based on management's estimates of sales proceeds from expected production volumes

CURRENT STATUS & STRATEGY

Ambition to reach £100m/yr sales in next 5 years¹

Business KPIs

Key ■ Actual ■ Current Quarter³ ■ 2024-25 targets ■ Strategic goal



Progress made

- Growing revenues
- Contracts entering series production
- Stable sales to customer
- Improving operational performance
- Single points of failure risks mitigated
- Increasing manufacturing yield
- Operational capacity expanding
- Key challenges being tackled by strengthened management team
- Restructured engineering, operational and production teams
- c. £6m capacity investment – Plant & Equipment
- £13m loan facility supporting capacity expansion plans⁴

Challenges

- Meeting growth in customer demand
- Cash constrained and higher cash utilisation than planned
- Production constrained
- Manufacturing yield too low
- Building effective manufacturing capacity
- Reducing costs to manufacture

Next steps in 2024

- Continue to deliver to customer contracts
- Ramp up 24-25
- Enhance capacity from existing equipment and new build
- Improve manufacturing yield
- Reduce cost to manufacture



¹ 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

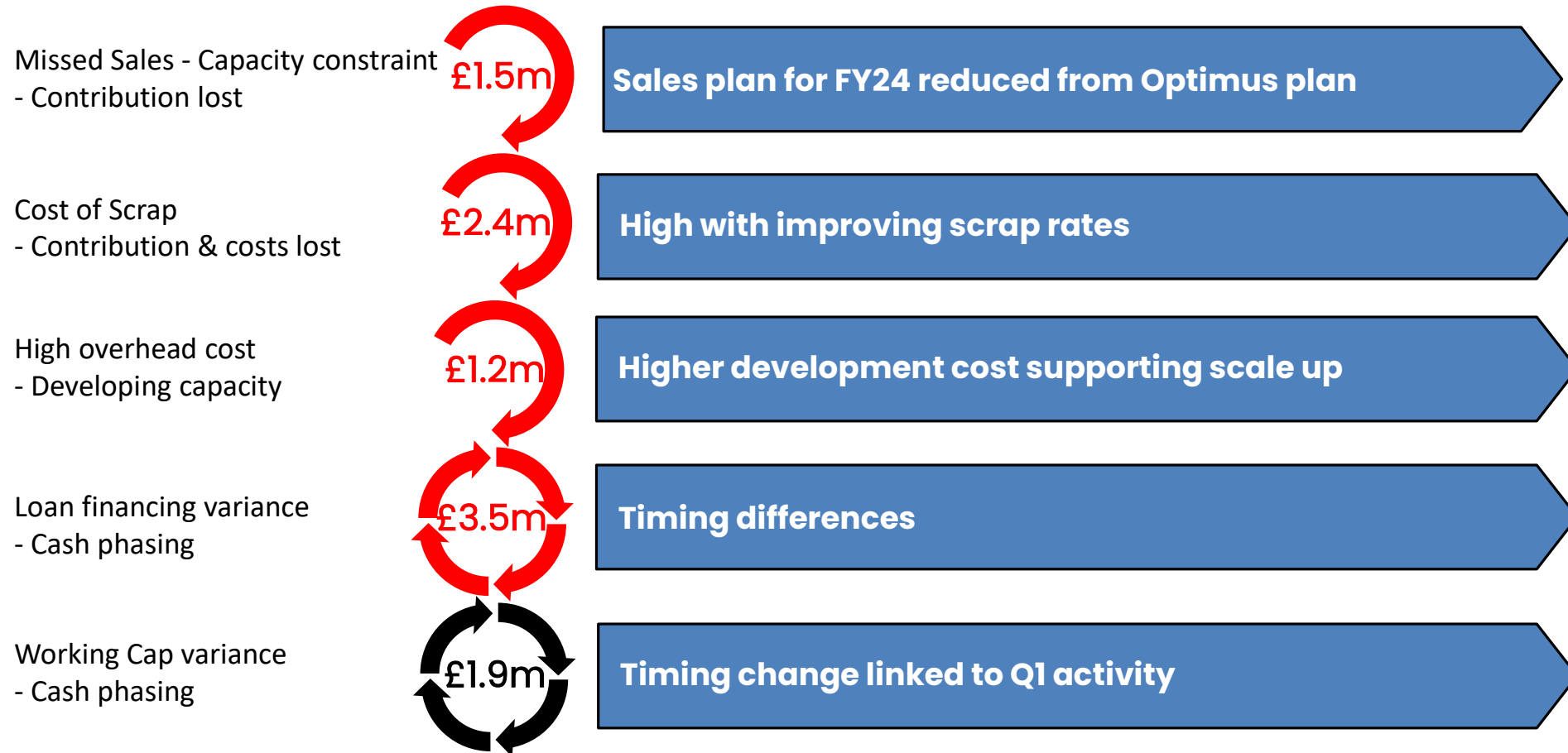
² Quarterly revenues outlook for 2024 and 2025 based on management's low-case estimates.

³ Current quarter management estimate

⁴ The Company and Liverpool City Region's Urban Development Fund (which is part funded by the ERDF) have agreed revised financial covenants for the Loan Facility agreement, with revised banking documentation currently being prepared. Management's low-case estimates include approximately £10.45m total use of the Loan Facility by the end of the two year drawdown period ending 31 December 2025.

CASH UTILISATION

6 months to the end of Q1 2024 comparison to Optimus



PROJECT BUMBLEBEE

Proposed £6.5m placing with open offer

- Supports immediate working capital requirements – existing operations and scale up
- Building effective manufacturing capacity for positive EBITDA in the near term
 - Improving yield
 - 5 contracts in multi-year revenue generation phase
 - Advancing cost reduction plan
- Phase 2 manufacturing capacity of £50m/yr in 2024 and £75m/yr in 2025
 - Debt finance in place
 - Booked to existing contracts¹
 - Lifetime contracts value over £390m²
 - Contracts awarded total £79m/yr revenue

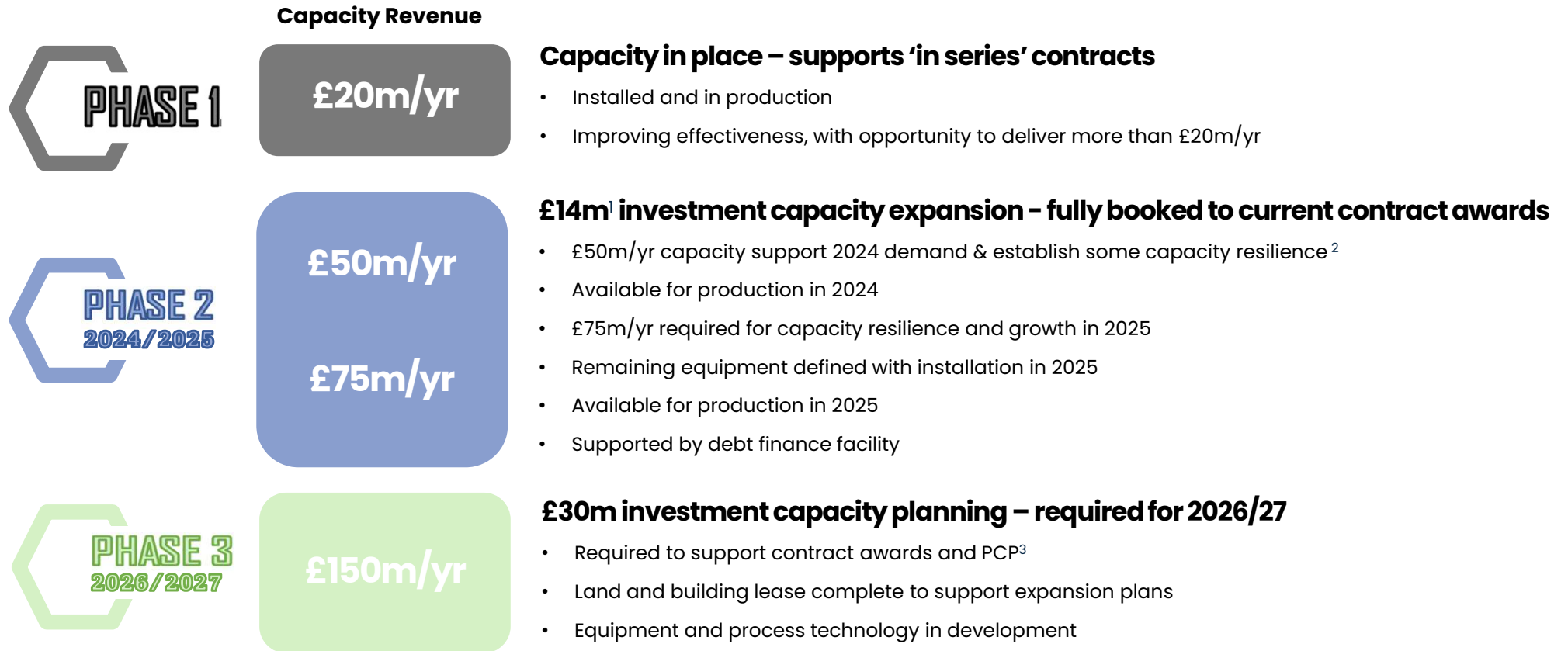


¹ This is based on the directors' expectations, their understanding of the relevant OEMs production plans and an assumed disc demand (includes nominations and contracts)

² Based on management's estimates of sales proceeds from expected production volumes.

MANUFACTURING CAPACITY

Increasing capacity capability and capacity resilience



¹ This figure is rounded up and includes a 10% contingency

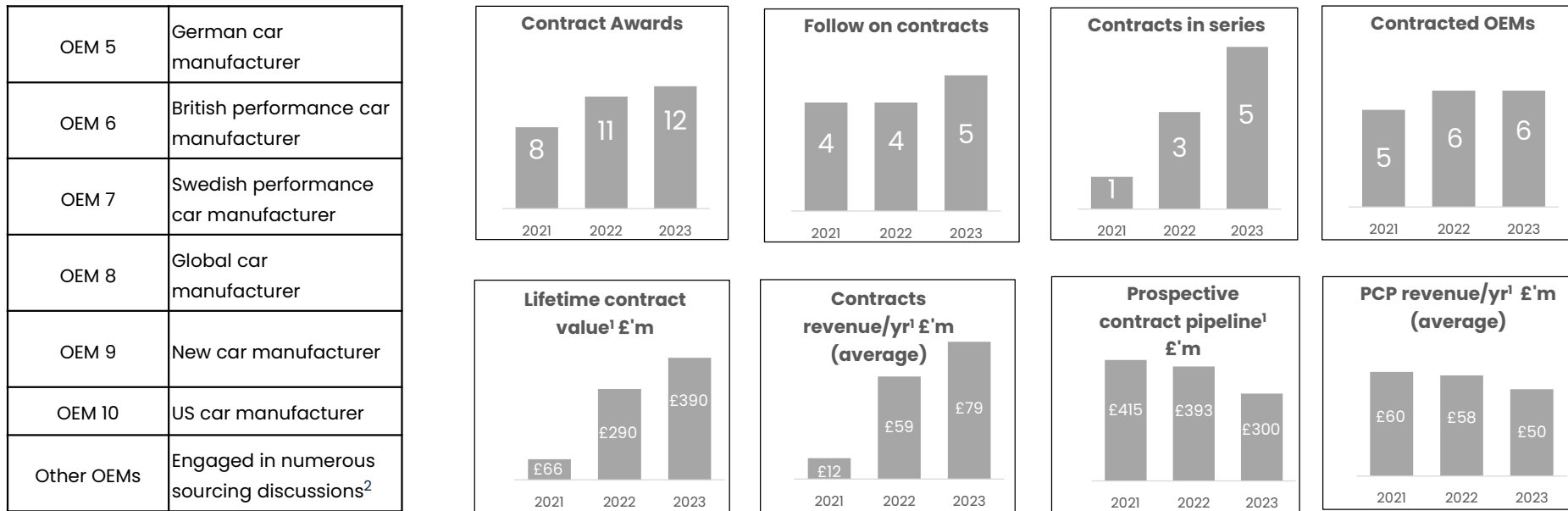
² These figures are based on management's estimates of sales proceeds from expected production volumes

³ Based on the directors' expectations, their understanding of the relevant OEMs production plans and estimated demand for discs

BUSINESS DEVELOPMENT KPIs

Sustainable growth with strong order book and prospective contract pipeline (PCP) ¹

- Strong and growing number of contract awards providing sustainable, high growth over next 5 years
- Substantial number of follow on contracts leveraging ST product technology and customer relationships
- Increasing number of contracts in series production driving revenue growth¹
- Stable customer base working closely with ST to support capacity expansion and growth
- Large lifetime contract value of £390m¹, providing contract revenues of £79m/yr¹
- Significant PCP of £300m¹, offering additional £50m/yr¹ revenue, the majority of which is follow on contract opportunity



¹ This is based on the directors' expectations, their understanding of the relevant OEMs production plans and an assumed disc demand
² This is based on the directors' confirmation that the Company has engaged in sourcing discussions with other OEMs

INVESTMENT SUMMARY

Building effective manufacturing capacity for positive EBITDA in the near term

- 5 contracts in multi-year revenue generation phase
- Improving yield
- Advancing cost reduction plan

Phase 2 manufacturing capacity of £50m/yr in 2024 and £75m/yr in 2025

- Debt finance in place
- Booked to existing contracts¹
- Lifetime contracts value over £390m²
- Contracts awarded total £79m/yr revenue

Contracts and PCP requires Phase 3 £150m/yr capacity

- Required for anticipated demand and manufacturing resilience
- PCP opportunity of additional £50m/yr² revenue



¹ This is based on management's estimates of sales proceeds from expected production volumes
² This is based on the directors' expectations, their understanding of the relevant OEMs production plans and estimated demand for discs and it takes into account the expected lifetime revenue from the company's contract with OEM 10 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