



© Velocity Composites Plc - JAN 2020

Management



Jon Bridges
CEO



Andy Beaden
Non-Executive
Chairman



Andrew Hebb
Interim CFO

What does Velocity do?



Our aim at Velocity Composites is very simple: Reduce the operational costs of our customers by providing engineered kits which reduce all forms of waste from the composites supply chain.

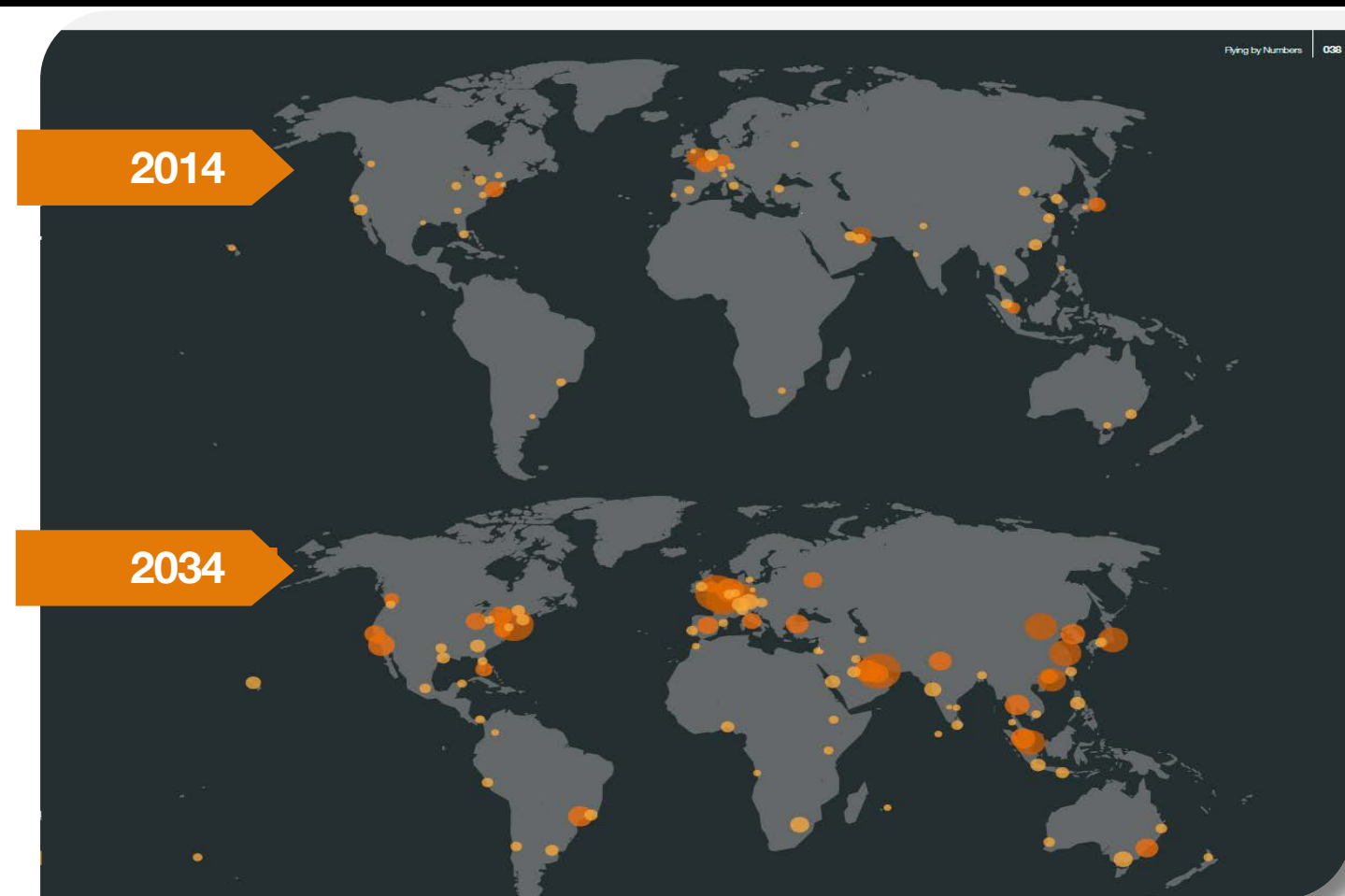
This waste can be in the form of material efficiency, process time, excess stock, logistics and part-to-part variation.

This allows our customers to focus on their core business of part manufacture.

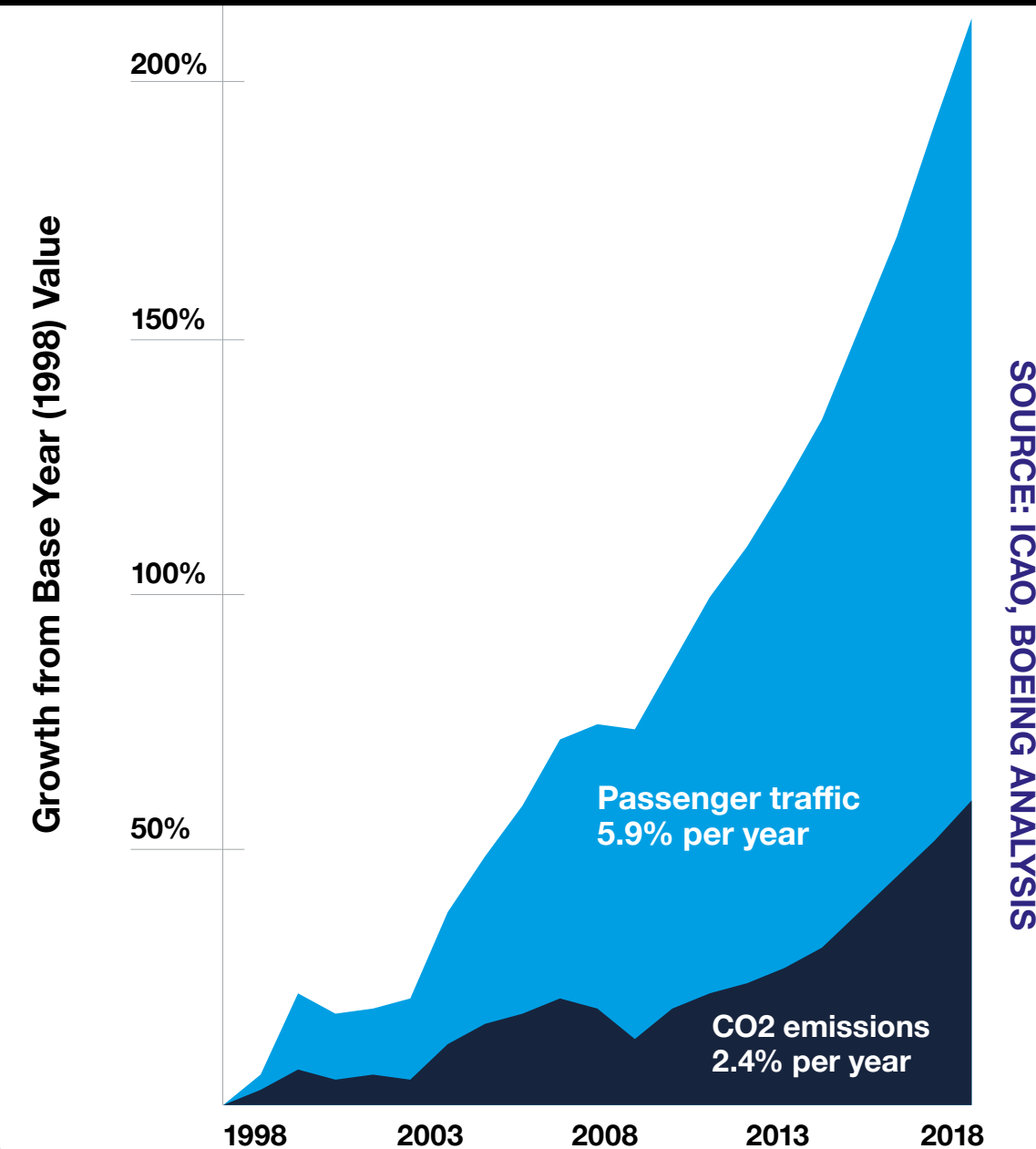
The Aerospace Market

Long Haul Passenger Growth

Source: Airbus & Boeing website



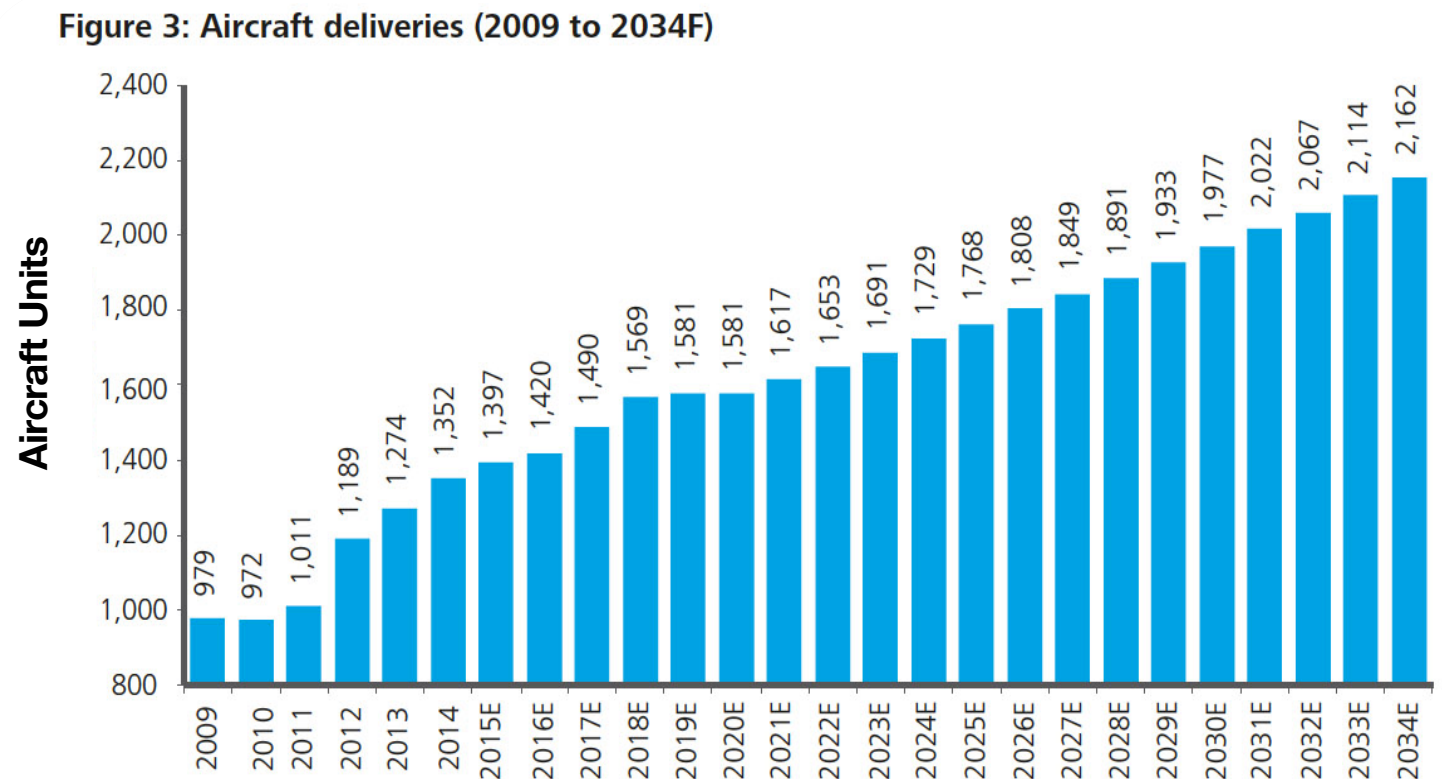
Air Traffic Growth Is Decoupled from CO₂ Emissions Growth



Note: CO₂ growth estimated for 2017 & 2018

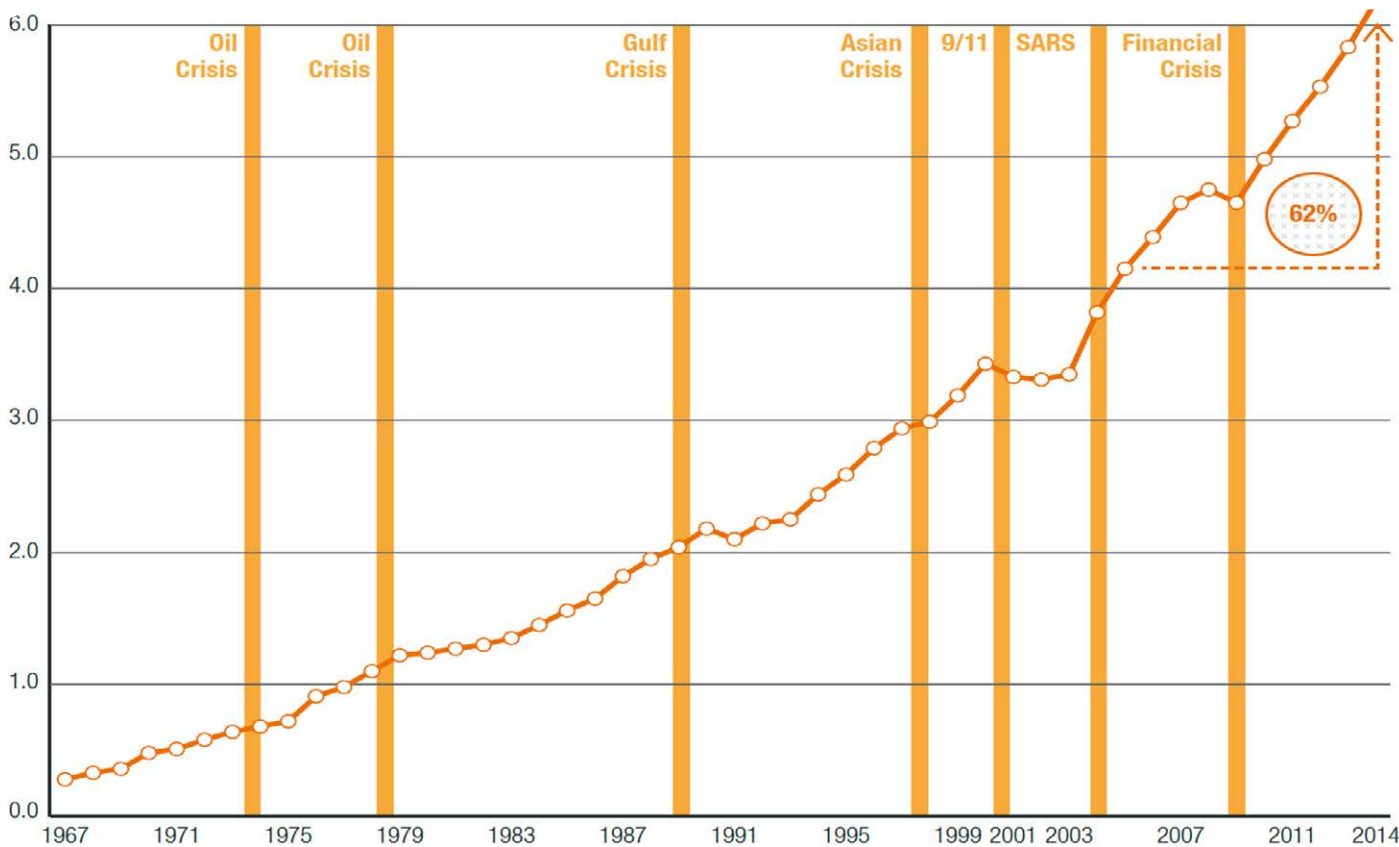
The Aerospace Market

The Macro Aircraft Market Growth



Source: Deloitte Touche Tohmatsu Limited

World Annual Traffic

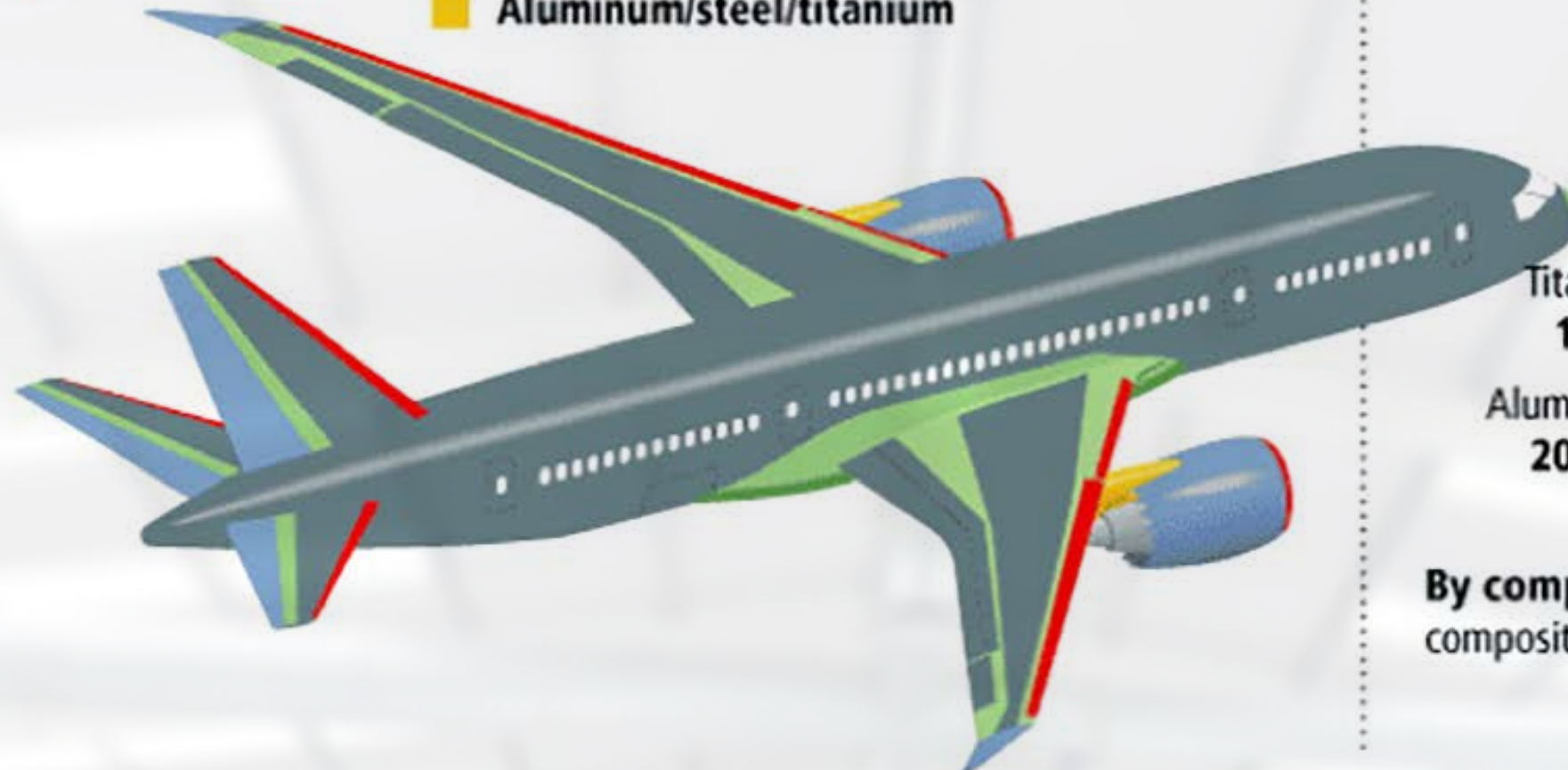


Source: ICAO, Airbus GMF 2015, RPK= Revenue Passenger Kilometer

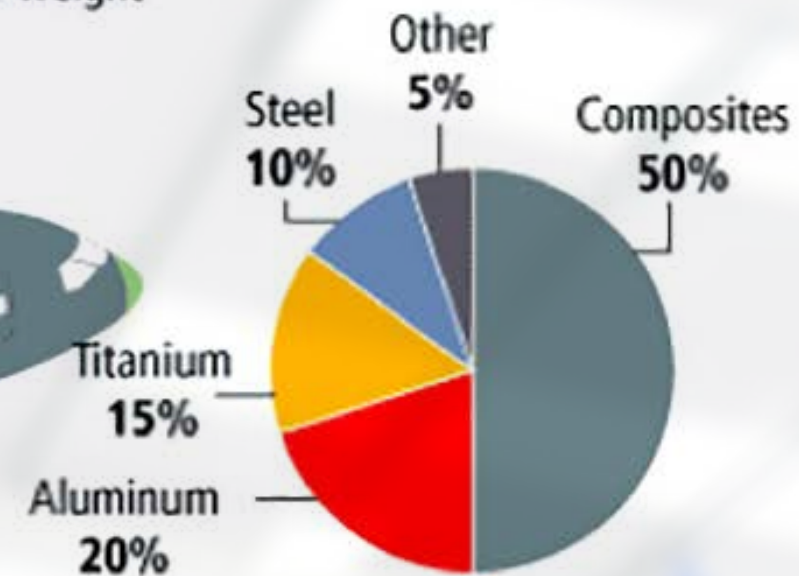
Composite Usage in Aircraft

Aerospace composites usage increasing from **<25% to >50%** in aircraft

Materials used in 787 body

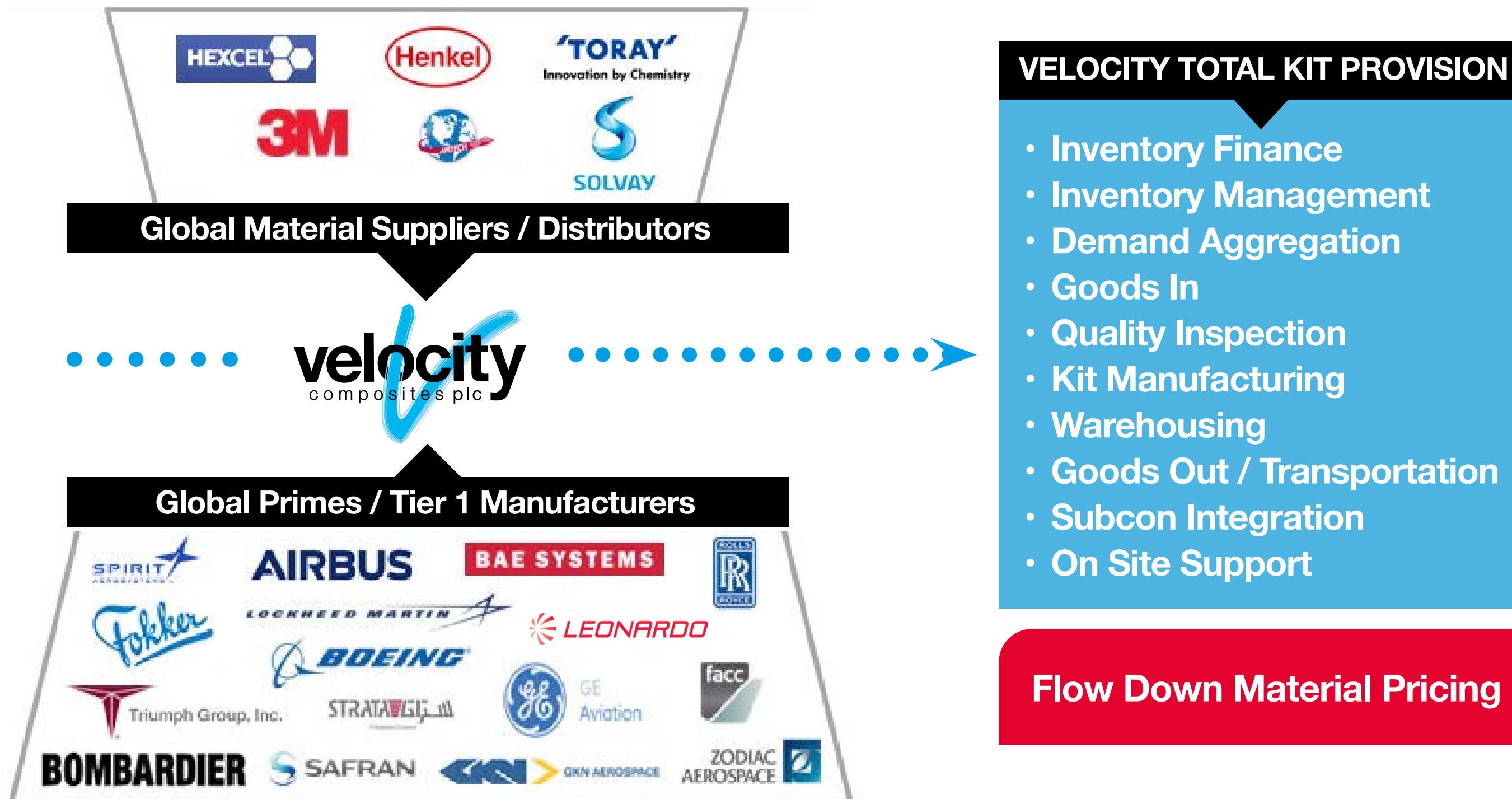


Total materials used
By weight

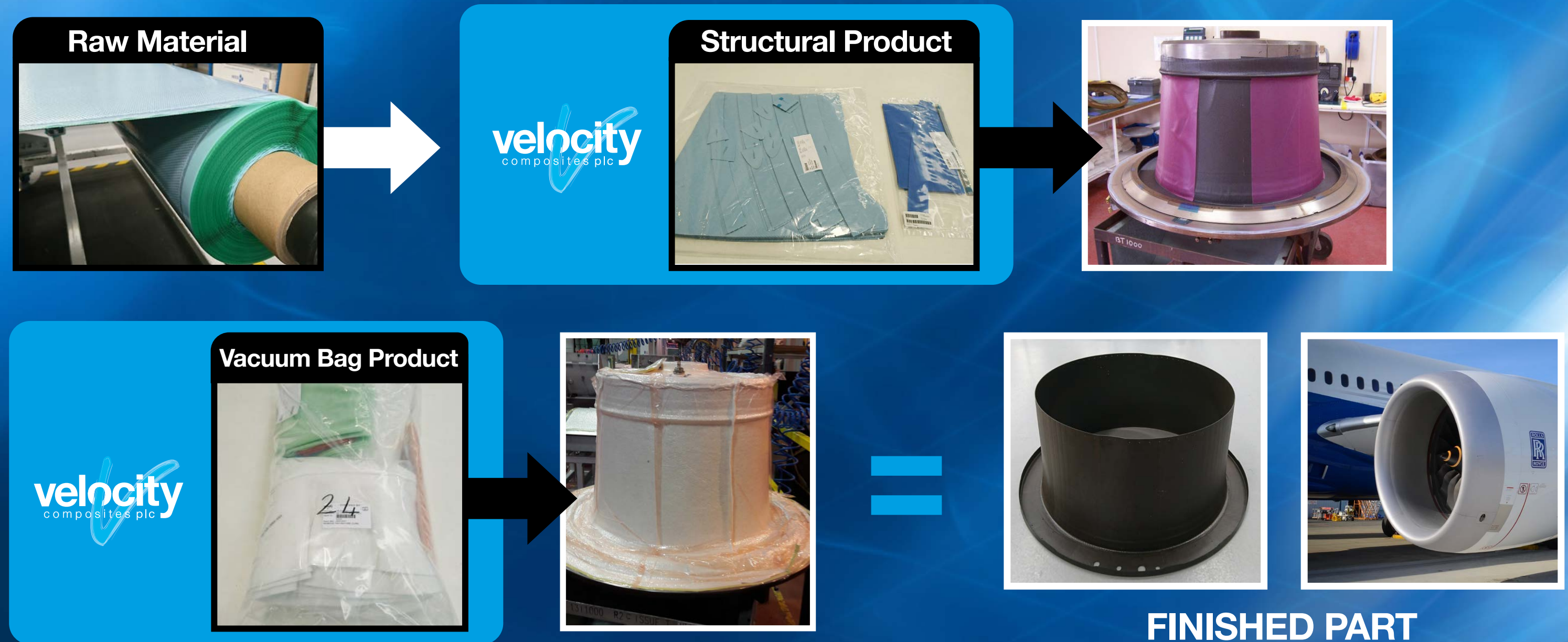


By comparison, the 777 uses 12 percent composites and 50 percent aluminum.

Market Position Where Velocity Sits



The Composites Manufacturing Process



Velocity saves > 10% material and > 20% time

Financial Performance



Revenue
stable

£24.3m

International Sales
up by £2.0m to

£2.5m

Gross Margin %
increased to

21.7%

EBITDA
positive to

£0.6m

Net Cash
of

£3.4m



Platform for Growth

- Focus upon supporting our high quality Tier 1 customers
- Global Boeing / Airbus / NADCAP approvals in place
- Wesco Partnership Agreement in North America
- Embedded in global aircraft construction (20 yrs +) programmes
- Scalable model - expanding into mainland Europe & North America
- \$1b - \$2b addressable market



IMPORTANT NOTICE

This presentation and any verbal information given (together, the “Presentation”), has been prepared by the directors of Velocity Composites plc (the “Company”). The information in the Presentation is not intended to form the basis of any contract. By attending (whether in person or by telephone) or reading the Presentation, you agree to the conditions set out below. The Presentation is confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by its recipients to any other person for any purpose, other than with the consent of the Company.

The Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract whatsoever relating to any securities.

The Presentation is provided for general information only and does not purport to contain all the information that may be required to evaluate the Company. The information in the Presentation is provided as at the date of the Presentation (unless stated otherwise) and is subject to updating, completion, revision and further verification. No reliance may be placed for any purpose whatever on the information or opinions contained or expressed in the Presentation or on the accuracy, completeness or fairness of such information and opinions.

To the extent permitted by law or regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any of its parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertaking, or any of its directors, officers, partners, employees, agents, affiliates, representatives or advisors, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation. Save in the case of fraud, no responsibility or liability is accepted by any person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, however arising, directly or indirectly, from any use of, as a result of the reliance on, or otherwise in connection with, the Presentation. In addition, no duty of care or otherwise is owed by any such person to recipients of the Presentation or any other person in relation to the Presentation.

Nothing in the Presentation is, or should be relied on as, a promise or representation as to the future. The Presentation includes certain statements, estimates and projections provided by the Company in relation to strategies, plans, intentions, expectations, objectives and anticipated future performance of the Company. By their nature, such statements, estimates and projections involve risk and uncertainty since they are based on various assumptions made by the Company concerning anticipated results which may or may not prove to be correct and because they may relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. No representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Presentation is intended as a profit forecast or a profit estimate.

The Presentation does not constitute or form part of an offer or invitation to issue or sell, or the solicitation of an offer to subscribe or purchase, any securities to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful, and, in particular, is not for distribution in or into Australia, Canada, Japan, the Republic of South Africa or the United States. The Company has not registered and does not intend to register any shares the subject of the Fundraising under the US Securities Act of 1933 or under any securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, such shares will not be offered, sold, resold, taken up, exercised, renounced, transferred or delivered, directly or indirectly, in or into the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any provision or territory of Canada; no document in relation to the Fundraising has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Fundraising; and the relevant clearances have not been, and will not be, obtained from the South African Reserve Bank and any other applicable body in the Republic of South Africa in relation to such shares. Accordingly, such shares will not, directly or indirectly, be offered or sold within the United States Canada, Australia, Japan, the Republic of South Africa or offered or sold to any resident, national or citizen of the United States, Canada, Australia, Japan or the Republic of South Africa.

By accepting receipt of, attending any delivery of, or electronically accessing, the Presentation, you agree to be bound by the above limitations and conditions and, in particular, you represent, warrant and undertake to the Company that: (i) you are a Relevant Person (as defined above); (ii) you will not forward the Presentation to any other person, or reproduce or publish this document, in whole or in part, for any purpose and (iii) you have read and agree to comply with the contents of this notice.

