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MAJOR MILESTONE ACHIEVED AT NEW ALABAMA FACILITY

[VELOCITY COMPOSITES PLC](#)

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VELOCITY COMPOSITES PLC (Velocity or the "Company")

Major milestone achieved at new Alabama facility

Velocity Composites plc (AIM: VEL), the leading supplier of composite material kits to aerospace and other high-performance manufacturers, is delighted to announce the successful manufacture of the first composite production kits from its new advanced manufacturing facility in Alabama, US.

The manufacture of the first production kits is a major milestone at the site which was built to support the five-year Work Package Agreement that was announced in December 2022 with GKN Aerospace in the United States (the "**Customer**"). The agreement is expected to be worth in excess of US\$100 million in revenue over five years, with the Customer confirming strong end user demand for its parts into 2024.

This milestone is the culmination of an intensive period of training, audits, and approvals, during which the site successfully achieved AS9100, Rev. D approval in November 2022. Several prime customer audits followed throughout December 2022 and January 2023, and concluded in full customer audit approval and authority to proceed with First Article Manufacture being provided in February 2023. This critical step was the ultimate verification by the customer that the site infrastructure, capability, trained processes, quality and transfer plans presented by Velocity exceeded the required standard.

A detailed First Article Inspection plan, which has been agreed with the Customer, continues to be implemented. One of each composite kit will be manufactured, delivered and verified before proceeding to sustained volume production. This will take place on a programme-by-programme basis and will lead to the phased transfer of ten aircraft programme projects to Velocity. The final programme is scheduled to be completed within this financial year and will enable a full rate of production to commence either at or before the next financial year.

The kits for the first programme are currently being transferred and account for approximately 18% of the total contract annual revenue. Work is already underway for the second programme and, being the single largest programme, accounts for a further 25% of the total contract annual revenue. This therefore means that approximately 43% of the total contract annual revenue is on schedule to be approved and at rate production by the end of May 2023, with the remainder to follow.

The facility is now also being marketed as a launch hub for future customers, and high-level business development activities are already underway with several large potential customers.



Jon Bridges, Chief Executive, Velocity, said:

"This is a major milestone for Velocity Composites as we expand into North America. The whole Velocity team, both in the US and UK, have worked incredibly hard to deliver a fully operational site, a well-trained team, and a stand-up and approval plan ready to start delivering flying products to our launch customer.

The site can move forward into production ramp-up with continued support from the UK team and close collaboration with our customer to ensure a smooth transfer of the entire project.

For myself and the Velocity team, the customer and industry approvals of this new showcase facility is further endorsement that our business model, processes and technology are world class in our industry, and our targeted business development activities are further enhanced by having a capable advanced manufacturing site in North America with significant capacity to grow."

Enquiries:

Velocity

Andy Beaden, Chairman
Jon Bridges, Chief Executive Officer
Adam Holden, Finance Director

Tel: +44 (0) 1282 577577

Cenkos (Nominated Adviser and Broker)

Katy Birkin
Ben Jeynes
George Lawson

Tel: +44 (0) 20 7397 8900

SEC Newgate (Financial Communications)

Robin Tozer / George Esmond
Harry Handyside

Tel: +44 (0) 7540 106 366

Email:
velocitycomposites@secnewgate.co.uk

About Velocity Composites

Based in Burnley, UK, and with operations in the US, Velocity Composites is the leading supplier of composite material kits to aerospace and other high-performance manufacturers, that reduce costs and improve sustainability. Customers include Airbus, Boeing, Safran and GKN.

By using Velocity's proprietary technology, manufacturers can also free up internal resources to focus on their core business. Velocity has significant potential for expansion, both in the UK and abroad, including into new market areas, such as wind energy, urban air mobility and electric vehicles, where the demand for composites is expected to grow.

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