

INVESTOR PRESENTATION



Interim Results

For the Half Year Ended 30 April 2025



Velocity Disclaimer

IMPORTANT NOTICE

THIS DOCUMENT AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN, SOUTH AFRICA OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

This document and its contents (including any oral information, question and answer session and any other document or materials distributed or disclosed in connection with this document) (the “Presentation”) has not been approved by an authorised person within the meaning of the United Kingdom’s Financial Services and Markets Act 2000 (the “FSMA”). Reliance upon the Presentation for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. If any person is in doubt as to the contents of the Presentation, they should seek independent advice from a person who is authorised for the purposes of the FSMA and who specialises in advising in investments.

This Presentation, has been prepared by the directors of Velocity Composites plc (the “Company”) and contains confidential information regarding the Company, its business and operations and members of its group (“Group”). It is provided for the exclusive use of the persons provided with the Presentation and this Presentation and the information disclosed in it and/or any further confidential information made available to any recipient, either verbally or in writing, must be held in complete confidence and without prejudice to the aforesaid, such information and documents containing such information may not be reproduced, used or in any way disclosed without the prior written consent of the Company. The recipient has further agreed to return all documents and other material held by it relating to the Presentation upon request.

The Presentation is being made available to the recipients thereof for the purpose of providing information and is not intended to form the basis of any investment activity or decision, and should not be considered as a recommendation by the Company that any recipient should acquire any interest in the share capital or any other interest in the Company. It does not constitute or form part of and should not be relied upon in connection with any offer, invitation or recommendation to sell or issue, or a solicitation of an offer invitation or recommendation to purchase or subscribe for, any securities or other interest in the Company or any related entity and no legal relations shall be created by its issue. The Presentation shall not form the basis of any prospectus, contract or commitment whatsoever and should not be relied upon in relation to any

prospectus, contract or commitment. is being made available to the recipients thereof for the purpose of providing information and is not intended to form the basis of any investment activity or decision, and should not be considered as a recommendation by the Company that any recipient should acquire any interest in the share capital or any other interest in the Company. It does not constitute or form part of and should not be relied upon in connection with any offer, invitation or recommendation to sell or issue, or a solicitation of an offer invitation or recommendation to purchase or subscribe for, any securities or other interest in the Company or any related entity and no legal relations shall be created by its issue. The Presentation shall not form the basis of any prospectus, contract or commitment whatsoever and should not be relied upon in relation to any prospectus, contract or commitment.

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.

The Presentation includes “forward-looking statements”. All statements other than statements of historical facts in this Presentation, including, without limitation, those regarding the future financial position, objectives, development and strategies of management for future operations of the Company and/or the Group are forward-looking statements. The Company uses the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “may”, “will”, “should” and any similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, which may cause the Company’s and/or the Group’s actual results, performances or achievements of its results, or industry results, to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s and/or the

Group’s present and future business strategies and the environment in which the Company and/or the Group will operate in the future. As a result of the risks, uncertainties and assumptions the recipients should not place reliance on the forward-looking statements. Whilst all reasonable care has been taken to ensure that the facts stated in the Presentation are accurate, the forecasts, opinions and expectations contained in the Presentation have not been independently verified. No reliance may be placed for any purpose whatsoever on, the accuracy, completeness or fairness of the information or opinions contained in the Presentation and no responsibility or liability is assumed by any such persons for any such information or opinions or for any errors or omissions.

Presentation Team



Andy Beaden

— Non-Executive Chairman

Andy has over 30 years' experience in finance, technology and manufacturing. A Chartered Accountant and economist by training, originally with KPMG and also having worked for two FTSE 100 companies, he is also a Fellow of the RSA (Royal Society for the encouragement of the Arts, Manufactures and Commerce). He was the CFO of the multi-sector material science business Luxfer, leading a secondary buyout in 2007 and then listing it on the NYSE in 2012.

He also co-founded and is Chairman of IN4.0 Group, a digital technology consultancy and training business and largest provider of AWS training bootcamps in the UK.



Jon Bridges

— CEO

Jon co-founded Velocity Composites in 2007. Jonathan has over 32 years' experience within the advanced composites industry and is an experienced composite engineer. Previously, Jon was an Aerospace and Lean Solutions Specialist at Cytec Process Materials where he was responsible for direct sales support of UK and European based clients.

From 2003 to 2005 Jon was a Manufacturing Engineer for Safran Nacelles where he was responsible for the manufacturing function for a growing, highly loaded aerospace unit supplying multiple assembly lines. Jon has a BSc in Materials Science from Coventry University and is a Director of the North West Aerospace Alliance.



Rob Smith

— CFO

Rob is a chartered management accountant with significant experience in leadership roles in a number of AIM quoted technology companies, where he has been instrumental in leading growth strategies and improving operational efficiencies. Rob has a proven track record in advanced manufacturing at both CFO and CEO level, including manufacturing systems implementation and international commercial leadership.

Most recently Rob served as Group CFO at Biome Technologies plc and prior to that, in the CFO and CEO roles at Filtronic plc between 2014 and 2020, an electronics designer and manufacturer of advanced filters, antennas and transceivers.

FY25 Financial Highlights



Revenue

£10.4m

FY24 H1: £10.7m

Gross Margin %

29.0%

FY24 H1: 22.5%

Adjusted EBITDA*

£0.3m

FY24 H1: £(0.2)m

Cash at Bank

£1.2m

FY24 H1: £1.8m

Operating Loss

£(0.4)m

FY24 H1: £(0.9)m

* Earnings before interest, tax, depreciation, amortisation and adjusted for share-based payments.

Aerospace Industry | H1 2025 Review - 2025/6 Expectations



H1 2025

- Civil aircraft production rates still below pre-pandemic levels
- The separation by customer plants, and sale of Spirit Aerosystems to Boeing and Airbus is expected to complete in H2 2025
- This disruptive process added additional pressures to the civil supply chain for Boeing, Airbus and their suppliers. Completion will bring clarity to future opportunities
- Wider (non-composite) supply chain issues in civil aerospace still impacting the ability of OEM's to ramp up key programmes, with Velocity's customers not seeing any significant ramp-up in CY 2025
- Limited direct impact from tariffs as all Company sales are made in the country of manufacture
- The Company is working on securing additional contracts and has focussed efforts on the defence sector

Outlook for 2025/26

- The expected ramp ups on key civil programmes should materialise in FY2026 if OEMs are to achieve the forecasted delivery rates of new aircraft
- Civil ramp ups, along with increased defence spending, should increase customer need to outsource and reduce costs
- Live bids with existing and new customers in the US and Europe
- Greater engagement with potential customers in the defence sector to identify and submit proposals into key programmes and opportunities
- Smaller programme wins with existing civil customers offsetting natural decline in legacy programmes

US OPERATIONS

- Good, planned, progress at Alabama facility. Focus on qualification of aero-engine parts delayed from 2024. Expecting sustained production H2 FY25
- New permanent freezer installed increasing capacity and improving efficiency
- Quality and delivery improvements made in FY24 sustained; Benefiting from a stable, balanced workforce enabling further operational efficiencies
- New business development continuing and expected to be supported by:
 - Improved global supply chain stability
 - Increase in global defence spending
 - Engaged with new potential customers in both civil and defence sectors

EUROPEAN OPERATIONS

- Benefiting from pricing agreements implemented in H2 FY24, contributing to margin recovery in H1 FY25
- Implementation of Odoo-based VRP update completing in 2025
- Ramp up of A350 programme (particularly -1000 variant) delayed in 2025 due to supply chain issues. No growth expected from this programme in 2025
- New business activities focused on existing customers in both UK and mainland Europe

Summary Income Statement

	H1 2025 £000	H1 2024 £000	FY 2024 £000
Revenue	10,442	10,745	23,006
Cost of sales	(7,409)	(8,331)	(17,045)
Gross profit	3,033	2,414	5,961
Administrative costs	(3,430)	(3,325)	(6,978)
Other operating income	-	50	86
Operating loss	(397)	(861)	(931)
Finance expense	(177)	(219)	(413)
Loss before tax	(574)	(1,080)	(1,344)
Adjusted EBITDA*	258	(157)	374

* Earnings before interest, tax, depreciation, amortisation and adjusted for share-based payments.

- Revenue decrease of 2.8% due to inventory reduction at A350 customer and reduced rate and delay in qualification of certain US programmes
- Improved Gross Margin percentage to 29.0% (H1 2024: 22.5%) due to effect of catch-up inflation increases and continuous improvement activities in operational efficiency
- Administrative costs have increased by £0.1m reflecting a more benign inflation environment and targeted cost reductions
- The above has driven an adjusted EBITDA profit of £0.3m (H1 2024: loss £0.2m) and represents the first H1 post Covid profit and the second sequential half of profits

Summary Statement of Financial Position

	H1 2025 £000	H1 2024 £000	FY 2024 £000
Non-current assets	5,091	4,721	4,667
Inventories	2,374	2,096	2,500
Trade and other receivables	2,719	3,463	3,977
Tax receivable	-	450	-
Cash and cash equivalents	1,165	1,786	1,663
Current assets	6,258	7,795	8,140
Loans	503	503	503
Trade and other payables	2,848	3,468	3,933
Obligations under finance leases	705	489	561
Current liabilities	4,056	4,460	4,997
Non current liabilities	1,956	2,044	1,944
Net assets	5,337	6,012	5,866

- Increase at H1 2025 versus H1 2024 in non-current assets of £0.4m driven by investment in leased freezer; classed as a Right of Use asset replacing temporary freezers on short term rental agreements
- Inventory management remains a key focus and the £0.1m decrease in the half reflects a focus on improving inventory turns
- Trade debtors are tightly controlled resulting in an improvement to debtor days H1 2025: 34.7 days (H1 2024: 46 days)
- Payables decrease £0.6m due to reduced material supplier payables in line with demand
- Non-current liabilities comprise CBILs £0.2m (H1 2024: £0.7m), dilapidations provisions £0.3m (H1 2024: £nil) and obligations under finance leases £1.5m (H1 2024: £1.3m)

Summary Statement of Cash Flows

	H1 2025 £000	H1 2024 £000	FY 2024 £000
Operating cash flows	275	(207)	345
Movements in working capital	208	(268)	(373)
Cashflow from operations	483	(475)	(28)
Tax received	130	-	398
Cashflow from operating activities	613	(475)	370
Cash used in investing activities	(461)	(189)	(584)
Cash used in financing activities	(736)	(728)	(1,412)
(Decrease)/increase in cash	(584)	(1,392)	(1,626)
Cash at 1 November	1,663	3,178	3,178
Effect of FX rate changes	86	-	111
Closing cash	1,165	1,786	1,663

- Cash generated from operating activities in half of £0.6m (H1 2024: £0.5m consumed)
- Net decrease in cash £0.6m (H1 2024: £1.4m decrease)
- Repayment of CBILs in period of £0.2m (H1 2024: £0.2m)
- Overall, a net cash position at £0.4m with headroom in the IDF facility:

	H1 2025 £000	H1 2024 £000	FY 2024 £000
Cash	1,165	1,786	1,663
CBIL loan	(734)	(1,222)	(971)
IDF	-	-	-
Net cash	431	564	692

H2 FY25 Outlook

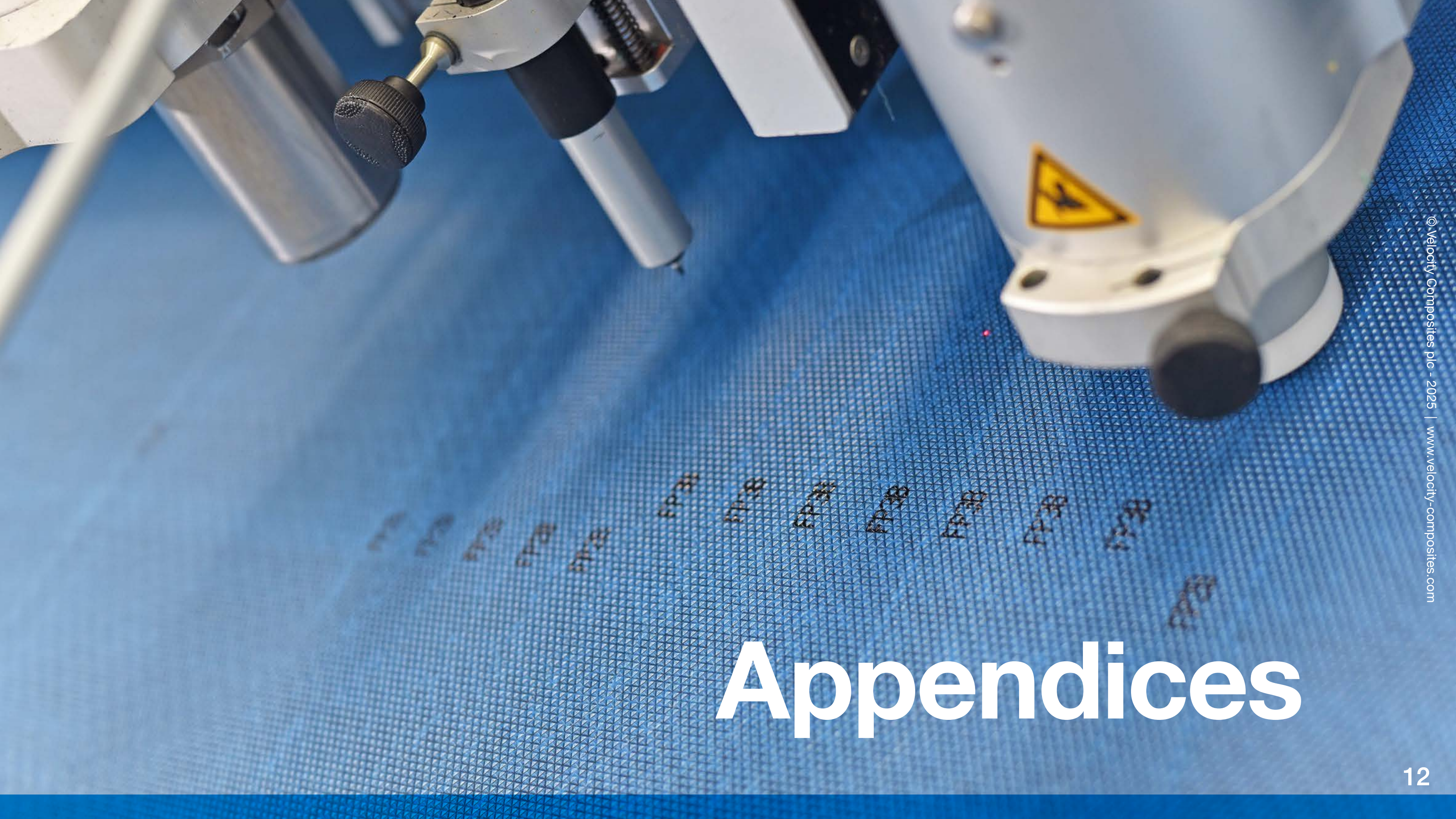


- A350 programme production rates expected to be flat in the year. Increased rates now expected in FY26
- Final contracted programme from previously announced agreement expected to reach sustained production at US site through H2 FY25. Customer has faced unexpected resource constraints
- Business development activities focused on defence sector
- The board sees good civil sector opportunities in the US, UK and EU where production rates start to increase
- Management looking to enhance its on-boarding process to (1) bring benefits to Velocity and our customers sooner (2) mitigate delays in qualification processes
- Anticipated near-term growth supports the Board's key targets:
 - 25% plus gross margin
 - 10% adjusted EBITDA* margin
 - 25% return on capital
- The Board expects FY25 to be comparable with FY24 but with higher margins. Revenue growth from new and existing programmes is now projected for FY26

Summary



- Sustained revenue expected for FY25 but at improved gross margin
- Remaining aero-engine component approvals in US now expected in H2 FY25
- A350 programme set to significantly increase in FY26 as OEM strives to fulfil backlog
- Executive team strengthened with the addition of an experienced COO in H1
- New business opportunities being developed in the UK, US and Europe with existing and new customers, including in the defence sector
- Sustained profitability and cash generation expected in H2 FY25 based on current contracted business



Appendices

Major Shareholders (as at 30 April 2025)

NAME	Number of Ordinary Shares	% of issued Ordinary Shares
Amati Global Investors	5,650,294	10.45%
Jonathan Bridges	5,365,929	9.93%
Seneca Partners	4,519,236	8.36%
Stonehage Fleming	4,458,956	8.25%
Christopher Banks	4,202,693	7.77%
Gerard Johnson	4,000,000	7.40%
Rathbones	2,832,257	5.24%

Experienced Board and Senior Management



Andy Beaden
Non-Executive Chairman

Andy has over 30 years experience in finance, technology and manufacturing. He is a Chartered Accountant, and worked at Executive Board level for 20 years in a series of advanced material technology businesses, both listed and privately owned.



Jon Bridges
Chief Executive Officer

Jon has 32 years' experience within the advanced composites industry and is an experienced composite engineer. Jon is a founder of Velocity and known for his extensive knowledge around composite process technologies.



Rob Smith
Chief Finance Director

Rob has significant experience in leadership roles in a number of AIM quoted technology companies, where he has been instrumental in leading growth strategies and improving operational efficiencies. He has a proven track record in advanced manufacturing at both CFO and CEO level.



Annette Rothwell
Non-Executive Director

Annette has extensive experience in industries undergoing transformational change. Since 2011, she has served as a director on the board of the Midlands Aerospace Alliance, the regional body for the Aerospace, Defence and Security industry. She has held a number of senior aerospace roles with global responsibility for supply chain management and procurement.



David Bailey
Non-Executive Director

David has contributed to the strategic direction of the UK's aerospace industry and cross-sector composites sector as a Board member of the Aerospace Growth Partnership and Composites Leadership Forum. He has a PHD in aeronautics and an in-depth practical knowledge around operational excellence and sustainability within multiple manufacturing sectors.

Our Approvals



AIRBUS



BOMBARDIER



BAE SYSTEMS

AIRBUS:

ABP-62185, ABP-61289, AIPS03-02-018,
AIPS03-02-019, AIPS03-07-007

BOEING:

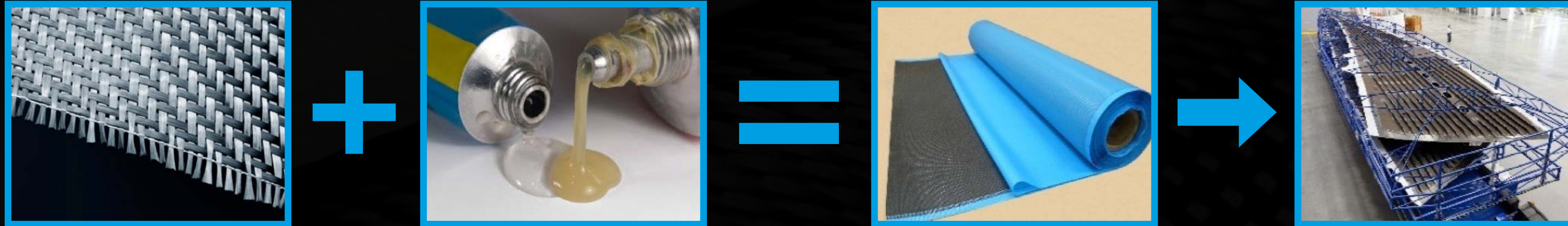
BCA-65224-0312
+ SBP-65224-0411

NADCAP - AC7118 (KSP)

Merit status (all UK facilities)

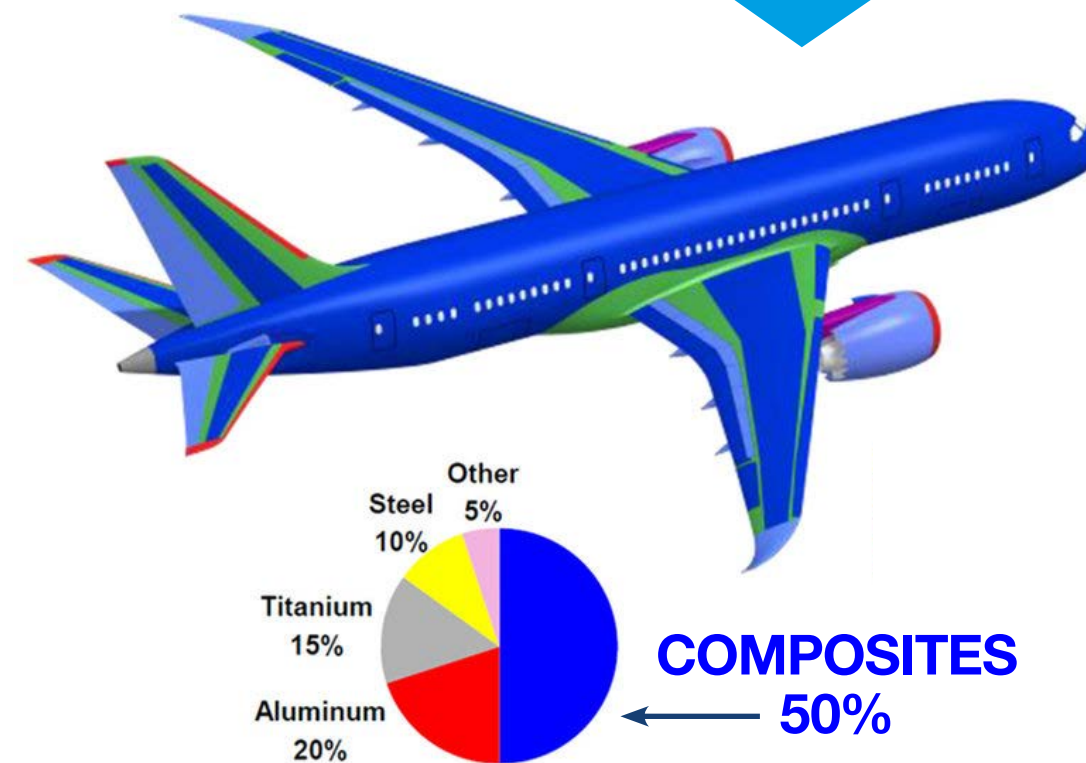
- **VELOCITY COMPOSITES PLC** is an established business which delivers real benefits to large aerospace manufacturers by using proprietary digital technology to manage and remove waste from the complex raw material supply chain
- **FIRST TO MARKET** We are the only company to provide a complete outsourced solution to composite aerostructure manufacturers
- **HUGE MARKET GROWTH** Aerospace industry currently spends \$6.5bn per annum on composite materials. Projected tenfold increase of composites within aircraft by 2041 to meet net zero
- **OUR SOLUTIONS ARE NECESSARY TO THE AEROSPACE INDUSTRY.** If the aerospace industry is to meet its projections it needs our solutions to reduce costs and accelerate production rates
- **SUSTAINED PROFITABILITY AND POSITIVE CASH GENERATION EXPECTED IN H2 FY25** with enough contracted business that at full production rates means in FY25 management expect to achieve improved adjusted EBITDA profitability
- **DEFENCE INDUSTRY** We are focusing our business development efforts on winning more defence sector business to balance out our civil programmes
- **REVENUE INCREASES** set resume in FY26 as programme production rates increase when supply chain issues are overcome and US qualification process completes. FY25 expected to see revenues the same levels as FY24. Broker consensus forecasts FY25 £23m (FY24 actual £23m) and FY26 £27m
- **5 YEAR REVENUE TARGET OF £100M WITH 10% EBITDA** Highly qualified pipeline of \$250.0m. Existing facilities could support up to £70.0m annually

Composite Materials



- A combination of a matrix and a reinforcement, which when combined gives properties superior to the properties of the individual components
- In the case of an aerospace composite, the reinforcement is the fibres and the matrix is the thermosetting resin
- Better weight saving, strength, corrosion resistance and fatigue resistance when compared with metals
- Less weight equals less cost for airlines and increased range
- Material has a shelf life until cured

COMPOSITE USE IN AIRCRAFT



Sustainability driving growth | New generation aircraft

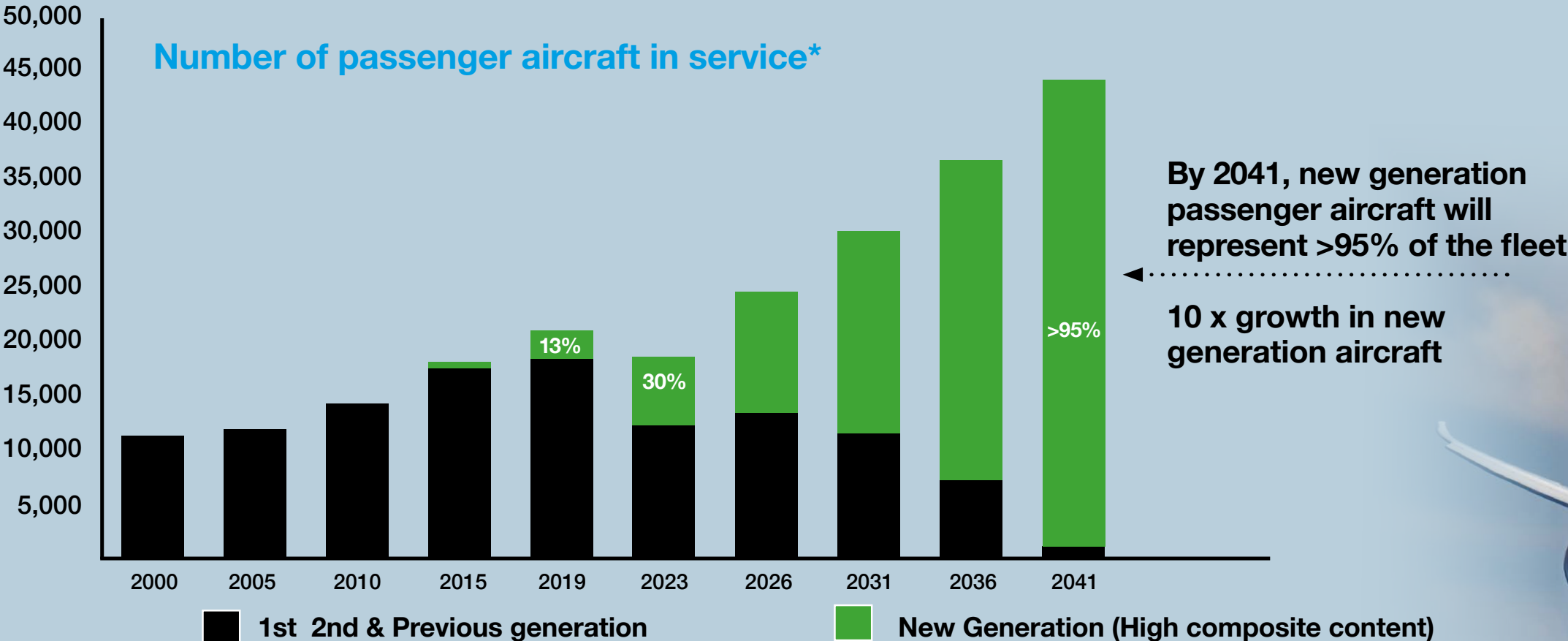


“Today, around 30% of the world’s in service aircraft fleet are of the latest generation. Replacing the remaining 70% of previous generation aircraft, combined with more efficient ways to operate aircraft, SAF, future technologies such as hydrogen and hybridisation are key to Airbus’ decarbonisation journey...” (AIRBUS Global Market Forecast 2024)

95%
By 2041, new generation passenger aircraft will represent >95% of the fleet

10x
10x growth in new generation aircraft

25%
The new generation of aircraft will be lighter, stronger, and have a 25% lower carbon footprint



Velocity currently provides composites for the following New Generation Aircraft and has the potential to service all new programmes

AIRBUS				BOEING			DEFENCE PROGRAMMES	
...
A350	A350 NEO	A320 NEO	A220	787	737 MAX	777X		

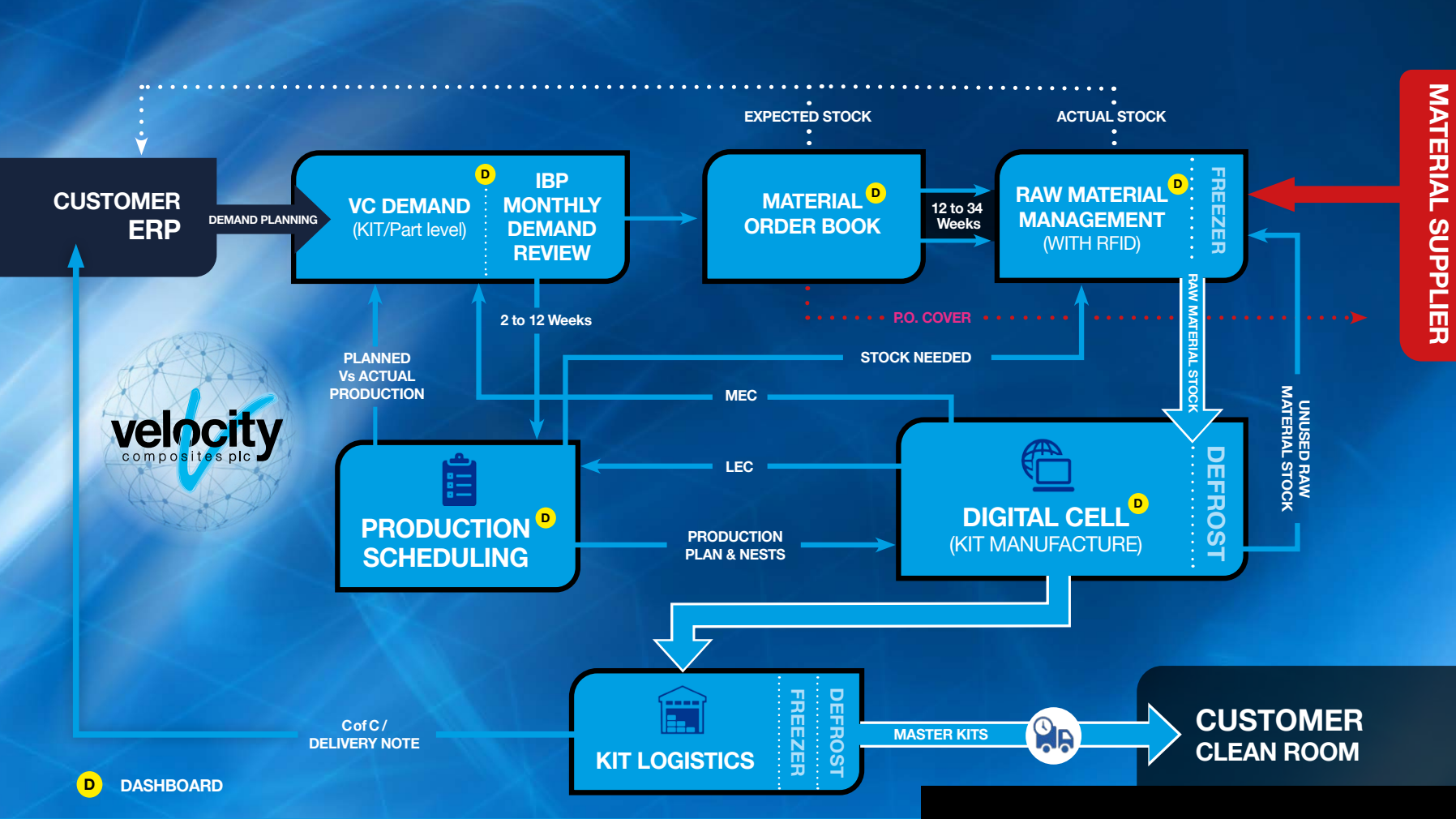


1 * Western built passenger aircraft above 100 seats – pax aircraft only
2 1st generation: A300, DC 9, DC10, 707, 727, 737, 747. 2nd generation: A310, MD11, MD80, MD90, 737, 747, 757, 767, F100. Previous generation: A320 Fam., A330, A340, 717, 737NG, 747, 777
3 New generation: A220, A320neo Fam., A330neo, A350, A380, 737Max, 777X, 787 & new programs

The Velocity Solution



Aimed at providing at least 10% material cost saving and 20% time cost saving to customers



Velocity Technology



Where Velocity sits in the global composites industry



AEROVAC
COMPOSITES ONE

TORAY
Innovation by Chemistry



Global Material Suppliers / Distributors



Global Primes / Tier 1 Manufacturers



AIRBUS

BAE SYSTEMS



LOCKHEED MARTIN



QARON
AEROSPACE



AERnova



STRATA
A Mubadala Company

SAFRAN SEATS



BOMBARDIER

SAFRAN



VELOCITY TOTAL KIT PROVISION

- Inventory Finance
- Inventory Management
- Demand Aggregation
- Goods In
- Quality Inspection
- Kit Manufacturing
- Warehousing
- Goods Out / Transportation
- Subcon Integration
- On Site Support

Flow Down Material Pricing

- Velocity has first mover advantage and is the only company to provide an end-to-end solution for manufacturers.



Revolutionising Composite Cleanrooms

A composite material wing and tail section of an aircraft is shown on a runway at sunset. The sun is low on the horizon, creating a bright orange glow and long shadows. The wing and tail are white with blue accents. The runway is paved and has white markings. In the background, there are airport buildings and lights.

Contact us:
www.velocity-composites.com
+44 (0)1282 577577