

# INVESTOR PRESENTATION

**& Financial Statements** for the year ended 31.10.25





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# Presentation Team



**Jon Bridges**  
CEO

Jon co-founded Velocity Composites in 2007. Jonathan has over 33 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, a designer and manufacturer of advanced filters, antennas and transceivers.



# FY25 Financial Highlights



Revenue  
**£20.7m**  
FY24 £23.0m

Gross Margin %  
**29.5%**  
FY24 25.9%

Adjusted EBITDA\*  
**£1.0m**  
FY24 £0.4m

Cash at Bank  
**£0.4m**  
FY24 £1.7m

Operating Loss  
**£(0.7)m**  
FY24 £(0.9)m

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



# Aerospace Industry | 2025 Review - 2026 Expectations



## 2025 Review

- Spirit re-acquisition processes completed December 2025, later than expected. This resulted in a continuing drag on production at both Boeing and Airbus.
- FAA raised Boeing's production cap from 38 to 42 late in 2025, with plans to increase further to 47 in 2026 and then potentially to 52 to 57 per month.
- Increases in defence procurement announced.
- Airbus deliveries on A350 programme were 57 in 2025 unchanged from 2024. The production rate still projected to increase to 10/12 per month.

## Outlook for 2026

- Optimism that both civil and defence production and delivery rates will increase.
- Benefits from Spirit re-acquisition and B737 rate cap increase starting to be seen.
- Defence sector growth likely to lag announcements.
- Working to secure new business in Europe that can be serviced from UK production facilities as delays in production ramps have resulted in one UK customer off-shoring production during 2026 and another in-housing legacy programmes.



## US OPERATIONS

- FY25 growth curtailed due to delayed transfer of key engine fan case programmes from lead customer delayed.
- Approximately 40% of contracted work transferred.
- Customer recognises impact on Velocity and has stepped up efforts to add new business streams including service revenue and consumable kits.
- New business development activities stepped up with potential of second US customer being announced in the near-term.

## EUROPEAN OPERATIONS

- Contract renewal with existing defence customer announced.
- Contract renewal and scope increased with existing customer in 10-year deal.
- UK outlook affected by two customers in-loading work because of excess capacity issues / legacy programmes ending.



# Summary Income Statement

	FY25 £000	FY24 £000
<b>Revenue</b>	<b>20,701</b>	<b>23,006</b>
Cost of sales	(14,595)	(17,045)
<b>Gross profit</b>	<b>6,106</b>	<b>5,961</b>
Administrative costs	(6,824)	(6,892)
<b>Operating loss</b>	<b>(718)</b>	<b>(931)</b>
Finance expense	(340)	(413)
<b>Loss before tax</b>	<b>(1,084)</b>	<b>(1,344)</b>
<b>Adjusted EBITDA*</b>	<b>990</b>	<b>374</b>

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

- Group revenue for FY25 decreased 10% as sales on legacy programmes decreased and expected ramp on A350 and US contract were delayed.
- Gross profit improved as a result of the improved sales mix and better production efficiencies both in the UK and US.
- Gross margin percentage of 29.5% (FY24: 25.9%) that was achieved.
- Administrative expenses flat with focus on cost controls as sales growth delayed.
- Adjusted EBITDA profit achieved more than doubled.



# Summary Statement of Financial Position

	FY25 £000	FY24 £000
<b>Non-current assets</b>	<b>4,788</b>	<b>4,667</b>
Inventories	2,099	2,500
Trade and other receivables	3,025	3,977
Cash and cash equivalents	392	1,663
<b>Current assets</b>	<b>5,516</b>	<b>8,140</b>
Loans	402	503
Trade and other payables	2,594	3,933
Obligations under finance leases	703	561
<b>Current liabilities</b>	<b>3,699</b>	<b>4,997</b>
<b>Non current liabilities</b>	<b>1,464</b>	<b>1,944</b>
<b>Net assets</b>	<b>5,141</b>	<b>5,866</b>

- Non-current assets increase with investment in US freezer store and ongoing R&D capitalisation slightly higher than normal depreciation and amortisation.
- Inventory management continues to be a key focus area and we expect further improvements will be achieved.
- Trade receivables reduced due to lower sales and we reduce debtor days to 44 days (FY24: 53 days)
- Trade payables reduced as part of the improvement in inventory and lower sales activity.
- Non-current liabilities include CBILs that reduced by £0.4m to £0.1m and obligations under finance leases that saw a net reduction of £0.1m.



# Summary Statement of Cash Flows

	FY25 £000	FY24 £000
<b>Operating cash in flow</b>	<b>827</b>	<b>345</b>
Movements in working capital	33	(373)
<b>Cash in / (out)flow from operations</b>	<b>860</b>	<b>(28)</b>
Tax received	130	398
<b>Net cash in flow from operations</b>	<b>990</b>	<b>370</b>
Cash used in investing activities	(729)	(584)
Cash used in financing activities	(1,498)	(1,412)
<b>Decrease in cash</b>	<b>(1,237)</b>	<b>(1,626)</b>
<b>Cash at 1 November</b>	<b>1,663</b>	<b>3,178</b>
Currency exchange movement	(34)	111
<b>Cash at 31 October</b>	<b>392</b>	<b>1,663</b>

- Doubled net cash flow generated from operations.
- Investing activities were:
  - Purchases of PP&E of £334k, principally new freezer facility in the US
  - Capitalisation of development costs of £409k
- Financing costs included CBIL repayment of £0.5m (FY24: £0.5m) of CBIL and finance leases
- Overall net (debt) / cash position at 31 October:

	FY25 £000	FY24 £000
Cash	392	1,663
CBIL loan	(497)	(971)
Invoice discounting facility utilisation	-	-
<b>Net (debt) / cash</b>	<b>(105)</b>	<b>692</b>

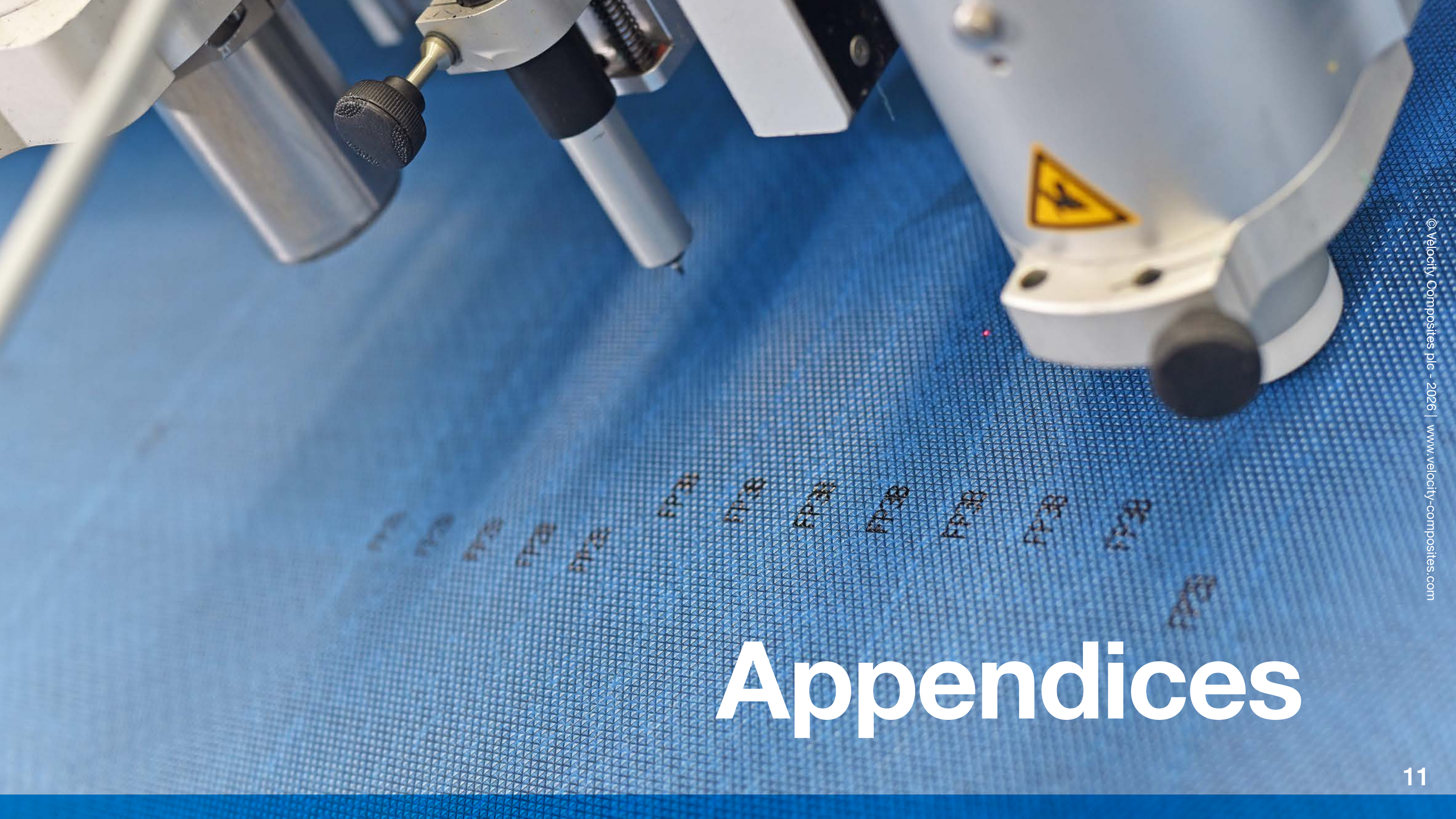


# FY26 Outlook and Summary



- Complete transfer of remaining US customer programmes
- Work with launch customer on additional business as part of mitigation plan
- Manage existing customer work transfers and legacy programme cessation, including VC production move from Fareham to Burnley
- Accelerate new business development activities in UK, US and Europe based on customer with growing, geographically stable and diverse portfolios of multiple aircraft programmes
- Implement enhanced ways of working which drive faster and easier adoption of our services (VAMOS®)





# Appendices



# Major Shareholders (as at 13 January 2026)

NAME	Number of Ordinary Shares	% of issued Ordinary Shares
Maven Renovar VCT PLC	5,650,294	10.34%
Jonathan Bridges	5,365,929	9.82%
Seneca Partners	4,519,236	8.27%
Stonehage Fleming	4,458,956	8.16%
Christopher Banks	4,069,693	7.44%
Gerard Johnson	4,025,000	7.36%
Rathbones	2,841,000	5.20%



# 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 33 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)

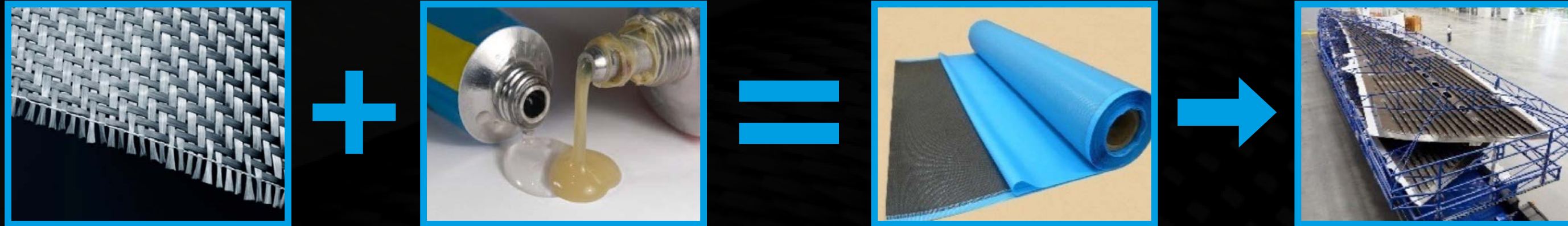
Merit status (all UK facilities)



- **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 adjusted EBITDA AND POSITIVE CASH GENERATION EXPECTED** once contracted business transfers.
- **DEFENCE INDUSTRY** We are focusing our business development efforts on winning more defence sector business to balance out our civil programmes
- **REVENUE INCREASES** set to resume when, US transfers complete, programme production rates increase and industry players are coming to us.
- **5 YEAR REVENUE TARGET OF £100M WITH 10% EBITDA** Existing facilities could support up to £70.0m annually.

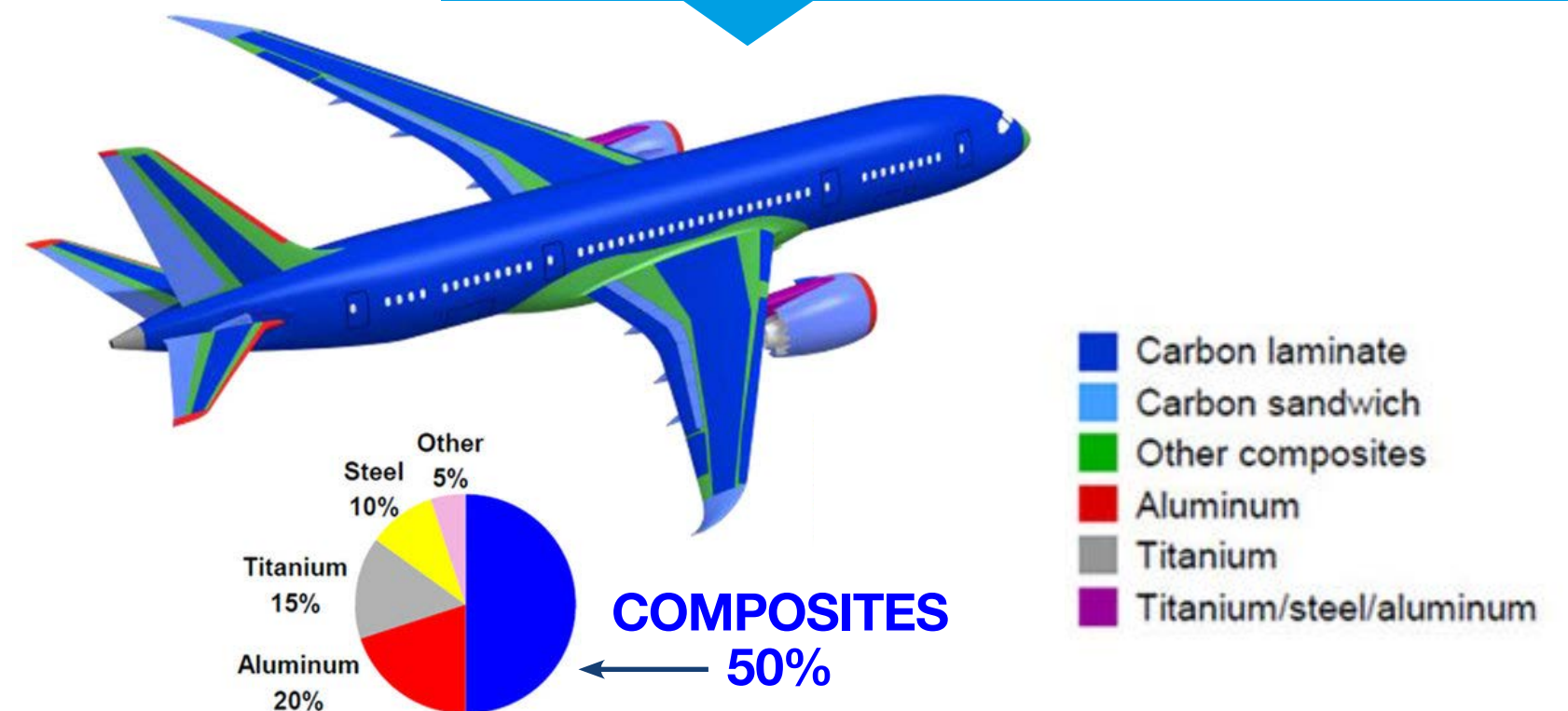


# Composite Materials



- 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

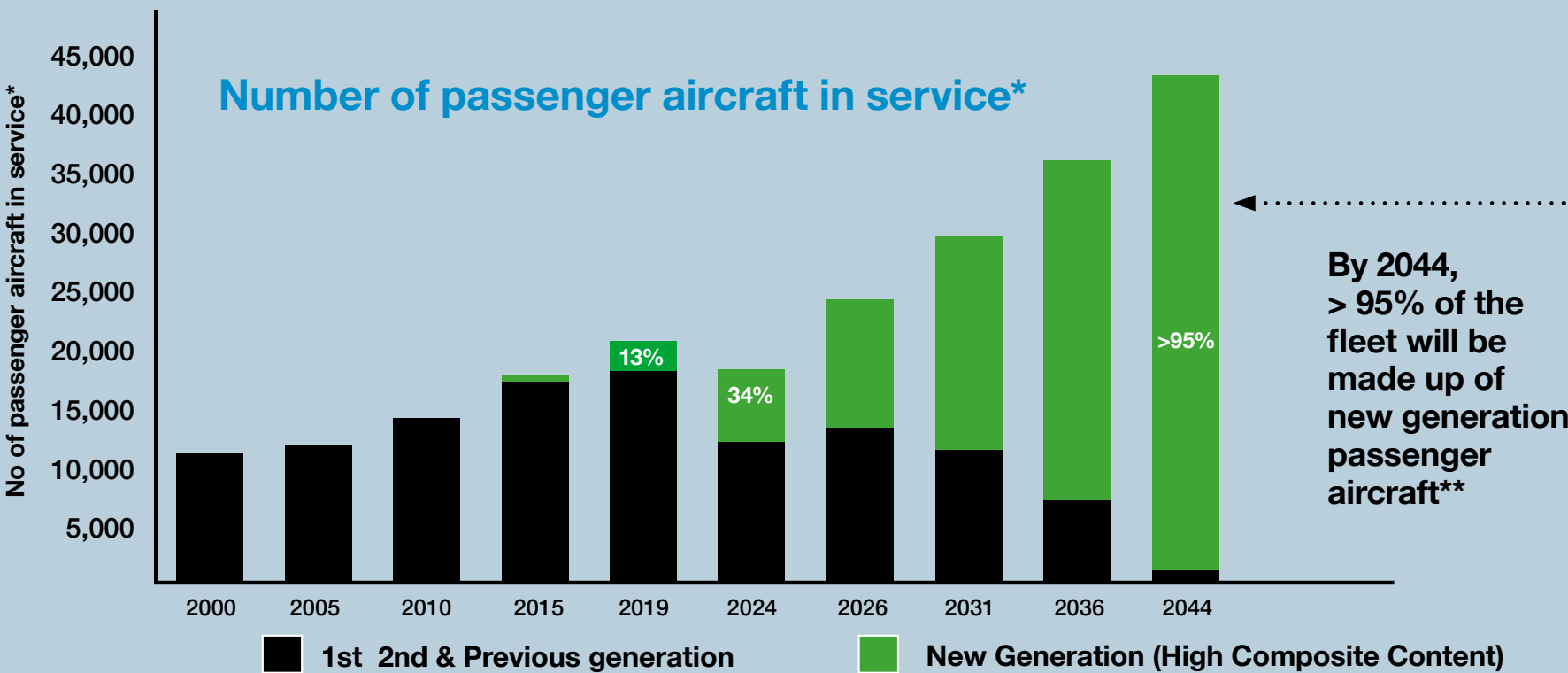


In 2024, around 34% of the world’s in service aircraft fleet are of the latest generation. Latest generation aircraft are delivering up to 25% better fuel efficiency and lower CO2 emissions than previous generation aircraft” (AIRBUS Global Market Forecast 2025)

**95%**  
By 2044, 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

Source: Airbus, Global Market Forecast '22 ([www.airbus.com/sites/g/files/jlcbta136/files/2022-07/GMF-Presentation-2022-2041.pdf](http://www.airbus.com/sites/g/files/jlcbta136/files/2022-07/GMF-Presentation-2022-2041.pdf))  
2024 figure: Airbus, Global Market Forecast '25 (pg 10) (<https://www.airbus.com/en/products-services/commercial-aircraft/global-market-forecast>)  
\*\* Source: Airbus GMF 2025

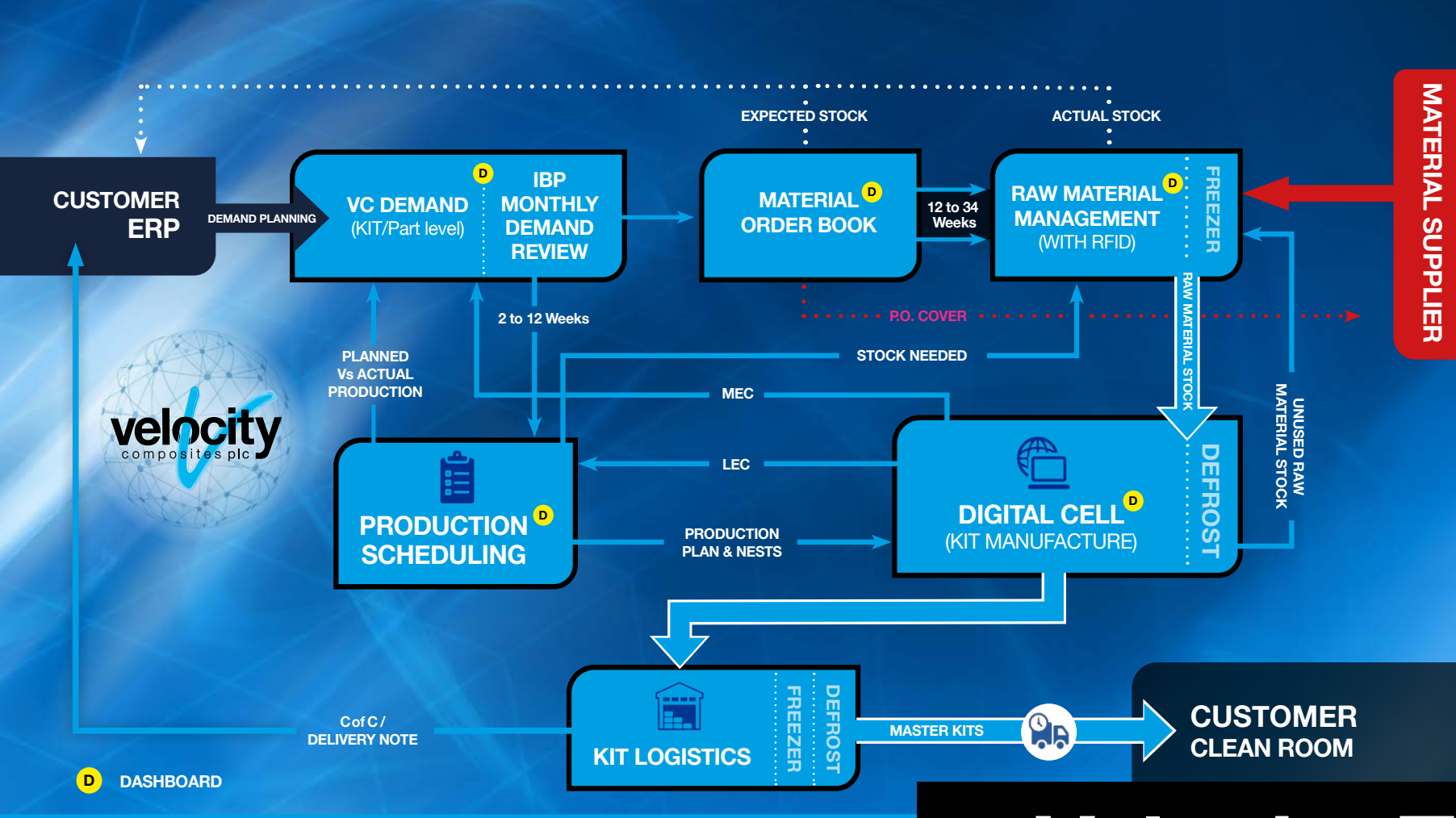


# The Velocity Solution

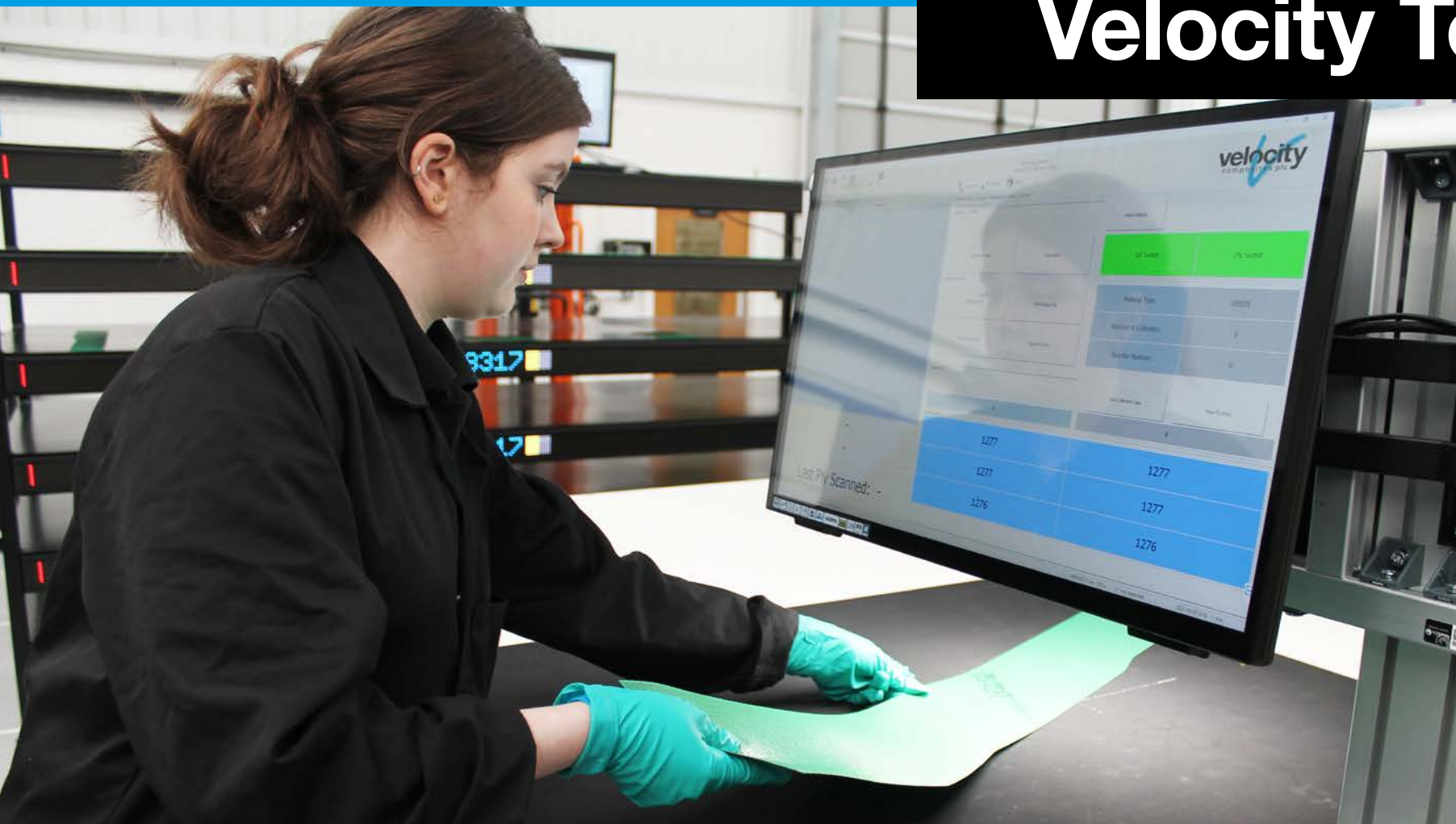


Aimed at providing at least 10% material cost saving and 20% time cost saving to customers





# 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



AERNnova



STRATA  
A Mubadala Company

SAFRAN SEATS



BOMBARDIER



## 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.



**velocity**  
composites plc



# Revolutionising Composite Cleanrooms



A composite material wing section is shown on a runway at sunset. The sun is low on the horizon, creating a bright orange glow and long shadows. The wing is white with a blue stripe. The runway is dark and wet, reflecting the light. In the background, there are airport buildings and lights.

Efficiency is not just a goal;  
it's our business...

**Contact us:**

[www.velocity-composites.com](http://www.velocity-composites.com)

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