

Sustainable fuel technology for a better future

Velocys is a London Stock Exchange listed international sustainable fuels technology company, traded on AIM. It provides the technology that enables the production of negative carbon intensity Sustainable Aviation Fuel (SAF) safely and effectively on a commercial scale from a variety of waste materials (typically municipal waste and woody biomass).

The technology adds significant IP and optimisation to the long-established Fischer-Tropsch process which converts hydrogen and carbon monoxide into synthetic fuel.

The fuel can be used in both the aviation and heavy goods transportation industries, without the need for any alteration to current jet engines or airport infrastructure.

GROWTH STRATEGY

Deepen strategic alliances with technology partners to further enhance Velocys' integrated solution



Advance and commercialise the key reference projects in the US and UK



Investment in scaling-up, including reactor manufacturing capacity, whilst remaining capital light



Grow new business pipeline, focusing on markets with mature avoided carbon policies



Target geographical markets where regulatory environment allows for SAF pricing support (e.g. California, USA)



Expand engineering and technical services to support customers' needs, from feasibility stage to detailed engineering



KEY FACTS AND BUSINESS MODEL

Capital light, scalable business model

The company is a technology licensor and equipment manufacturer. It will never seek to own or operate plants

Upfront Revenue delivered through integrated Fischer-Tropsch Synthesis solution under site licenses and technology services

Recurring revenue delivered through catalyst sales, engineering support; technology licensing and decarbonisation royalties

THINGS YOU MIGHT NOT KNOW...

Aviation is 7% of UK greenhouse gas emissions (and rising). SAF reduces CO₂ by 70% compared to Fossil Fuel Kerosene. With CCUS, the Carbon Intensity (CI) profile of SAF is c. -144g/MJ, ensuring flights are carbon neutral on a 50% fuel load

There is a recognised shortage of SAF and the UK Govt's new 10 Point Plan recognises the UK needs its own production capability

Passenger growth and climate change emphasise the need for the aviation industry to focus their efforts on sustainability

Recent offtake agreements for the fuel produced by the prospective Bayou Fuels plant will avoid 1.3m tonnes of CO₂ a year otherwise emitted, underscoring the role that SAF will play in decarbonising the aviation sector and the journey to a net-zero economy

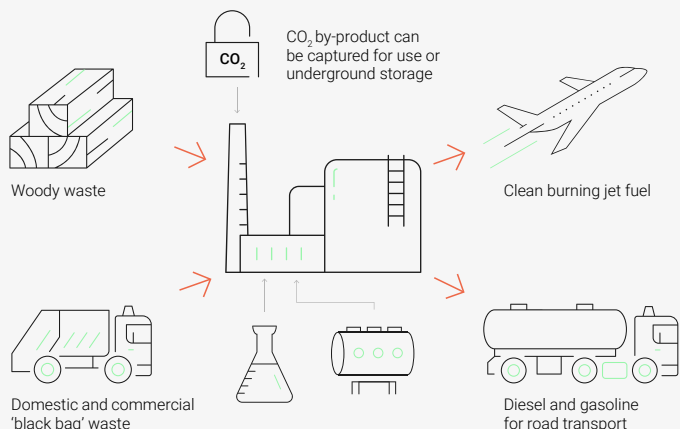
This deeply negative CI score is the lowest in the SAF industry

Hydrogen/Electric planes are not commercially viable, so SAF made from biomass and household/commercial waste is, at present, the only option to reduce the industry's carbon footprint

Expected SAF demand is exponential. Based on proposed mandates in Europe, and US incentives, SAF is set to increase to 3.7bn litres pa from 2025, rising to 77.6bn litres pa by 2040 (or 600 plants equivalent)

The typical life of a SAF plant is c.25 years

THE VELOCYS SOLUTION



KEY FACTS AND BUSINESS MODEL

JAN 2023	Collaboration with Bechtel Limited, one of the world's most respected engineering companies, and finalised construction of Ohio, USA reactor assembly facility
DEC 2022	£29.5m grant from the UK Govt DfT Advanced Fuels Fund for Altalto reference project and e-fuels project
AUG 2022	Inflation Reduction Act (IRA) passed in the US Congress – allocated c\$369bn to reducing GHG emissions, with the inclusion of SAF tax credits
JUL 2022	DfT Jet Zero Strategy outlines plans for minimum of 5 commercial-scale SAF plants by 2025 and mandate for at least 10% SAF to be blended into conventional aviation fuel by 2030
MAR 2022	Foresight Group buys 100% stake in Altalto development site, with a potential further £100m investment in Altalto permitted
NOV 2021	SAF Offtake Agreements with Southwest Airlines and IAG for 100% of SAF

REFERENCE PROJECTS Accelerating the adoption of the technology with production expected in 2027



Altalto – Immingham, U.K.

Velocys is developing a commercial waste-to-fuel plant in the UK in collaboration with British Airways. Altalto is expected to be Europe's first commercial scale waste-to-jet-fuel facility. FEED Q2 2023; commence construction Q1 2025, commercial operation Q3 2027

Feedstock: municipal and solid residual waste (otherwise destined for landfill or incineration)

Design capacity: 50kT pa of SAF and 350k T/ yr of CO2 avoided (with CCS)



Bayou Fuels – Natchez, Mississippi, U.S.

Velocys' is also developing a reference project in Natchez, Mississippi, U.S. The site would benefit from Federal Inflation Reduction Act SAF producer tax credit 45Z. FEED by Q4 2023; production in 2028

Feedstock: woody biomass for forestry residue meeting stringent sustainability standards

Design capacity: 857kbbbls pa of SAF and +1.3m T/yr of CO2 avoided

SHARE REGISTER Top Shareholders | Free float | Average Volume

Lansdown Partners	18%
Hargreaves Lansdown	11%
Interactive Investor	6%
Norma Investments	6%
Ruffer	5%
Ervington Investments	4%
Amati Global Investors	4%
A J Bell Securities	3%
Killik Asset Mgt	3%
Halifax Share Dealing	3%

Ticker: **VLS** | Top 10 ownership: **63%**

Free Float: **100%** | 30 Day Ave Volume: **1.96m shares**

THE BOARD An experienced team who understand the challenges



Henrik Wareborn, CEO

Appointed CEO Nov 2018

Ex-Global Head of Crude Oil Sales and Trading at BP
Leadership roles at Hess Energy Trading Ltd and Goldman Sachs, London, for over 15 years

MBA from INSEAD, France



Philip Sanderson, CFO

Appointed CFO June 2022

Shell plc for 30+ years international experience in finance and commercial

Expertise in large scale and financial leadership in commercial downstream and low carbon energy

BA from The University of Oxford