Velocys is a London Stock Exchange listed international sustainable fuels technology company, traded on AIM. It provides patented technology enabling the production of drop-in, net zero, sustainable aviation fuel that can be made 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 Government’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.
### KEY FACTS AND BUSINESS MODEL

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Details</th>
</tr>
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<tbody>
<tr>
<td>JAN 2023</td>
<td>Collaboration with Bechtel Limited, one of the world’s most respected engineering companies, and finalised construction of Ohio, USA reactor assembly facility</td>
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<td>DEC 2022</td>
<td>£29.5m grant from the UK Govt DfT Advanced Fuels Fund for Altalto reference project and e-fuels project</td>
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<td>AUG 2022</td>
<td>Inflation Reduction Act (IRA) passed in the US Congress – allocated c$369bn to reducing GHG emissions, with the inclusion of SAF tax credits</td>
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<td>JUL 2022</td>
<td>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</td>
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<tr>
<td>MAR 2022</td>
<td>Foresight Group buys 100% stake in Altalto development site, with a potential further £100m investment in Altalto permitted</td>
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<tr>
<td>NOV 2021</td>
<td>SAF Offtake Agreements with Southwest Airlines and IAG for 100% of SAF</td>
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### REFERENCE PROJECTS

#### 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, operation 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; operation in 2027

- **Feedstock:** woody biomass for forestry residue meeting stringent sustainability standards
- **Design capacity:** 857kbbls pa of SAF and +1.3m T/yr of CO₂ avoided

### SHARE REGISTER

- Lansdown Partners: 18%
- Hargreaves Lansdown: 12%
- Ruffer: 7%
- Interactive Investor: 6%
- Norma Investments: 5%
- Janus Henderson Investors: 4%
- A J Bell Securities: 3%
- Ervington Investments: 3%
- Halifax Share Dealing: 3%
- Amati Global Investors: 2%

Ticker: **VLS** | Top 10 ownership: 63% | Free Float: 100%

### THE BOARD

**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