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Velocity Composites PLC
02 February 2021

2 February 2021

**Velocity Composites plc
("Velocity")**

Contract Extension Signed

Velocity Composites plc (AIM: VEL), the leading supplier of advanced composite kitting solutions and material management services to the composites industry, is pleased to announce that it has signed a five-year contract extension with an existing global Tier 1 customer (the "Customer") in the aerospace industry (the "Contract").

The Contract term is retroactively valid from 1st January 2021 until 31st December 2025 and sets out the work packages of business to be managed between the Customer and Velocity over the same period. The Contract includes a fully managed material and kitting service for one of the Customer's main UK sites manufacturing primary structures for the A350 aircraft platform, at a total annual value to Velocity of approximately £1.3m, based upon the latest COVID-19 impacted build rate guidance provided by the Customer. This will support management forecast for the current year and will continue as a major contributor to revenues through to 2025.

Jon Bridges, Chief Executive Officer of Velocity, said:

"Velocity is extremely pleased to conclude an extension of our current agreement with our Customer, to continue delivering our efficient products and services. In what has been a challenging time for the industry, this Contract validates how our technology and service offering means Velocity can remain highly competitive and provide Customers with increased value in terms of material efficiencies, supply chain management and cost reduction.

This is an important contract for Velocity, and we look forward to continuing to work with our Customer for at least the next five years and developing new opportunities to expand our business together in the UK and their other manufacturing sites in mainland Europe and North America."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time.

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