Investor Presentation

Half Year Results

For the 6 months ended 30.04.22

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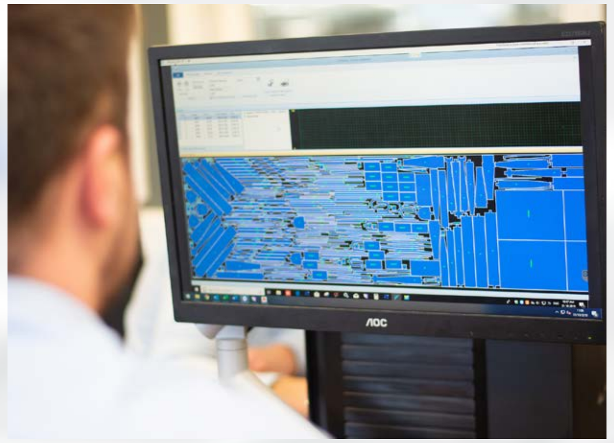
H1 FY22 Highlights

- Increasingly strong new business pipeline, particularly North America
- Recovery in core contracted business
- Investment in resource and people through period to support new customer growth and technology development
- Implementation of operational technology and improved production rates to drive efficiencies in H2 and beyond
- Roll out of new “Digital Manufacturing Cell” to underpin margin realisation
- Initial wins in non-aerospace business - validate business model transfer
- Robust cash and liquidity



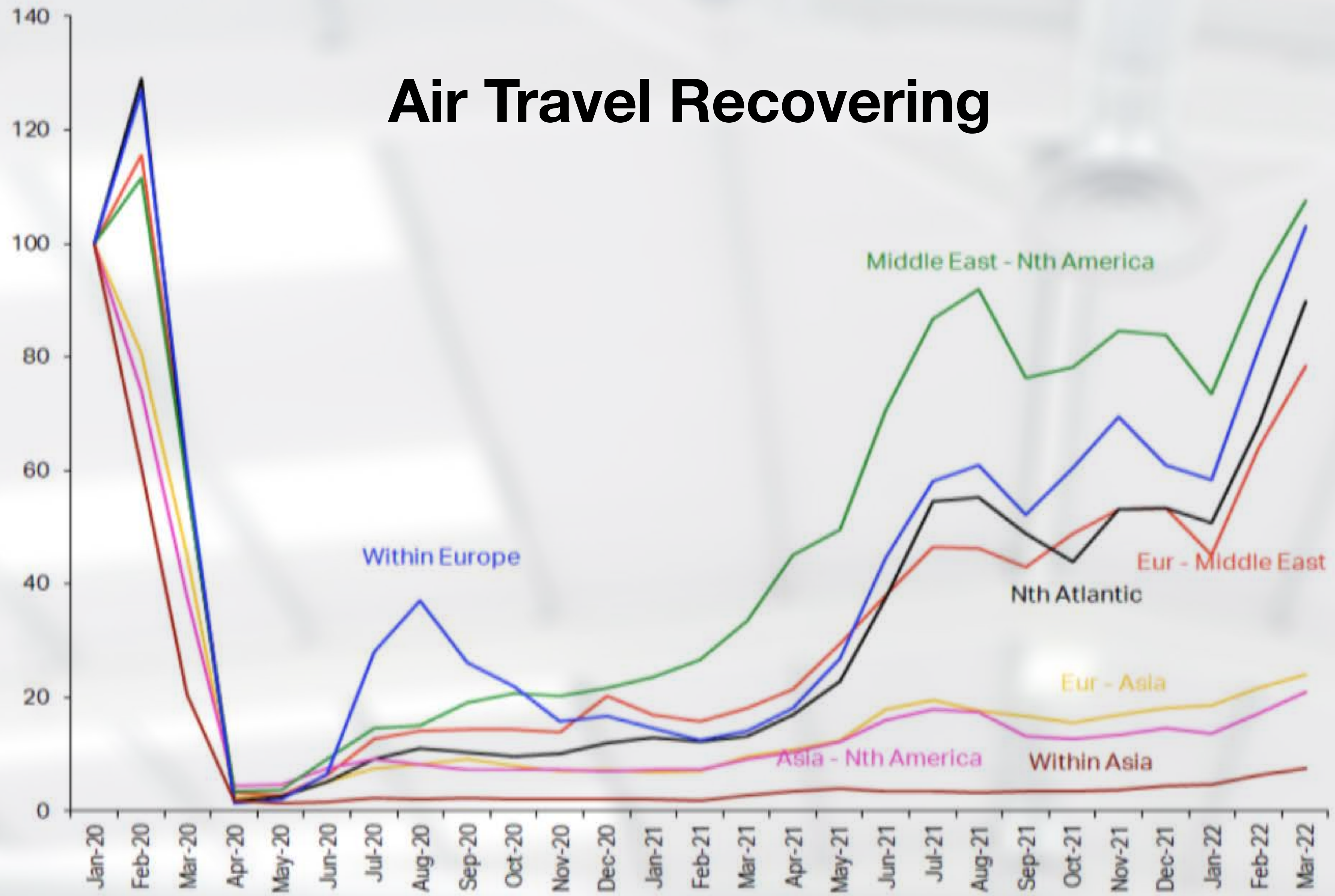


Financial Summary

- Revenue increase of +32% at £5.9m (H1 FY21: £4.4m) as sales recover and customer demand stabilises
- Gross margin 23.5% (H1 FY21: 25.1%) some contractual margin squeeze and shorter term labour inefficiencies held to support recovery
- Loss before tax improvement +£0.4m to £0.7m (H1 FY21: loss £1.1m) and +£0.4m EBITDA loss improvement to £0.2m (H1 FY21: loss £0.6m), supported by sales improvement and lower Administrative overheads
- Cash at Bank £2.0m (H1 2021: £3.5m) and £2.5m undrawn IDF headroom, movement driven by working capital investment to support sales recovery. Partly due to timing on customer receivables, with position higher at £2.7m at 24 June
- Outlook - currently in line with expectations

Market Outlook



Source: IATA Monthly Statistics by Route

- Air travel impacted by Covid-19 but now recovering, albeit slower in Asia due to Omicron restrictions
- Single aisle (A320/B737) will recover faster than twin aisle travel (A350/B787)
- Knock on effect on airline fleet renewal and aircraft build rates, particularly with high oil price
- Composite heavy platforms mainly twin aisle, but sustainability means all new platforms will be composite

Market Outlook - Aircraft Deliveries

Boeing[108]											Year	Airbus[109]									
Deliveries per model									Deliveries	Orders		Orders	Deliveries	Deliveries per model							
707	717	727	737	747	757	767	777	787						A220	A300	A310	A320	A330	A340	A350	A380
			580	6		27	48	145	**806**	**893**	**2018**	747	**800**	33			626	49		93	12
			127	7		43	45	158	**380**	–87	**2019**	**768**	**863**	48			642	53		112	8
			43	5		30	26	53	**157**	–1026	**2020**	**268**	**566**	38			446	19		59	4
			263	7		32	24	14	**340**	479	**2021**	**507**	**611**	50			483	18		55	5
			145	3		8	9	0	**165**	107	**2022**	**191**	**237**	19			183	11		24	

YTD figures as at 29.06.22. Source: https://en.wikipedia.org/wiki/Competition_between_Airbus_and_Boeing

- Single aisle production down ~25% and also impacted by B737Max issue from 2019
- Twin aisle (composite focussed) production down ~50%
- Recovery continuing through 2023 and 2024

Sustainability - key to future aircraft demand

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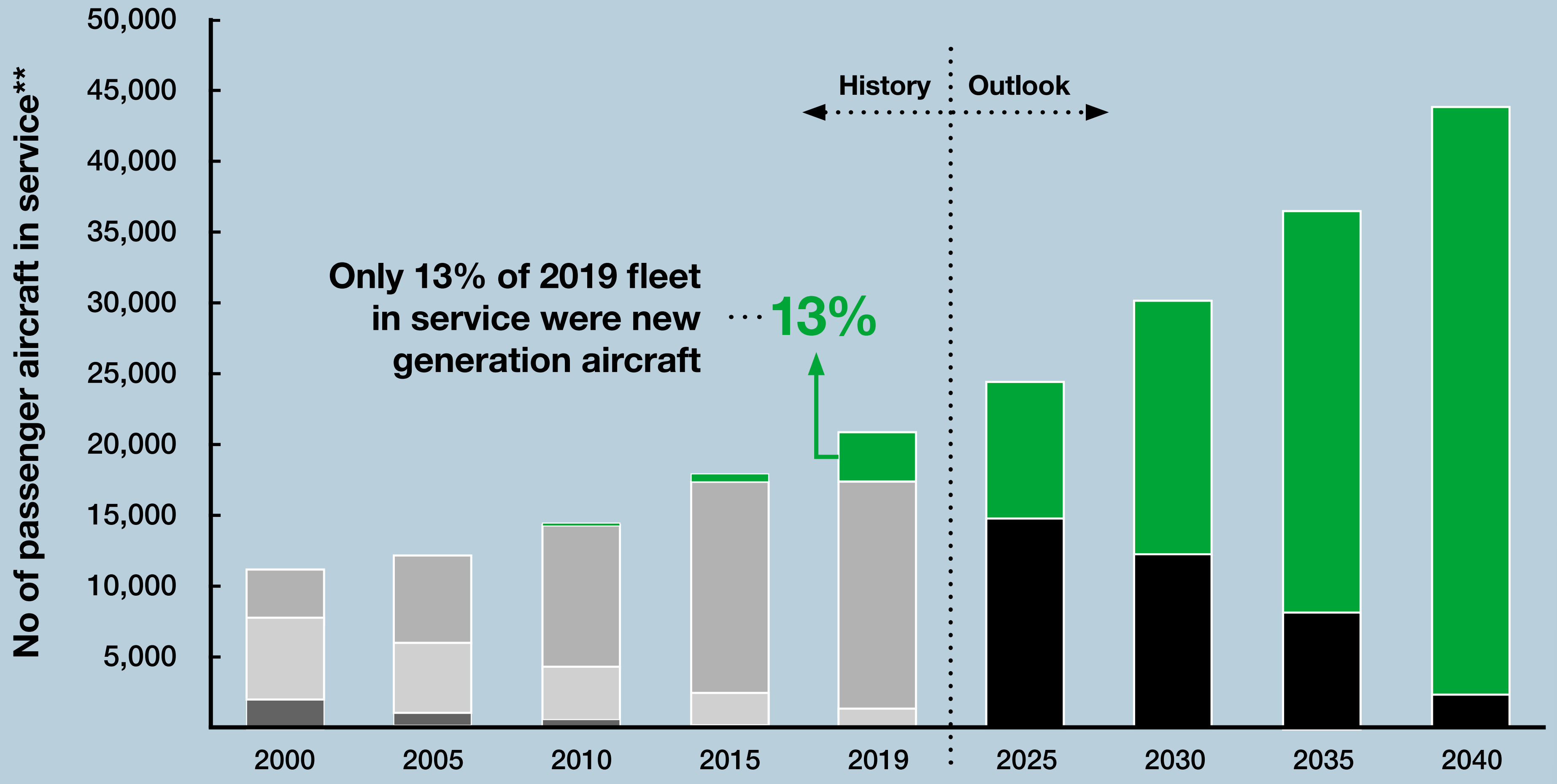
Passenger Aircraft Fleet Renewal - Transition to 'Net Zero'

New Generation Aircraft - 25% lower carbon footprint *



1ST + 2ND + PREVIOUS GENERATION AIRCRAFT**

NEW GENERATION AIRCRAFT**
AIRBUS: A220, A320neo, A330neo, A350
BOEING: 737max, 777x, 787,
& other new programmes

CURRENT VELOCITY PROGRAMMES

1ST GENERATION AIRCRAFT
Airbus: A300, DC9, DC10, 707, 727, 737, 747

2ND GENERATION AIRCRAFT
A310, MD11, MD80, MD90, 737, 747, 757, 767, F100

PREVIOUS GENERATION AIRCRAFT
A320 Fam., A330, A340, 717, 737NG, 747, 777

- Composites will play an important role in light weighting all new aircraft platforms, civil and defence
- Industry has clear strategy to net zero by 2050 – New Generation Aircraft
- Demand for composites will grow as older platforms are retired for new generation

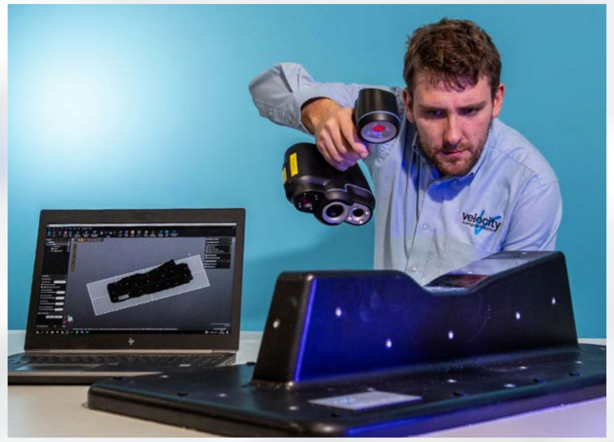
Source: Cirium, Airbus (www.airbus.com/en/products-services/commercial-aircraft/market/global-market-forecast - * page 13 & 21)
**** Western built passenger aircraft above 100 seats - pax aircraft only.**

Focus of H2

- UK new business expected to move into production as commercial and first article activities progress – improved utilisation of existing facilities
- Business development continuation in North America and Europe, with progress expected in H2 2022
- Planned investment in New Business and Technology teams timed with recovery and non-aerospace opportunities
- Full implementation of Digital Manufacturing Cell to permit ultra efficient material utilisation
- Service models increased to include:
  - Forward Stock Locations
    (manufacture in VC hubs but service based at customer sites)
  - Managed Service Model
    (manufacture & service from customer sites)
- Continue to develop new business in non-aerospace applications







Summary

- Increasingly strong new business pipeline, particularly North America
- Encouraging signs of recovery in core contracted business
- Investment in resource and people through period to support growth and technology innovation
- Implementation of internal technology and improved production rates to drive long term efficiencies
- Robust cash and liquidity
- Preparation for further underlying customer recovery and new business in both UK and North America

Appendices

Financial Highlights

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	HY 2022 £000	HY 2021 £000	FY 2021 £000
Revenue	5,864	4,439	9,767
Cost of sales	(4,487)	(3,323)	(7,228)
Gross profit	**1,377**	**1,116**	**2,539**
Admin costs	(2,002)	(2,110)	(3,903)
Exceptional admin expense	-	-	-
Other income	-	-	-
Operating loss	**(626)**	**(994)**	**(1,364)**
Finance expense	(84)	(65)	(182)
Loss before tax	**(710)**	**(1,059)**	**(1,546)**
Adjusted EBITDA profit/(loss) *	**(189)**	**(559)**	**(548)**

* Adjusted EBITDA is before charging Interest, Tax, Depreciation, Amortisation, adjusted for exceptional administrative costs and share based payment charge

- Revenue improvement of +32% driven by minimal pandemic impact on customers over the period and demand stabilisation
- Gross margin impacted -1.6% to 23.5% by contractual margin squeeze from end H1 FY21 negotiations and shorter term labour inefficiencies held to support recovery
- Loss before tax improvement of £0.3m and EBITDA +£0.4m, supported by sales improvement and lower Administrative overheads, partly due to Forex gains

Balance Sheet

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	HY 2022 £000	HY 2021 £000	FY 2021 £000
Non current assets	**2,487**	**2,683**	**2,830**
Current assets			
- Inventories	948	769	877
- Trade & other receivables	3,361	2,477	2,503
- Cash and cash equivalents	2,038	3,450	3,476
Current liabilities			
- Trade & other payables	1,255	1,444	1,058
- Loans and Net obligations under finance	775	662	823
Non current liabilities – Loans and Net obligations under finance leases	**2,859**	**2,590**	**3,238**
Net assets	**3,942**	**4,683**	**4,567**
Total equity attributable to equity holders	**3,942**	**4,683**	**4,567**

- Inventories increase +23% and Receivables +36%. Whilst much of this due to sales improvement of +32%, Inventories suppressed due to supply chain disruptions and Receivables higher due to:
  1. New payment terms since agreed with a new customer as part of a deal to access their supplier invoice discounting facility
  2. An overdue debt since resolved with customers
- Working capital investment driving cash movement of -£1.4m, although partly timing - cash position improved to £2.7m end June
- Trade payables decreased -£0.2m impacted by earlier payment terms required to keep within trade credit limits with material suppliers as sales increase

Cashflow Statement

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Net Cash / (Debt)	HY 2022 £000	HY 2021 £000	FY 2021 £000
EIS cash	0	742	0
Operating cash	(594)	708	844
CBIL cash	2,632	2000	2,632
Total cash	**2,038**	**3,450**	**3,476**
Loans (CBIL/HP/IDF)*	(2,529)	(2,000)	(2,514)
Net cash / (debt)	**(491)**	**1,450**	**962**

* Excludes Right of Use assets

- EIS funding now fully utilised in supporting growth and innovation
- Operating cash impacted by financial performance (-£0.2m) and invested in working capital as sales recover
- CBILS cash increase due to onboarding of additional asset-based financing partner, Close Brothers, and linked CBILS facility

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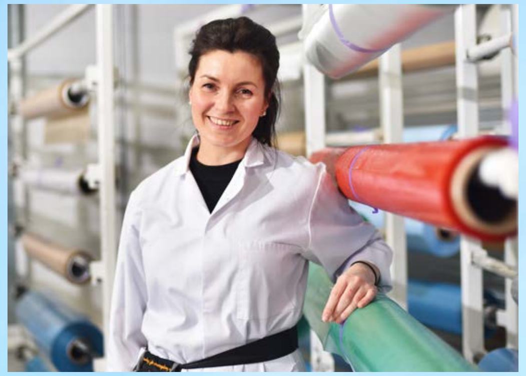
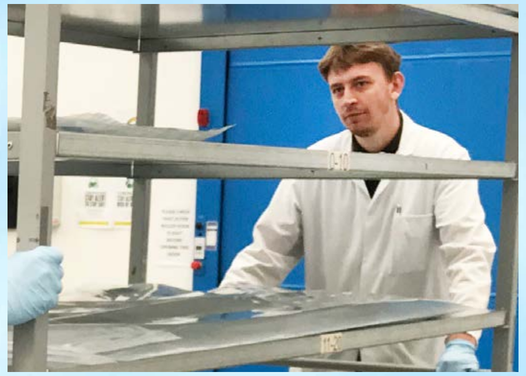
revolutionising composite manufacturing





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