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News Release

Velocys plc
("the Company")

Velocys and Bechtel collaborate on SAF project delivery solution for global markets

Developing the plans for innovative sustainable fuel production facilities in the UK and the US

Velocys plc (VLS.L), the sustainable fuels technology company, is pleased to announce the execution of a master relationship agreement ("MRA") with Bechtel Limited ("Bechtel"), one of the world's most respected engineering companies. The MRA sets out a route map for the parties to collaborate with each other with the objective of developing an EPC execution model for the Company's sustainable fuels projects.

This collaboration will initially focus on Velocys' two main reference projects - Altalto Project in Immingham, UK and Bayou Fuels Project in the US - and the recently announced e-Alto power-to-liquids project in the UK, all subject to the terms of future contracts. However, the MRA also covers other third-party projects that may be introduced by either Bechtel or Velocys.

Under a separate continuing technical services agreement, Bechtel is providing front end project engineering and other technical services to support the development of Velocys' Sustainable Aviation Fuel ("SAF") project portfolio. In particular Bechtel is preparing to commence work on delivery of the Altalto Project Front-End Engineering and Design phase ("FEED") following the recent UK government grant funding of up to £27 million awarded to Velocys.

Henrik Wareborn, CEO of Velocys, said:

"The master relationship agreement with Bechtel is an important step towards the provision of world class EPC capability and capacity to the expanding Velocys project portfolio. Bechtel is one of the world's most respected engineering companies. Working with Bechtel will give added value to current and future clients with respect to successful project delivery."

Paul Marsden, President, Bechtel Energy, said:

"We are committed to supporting revolutionary energy transition projects designed to reduce global carbon emissions. As part of Bechtel's portfolio in sustainable fuels, we are excited to collaborate with Velocys and look forward to realising the potential of these facilities to introduce sustainable fuel options for global markets."

Certain information contained in this announcement may constitute inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

For further information please refer to the Notes to Editors or please contact:

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Notes to Editors

Velocys is an LSE-listed, international sustainable fuels technology company, traded on the AIM, providing customers with a technology solution to enable the production of negative Carbon Intensity synthetic, drop-in fuels from a variety of waste materials. Synthetic fuel is the only commercially available, permanent alternative to fossil aviation fuels. The Velocys technology is IP-protected in all major jurisdictions.

Two reference projects (Bayou Fuels, US, and Altalto, UK) are designed to accelerate the adoption and standardise the Velocys proprietary Fischer Tropsch (FT) technology with an integrated end to end solution, including renewable power and carbon sequestration.

Velocys is enabling commercial scale synthetic fuel production in response to the clean energy transition, with significant additional positive air quality impacts.

www.velocys.com

Altalto Project, Immingham, UK

The Altalto Immingham Project is a joint development between Velocys and British Airways. The plant will have a nameplate capacity of approximately 80 million litres/year of SAF and naphtha, with negative Carbon Intensity, made from residual commercial and municipal solid waste. Altalto Immingham will also produce a concentrated stream of carbon dioxide ready for sequestration. In December 2022, Altalto was awarded a grant of up to £27 million by the UK Department for Transport ("DfT"), subject to matched funding, to deliver the Front End Engineering Design stage of the project, ahead of construction to begin in 2025.

Bayou Fuels Project, Natchez, Mississippi, US

This plant is expected to produce approximately 125 million litres/year of sustainable aviation fuel (SAF) and naphtha, with negative Carbon Intensity, made from woody biomass residues from the pine plantations in the counties surrounding Natchez, Mississippi. The project includes the use of renewable power and sequestration of the plant's by-product carbon dioxide. The sustainable fuels produced from the facility will meet all requirements and regulations to be sold in the US generating Federal and State credits under RFS-2 and the relevant State Low Carbon Fuel Standards.

The Bayou Fuels project has a 15-year fixed price offtake agreement with Southwest Airlines, which, together with a further MOU for a 10-year fixed price offtake, account for in aggregate 100 per cent of the SAF produced and underwrites a floor on certain credits.

e-Alto Project, UK

Velocys was also awarded a grant of up to £2.5 million by the DfT for the e-Alto project in December 2022. This allows Velocys and its partners to conduct feasibility, technical validation, site selection and pre-FEED engineering for a plant to produce SAF from carbon dioxide and hydrogen made using renewable (decarbonised) electricity, in the UK.

About Bechtel

Bechtel is a trusted engineering, construction and project management partner to industry and government. Differentiated by the quality of our people and our relentless drive to deliver the most successful outcomes, we align our capabilities to our customers' objectives to create a lasting positive impact. Since 1898, we

have helped customers complete more than 25,000 projects in 160 countries on all seven continents that have created jobs, grown economies, improved the resiliency of the world's infrastructure, increased access to energy, resources, and vital services, and made the world a safer, cleaner place.

Bechtel serves the Energy; Infrastructure; Manufacturing & Technology; Mining & Metals; and Nuclear, Security & Environmental markets. Our services span from initial planning and investment, through start-up and operations.

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