Q3 / 2023

Shareholder Letter

Dear Vertical Aerospace Shareholders

Q3 brought invaluable learnings as we continued to rigorously pursue our plan to bring the VX4 to market, progressing with the build of our next, significantly more advanced full-scale VX4 prototype, advancing and honing our proprietary battery technology and propeller design, deepening our relationships with our regulators and suppliers and strengthening our Joint Working Groups with our customers.

Upgraded Second Full-scale Prototype Build Remains On Track

Build of our second full-scale VX4 prototype by Vertical's engineering team is well underway at GKN Aerospace's Global Technology Centre (GTC). Our first VX4 prototype was assembled primarily without our strategic industrial partners. However, this new demonstrator is significantly more advanced, with the power of our unique tier-one aerospace ecosystem being brought to bear on this prototype. The aerospace partners that have collaborated with us on this second prototype are:

- → GKN Aerospace – electrical wiring interconnection system (EWIS)
- → Hanwha – blade pitch mechanisms
- → Honeywell – avionics and flight controls
- → Leonardo – fuselage
- → Molicel – cells for our proprietary battery packs
- → Solvay – composite external material

This prototype will also incorporate the advances we have made with in-house technology, including our next generation propellers and our proprietary battery packs. We expect this new VX4 prototype to be flying early in 2024, and we are planning for a subsequent identical twin prototype to be built and operational in the second half of next year. The fact that we are building a twin aircraft underscores our confidence that we have an optimized design and partner ecosystem to ramp up our testing capabilities as we progress towards certification.

Public VX4 Flight Demonstrations

It is critical to build public acceptance of eVTOLs in the coming years. Part of proving out these quiet, zero operating emissions aircraft is exhibiting them. Consequently, we intend to perform multiple public flight demonstrations of the VX4 with a pilot on board in 2024. These planned public flights include:

1. to and from Heathrow, one of the world's busiest airports
2. our intention to display and fly at the Farnborough International Airshow (FIA), the most significant aerospace event of the year
3. at a new Skyports Infrastructure "Living Lab" vertiport in the south of England and
4. we are also working on plans for a high-profile public flight featuring an iconic UK landmark – with more details to come soon.

We are confident in our ability to conduct these demonstrations due to our ongoing systems and structural testing, and our successful summer 2023 thrustborne flight test campaign during which the first VX4 prototype:

- – was put through challenging conditions, with the flight control system handling all conditions successfully,
- – conducted 18 take-offs and landings,
- – reached our target speed of 40kts,
- – surpassed expectations for flight stability in challenging conditions by maintaining stable hover in ground effect at up to 10kts crosswind,
- – and exceeded our performance targets by 10-30%.

I now have much higher expectations of this second new and upgraded VX4 demonstrator.

Testing Begun for Permit to Fly

With build of the next aircraft underway, we are also focussed on the testing required to receive our next Permit to Fly. As we have previously stated, receiving a Permit to Fly from the CAA is ostensibly a mini-certification process for our VX4 prototype.

In Q3 our airworthiness team has developed our flight clearance strategy for this prototype, which contains plans to verify 300 flight clearance requirements explained in 75 documents for CAA review. In addition to this, over Q4 the engineering organisation will be verifying ~5000 design and safety requirements. With testing conducted at our state-of-the-art test facilities – the Vertical Integrated Test Labs aka our 'Iron Bird', Flight Test Centre and Vertical Energy Centre (VEC) - by our world class engineering team, we will substantiate that the aircraft meets the regulator's requirements and is safe to operate in the UK's skies. We expect this testing to allow for the smooth application of our Permit to Fly after the build and commissioning phase is complete. The subsequent pages detail the flight test phases as we build to our planned public flight test demonstrations.

Leading Aerospace Battery Facility

This quarter, we entered "Delta Build", the final build cycle of our proprietary battery backs for our next prototype VX4. I have been delighted by the feedback received from our customers, suppliers, and regulators over the level of detail, rigour and transparency shown when visiting the VEC and witnessing the development of our proprietary battery packs. We opened the VEC, our multi-million-pound state-of-the-art, 15,000ft^2 dedicated aerospace battery facility, in early 2023, and I could not be prouder of the pace of progress the team has delivered, with further details on the subsequent pages of this letter.

Flight Test Incident

As previously disclosed, our first VX4 prototype was involved in an incident in August. Since then, we have matured significantly as an aerospace engineering company. Our work following this event has made me even more confident in our team, in our commitment to openness, and in our ability to incorporate fast learnings without disrupting our timetable - from submitting our preliminary report to the UK's Air Accidents Investigation Branch (AAIB) within 14 days of the incident to the invaluable insights we have taken from this into the design of our certification aircraft. We are pleased to have submitted our final report on 31 October, which further validates our initial August findings, and we expect the AAIB to deliver its report in due course. Thereafter, we intend to provide the industry with further information, so we can share our new understanding, derived from the incident, to ensure the wider sector benefits.

Our Strategy

We believe our clear strategy to aircraft development – working with our tier-one aerospace ecosystem – is the best possible strategy, and enables our lean and less capital-intensive plan, as demonstrated by our continued controlled quarterly spend of £22m.

Our efficient capital spend is combined with a distinct pathway to revenue generation and profitability in focusing on only being a clear-cut OEM, backed by our leading pre-order book of over $5bn from our broad customer base of airlines, aircraft lessors, helicopter operators, tourism groups, business aviation and mobility platforms.

Stuart Simpson recently joined as our Chief Financial Officer, having had a successful career in automotive, logistics and tech and will be instrumental steering the business through our capital raise and seeing us through to commercialisation. Stuart shares my belief in our business model, and we remain focussed on raising new funds in 2023, with our current cash runway taking us towards the end of Q3 2024.

Stuart joins our world-class team led by Eduardo Dominguez Puerta, our COO, and David King, our Chief Engineer, who each have decades of experience in aircraft development, certification, and delivery, and are working together with our aerospace suppliers on our next VX4 prototype. I very much look forward to seeing the aircraft in flight in the months ahead.

Stephen Fitzpatrick
Founder & CEO

Public Piloted Flight Demonstrations

For electric aviation to succeed it is important that the public see it flying in places and ways that they can intuitively understand. Vertical is, therefore, planning public flight demonstrations with our VX4 prototypes over the coming years. With the appropriate regulatory approval from the CAA, our flight tests will be crewed with a pilot in the cockpit throughout 2024.

As part of our intensive flight test campaign, our expert test pilots will be conducting, what is expected to be, the first ever public eVTOL flight demonstrations in the UK – the first time the public has a chance to see the VX4 in person.

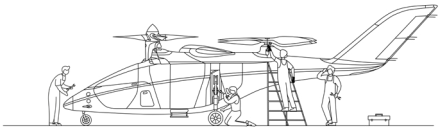
One of these demonstrations will build on the success of our display at Farnborough International Airshow last year, as we intend to fly at the Airshow in July 2024. Farnborough Airshow is the largest aerospace event of the year and thus a major platform to demonstrate the VX4.

In 2022, the UK-Government awarded £9.5m in funding to a British consortium including Vertical to develop a first-of-its-kind UK AAM ecosystem. This 'Future Flight Challenge 3' consortium is in collaboration with Virgin Atlantic, Heathrow Airport, Skyports and NATS, among others. The highlight of the Challenge is crewed flight demonstrations. In 2024, the consortium plans to fly to and from Heathrow Airport. Flying the VX4 from one of the world's busiest airports to a site on the outskirts of London will help demonstrate end-to-end operations that will drive the development of a commercially viable AAM network in the UK.

Further piloted demonstrations are also planned at a new Skyports Infrastructure "Living Lab" vertiport in the south of England, which will be used to test for ground, passenger and air operations during the project. Vertical's participation in these UK-Government backed projects will play a key part in maintaining the UK's leading position in the future of aviation and the introduction of zero-operating emissions air travel in the country.

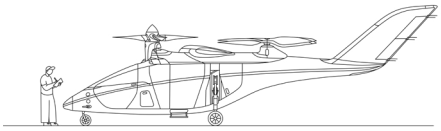
Vertical is also working on other public demonstrations of its aircraft's capabilities, including flying at the World Expo in Osaka with Marubeni and the Korean Government's Grand Challenge with Kakao. We plan to announce further demonstration flights as we go through 2024.

Introducing 2024's Intensive Flight Test Programme



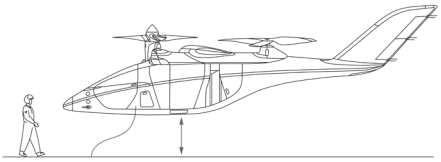
Phase 1 – Build and Commissioning

The second VX4 prototype is being built through Q4 2023 at our partner GKN's Global Technology Centre with commissioning to take place in Q1 2024. Our subsequent identical twin prototype will be built in H2 2024.



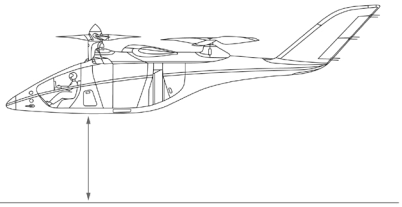
Phase 2 – Permit to Fly

The UK CAA will conduct a rigorous evaluation of our engineering, design, test data and aircraft. The regulator will approve the aircraft's flight test programme by phases, after issuing a Permit to Fly.



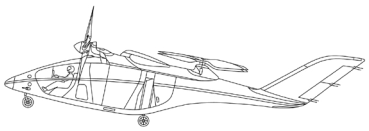
Phase 3 – Crewed Ground Tests & Tethered Hover

These tests will confirm the aircraft's handling characteristics and performance in the low-speed regime. Correct systems operation and confirmation of expected structural response will also be evaluated..



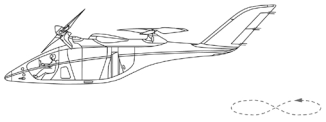
Phase 4 – Crewed Thrustborne

Thrustborne flight tests, up to transition speeds, will support design requirements and validate models from the first full-scale prototype's thrustborne campaign, as well as further data collection to support the expansion of the flight test envelope.



Phase 5 – Crewed Wingborne

Conventional take-off and landing testing (C-TOL) to evaluate handling qualities and performance. We will expand the speed envelope and establish a 'safe' envelope from where we can more safely evaluate the transition regime.



Phase 6 – Crewed Transition

This final test phase ensures that the VX4 is fully capable of safely and efficiently completing end-to-end AAM flight profiles and will validate the full flight physics of the aircraft.

Phase 7 – Crewed Demonstrations

With the full flight test envelope evaluated, crewed demonstration flying will be conducted to show audiences the VX4's impressive capabilities live and in person.

Introducing Our Test Pilots

In preparation for having two VX4s flying in 2024, we are growing our test pilot team. Our world-class test pilot team have decades of experience to help them prepare for the intensive flight test programme which we will undertake next year, as we progress rapidly through to certification. In recent weeks, two highly experienced pilots, Paul Edwards and Paul Mulcahy have joined Jif and Simon, our 'resident' and very experienced test pilots here at Vertical, so we thought we would introduce our shareholders to those that will be in the cockpit flying the VX4.

	Background	Why I joined Vertical
Justin "Jif" Paines	Flown and evaluated most front line fighter aircraft including all marks of Harrier, the Jaguar, F-16, all variants of the X-35 JSF concept demonstration aircraft. Led the VAAC Harrier experimental aircraft programme for eight years, developing the Unified Flight Control system, adopted for the Joint Strike Fighter. In the eVTOL world have flown both the Joby Aviation S-4 and Vertical Aerospace VX4.	*We stand at the forefront of a new and exciting era in aviation, where eVTOL will allow people the freedom to move: bringing loved ones together, freeing people from the frustrations of congested and unreliable travel, and clearing our skies of pollution and CO2. To be a part of this revolution, and to ensure it is done right with a new paradigm in flight safety, is the ultimate privilege.*
Simon Davies	Flown and evaluated Tornado GR4 aircraft, Airlander 10 hybrid airship, and Vertical Aerospace VX4. Trained with UK RAF and US Naval Test Pilot's School; current flight instructor, vintage aircraft display pilot. 68 aircraft types, 3,300hrs flown.	*I joined Vertical four years ago to help revolutionize aviation with electric propulsion, and I love solving complex engineering challenges with our team. Being able to do this on a path towards sustainable aviation is a real privilege, and something my family cares about too.*
Paul Edwards	Flown, evaluated and developed Leonardo/ AgustaWestland's AW609 tiltrotor and several helicopters. Trained at Royal Navy and ETPS; 100+ aircraft types & 7000 hours flown. Awarded the Kincheloe Award in 2014 for outstanding flight-test achievement on the AW609.	*My test pilot career has been a series of challenges from assessing the Chinook helicopter at altitude to flying power-off autorotations in the world's first civilian tiltrotor. The opportunity to be involved in the future of world aviation and the future of the UK aviation industry was something I could not ignore!*
Paul Mulcahy	Flown the first flight of the Pilatus PC-24; and subsequent development of both PC-24 and PC-12-NGX aircraft. Previously, as Chief Test Pilot for the CAA, flew evaluation and certification flights on many global Part 25 and Part 23 aircraft. Active in PFA/LAA/BMAA sport aviation. Trained with UK RAF and ETPS. 12,600 Flt hours, 240+ aircraft types. Current Flight Test Instructor, TRI/TRE on PBY5A Catalina.	*I have recent experience in the eVTOL world and jumped at the opportunity to be involved with this exciting innovative project.*

Prototyping & Testing

Vertical Integrated Test Labs

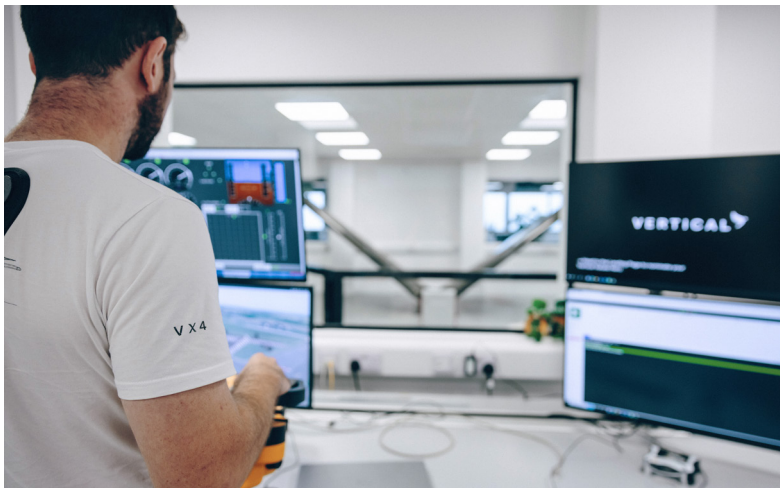
We have been enhancing our Vertical Integrated Test Labs (VITL) at our Bristol HQ over recent months. The VITL is a series of modular test rigs that are compatible with one another, allowing for different rigs to run as standalone entities or together as a full-scale whole aircraft hardware-in-the loop (HIL) test asset, aka an 'Iron Bird'.

The VITL is, in effect, the entire ground test vehicle, representative of the VX4 prototype aircraft. The facility provides a secure environment to perform safety testing of different systems' integration and the interactions between these systems using real aircraft hardware and software. The VITL includes the VX4's flight controls system, avionics, actuators and powertrain system which includes a motor in the loop.

This means, for instance, that when the real flight control computers are online and integrated within the VITL and receiving commands, they are behaving just as they would when they are on the actual aircraft. It is not a simulation. The flight control computers believe they are flying a real aircraft as the VITL is interacting with all the actual component aircraft parts e.g. actuators, EPUs, sensors etc. with representative flight dynamics.

Having the VITL is critical to our efforts to test the VX4 to ensure it will be certified to the highest safety levels in aviation. HIL testing enables the purposeful injecting of faults and errors into critical systems, to see how the aircraft will behave in flight upon the occurrence of such fault or error, without endangering the pilot or damaging the aircraft. This testing was essential in receiving our Permit to Fly from the CAA in late 2022 to allow for flight clearance with our first VX4 prototype.

The VITL has recently been upgraded with the technology from the first VX4 prototype including its actuators, empennage and inceptors. The upgrade to the VITL has significantly broadened its testing capabilities and elevated its level of integration. These enhancements will generate further reliable test data and demonstrate smooth multi-system integration enabling further flight clearance tests with our subsequent prototypes and certification evidence.



Photos of the Vertical integrated Test Labs

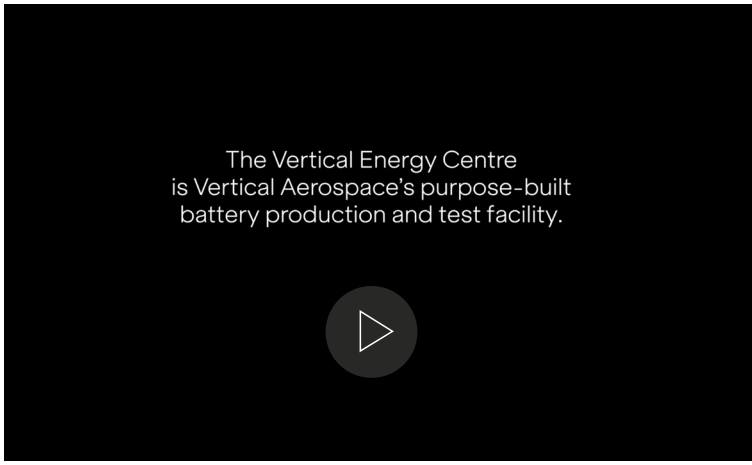
The Vertical Energy Centre

We are developing significant intellectual property around our proprietary battery design. We are aiming for entry into service with a 220Wh/kg battery enabling the VX4 to conduct back-to-back missions, with fast-charging cycles in-between, and minimised impact on the battery packs' cycle life.

The Vertical Energy Centre opened in early 2023, with the Vertical battery team pushing the boundaries of what is possible with batteries in aerospace application over the last 12 months. With the VEC in full operation, we now have the in-house capability to design, develop and manufacture our proprietary battery packs for our next prototypes and the certification aircraft. We began the work on the battery packs for our second VX4 in September 2022 with "Alpha Build". This quarter we began "Delta Build": the fourth and final build iteration of our battery packs for our second prototype aircraft.

Battery Testing in 2023

- >2million hours of electrical testing at cell, module and pack level
- Built and tested 85 battery modules and 3 full sub-packs for our second prototype VX4
- 100 hours of vibration tests at system and full-battery scale
- >30 thermal propagation tests, of three full-scale battery design iterations



Battery Testing Development Milestones

Alpha:
– Early in the development cycle to down-select design concept.
– Rapid design and concept iteration and parts prototyping.
– Finalising the requirements for the second full-scale prototype aircraft after working with the UK CAA and receiving Permit to Fly for first prototype VX4.
– This cycle includes component level testing including cell testing and key manufacturing process trials.
– Critical design risk assessment, for example mechanical performance assessments of modules to de-risk design concept.

Beta:
– Full battery pack concept builds and establishment of controlled build processes.
– Moving from component level testing to module and pack level testing with non-representative materials, such as 3D printed parts, to electrically and mechanically test design concept before design freeze.

Gamma:
– Working with the frozen design and representative materials and manufacturing processes on the modules that will house the Molicel cells.
– De-risk flight design packs with full pack testing.
– Final manufacturing tools used to produce identical parts at volume and quality required.

Delta:
– The final build cycle, incorporating final build process and design tweaks.
– Ready to and able to build aircraft parts.
– Conducting verification testing to support the verification evidence deck for the next VX4 prototype's Permit to Fly from the UK CAA.

Certification Progress

Basis of Certification Confirmed

Our home regulator, the Civil Aviation Authority (CAA) has accepted our proposed Certification Basis and, in September, issued the initial CRI-A-01, the equivalent of the U.S.'s Federal Aviation Administration's G-1. Our CRI-A-01 includes SC-VTOL and is the basis on which we need to develop and certify our VX4 aircraft; over time as we develop our Means of Compliance this will be added as an appendix to our CRI-A-01. While we will likely see adjustments to this basis along the journey to Type Certification, this is an important milestone as we deepen our relationship with the CAA, our home regulator, and make progress against our programme goals as we continue to target Type Certification in late 2026.

This maintains the progress we are making on our certification pathway, after receiving our Design Organisation Approval earlier this year from the CAA, and formally confirming our certification efforts with international aviation regulators with Japan Civil Aviation Bureau (JCAB) and the National Civil Aviation Agency of Brazil. In total, we are advancing our certification with five regulators, the other two being the European Union Aviation Safety Agency (EASA) and the FAA.

FAA and EASA Technical Familiarisations

The certification team completed the initial VX4 Technical Familiarisation meeting with both the FAA and EASA. This comes after completing the same exercise earlier in the year with the CAA. During these sessions we introduced the VX4 separately to FAA and EASA specialists, with Vertical panel specialists providing a thorough description of the aircraft systems and structures.

The completed objective was to provide sufficient knowledge of the aircraft and establish the initial certification basis and certification and validation timeline in both territories. We also took the opportunity to present the flight test incident debrief, which was welcomed by the regulators. The CAA was present at both meetings and and they will be present at the further Technical Familiarisation scheduled with JCAB in December.

The steps for the VX4 reaching Type Certification are:

Step	What it means
1. Develop Standard	Regulator writes rules – EASA publishes SC-VTOL & Acceptable Means of Compliance July 2019
2. Regulator Confirms Standards	Regulator sets rules – CAA adopted SC-VTOL June 2022
3. Basis of Certification	Regulations and standards the VX4 will meet – issued in CRI A-01, which includes SC-VTOL, agreed by the CAA in Sept 2023
4. Confirm Capability	Organisation Competence, Design Assurance & Procedures – DOA received March 2023
5. Technical Familiarisation	Joint groups with the CAA, FAA and EASA commenced in H2 2023, with JCAB scheduled for December 2023
6. Means of Compliance & Test Plan	Means of Compliance added to CRI A-01 Appendix and defined certification plan to be agreed with the CAA
7. Compliance Demonstrations & Testing	Conducting the structural, systems & flights tests in the defined certification plan
8. Type Certification	Final Step – Technical closure with the CAA

Civil Aviation Authority of Malaysia visit

As part of our work with our customer AirAsia, we continued our ongoing engagement with the Civil Aviation Authority of Malaysia (CAAM). In October, we hosted a visit from Captain Norazman Mahmud, CEO of the CAAM our various sites across the Southwest of the UK.

The visit provided an opportunity to share further updates on our progress and discuss aircraft type validation, flight standards and pilot licensing for Malaysia, on behalf of AirAsia who has pre-ordered a minimum of 100 VX4 via Avolon, our customer and the world's second largest aircraft lessor. Captain Norazman was impressed with what we were able to show him and expressed support for Vertical and Air Asia's launch in Malaysia. We intend to advance our discussions on potential cross-border operations during the EU-Asia safety conference in Singapore in November.

Captain Norazman and colleagues visiting our Bristol HQ

Hanwha

Hanwha Aerospace (Hanwha) is part of our tier-one aerospace ecosystem and we have a deep collaboration that includes the development and certification of the electro-magnetic actuation (EMA) and the tilting and blade pitch systems for the VX4.

Hanwha is a leading aircraft engine and advanced machinery manufacturer and provide over four decades' industrial expertise, accumulated by numerous civil and defence aerospace programs.

Our partnership with Hanwha Aerospace began during the 2022 Farnborough International Airshow where we signed the first long term development, supply and production agreement for the VX4. Hanwha furnished Vertical with a dedicated engineering team that since contract signature have worked closely together learning from the prototype development and building upon the original statement of work for the aircraft actuators.

Photos of the Vertical and Hanwha LTSA signing in Seoul in October

It was by working and learning together that led to the increase in scope and the revised Long Term Service Agreement (LTSA) to include the actuation systems, during the Seoul International Aerospace & Defense Exhibition (ADEX 2023) in October 2023. Hanwha has now provided Vertical with an engineering support team in Bristol and, together with the Vertical Engineers, are refining the design criteria and specifications for the development phase.

This collaborative approach, using Hanwha's aerospace pedigree and reaching back into the full resources at their disposal in South Korea, will ensure the speed needed to keep the VX4 programme moving at pace.

Son Jae-il, CEO of Hanwha Aerospace said

"The trust relationship between the two companies has been firmly established by participating in the development of EMA and demonstration aircraft. The expansion of our business with Vertical to include a top electric actuator system is excellent as Hanwha has been recognized for our competitiveness in system technology in the future mobility field."

Go to Market

Customer Networks

Our customers are at the forefront of commercial eVTOL services in priority markets such as the UK, US, Western Europe, Brazil, Japan and South Korea. Together they have pre-orders for VX4 pre-orders worth over $5bn.

Spanning four continents, our diverse customer base serves over 1000 destinations and transports hundreds of millions of passengers annually, representing 8% of global revenue passenger volumes. They are a mix of major airlines, both network and low cost, large helicopter operators, business aviation, aircraft lessors and mobility service providers. All are leaders in their industry. Consequently, our customers all bring distinctive strengths – top tier consumer brands, industry defining safety records, operational know-how and digital expertise.

We are delighted that all our customers have extended their MOUs in anticipation of Master Purchase Agreements as Vertical achieves design and regulatory programme milestones. We continue to work closely with customers bilaterally in a regular frequency of Joint Working Groups and by bringing all our partners together through our Vertical Pioneers Focus Groups.

Through this collaboration customers have developed and shared details for around 500 launch routes. Together, we have validated the economics, operations, permissions and support needed for these initial networks. Customers can in turn verify, benchmark and refine their business plans from learning from this wider customer peer group. By working in this way, we gain insights into real world validated data on crucial aspects for our aircraft, such as mission profiles, passenger load factors, pilot requirements, aircraft ergonomics and utilization, operating costs and performance expectations. We believe this will lead to a better VX4 aircraft for our customers and their passengers.

Bristow · AVOLON · American Airlines · GÖZEN AIR SERVICES

GOL · iberojet · JAPAN AIRLINES · Marubeni

airasia · FLYINGGROUP · virgin atlantic · kakaomobility

GOL Linhas Aéreas Inteligentes (NYSE: GOL) is the largest airline in Brazil, leader in the corporate and leisure segments, flying more than 27 million passengers per year, through 600+ daily flights on average, operating in 60 Brazilian airports and in 23 international destinations.

Since it was founded in 2001, GOL has the lowest unit cost in Latin America democratizing air transportation. GOL has a team of 13,900 highly qualified aviation professionals focused on Safety, the airline's #1 value, and operates a standardized fleet of 141 Boeing 737 aircraft. In September 2021, GOL committed to purchasing or leasing up to 250 VX4s from Avolon, Vertical's aircraft leasing partner, to introduce electric aviation to Brazil.

GOL has partnered with Corporación América Airports (NYSE: CAAP), one of the leading private airport operators in the world, for eVTOL infrastructure. CAAP has a special team dedicated to the research and development of AAM and has already developed its own conceptual vertiport design.

Future Routes

GOL sees three primary use cases for commercial VX4 operations:

1. Between airports in the same city
2. Between airports and city centres
3. Non-airport routes within cities or between population centres, which may link into airport routes

GOL has a network design process that leverages its local insights including analysing the markets in Brazil where helicopter air taxi services already exist on a meaningful scale. Existing helicopter infrastructure on the ground and in the air means that Brazilian markets will have lower start-up operational risks and costs.

Render of a vertiport with a GoI liveried VX4

São Paulo is one of the first places GOL believes it will fly the VX4. The city has one of the largest helicopter markets in the world, with 260 helipads. GOL's considerations that have led to beginning VX4 services in São Paulo include demand opportunities, as well as the right infrastructure. Detailed network mapping has generated four clear routes that GOL is proposing in São Paulo:

1. **CGH – GRU (28.8km):** Connecting São Paulo's two main airports is a strategic necessity. Many travelers often need to transfer between the domestic airport (CGH) and the international one (GRU), and the current ground transportation can be slow and unreliable due to heavy traffic.
2. **CGH – Santos (51.4km):** Offering a rapid connection from CGH to the coastal region of Sao Paulo, this route is posted to be a game-changer for weekend getaways and business travelers alike.
3. **South Zone – GRU (27.4km):** Similar to the first route, this will cater to international travelers originating or ending in the business hub of the South Zone, making their journey more streamlined.
4. **Alphaville – South Zone (18.5km):** Alphaville is an affluent residential and business region and a direct connection to the South Zone (Faria Lima) can be attractive for daily commuters, business travelers and visitors.

Financials

It has been a great pleasure to join Vertical and learn from and work with the amazingly talented men and women within the business. Whilst I have previously had a career in automotive, logistics and tech, learning about aerospace and the VX4 has and continues to be absolutely fascinating. My first weeks have emboldened my enthusiasm for Vertical and its clear approach to aircraft development and future revenue generation. The focussed OEM approach, a team of world class engineers, combined with working with the best in class aerospace companies and backed by a tremendous roster of globally recognised carriers supports my belief that we have a formula for success in the coming years.

We have continued to maintain a disciplined capital spend as we have in past quarters, reporting an unaudited net operating loss of £22m for the three months ended September 30, 2023, compared to a net operating loss of £19m for the three months ended September 30, 2022.

As of September 30, 2023, we have cash and cash equivalents totalling £74m. This funding is sufficient to reach our goals through towards the end of Q3 2024, including the delivery of our next two VX4 prototypes and accelerating our intensive flight test campaign, which we believe should meaningfully raise our profile. As Stephen writes, we are both focussed on our plan to raise capital in 2023.

I look forward to supporting Vertical and driving it forward as we deliver against our test, certification and commercial goals in the years ahead.

Stuart Simpson
CFO

Vertical's Attendance at Upcoming Conferences

NYSE Industrials Conference
Virtual
November 14–15, 2023

Barclays Global Automotive and Mobility Tech Conference
Virtual
November 29–30, 2023

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements as contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Any express or implied statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements, including, without limitation, statements regarding the design and manufacture of the VX4, our future results of operations and financial position, including with respect to the fourth quarter of 2023, our plans for capital expenditures, our business strategy and plans and objectives of management for future operations, including the building and testing of our prototype aircrafts on timelines projected, certification and the commercialization of the VX4 and our ability to achieve regulatory certification of our aircraft product on any particular timeline or at all, the features and capabilities of the VX4, the preliminary results of the investigation into the experimental prototype aircraft flight test incident, expectations surrounding pre-orders and commitments, expected financial performance and operational performance, liquidity, growth and profitability strategies, our ability and plans to raise additional capital to fund our operations and related timing on acceptable terms, or at all, including, as a result of adverse market conditions, market volatility of our share price or heighted risk of significant dilution from the conversion feature of our convertible note subscription agreement, our plans to mitigate the risk that we are unable to deliver on our communicated business plan and to and continue as a going concern, as well as statements that include the words "expect," "intend," "plan," "believe," "project," "forecast," "estimate," "may," "should," "anticipate," "will," "aim," "potential," "continue," "are likely to" and similar statements of a future or forward-looking nature. Forward-looking statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties that could cause actual results to differ materially from those projected, including, without limitation: our limited operating history without manufactured non-prototype aircraft or completed eVTOL aircraft customer order; our history of losses and the expectation to incur significant expenses and continuing losses for the foreseeable future; the market for eVTOL aircraft being in a relatively early stage; our potential inability to produce, certify or launch aircraft in the volumes or timelines projected; the potential inability to obtain the necessary certifications for production and operation within any projected timeline, or at all; any accidents or incidents involving eVTOL aircraft could harm our business; our dependence on partners and suppliers for the components in our aircraft and for operational needs; the potential that certain strategic partnerships may not materialize into long-term partnership arrangements; all of the pre-orders received are conditional and may be terminated at any time and any pre-delivery payments may be fully refundable upon certain specified dates; any circumstances; the inability for our aircraft to perform at the level we expect and may have potential defects; any potential failure to effectively manage our growth; our inability to recruit and retain senior management and other highly skilled personnel, our ability to raise additional funds when we need or want them, or at all, to fund our operations; our limited cash and cash equivalents and recurring losses from our operations raise significant doubt (or raise substantial doubt as contemplated by PCAOB standards) regarding our ability to deliver on our communicated business plan and to and continue as a going concern; we have previous identified material weaknesses in our internal controls over financial reporting which if we fail to properly remediate, could adversely affect our results of operations, investor confidence in us and the market price of our ordinary shares; as a foreign private issuer we follow certain home country corporate governance rules, are not subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company; and the other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") on March 22, 2023, as such factors may be updated from time to time in our other filings with the SEC. Any forward-looking statements contained in this press release speak only as of the date hereof and accordingly undue reliance should not be placed on such statements. We disclaim any obligation or undertaking to update or revise any forward-looking statements contained in this press release, whether as a result of new information, future events or otherwise, other than to the extent required by applicable law.