VERTICAL AEROSPACE ANNOUNCED CLOSING OF UPSIZED $90M UNDERWRITTEN PUBLIC OFFERING

News / Finance, Manufacturer

Vertical Aerospace announces the closing of its previously announced underwritten public offering for total gross proceeds of $90 million, before deducting underwriting discounts and commissions and other offering expenses. The amount raised was increased from an initial launch target of $75 million, reflecting strong investor demand. The $90 million raise includes over $60 million from new investors, as well as $25 million from Mudrick Capital, following the signing of the investment agreement on December 20, 2024. The Investment Agreement, aimed at strengthening Vertical's balance sheet and accelerating the Company's Flightpath 2030 strategy, also included the conversion of $130 million of debt into equity.

Stuart Simpson, CEO of Vertical, commented: "I couldn't be more thrilled with how we've started the year. This funding, which exceeds our initial launch target, represents a major milestone for our business as we advance our Flightpath 2030 strategy, building on significant operational momentum. While the real work lies ahead, I've never been so confident that we have the team, technology, and vision to drive our mission to pioneer electric aviation."

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Dómhnal Slattery, Vertical Chairman, said: “Strong investor demand and the success of this upsized public offering are indicators of investors’ confidence in Vertical’s vision and our ability to lead the eVTOL sector by the end of the decade. Securing access to capital is critical to our success, and I want to extend my gratitude to Jason Mudrick for his pivotal initial investment, which set the stage for this funding round and inspired others to join us on this transformative journey.”

In the public offering , Vertical sold 15 million units at $6.00 per unit. Each unit comprises one ordinary share and one-half of one Tranche A warrant and one-half of one Tranche B warrant. The exercise of the warrants would generate additional proceeds of approximately $101 million.

Vertical intends to use the proceeds from this public offering to fund its research and development expenses as Vertical continues to develop the VX4 and its expenditures in the expansion of its testing and certification capacities, as well as for general working capital and other general corporate purposes.

Specifically, company expects the funds will be used to progress Vertical’s operational targets for 2025 and enable an acceleration of spending in the second half of the year compared to prior plans. This approach supports Vertical’s delivery of its Flightpath 2030 plan, including its target to achieve certification in 2028.

Vertical’s 2025 operational targets include things such as:

- Fly full-scale piloted wingborne and transition.
- Build and fly its third full-scale VX4 prototype.
- Fly full-scale piloted flights demonstrating real-world use cases.
- Earn additional DOA privileges including Flight Conditions privilege granted by the CAA.
- Initiate certification aircraft production with long-range parts purchasing.
- Strengthen its operating model and shift its approach to focus on execution.

This funding follows significant flight test progress in January 2025, with Vertical becoming only the second company in the world to achieve piloted thrustborne flight manoeuvres with a full-scale vectored thrust eVTOL aircraft. The company also recently announced that aviation industry veteran, Dómhnal Slattery, has been appointed Chairman.

William Blair acted as lead bookrunner and Canaccord Genuity acted as joint bookrunner for the Offering.

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