

ASX Release

5 July 2021

Amaero to build world class Ti Powder plant in Australia

Highlights

- Amaero to build a customised and proprietary titanium alloy powder manufacturing plant in Victoria, Australia
- The \$8 million dollar facility is expected to be the most advanced titanium alloy powder plant in the world, and is planned to be constructed and commissioned over an 18-month period
- The project will take titanium alloy bar stock inputs and convert the material into powder for 3D printing at approximately half the cost of the current global benchmark
- Memorandum of Understanding signed with a metal powder supply company that has established market channels for metal powder sales
- Letters of support for this project received from two of the five largest defence companies globally indicate strong potential demand for Ti64 powder from a competitive Australian source for specific commercial and military applications
- The new plant will position Amaero as a reliable source of the strategically important titanium alloy powder, building on the Company's geographic and geopolitical position to generate a strong and highly profitable revenue stream of approximately \$30 million per annum

Amaero International Limited (ASX:3DA) ("Amaero" or the "Company") a specialist in metal additive manufacturing (3D printing) for the defence, aerospace and tooling sectors, is pleased to announce that it will construct what is expected to be the world's most advanced titanium alloy gas atomisation powder manufacturing facility, to be installed and commissioned in Victoria, Australia.

Using a proprietary Amaero developed specification, the Company will construct a titanium alloy powder facility that will enable the production of aerospace grade titanium, to the highest standards at approximately half the cost of the nearest competitor. The quality and cost position will provide Amaero with a distinct advantage to secure long term off take agreements for the powders, with the facility expected to produce annual revenues of approximately \$30 million when fully operational.

Amaero has assembled a team of world experts to deliver the program. **Amaero's technology fellow, Dr James W. Sears, who is one of the world's foremost authorities on titanium powder atomisation¹** commented:

"My career of many years working with gas atomisation, powder metallurgy and additive manufacturing technologies has led me to this point. This project is a culmination of many years of experience and research and it is my pleasure to provide technology leadership to the Amaero team that delivers this project, which will become the global benchmark for titanium alloy powder manufacturing."

Amaero's proprietary manufacturing process is expected to position the Company as a global leader in high quality titanium alloy powder production and supply. Importantly the project will provide Amaero and other users in Australia and overseas with a reliable source of strategically important titanium alloy powder.

The world supply chain source of origin for titanium alloy is currently dominated by China and Russia, which effectively set the world market price. The Australian based powder manufacturing plant is expected to position Amaero as a supplier of choice for defence, aerospace and critical manufacturing segments in allied nations.

Amaero has worked with equipment suppliers to phase the implementation of the project to minimise time to initial revenue while balancing demands on capital. Under the negotiated payment terms, the cash requirement for this project will only commit \$2.3 million for the remainder of the calendar year.

Amaero International Limited CEO Barrie Finnin said:

"I would like to thank Jim and the team at Amaero for their diligence and tireless work in proving out this new technology. This substantive and ground-breaking work now enables Amaero to take a global leading role in titanium alloy powder production."

"Producing titanium alloy powder in Australia will provide a stable, secure and cost-effective supply, allowing defence and other sectors to continue to advance their 3D manufacturing capabilities. This project directly supports Amaero in delivering ongoing, significant, high margin revenues via a stable commodities market."

"Amaero has signed a Memorandum of Understanding with a metal powder supply company that has established market channels for metal powder sales and we are now in the process of negotiating a collaborative distribution agreement. In addition, we have already received letters of support for this project from two of the five largest defence companies globally indicating strong potential demand for Ti64 powder from a competitive Australian source for specific commercial and military applications."

"Once completed, the new manufacturing facility will position Amaero as the only fully vertically integrated metal 3D printing company globally. Our facilities enable us to manufacture and supply powders along with 3D printing machines and ancillary equipment, as well as manufacture parts for small and large scale production contracts. Amaero also provides specialised R&D services via one of the world's largest specialised metals R&D team to assist countries and major corporations develop greenfield additive manufacturing operations from concept to development and ongoing manufacturing."

"We look forward to updating the market as this project moves through its ground-breaking, construction, commissioning, and optimisation phases."

This ASX release is approved by the Board of Amaero International Limited.

For further information, please contact:

Corporate:

Barrie Finnin

CEO

Amaero International Limited

info@amaero.com.au

Investors:

Craig Sainsbury

Market Eye

+61 (0) 428 550 499

craig.sainsbury@marketeye.com.au

Media:

Zack McLennan

Lunik

+61 (0) 434 996 461

zmclennan@lunik.com.au

Footnote 1: Jim Sears has had leadership and engineering roles in GE Research, Carpenter Technology Corporation and Lockheed Martin. He first established a Ti powder gas atomisation plant in the early 1980's during his time at Pratt & Whitney, one of four titanium atomisers he has commissioned to date. He has over 25 years' experience in metallurgical engineering and extensive knowledge in metal additive manufacturing and powder production, having designed, built and commissioned Titanium powder facilities for some of the largest defence companies in the world and also provided technology leadership for global leading titanium powder manufacturers and commodities suppliers. At Amaero, Jim is responsible for powder production process development and metal 3D printing process development.

About Amaero International Limited:

Amaero International Limited is an Australian based company that manufactures large format complex components in metal with laser-based additive manufacturing processes, commonly known as 3D printing.

The principal activity of Amaero is the provision of end to end additive manufacturing solutions in terms of materials, services, equipment and technology to its key clients in the Aviation Defence and Space sectors and the Tool and Die industry.

Amaero has worked with many of the world's leading manufacturers of aerospace and defence products in both an R&D and manufacturing capability and has a demonstrated ability to deliver aviation and military specification 3D printed alloy critical operation components.

Amaero was established with the support of Monash University in 2013 to take advantage of commercial opportunities identified by the Monash Centre for Additive Manufacturing (MCAM). Amaero is co-located with MCAM in Melbourne Australia. It operates two additional facilities, in Adelaide, South Australia, and Los Angeles, California, USA.

For further information, please visit: <https://www.amaero.com.au/>