

ASX Release

30 August 2021

Amaero makes strong progress on key projects to deliver on growth strategy

Key FY21 highlights:

- **Strong progress with key commercial projects:**
 - Delivery of evaluation parts to Boeing under a new Purchase Order
 - Collaboration agreement with Rio Tinto for the development of the supply chain for “Amaero HOT AI”
 - Completion of successful build of the recycled Fletchers Glass spinner for additive manufacturing application project
 - Submission of Heads of agreement for Middle East 3D printing facility
 - PPK Joint Venture established to focus on the development of new super strength alloys
 - Post year-end, announced the build of an \$8 million customised and proprietary titanium alloy powder manufacturing plant in Victoria, Australia
- **Global Advisory Board strengthened with the appointment of Christopher Pyne and 3D printing expert Tuan Tran Pham; Ken Davis appointed VP North America**
- **Revenues increased to \$500k, up 332% on previous corresponding period due to increased sales of evaluation parts**
- **Strong capacity to fund execution of growth strategy with cash balance of \$11.5 million and Placement and SPP raising \$13.825 million**

Amaero International Limited (“Amaero”), (the “Company”) (ASX:3DA), a leader in metal additive manufacturing, is pleased to announce its financial results for the financial year ended 30 June 2021 (FY21).

Commenting on the year, Amaero International Limited CEO, Barrie Finnin said: *“FY21 has been a period of significant progress with a range of commercial, development and research agreements secured and solid advancement with key projects, delivering on our growth strategy of focusing on near-term commercial opportunities while also providing optionality through long-term research and development.”*

“Our commercial advancement was bolstered by the addition of significant expertise to our team during the year, with both former Federal Defence Minister Christopher Pyne and 3D printing industry expert Tuan TranPham joining our Global Advisory Board. The addition of Dr Jim Sears, a world expert on gas atomisation of metal powders, to our management team has enabled the development of leading-edge titanium alloy powder manufacturing technology that will be introduced to our commercial practice within 18 months. Meanwhile, Ken Davis was appointed Vice President of our North American Operations, bringing additional additive manufacturing and aerospace and defence expertise to our US team.”

“These developments, along with our successful capital raise and strong cash position have us well positioned to continue our rapid growth towards profitable contracts with leading players in the aerospace, defence and tooling markets over the near to medium term.”

Delivery on key Boeing, Fletcher, and Rio Tinto projects

During FY21 Amaero received a purchase order from the world's largest aerospace manufacturer, Boeing, for the manufacture of evaluation parts. The evaluation parts were subsequently developed and manufactured at Amaero's facilities in El Segundo, California and Melbourne, Australia, and were delivered to Boeing in the June quarter.

The Fletchers Glass additive manufacturing application project also progressed in FY21. Amaero completed the successful build of the recycled Fletchers Glass spinner with IN718 alloy and finalised the spinner tooling repair patent, with the full specification filed in early June. Subsequently, the production geometry in the *production* alloy was successfully built.

The Company also developed an improved performance alloy for the glass spinner tool application.

In March 2021, Amaero entered into an agreement with global mining firm Rio Tinto to collaborate on the development of the supply chain for Amaero's high performance, High Operating Temperature Aluminium Alloy, "Amaero HOT Al". Under the Agreement, Rio Tinto is providing Amaero with alloy billets to be processed into powder for 3D printing. The first batch of ingots manufactured by Rio Tinto were received in the June quarter.

In November 2020, Amaero Alloys Pty Ltd and PPK Group Limited established a Joint Venture company called Strategic Alloys Pty Ltd, with ownership being 45% Amaero Alloys Pty Ltd, 45% PPK Aust Pty Ltd, and 10% Deakin University. This JV will focus on the development of new super strength alloys incorporating nano-particles such as Boron Nitride Nanotubes (BNNT) in their formulation, to provide superior grain refining and strengthening, significantly improving mechanical properties.

Build of titanium alloy powder manufacturing plant and progress with Middle East facility

Subsequent to year-end, in July 2021, Amaero advanced towards becoming a reliable source of strategically important titanium alloy powder, with the announcement of the build of an \$8 million customised and proprietary titanium alloy powder manufacturing plant in Victoria.

The plant is expected to be the most advanced titanium alloy powder plant in the world. Using a proprietary Amaero developed specification, the facility will enable the production of aerospace grade titanium to the highest standards at approximately half the cost of the nearest competitor.

The new plant is expected to generate a strong and highly profitable revenue stream of approximately \$30 million per annum. It is planned to be constructed and commissioned over an 18-month period.

During FY21, Amaero made progress with its proposed metal 3D printing centre in the Middle East, with the submission of a draft Heads of Agreement. The Company expects the Heads of Agreement will be signed and contract negotiations to commence in the 1st Half of FY22.

In September 2020, Amaero expanded its machine offering with the launch of the SP260, the SP400 and additional powder handling ancillary equipment. The launch of the new machines mean Amaero now has one of the safest, most cost/capital efficient and diverse ranges of metal 3D printers on the market.

The SP series machines feature rapid changeover and optimised powder usage with variable build volumes. Amaero is a development partner and holds exclusive distribution rights for the SP machines in North America.

Team strengthened with key appointments

Amaero added significant expertise to its Global Advisory Board with the appointments of former Australian Federal Defence Minister Christopher Pyne. and 3D printing industry expert Tuan TranPham.

Mr Pyne will work closely with Amaero's other international defence advisors, including the former Secretary of Defence of the United States and with the Amaero board and senior executives to develop growth and defence contract strategies.

Mr TranPham brings significant relationships, networks and expertise to Amaero's Machine sales and service team. As a member of Amaero's Global Expert Advisory Board, he will provide expert advice on the revenue and commercialisation strategy for the continued commercial roll out of Amaero's 3D printing machines.

He previously held the position of Chief Revenue Officer at Desktop Metal, a leading US-based 3D printing company, where he was responsible for their revenue model and built the pipeline that enabled its transformation from a private company to a NYSE-listed company with the largest market capitalisation of any listed 3D printing company globally. Additionally, Mr TranPham has many years of experience amongst cutting edge 3D printing companies, across key roles including National Sales & Marketing Director for GE Additive (formerly Arcam Ab), National Sales Manager for Stratasys, and National Sales Manager for 3D Systems. Together these three companies, as well as Desktop Metals, make up four of the top five 3D printing companies worldwide.

The appointment of Dr Jim Sears, a world expert on gas atomisation of metal powders, to the management team at the beginning of FY21 has enabled the development of leading-edge Ti alloy powder manufacturing technology that will be introduced to commercial practice within 18 months. Dr Sears has had leadership and engineering roles in GE Research, Carpenter Technology Corporation and Lockheed Martin. He has over 30 years' experience in Titanium alloy powder atomisation and AM fabrication.

In December 2020, Amaero appointed Ken Davis as Vice President of its North American operations. Mr Davis brings considerable knowledge and experience in powder metallurgy, business development, additive manufacturing and aerospace and defence qualification processes. He joined from CalRAM where he led the transition from a metal AM R&D company dedicated to ePBF of Ti-6Al-4V, to the world's only aerospace production facility with NADCAP accreditation in both ePBF and LPBF AM technologies, with capabilities in numerous Aluminium, Nickel, Titanium and Stainless-Steel alloys.

Strongly supported Placement and SPP raise \$13.825 million

Amaero completed a successful capital raising in FY21 with \$9 million raised via a strongly supported Placement from high-quality domestic and international institutional and sophisticated investors in December 2020, and a further \$4.825 million through an oversubscribed share purchase plan in January 2021. The proceeds will be used to fund equipment purchases, capital expenses including installation and fit-out, R&D and working capital as well as being utilised to progress clients from R&D activities through to manufacturing opportunities.

Financials and outlook

Revenues in FY21 were \$500k, up 332% on FY20 due to increased sales of evaluation parts

Cash and cash equivalents were \$11.5 million as at 30 June 2021, which together with the successful \$13.8 million capital raising leaves the Company well placed to carry out its planned work programs and fund its growth strategy.

Amaero is poised for further growth over the near to medium term with the Company currently finalising the product delivery for the Fletcher Building project and the Heads of Agreement signed and contract negotiations commenced for the Middle East 3D printing project expected over the next few months.

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:

Gabriella Hold

Market Eye

+61 (0) 411 364 382

gabriella.hold@marketeye.com.au

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/>