

ASX Release

4 January 2022

Lease secured for titanium powder plant

Key highlights:

- **Ten-year lease secured for a 3,857 sqm facility in the Monash Precinct**
- **Additional works to begin in January 2022 to prepare for the installation of the titanium powder facility**
- **The additional works include the construction of a 600sqm warehouse extension high bay to accommodate Amaero's first gas atomiser for the plant**
- **The project is expected to provide Amaero with a strong revenue and profit stream of ~A\$40.8 million per annum**
- **Amaero expects construction to be finalised and production to commence in 3Q CY2022; ramp up of additional gas atomisers and revenues expected over the next few years**
- **Plant expected to position Amaero as a supplier of choice for defence, aerospace and critical manufacturing segments in allied nations**

Amaero International Limited ("Amaero"), (the "Company") (ASX:3DA), a leader in metal additive manufacturing is pleased to advise it has secured a 10-year lease for its proprietary titanium alloy powder manufacturing plant in Victoria, Australia.

The lease is for a 3,857 sqm facility in close proximity to Amaero's headquarters in the Monash Precinct. Additional works at the site are expected to begin in January 2022 to prepare for the installation of the titanium powder facility including the construction of a 600 sqm warehouse extension high bay to accommodate Amaero's first gas atomiser for the plant.

The plant will provide Amaero with a strong revenue and profit stream, with the Company expecting revenue once the plant is operational of A\$40.8 million per annum¹. This upgraded guidance from an initial estimate of A\$30 million per annum followed evaluation trials of Amaero's process technology which confirmed that yields of high value particle size distribution of metal powder are better than the base case for the investment, and therefore, anticipated output from the facility is higher than previously expected.

Amaero expects construction of the facility to be finalised and production to commence by 3Q CY2022, with the company expecting to further ramp up additional gas atomisers and revenues over the next few years. The Company will relocate its current Melbourne based equipment to the new facility by 3Q CY2022.

The plant will enable Amaero to produce aerospace grade titanium, to the highest standards at approximately half the cost of the nearest competitor and is expected to position Amaero as a supplier of choice of strategically important titanium alloy powder for defence, aerospace and critical manufacturing segments in allied nations. The quality and cost position of production is expected to provide the Company with a distinct advantage to secure long term off take agreements.

¹Based on the USD/AUD exchange rate as at 31 August 2021: \$US1.00 = A\$1.36

It will also position Amaero and other users in Australia and overseas with a reliable source of titanium alloy powder in a rapidly growing titanium market, with the total titanium market expected to grow from A\$34b - \$46.5b in the next five years².

Amaero International Limited CEO, Barrie Finnin, commented: *"We are pleased to have secured a lease for this strategically important project for our Company and what is expected to be the most advanced titanium alloy powder plant globally. The plant will generate a strong and highly profitable revenue stream for Amaero. We expect revenues to grow from around A\$40.8m with our first gas atomiser to many times this level with subsequent atomisers in the next few years. Our new technology will position Amaero as a reliable source of strategically important titanium alloy powder and a supplier of choice to key defence and aerospace companies. We look forward to commencing the lease and then commencing production in 3Q CY2022."*

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

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² Source: Titanium Metal By End-use Industry and Region - Global Forecast to 2026
"https://www.reportlinker.com/p06169603/?utm_source=GNW"

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/>

Appendix: Terms of the lease agreement

Parties: MTAA Superannuation Fund (Ferntree Business Park) Property Pty Ltd and Amaero Engineering Pty Ltd (“Amaero”)

Property: 59-63 Normanby Road, Notting Hill

Gross Lettable Area: 3,857sqm (including a 600sqm high bay extension) subject to survey plans

Lease term: 10 years commencing at ~\$521k plus GST plus outgoings with annual increment of 3%.

Lease commencement: 1 June 2022 or when the warehouse extension is completed, whichever is the latter