

ASX Release

24 November 2022

2022 Annual General Meeting Address Transcripts

Address by Non-Executive Director, David Hanna

I would like to thank shareholders for their continued support during a year of transition for our Company.

Since the middle of the year the Board has been undertaking a process of strategic review and renewal which is continuing. In September, we announced as part of the strategic review that while the focus on titanium powder production would continue we would not proceed with our planned titanium powder manufacturing facility here in Australia.

The Board determined that Amaero will primarily focus on titanium powder production at scale and we recently signed a non-binding term sheet to form a joint venture for the production of titanium, aluminium and super alloy powders in the United Arab Emirates. We consider that this gives the company the best prospects of developing a sustainable market position.

As part of the Board renewal process, Pegasus Growth Capital's Managing Partner Hank Holland was appointed to the Board in August and in September became Executive Chairman. In October, Hank also assumed the role of CEO.

The Board is delighted to have someone with Hank's skills and expertise across technology and global investments as our Chairman and CEO and are confident that his vision for our Company is the right one as we commence our new strategic direction.

I'd now like to pass to Hank to say a few words.

Hank Holland: Thank you David and good morning everyone. As David said, many thanks for joining us today.

I am very pleased to be Chairman and CEO of Amaero. This Company is a great example of a strong, well-positioned growth business that is underserved by institutional capital.

I was initially attracted to the Amaero opportunity based on the strong secular trends in industrial 3D printing and the realignment of global supply chains for advanced materials and manufacturing.

Our focus on titanium powder production is important given the shifting geopolitical situation with the strategic imperative of the US and allied defence forces as well as the aerospace industry's relocation of advanced materials and manufacturing away from Russia and China which currently dominate global supply and pricing.

Amaero is well positioned to become a critical supplier of titanium alloy powder to the US and Allied countries' prime aerospace and defence primes.

I will speak more on this and the Middle East opportunity in my Chairman and CEO's report later in the meeting. I'll now hand back to David.

Chairman and CEO Update

Strategic review - Overview

As David alluded to earlier, we completed the initial part of our strategic review at the end of September which included a review of the titanium powder facility here in Victoria.

After re-visiting the project's schedule, costs and suitability, the Board decided to terminate the project.

In turn, the Board decided to singularly focus on locating the powder manufacturing facility in the UAE. And decided to undergo a significant restructuring of the Company's operations, management and governance.

We are now conducting the second phase of our strategic review, which will include a comprehensive assessment of Amaero's geographical footprint, staffing and commercial projects.

Management Changes

As part of our restructuring, we have also made some management changes.

As well as myself becoming the CEO, Barrie Finnin moves to the new role of Chief Technology Officer which reflects the importance of his contribution in this area and his ongoing value to Amaero. He will also be Manager of Australian Operations.

John McKellar has assumed the role of Manager of Middle East Operations and Ken Davis is the Manager of USA operations.

It is the Board's view that this structure will best serve the interest of the Company as we develop and deliver the new strategic direction.

Vision

As I said earlier, Amaero is well positioned to become a critical supplier of titanium alloy powder to the US and Allied countries' prime aerospace and defence primes.

We will pursue strategic investments that enable us to provide a reliable and vertically integrated supply of pre-production additive manufacturing supply components.

Macroeconomic and Geopolitical Backdrop

Turning to the next slide, there are a number of favourable macroeconomic and geopolitical factors supporting our vision and new strategic direction.

These include an expected renaissance of additive manufacturing in US and Allied countries and a national security imperative to relocate critical manufacturing and critical materials out of Russia and China.

Proposed UAE JV

As announced earlier this month, we have signed a non-binding term sheet with a United Arab Emirates-based strategic partner, an affiliate of Ethmar Holdings, for the production of titanium alloy powder in the UAE.

The UAE project has been conceived and structured in a thoughtful and strategic manner.

First, it is expected that the project will be funded with a capital investment of approximately AU\$290 million which will be contributed by a U.S. defense company that has an offset obligation in the UAE.

For those of you who are unfamiliar with defense offset programs, these are contractual arrangements whereby a purchasing government obligates the supplier to reinvest some portion of the procurement contract back into its country.

In this case, a U.S. defence contractor that has an offset obligation in the UAE would provide project funding, subject to approval of the offset administrator, to satisfy its contractual obligation. This investment would primarily be used for capital equipment and it's expected that the capital equipment would be contributed to the joint venture.

Second, Ethmar Holdings is well-established in the UAE and is actively involved in numerous other businesses that may be synergistic.

Third, Amaero's advanced materials' research, coupled with its advanced manufacturing know how are strategically important to the economic development and transformation of the UAE.

The proposed JV with Ethmar Holdings is contingent upon receiving the necessary approval from Tawazun, the offset administrator in UAE, and upon receiving funding commitment from offset obligor.

Though encouraged by the progress, this is a complex transaction, we are early in the discussions and there's no assurance that we will reach final terms or receive the necessary commitments.

Why UAE?

And the next slide shows the key reasons why we selected the UAE for the JV.

It is a very strategic location due to several factors including construction costs and export controls.

Entitlement Offer

And just to close, a wrap up of our Entitlement Offer which closes tomorrow. You can see the key details of the offer on the slide.

Once the Board made the decision to terminate the proposed Victoria titanium powder manufacturing project, to pursue the UAE project and to restructure the business, we decided that it was necessary to raise additional capital to fund the re-structuring costs and to fund operations through mid-year 2023.

Additionally, as announced at time of last financing in May, the Company has capital expenses to fund associated with the installation and commissioning of the gas atomizer.

The Board has intentionally pursued a financing structure that enables existing investors to participate in the financing, that enables the rights to be renounced by investors who choose not to participate and that enables eligible investors to over bid for shares above their pro rata right.

Pegasus is sub-underwriting the raise to provide certainty for the Company and also due to its commitment to Amaero.

I will now open up to any operational questions our shareholders may have.

This announcement is authorised for ASX release by the board of directors of Amaero International Limited.

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About Amaero International Limited:

Amaero International Limited is an Australian-based company focused on titanium and other alloy powder production utilised by the additive manufacturing industry. The Company provides applied engineering and commercialisation services in collaboration with aerospace, defence and other industries that utilise additive manufacturing.

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/>