

Amaero International Ltd

Investor Briefing

Hank J. Holland

Chairman and Chief Executive Officer

30 January 2023

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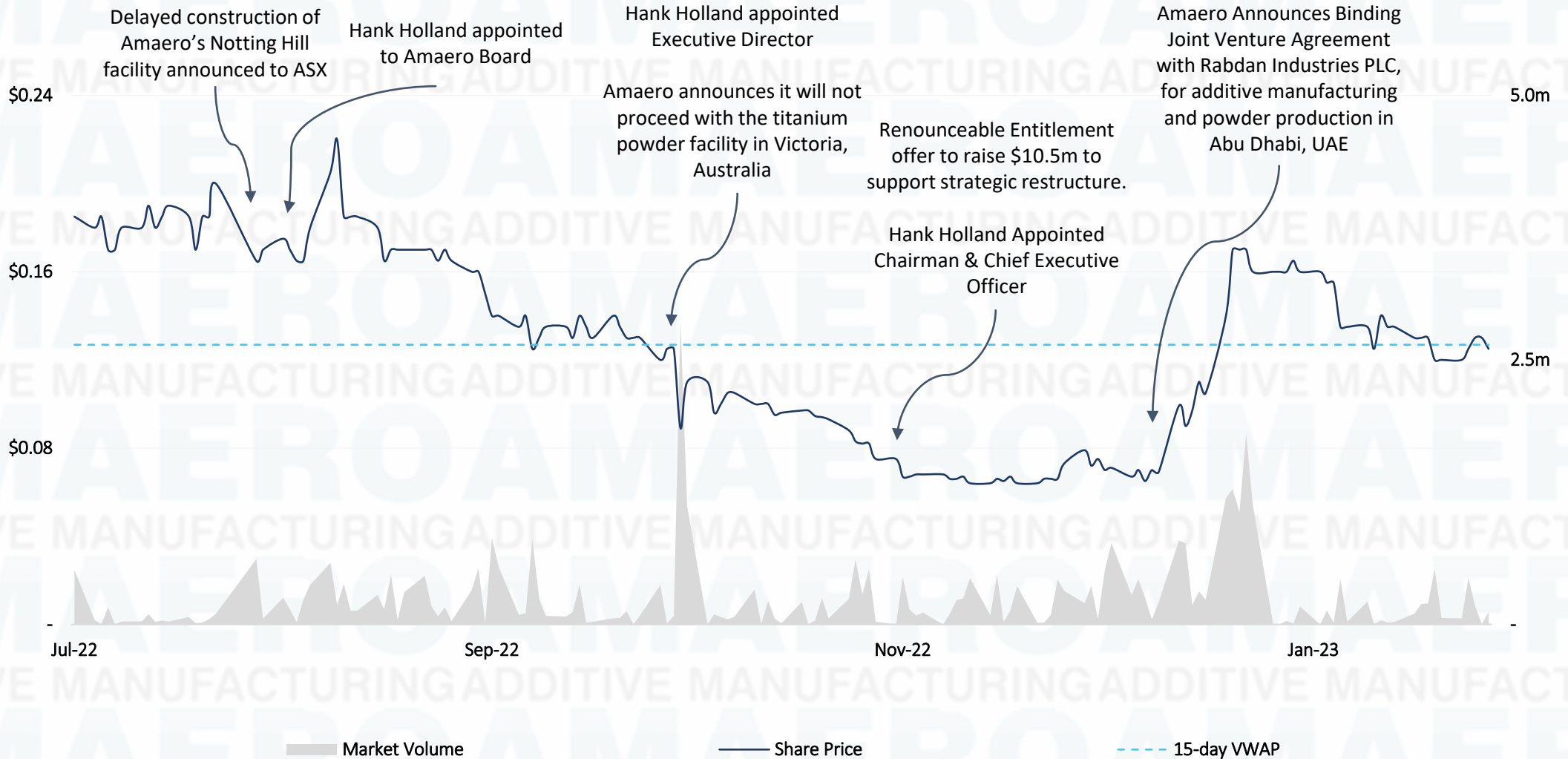
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Corporate Update -



Update of UAE JV and Project –

- 1) Term Sheet for joint venture between Amaero International and Ethmar Holdings' affiliate signed. See ASX announcement dated 31 October 2022.
- 2) Binding joint venture agreement signed between Amaero International and Rabdan Industries, an Ethmar Holdings' affiliate. See ASX announcement dated 12 December 2022.
- 3) After months of close collaboration with Rabdan Industries and Ethmar Holdings, we remain steadfast that the large-scale titanium powder production and additive manufacturing project in the United Arab Emirates is the cornerstone for Amaero's future growth and that Rabdan / Ethmar are ideally suited partners. Mohamed Al Dhaheri at Rabdan has been instrumental in leading the joint venture's engagement with key stakeholders including Tawazun Economic Council, the Economic Industrialization Board and Abu Dhabi Investment Office. We are appreciative of Rabdan's and Ethmar's many efforts and look forward to finalizing the funding and to commencing installation of the first atomizer.
- 4) Anticipate providing a substantive update on UAE project including project scope, funding and financial guidance by end of March.

30 January 2023



RABDAN INDUSTRIES
PLC

23 January 2023

Mr. Hank J. Holland
Chairman and Chief Executive Officer
Amaero International Ltd
13 Normanby Road
Notting Hill, Victoria 3168
Australia

Dear Hank,

We are looking forward to your re-location to Abu Dhabi in early February.

As you are aware, we have advanced discussions with key stakeholders including TEC, EIB and ADIO. We are pleased to report that responses in all cases have been strongly positive. The project aligns with the United Arab Emirates priority of industrialization and economic development initiatives.

Rabdan Industries PLC and Ethmar Holdings remain committed to the project and we are optimistic that the funding requirements will be secured during the first quarter this year. Attendance at IDEX 2023 has additionally been requested which will provide the partners further opportunity to showcase this globally strategic initiative.

Also, we understand the importance of installing the first atomizer as soon as possible. In addition to securing funding, our collaborative efforts in February will include completing the formation of FALCON Advanced Metals PLC in ADGM thereafter allowing the establishment of banking facilities and supporting the most urgent administrative functions including securing of a facility as well as submission of the export license application for shipment of atomizer from Europe.

We look forward to re-engaging with you personally on your return in February and thank you for your continued efforts.

Respectfully,

For Rabdan Industries PLC:
Mohamed Al Dhaheri



Update on Re-Structuring –

Installation of large-scale titanium powder production, coupled with applied engineering, design and commercialisation centre in the United Arab Emirates is **the** priority initiative.

Committed to i) analytical and well-reasoned assessment of business, business units, personnel and commercial projects, ii) financial discipline and rigorous controls, iii) contingency planning and iv) accountability to shareholders.

What is ESSENTIAL to the success of UAE project? This orientation is driving the re-structuring and strategic decisions.

Relentless Execution ... Build Foundational Goodwill with Partners and Key Stakeholders in the UAE ... Shepherd Cash ... Deliver Shareholder Value ... Communicate with Candour and Transparency.

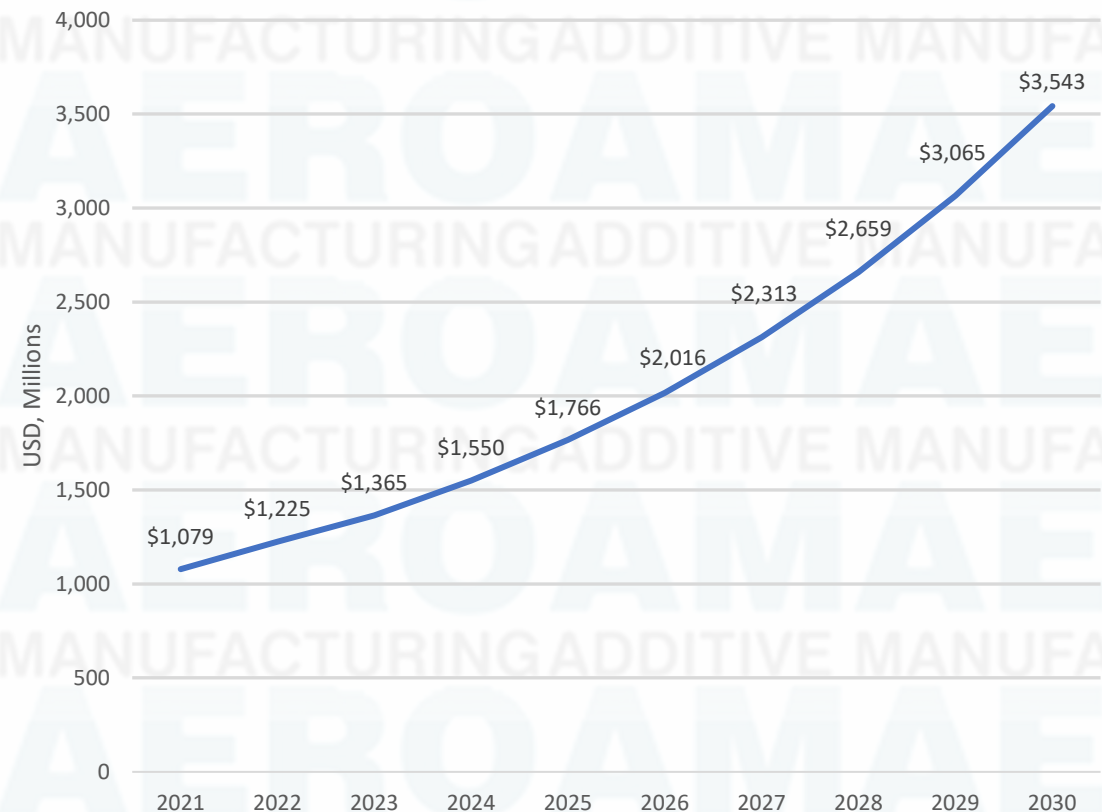
Titanium Powder Market – The Opportunity

With advances in metal additive manufacturing (AM) to achieve performance properties that are required by the aerospace & defense, medical and automotive industries, AM's adoption has accelerated.

The global titanium powder market accounts for 25% of the metal powders market and is expected to grow from US\$1.1 billion in 2021 to US\$3.5 billion in 2030 for a CAGR of 15%.

Source – Vpa Research

Global Titanium Powder Market



Titanium Powder Market – Key Demand Drivers

Global titanium powder demand is driven by three industries – aerospace & defense, medical and automotive. Aerospace and defense is the largest application and accounts for approximately 42% of demand.

From a geographical perspective, North America, Europe and Asia-Pacific are the dominant markets.

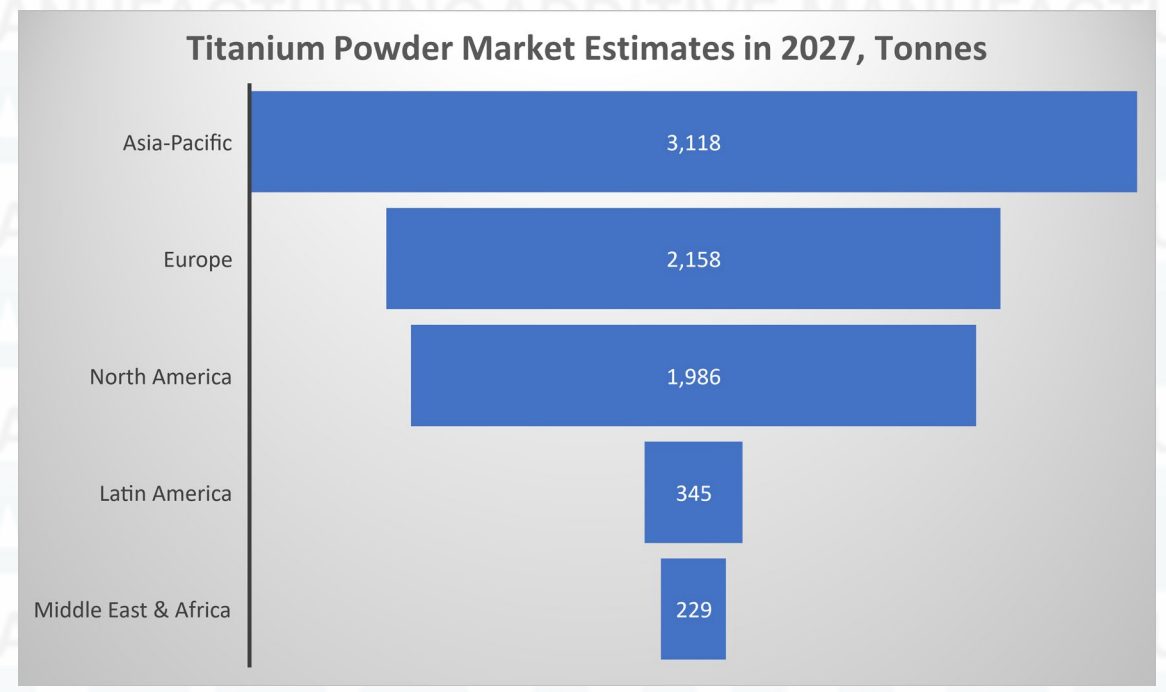
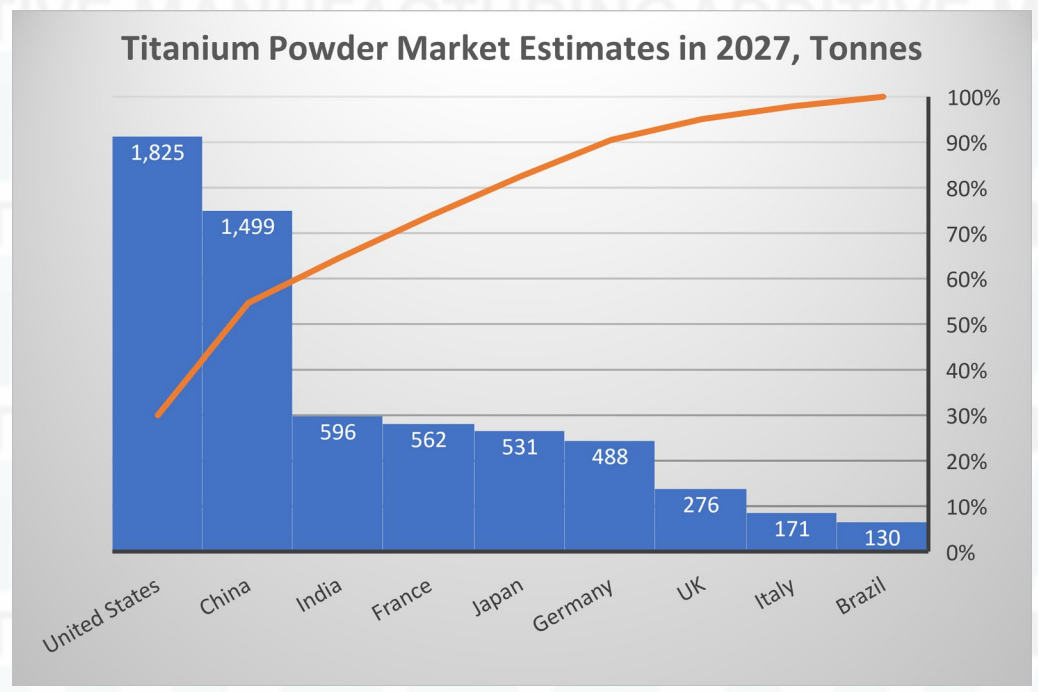
Source – Vpa Research

CY2022, Tonnes	North America	Europe	Asia - Pacific	Latin America	Middle East and Africa	Total	Market Share	CAGR
Aerospace and Defense	461	469	736	98	67	1,831	42%	15%
Medical	248	281	398	47	34	1,008	23%	14%
Automotive	120	131	192	24	17	484	11%	16%
Electronics	68	80	110	12	9	279	6%	13%
Others	183	237	297	29	24	770	18%	12%
Total	1,080	1,198	1,733	210	151	4,372	100%	14%
Market Share	25%	27%	40%	5%	3%	100%		
CAGR	14%	14%	14%	12%	9%	14%		

Titanium Powder Market – Estimated Demand in 5 Years

It is estimated that North America and Europe will comprise 65% of global titanium powder demand in 2027 or approximately 4,100 tonnes.

Source – Vpa Research



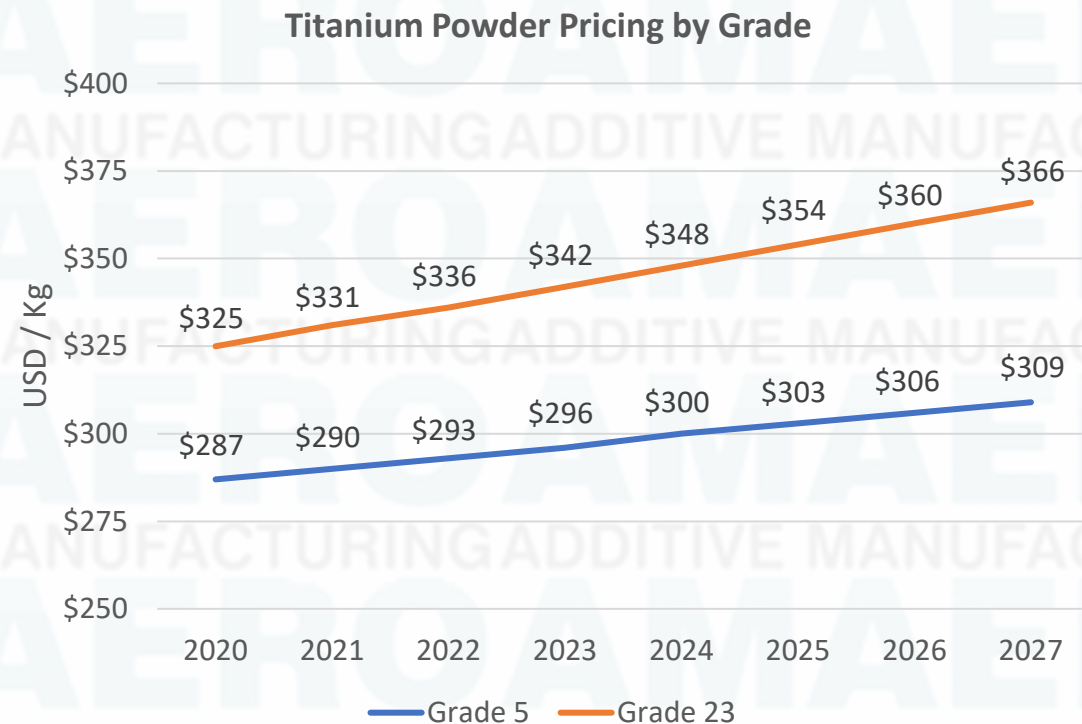
Titanium Powder Market – Price Trend, by Grade

Additive manufacturing with titanium powder can achieve near-net parts with high strength-to-weight ratio, corrosion resistance and high temperature durability. Specified titanium powder size distribution and particle morphology are required for different applications.

Grade 5 and Grade 23 titanium powders are used for aerospace and medical applications. Other grades of titanium powder are utilised in manufacturing components for automotive, electronics, desalination, power generation, marine and oil & gas applications.

The highest value powders require qualification by leading industry participants and the qualification process is long and arduous. This creates a significant barrier to entry as it takes 2-3 years for a plant to achieve breakeven economics.

Source – Global Market Insights



Unit Economics For Single Gas Atomizer –

Proforma Annual Production and Unit Economics, AUD –

CapEx / Atomizer Unit	\$21,950,000
Annual Ti Powder / Unit	207 tonnes
Ti Powder, Average Price	\$160 / Kg
Gross Revenue / Unit	\$33,075,000
Gross Margin, at Stabilisation	64%
Net Margin, at Stabilisation	29%
Payback Period, from Qualification	2.3 years

Reflects post powder qualification and scaled production at capacity, discounted for present value



Amaero International – JV with Rabdan Industries

ASX announcement, 22 December 2022 –

- 50/50 partnership between Amaero and Rabdan
- Pro rata contributions for working capital
- Rabdan, directly or indirectly, funds 100% of CapEx

Latest Estimates for UAE Project, AUD –

Capital Expenditure	\$215 million
Annual Ti Powder	828 tonnes
Gross Revenue	\$207 million
Gross Margin	64%
Net Margin	29%
Payback Period	3.6 years

Estimates reflect post powder qualification and scaled production at capacity

Amaero Cash Position, AUD

Cash Balance, 31 Dec 2022	\$ 13,200,000
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Amaero International – JV with Rabdan Industries

Titanium Powder Production

- Electrode Inert Gas Atomisers (4)
- Revert System to Recycle Titanium
- Argon Gas Recycling System

- ✓ Capacity production of 828 tonnes / annum
- ✓ Proforma revenue post powder qualification and at capacity of \$161 million
- ✓ Advanced technology and competitive energy and argon costs would position UAE as high quality / lower cost producer
- ✓ UAE would be well positioned to be a supplier of choice to the United States and to Europe
- ✓ Germany's competitive position as a titanium powder producer is expected to erode with higher energy prices

Powder Metallurgy Applied Research

- Powder Metallurgy
- Material Science
- Mechanical Engineering and Industrial Design
- Process Engineering

Amaero International – JV with Rabdan Industries

3D Printing and Post-Processing, UAE

- Large Format Printers (6)
- Mid and Small Format Printers (6)
- Thermal Processing, including HIP
- Machine Shop and Parts Finishing

Applied Engineering, Design and Commercialization, UAE and US

- Laboratory
- 3D Printers
- Thermal Processing
- Machine Shop and Parts Finishing
- Inspection and Testing

Positions Amaero-Rabdan JV to work closely with largest 1st-tier prime aerospace and defense contractors to develop prototype components.

Provides “in country” capability for advanced metal 3D printing and for post-processing.

Positions UAE to be preferred additive manufacturer for commercial aerospace & defense, medical, automobile, space exploration, power generation, oil & gas and desalinisation applications.

Proforma revenue at capacity of \$46 million.