

ASX Release

31 March 2023

## UAE JV and Corporate Update

### Highlights:

- **Amaero moves to restructure relationship with Rabdan / Ethmar:**
  - **Amaero and Rabdan terminate JV Agreement; termination increases Amaero's ownership of the UAE project from 50% to 100%**
  - **Ethmar commits to continue ongoing engagement and support with strategic capital partners and key stakeholders in the UAE**
  - **Amaero proposes retaining Ethmar Holdings as a Strategic Advisor whereby Ethmar would be granted up to 2% Amaero fully paid ordinary shares**
- **Cash balance as of 31 March is estimated at A\$11.6 million**
- **Amaero selects Khalifa Economic Zones Abu Dhabi as site for titanium powder production facility**
- **Amaero advances project financing with Emirates Development Bank**
- **His Excellency Marwan Bin Jassim Al Sarkal retained as Strategic Advisor in the UAE**
- **Korn Ferry retained to lead executive search for Managing Director – Titanium Powder Production and CFO/CAO roles in the UAE**
- **Erik Levy appointed as Non-Executive Director**
- **Bob Latta nominated as Non-Executive Director**
- **Investor Briefing on Tuesday, 4 April at 2:00pm AEST**

Amaero International Limited ("Amaero"), ("the Company") (ASX:3DA) provides the following update on the United Arab Emirates project:

### Amaero moves to restructure relationship with Rabdan / Ethmar

Amaero has moved to restructure the JV Agreement with Rabdan Industries PLC ("Rabdan"), an Ethmar Holdings ("Ethmar") affiliate. On Wednesday, 29 March, Amaero and Rabdan executed Termination of Joint Venture Agreement. Amaero shareholders will benefit as the Company increases its ownership of the UAE project from 50% to 100% and all governance reverts back to the Company. Rabdan will no longer be obligated to directly fund its pro rata share of working capital nor have an implicit commitment to fund capital expenditures and Rabdan will no longer be a 50% JV partner nor have exclusivity in the Middle East.

Mohamed Al Dhaheri and Ethmar Holdings have committed to continue ongoing engagement and support with strategic capital partners and key stakeholders in the UAE. The project continues to receive strong support from key stakeholders and discussions have advanced with Emirates Development Bank, Tawazun Economic Council and Abu Dhabi Investment Office. Amaero has proposed an Advisory Services Agreement whereby Ethmar would be issued up to 2% of Amaero fully paid ordinary shares.

Amaero does not expect the termination of JV Agreement to delay the green lighting of the project and on a fully funded / fully diluted basis, we expect the termination to be accretive to Amaero shareholders. As before, the Company expects to fund the project's working capital and capital expenditures with strategic financing partners and/or UAE-based economic development-related capital with subsidised terms and structure. Discussions with strategic capital sources and key stakeholders have advanced.

Hank Holland, Chairman and CEO of Amaero stated:

*“We value and appreciate Ethmar’s ongoing advocacy and support with strategic capital sources and key stakeholders in the UAE. Though Amaero and Ethmar will continue to collaborate, the governance dynamics at its affiliate, Rabdan, were not conducive for decisive and well-functioning operations. With termination of the JV Agreement, all governance reverts back to Amaero.*

*Discussions with numerous strategic capital sources have advanced and we expect to secure financing at nil discount and/or to secure economic development debt / equity at subsidised terms. On a fully funded / fully diluted basis, we expect the JV termination to be accretive to Amaero’s shareholders.*

*We are advancing multiple initiatives with a sense of urgency coupled with a commitment to make deliberate, well-reasoned, strategic and long-term oriented decisions. We have narrowed the initial deliverable to the titanium powder production facility / operations in Abu Dhabi. We expect to sign a binding lease with KEZAD and formally green light the titanium powder production project by the end of June.*

*Given the secular growth trends in additive manufacturing coupled with the geopolitical imperative to establish a resilient supply chain for titanium, we have an extraordinary opportunity to build a valuable and highly strategic industrial capability. Further, given the economic and capital market headwinds in the U.S. and other developed markets, the UAE is uniquely positioned to deliver strong economic activity, attractive capital formation and geopolitical resiliency.”*

Cash balance as of 31 March estimated at A\$11.6 million

After quarterly operations and non-recurring events that include settlement of obligations relating to cancellation of the Victoria powder production facility, settlement of dispute with AmPro and receipt of R&D credit, adjusted cash balance as of 31 March is estimated at A\$11.6 million.

In anticipation of the green lighting of the project, Amaero advances key initiatives:

The Company has selected Khalifa Economic Zones Abu Dhabi – KEZAD Group ([www.kezadgroup.com](http://www.kezadgroup.com)) for the development of its build-to-suit titanium powder manufacturing facility. After considering alternative industrial parks in Abu Dhabi and Dubai, the Company selected KEZAD as the best suited and the most enabling master planned development with an ambitious growth strategy, modern infrastructure, subsidised electricity, multi modal logistics and highly capable management.

Amaero has been working closely with KEZAD Group to conceptualise and design a two-phase development with a first phase comprised of approximately 100,000 square feet, including office, laboratory, titanium powder production (two gas atomisers) and powder processing and a second phase comprised of approximately 120,000 square feet, including titanium powder production (two gas atomisers), revert / titanium recycling plant and powder processing. It is expected that development and fit-out costs will be capitalised in a long-term lease and that there will be an initial rent-free period. The Company expects that a binding lease will be signed by the end of June, at which point the project would be green lighted. KEZAD has committed to expedite the approval, bidding and construction. Amaero anticipates that the facility’s initial phase would be delivered by June 2024.

The Company has advanced discussions with Emirates Development Bank (EDB) for the project financing. It is proposed that EDB would capitalise interest until the project achieves profitable operations. EDB would not receive equity participation in the project. In order to advance the financing to formal approval and a binding

Term Sheet, EDB has requested an independent Feasibility Study and Amaero has retained Frost & Sullivan for such purpose.

The Company has retained His Excellency Marwan Bin Jassim Al Sarkal as a Strategic Advisor. Based in Dubai, Mr. Sarkal is Managing Partner of Chapter 3, a management and investment consultancy providing strategic advisory to government entities, sovereign investment funds, family offices and international businesses. Prior to this, he was the Executive Chairman of the sovereign wealth fund, Sharjah Investment and Development Authority (Shurooq). He is a member of the Board of Directors at W Motors in Dubai, a portfolio company of Pegasus Growth Capital and Hank Holland. He is recognised as a trusted and influential business leaders in the Gulf Cooperation Council (GCC). The advisory agreement has a term of two years and the consideration is a grant of 0.5% Amaero fully paid ordinary shares on the first anniversary of the advisory agreement and a grant of 0.5% fully paid ordinary shares on the second anniversary.

In anticipation of green lighting the UAE project, the Company has also retained Korn Ferry to lead executive search for “Managing Director – Titanium Powder Production” and “Chief Financial Officer / Chief Administrative Officer” executive roles to be based in Abu Dhabi, UAE. The Korn Ferry team will be led by senior partners in the UAE, UK and USA, who have extensive industrial manufacturing and metals / mining experience.

#### Board additions

The Company has appointed Erik Levy as Non-Executive Director, effective immediately. Based in New York City, Mr. Levy is an experienced private equity investor who brings a depth of experience in global capital markets, M&A and corporate strategy. He is Managing Partner of EnPar Capital and prior to that, he was a Founding Partner and Managing Director of BlackRock’s Direct Private Equity business. Prior, he spent over 12 years with CPP Investment Board building the firm’s Direct Private Equity business. He received a BSc in Actuarial Mathematics at Concordia University and a Masters Business Administration (MBA) from University of Toronto – Rotman School of Management.

The Company has nominated Robert “Bob” Latta as a Non-Executive Director. His appointment will become effective upon satisfying the requisite regulatory conditions. Based in California, he is a Partner and General Counsel at Pegasus Growth Capital, Amaero’s largest shareholder. He joined Wilson Sonsini Goodrich & Rosati in 1979 and was a senior partner of the leading law firm for 40 years. He brings extensive knowledge and experience in growth capital financings, public offerings, strategic partnerships and mergers & acquisitions. He received a B.A in Economics, as well as J.D. from Stanford University.

#### Investor briefing

Amaero Chairman and CEO Hank Holland will host an Investor Briefing on Tuesday, 4 April at 2:00pm AEST.

A Q and A session will follow the formal presentation and investors will have the opportunity to ask questions live.

The Investor Briefing will be recorded and posted to Amaero’s website.

To pre-register for the briefing please use this link:

[https://us02web.zoom.us/webinar/register/WN\\_H\\_K94dLoTsqAaRgj0tBN\\_Q](https://us02web.zoom.us/webinar/register/WN_H_K94dLoTsqAaRgj0tBN_Q)

After registering, you will receive a confirmation email with information about joining the briefing

*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 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/>