



AMAERO INTERNATIONAL LIMITED (ASX:3DA) Investor Update

February 13, 2024

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Fairmont Consulting Completes Market Study

- **C103 Powder Bed Fusion (“PBF”) powder demand** expected to grow to **105 tonnes in FY2028** with demand growth estimated at **62% CAGR for 5 year period ending FY2028** — Demand driven by investment cycle in hypersonics, strategic missiles, space launch and satellites
- Survey of **C103 PBF powder price** indicates range of **A\$4,150 to A\$5,385 / kg** with order **lead times of 12-24 months**
- Amaero positioning to be **largest and most responsive U.S. domestic producer of C103** and **high-value specialty alloys**
- Planned production of C103 and high-value specialty alloy powder is expected to **increase revenue** and to **accelerate path to profitability**
- Amaero **secures 2.5 tonnes of C103 feedstock**



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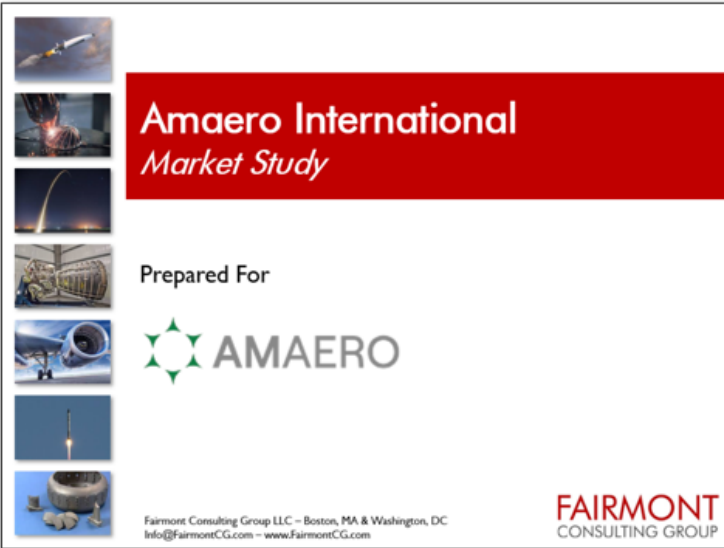
We took bold and decisive steps over the past year to position Amaero as the largest and most responsive U.S. domestic producer of C103 and other high-value specialty alloy powders. The Fairmont Consulting market report validates the strategic direction and provides important market signals for demand, supply and pricing ... Amaero has an opportunity to play an important role in re-shoring highly strategic industrial base capabilities to the U.S. and to contribute to a more resilient and scalable supply chain for defence production and for the space economy.”

– Hank Holland, AMAERO CHAIRMAN & CEO

Fairmont Market Study Detail

Detailed Market Report


Exhaustive 72 page report detailing Fairmont's market assessment. Key program detail and outlooks, granular market analysis and substantial, Amaero market positioning, and go-to-market assessment. Detailed write-ups of critical stakeholder discussions.



Detailed report communicating all analyses and recommendations

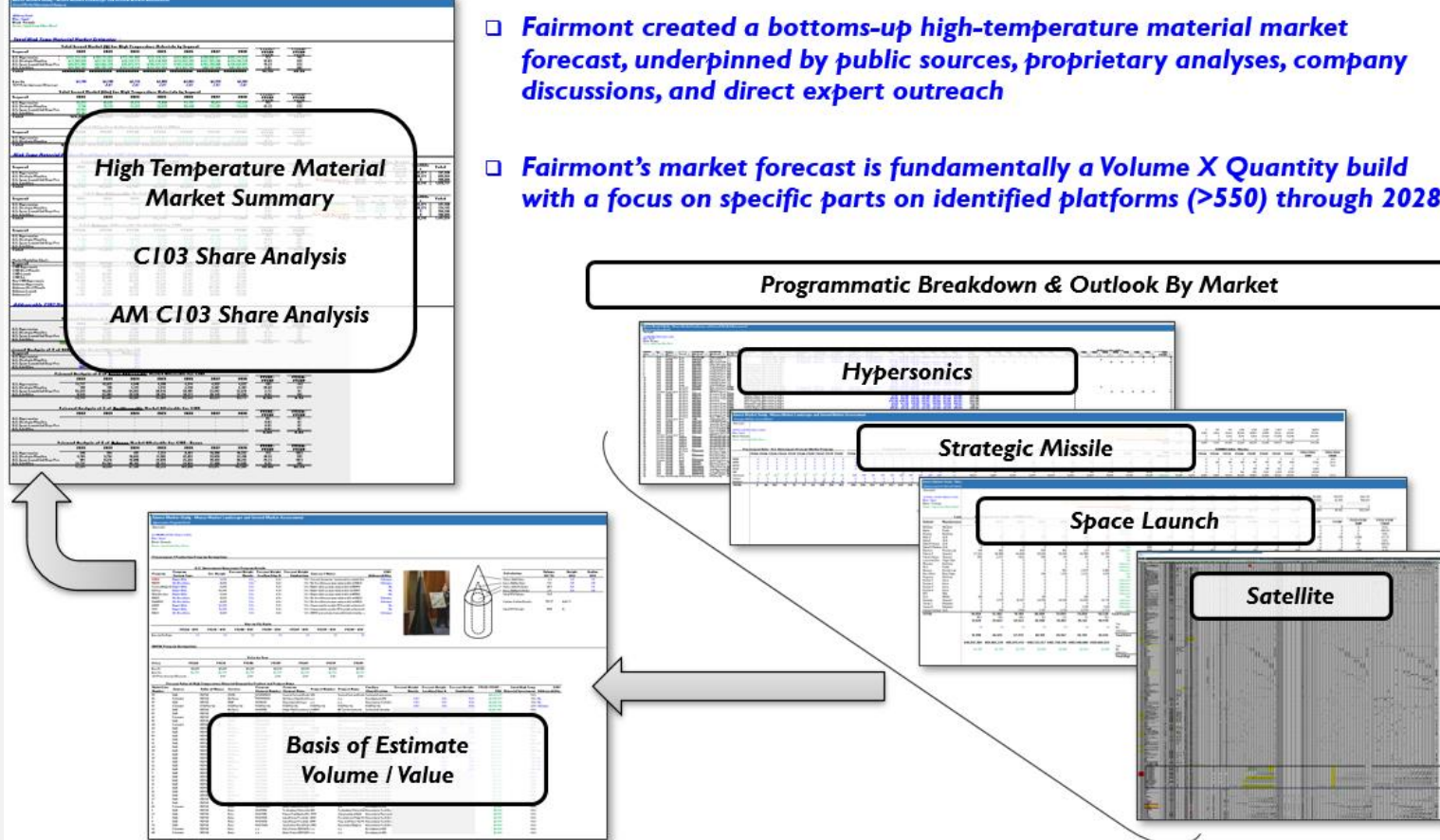
Detailed Market Model

Detailed review of over 550 discrete programs related to the markets of interest: hypersonic & strategic missiles and satellite & space launch vehicles. Bottom-up build of the C103 addressable market.



Insightful business development tool and growth plan substantiation

- Fairmont created a bottoms-up high-temperature material market forecast, underpinned by public sources, proprietary analyses, company discussions, and direct expert outreach
- Fairmont's market forecast is fundamentally a Volume X Quantity build with a focus on specific parts on identified platforms (>550) through 2028



The diagram illustrates the analytical process. It starts with a 'Programmatic Breakdown & Outlook By Market' which is divided into 'Hypersonics', 'Strategic Missile', 'Space Launch', and 'Satellite'. An arrow points from this breakdown to a 'Basis of Estimate Volume / Value' table. Another arrow points from the 'Basis of Estimate' to a 'High Temperature Material Market Summary' table, which includes 'C103 Share Analysis' and 'AM C103 Share Analysis'.

The **72-page comprehensive market study** and accompanying proprietary market model provides key details and analysis for **550 discrete programs** in hypersonics, strategic missiles, space launch and satellite programs – including a granular, program-by-program study of demand signals, market supply, powder pricing and feedstock costs

Next-Generation Applications

Hypersonics



- Thermal protection systems
- First- and second-stage rocket nozzles
- The hypersonics market is rapidly evolving in order to develop and field offensive and defensive capabilities

Strategic Missiles



- First-, second-, and third-stage rocket nozzles
- Reentry vehicles subjected to extreme environments as they travel back through the atmosphere
- The U.S. is currently recapitalizing its ground-based strategic missile arsenal via the Sentinel program

Space Launch



- First- and second-stage rocket motor nozzles
- C103 is well-established in this market for second-stage rocket motor nozzle extender applications

Satellites



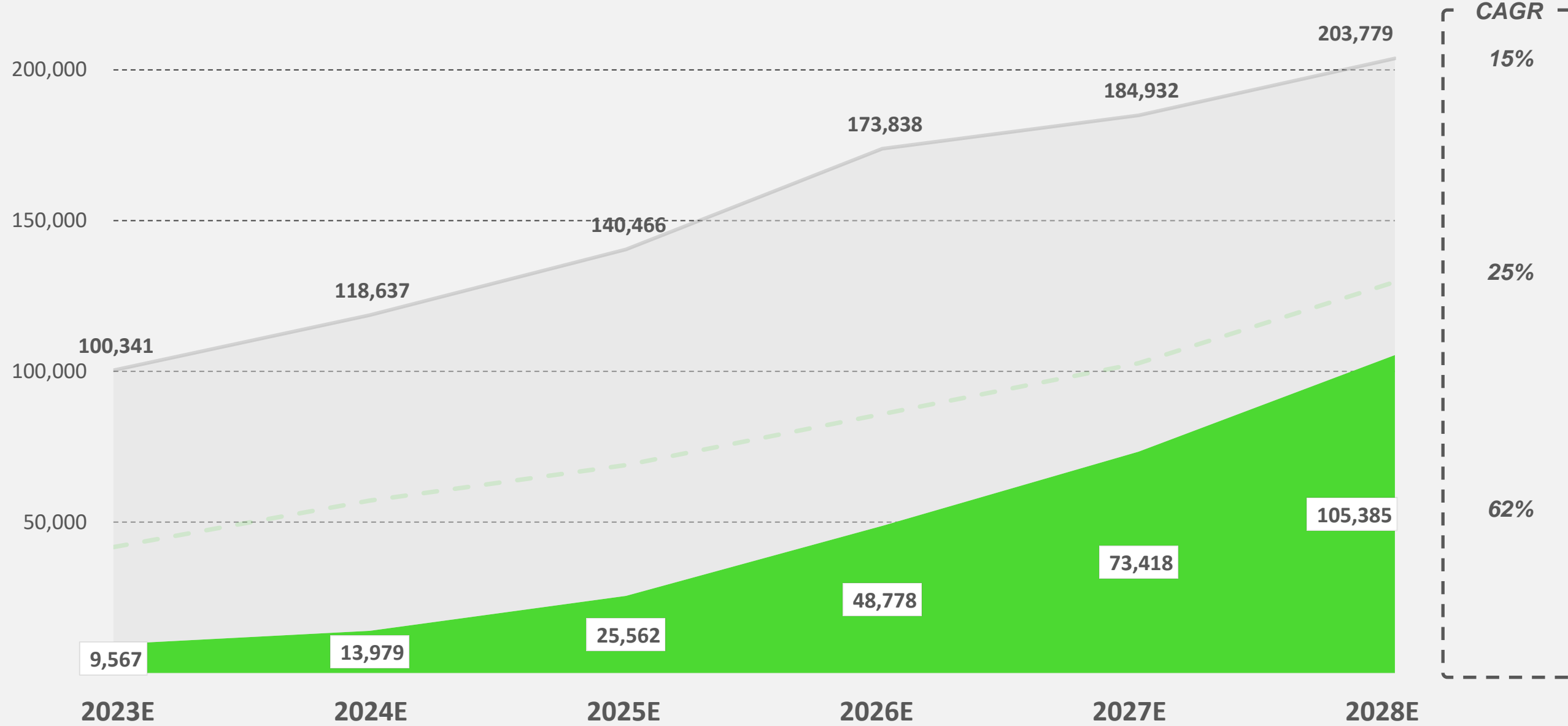
- Thruster nozzles of satellites
- These in-space propulsion systems have unique requirements in order to operate in the extreme environments of space

 High-Temperature Materials Requirement

Demand Signals

(Figures in Kilograms)

- Total High-Temperature Material Demand
- - - Total C103 Demand, Wrought and Powder
- Total AM C103 Demand



Source: Estimated demand figures from Fairmont Consulting Group analysis
 Note: U.S. Gov't Fiscal Year Ending September 30.

Planned Production Capacity

Estimated Annual Production

17

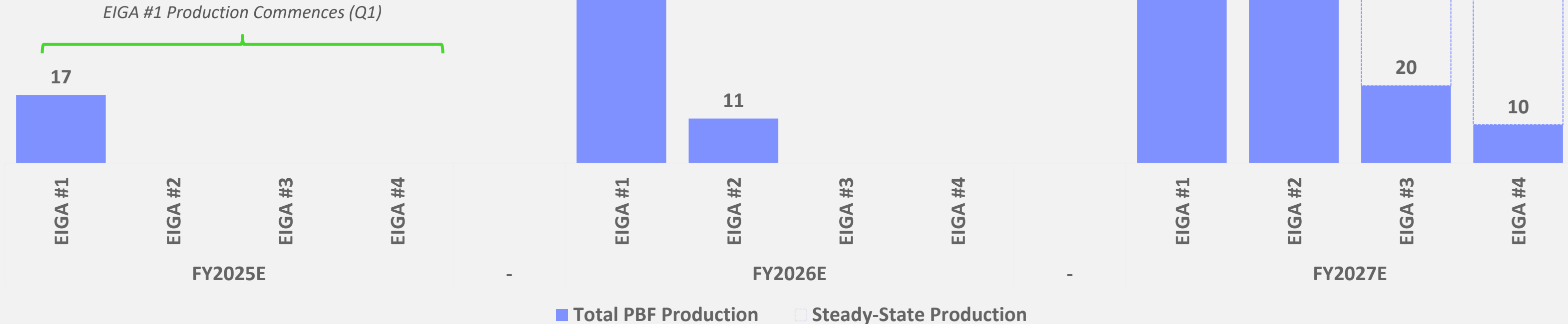
92

193

398 *Total Steady-State Production*

*EIGA #3-4 Production Commences Q1-Q2 FY2027
Steady-State Production as of Q4 FY2028*

Production across Amaero's current and planned four atomisers is shaped by the following strategic plan: (i) prioritise C103 and development refractory alloys; (ii) then, other high-value specialty alloys; (iii) then, allocate excess production capacity to titanium alloys.

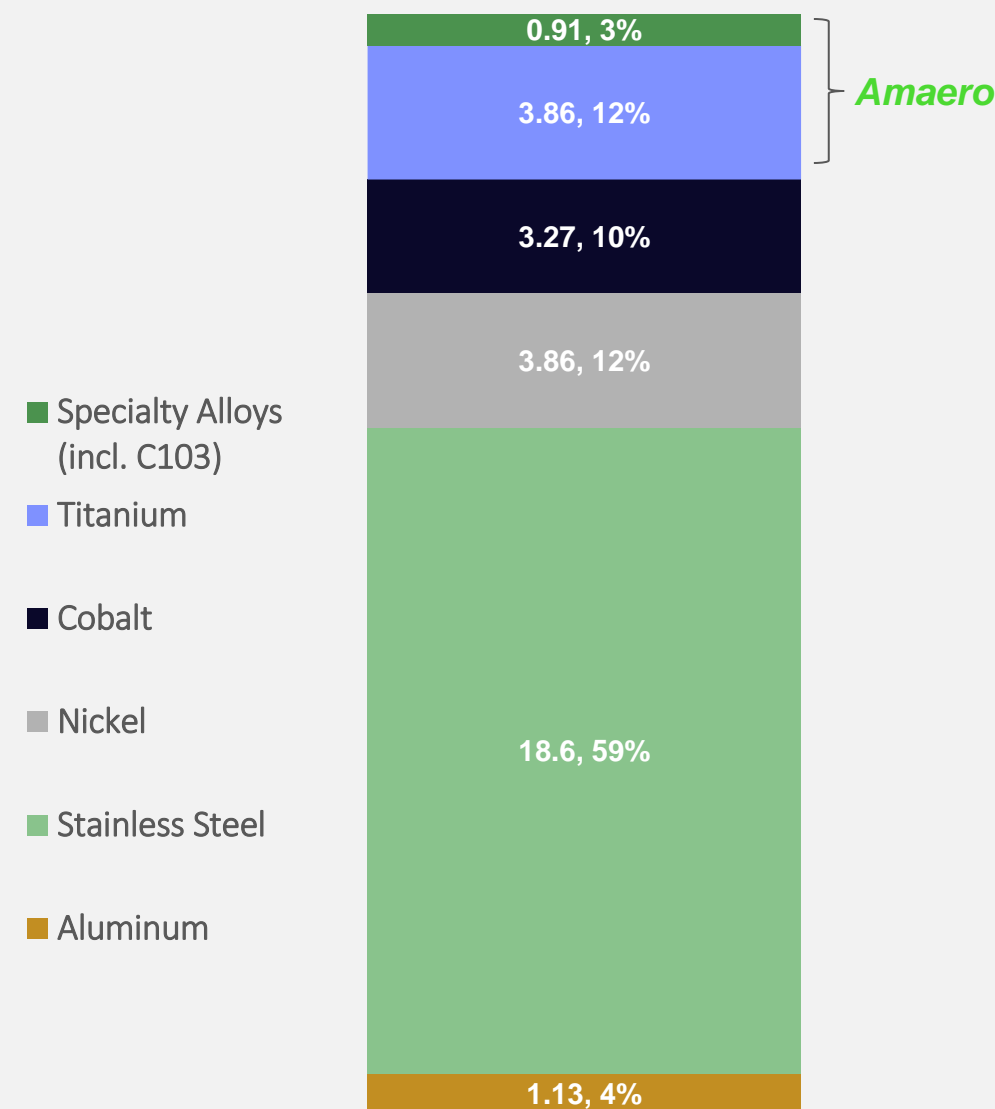


Note: Fiscal Year Ending June 30; Figures in Tonnes.
Source: Company assumptions and projections, Fairmont Consulting Group.

Specialty is Our Focus

Estimated Additive Manufacturing Powder Demand

(Figures in millions of kg)



| Material | Feedstock Price | Est. Market Price |
|------------------------|-------------------|---------------------|
| <i>Nb C103</i> | A\$700 – A\$1,450 | A\$4,030 – A\$5,225 |
| <i>Titanium</i> | A\$50 – A\$75 | A\$275 – A\$350 |
| <i>Cobalt</i> | A\$100 – A\$125 | A\$175 – A\$200 |
| <i>Nickel</i> | A\$50 – A\$75 | A\$100 – A\$125 |
| <i>Stainless Steel</i> | A\$15 – A\$20 | A\$50 – A\$75 |
| <i>Aluminum</i> | A\$10 – A\$20 | A\$25 – A\$50 |

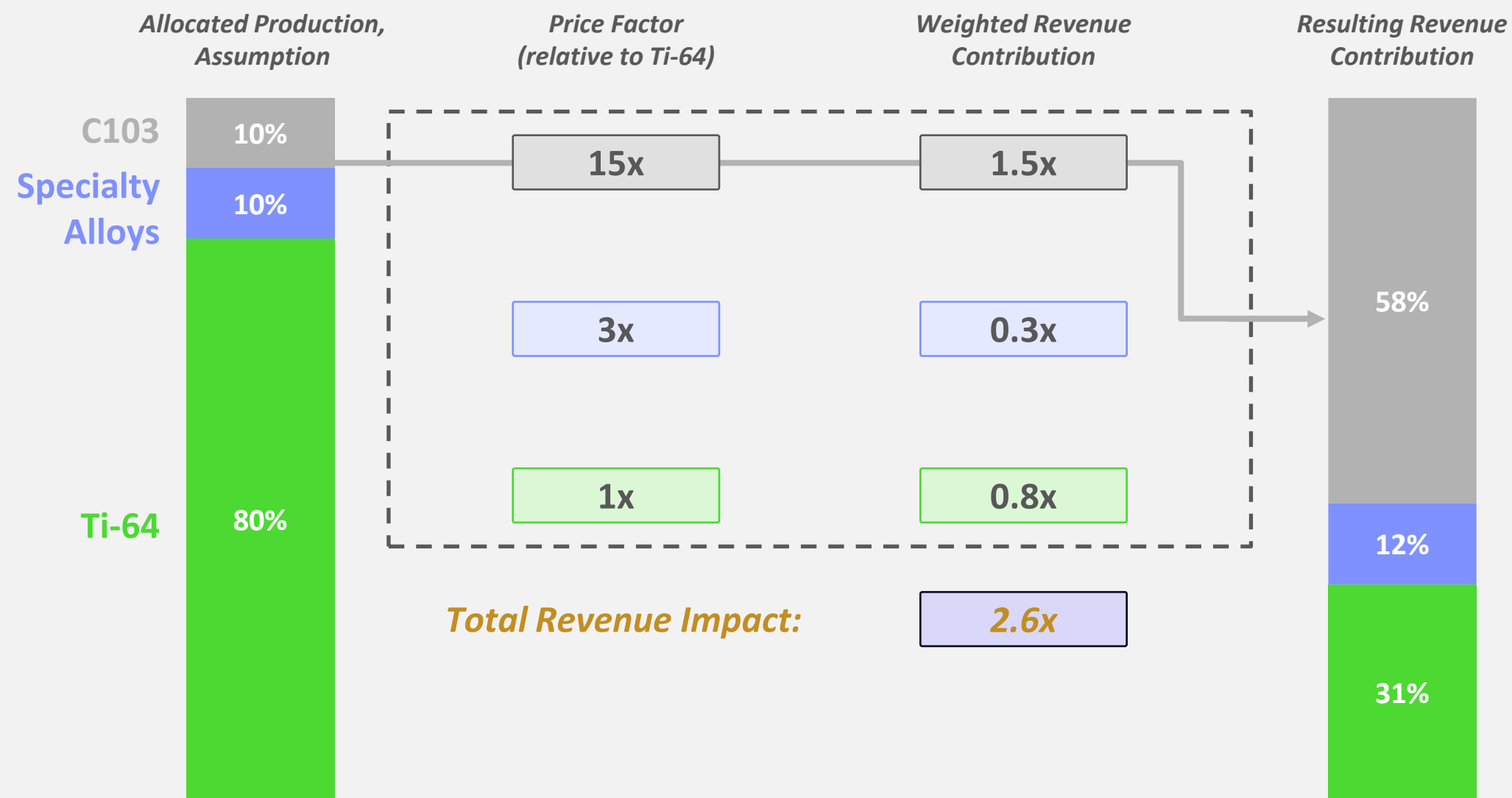
Commentary

- Positioned as largest U.S. domestic, agile and scalable producer of specialty AM powder.
- Commodity alloys comprise approximately 85% of total powder production.
- Titanium alloy powders have a price 5-6x higher than stainless steel which comprises 60% of powder production. Ti alloy powder sells at a premium price to all commodity alloy powders.
- Supply of U.S. domestic titanium AM powder is insufficient to meet demand.

Sources: Metal Powder Industries Federation, Fairmont Consulting Group Analysis.
Note: all figures in ASD unless otherwise noted; assumed ASD:USD ratio of 0.65.

Specialty Drives Higher Revenue

Estimated Revenue Contribution by Alloy



Commentary

- Price factor estimates the price of C103 and specialty alloy versus a base price for Ti-64
 - C103 Price Factor: 15x
 - Specialty alloys assumes illustrative 3x Price Factor
- Higher expected revenue from C103 and specialty alloys expected to accelerate path to profitability
- Prioritising production of C103 is expected to establish Amaero's differentiated market position as the largest and most responsive U.S. domestic supplier of refractory and other high-value specialty alloys

Source: Fairmont Consulting Group.

Leading Yield of PBF

Next-Generation EIGA Premium



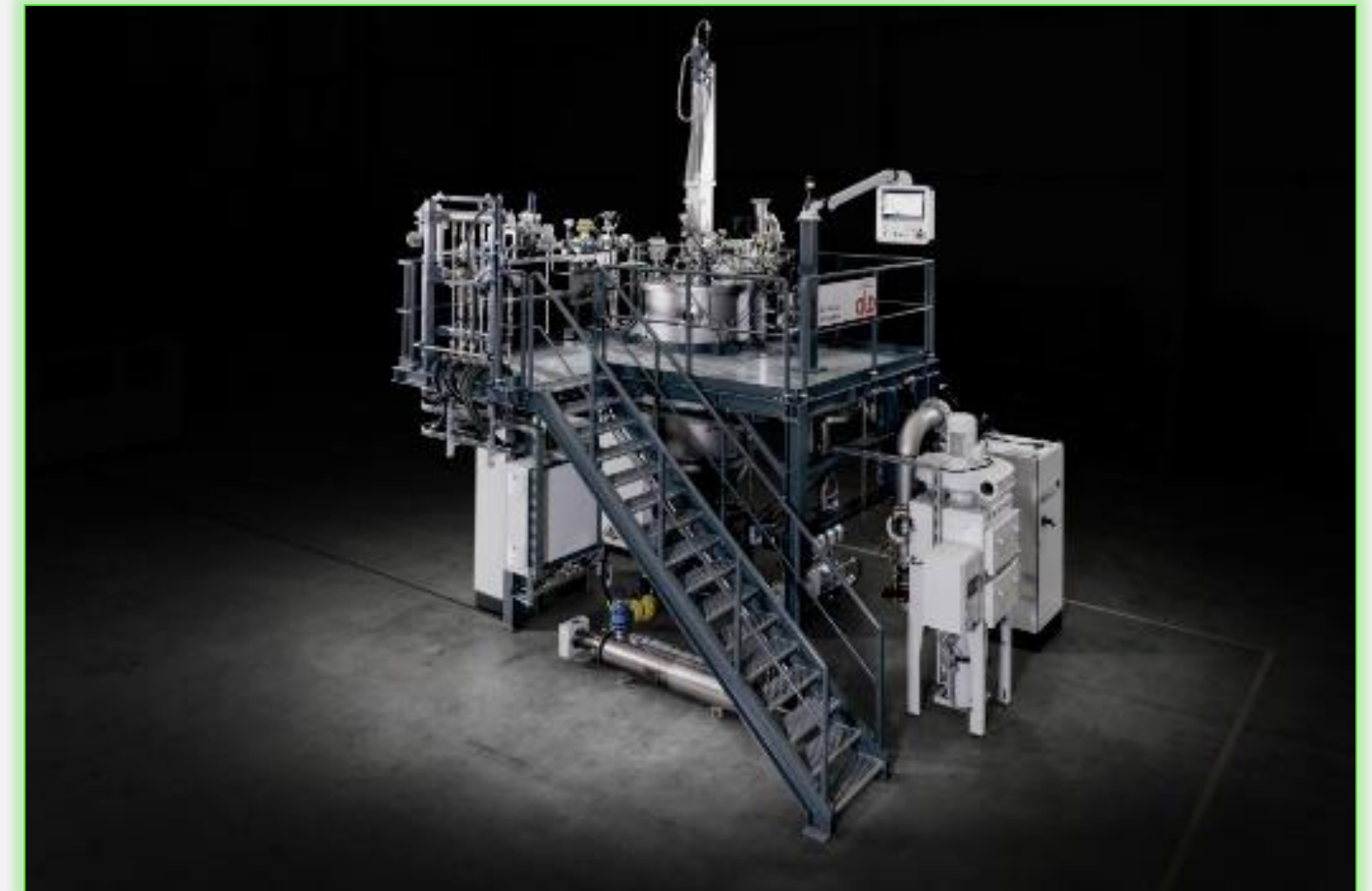
Decades of Industry Leadership and Experience



Process and Parameter Optimization Know-How

~2x

Expected Higher PBF Powder Yield



Shifting the Cost Curve

Illustrative C103 PBF Powder Price Reduction

| | Ti-64 | | C103 | |
|--|-----------------|-------------|------------------|-----------------------|
| | \$ | % | \$ | % |
| Engineering / Print / Post Processing | 9,000 | 74% | 9,000 | 9% |
| PBF Powder | 3,100 | 26% | 94,800 | 91% |
| End Part Total Price | \$12,100 | 100% | \$103,800 | 100% |
| Illustrative 10% PBF Powder Cost Reduction | \$310 | | \$9,480 | |
| Illustrative End Part Total Price Reduction % | 3% | | 9% | ~3x the Impact |

Illustrative Assumptions

- Average Material deposition rate of 15 cc / hr
- 7 day build
- PBF Powder costs of \$275 / kg for Ti-64 and \$4,250 / kg for C103
- Illustrative production assumptions for mid-size metal production 3D printer

Commentary

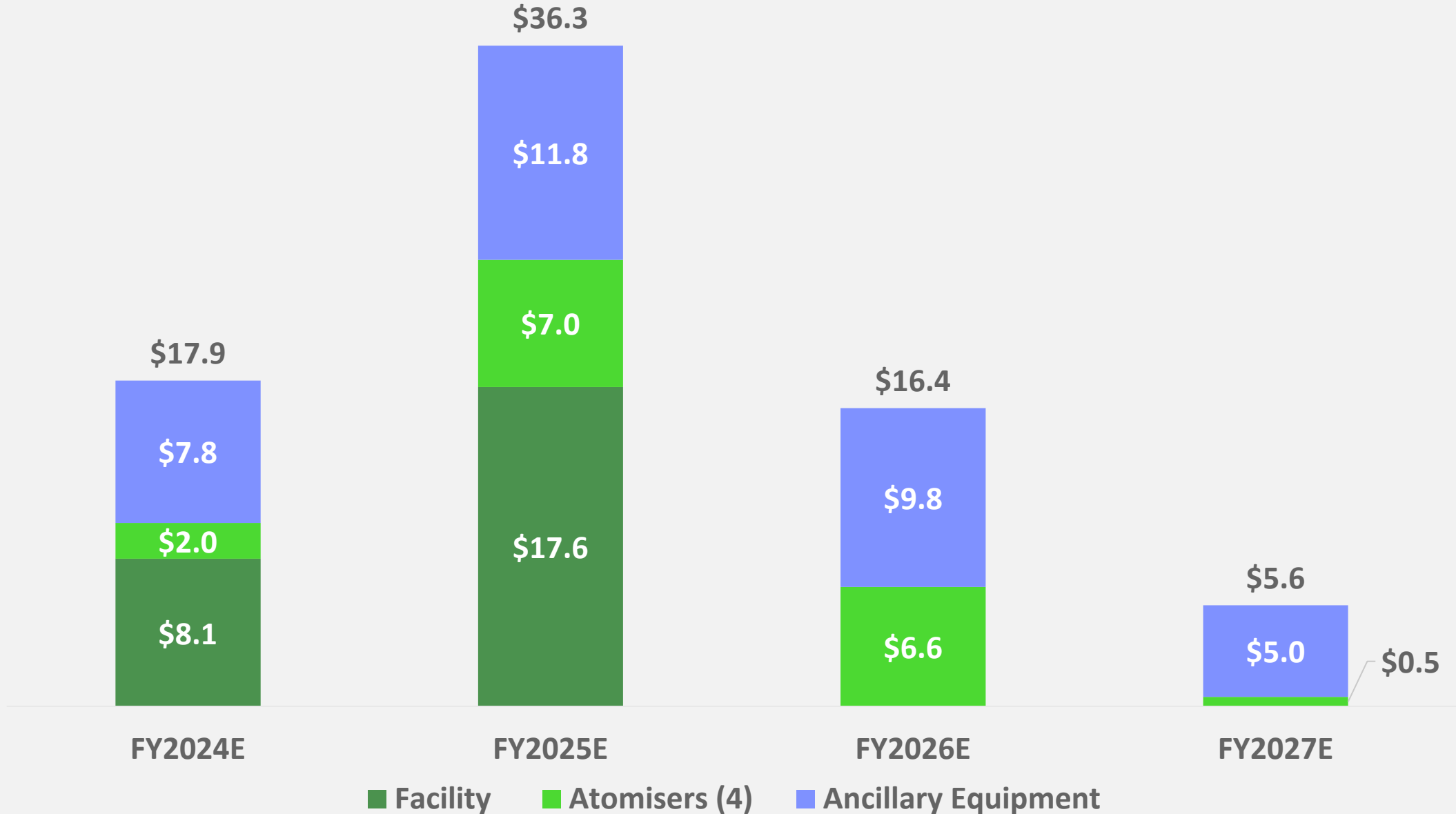
- Powder cost as a percentage of end part production price increases dramatically for high-value powders
- Shifting the cost curve may accelerate insertion of production additive manufacturing applications utilizing refractory materials

Source: Fairmont Consulting Group.

Note: all figures in ASD unless otherwise noted; assumed ASD:USD ratio of 0.65.

Planned Capital Investments

Estimated Capital Investment Required to Support Amaero's Planned Production Schedule



Commentary

- Includes facility fit out and capital equipment
- Estimated capital funding requirements of \$76M total through FY2027E
- Expected to achieve positive EBITDA in CY2025; ~\$14M operating loss expected in CY2024
- Expected to fund with combination of equity, asset-backed debt and government grants.

Note: Fiscal year ending June 30; all figures in AUD millions; assumed AUD:USD ratio of 0.65. FY2024 excludes Q1 and Q2 which have already been funded.



Questions



For more information, contact info@amaeroinc.com