

Cleansing Notice under Section 708A(5)(e) of the Corporations Act 2001 (Cth) Amaero International Limited (ASX:3DA)

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27 March 2024

Amaero International Limited (ASX:3DA) proposes to issue 60,606,061 fully paid ordinary shares (**New Shares**) on 5 April 2024 to eligible institutional investors in relation to the Placement (as defined below) currently being conducted by Amaero.

Amaero gives notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

- the New Shares will be issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- as at the date of this notice, Amaero has complied with:
 - o the provisions of Chapter 2M of the Corporations Act as they apply to Amaero;
 - section 674 and 674A of the Corporations Act; and
- as at the date of this notice, and except as set out below, there is no information:
 - that has been excluded from a continuous disclosure notice in accordance with the listing rules of the relevant market operator to whom that notice is required to be given; and
 - that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of Amaero; or
 - the rights and liabilities attaching to the New Shares.

Further information in relation to a binding Offtake Agreement and the Placement

Amaero announces that it has entered into a binding offtake agreement for the supply of C103 AM powder. The counterparty to the agreement is a leading and deeply resourced additive manufacturer of C103 and refractory alloys for the defense and space industries. The company has industry leading technical and applied research capabilities operating out of multiple locations in the United States, and collaborates with U.S. Department of Defense ("**DoD**") funded laboratories, as well as prime defense contractors.

Under the terms of the agreement, the supply of the C103 AM powder is conditional on Amaero's C103 AM powder being qualified to the counterparty's specifications. There are no other material conditions precedent to the supply of the C103 AM powder. Amaero and the counterparty have agreed to collaborate throughout the qualification process, which Amaero expects will commence in the coming months.

Only after qualification is achieved is the counterparty required to take 2.25 tonnes of Amaero C103 AM powder at a fixed price. Subject to achieving qualification, Amaero expects that 0.25 tonnes will be shipped in late CY2024 with the remaining 2 tonnes expected to be shipped in CY2025. If Amaero delivers the contracted 2.25 tonnes of C103 AM powder, which as noted above is first subject to Amaero's powder being qualified by the counterparty, the revenue would be material. Amaero has previously stated to the market that it expects to achieve breakeven operations in CY2025 and the revenue contribution from this agreement is reflected in expected revenue mix.

Following supply of the initial 2.25 tonnes, there are additional opportunities for further supply of C103 AM powder for the term of the agreement, however, there is no commitment from the counterparty to take a minimum amount of C103 AM powder.



If qualification of Amaero's C103 AM powder is achieved, the agreement will run five (5) years. Either party may terminate the agreement for material breach by the other party, the insolvency of the other party or by mutual agreement.

Amaero is very gratified by the vote of confidence from this customer in Amaero's ability to complete the commissioning of its first atomiser and to manufacture powder that meets the customer's specifications. Amaero understands that its investors would like to hear more details about this agreement; however, it would be imprudent to provide further details until Amaero successfully qualifies C103 AM powder to the customer's specifications.

Hank Holland, Amaero's Chairman and CEO, said:

"This is a very important milestone for Amaero. Amaero aspires to be the largest U.S. domestic producer of C103 and specialty alloy AM powders and to be the most responsive, agile producer. In order for additive manufacturing to achieve its potential, it's imperative that we stand up an alternative U.S. domestic supplier of C103 and specialty AM powder. Time is of the essence. There must be a sense of urgency to collaborate with and to assist DoD-funded laboratories and prime defence contractors to advance hypersonic and strategic missile programs from the development and demonstration phase to the production phase. The alignment and collaboration will be an important development for demonstrating manufacturing readiness and for advancing the insertion of additive manufacturing into the most strategic and most critical defence and space applications."

Institutional Placement

Amaero has raised \$20 million through the placement of the New Shares to eligible institutional investors (**Placement**). The Placement was conducted at a fixed price of \$0.33 per New Share. The Placement price reflects an 11% discount to prior closing price; a 9% discount to 5-day VWAP and a nil discount to 30-day VWAP.

Hank Holland, Amaero's Chairman and CEO, commented:

"I'm pleased to share that we received bids from investors in excess of the Placement amount including cornerstone investments from a U.S.-based internationally respected mutual fund, a top tier Australian-based global institutional asset manager and a leading Sydney-based investment management firm. As Amaero's largest shareholder, I've often commented about the importance of attracting sophisticated, long-term shareholders to the registry and the addition of these institutional investors is an important affirmation of our progress. We have worked very hard over the past 18 months to re-position Amaero to be a valued and integral stakeholder in a generational opportunity – the re-shoring to the U.S. of critical industrial capabilities. In the coming months, the executive team will be relentlessly focused on commissioning the first atomiser in Tennessee and commencing powder production. Exciting days ahead."

Amaero expects to use the proceeds of the Placement for general corporate purposes, including working capital, operating expenses and capital expenditures.

The Placement will result in approximately 60.6 million New Shares being issued, representing approximately 12.6% of Amaero's existing issued share capital. The New Shares will be issued within Amaero's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. New Shares issued under the Placement will rank equally with existing Amaero ordinary shares from their date of issue.

Curran & Co Pty Limited (**Curran & Co**) is acting as lead manager to the Placement. Amaero will pay Curran & Co a fee equivalent to 5% of the proceeds of the Placement and issue to Curran & Co 1,000,000 unquoted options with the following key terms:

- exercise price of \$0.50 per option;
- on exercise of an option, Amaero will issue one fully paid ordinary share; and
- options expire on the date that is three (3) years from the date of their issue.



Key dates of the Placement

Event	Date
Announcement of the Placement	27 March 2024
Settlement of New Shares under the Placement	4 April 2024
Issue and commencement of trading of New Shares under the Placement	5 April 2024

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Placement is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Amaero reserves the right to amend this timetable at any time.

Investor briefing

Amaero Chairman and CEO, Hank Holland, will host an investor briefing at 11.00am AEDT on Tuesday, 2 April 2024. The investor briefing will be recorded and posted to Amaero's website.

To pre-register for the briefing, please use the link below:

https://janemorganmanagementau.zoom.us/webinar/register/WN VUGmkF1yRcKIKd3DngOPwg#/registration

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

This announcement has been authorised by the Board of Directors of Amaero International Limited (ASX:3DA).

For further information, please contact: Media & Investor Enquiries

Amaero International Limited (ASX:3DA)

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About Amaero International Limited (ASX:3DA)

Amaero International Limited is an ASX-listed company focused on high-value refractory, specialty alloy and Ti-64 powder production for additive manufacturing of mission-critical components for the defence, space and aviation industries.

For further information, please visit: https://www.amaeroinc.com



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