

Credit Agreement Signed for US\$22.8 Million Loan from Export-Import Bank

- Amaero has executed a credit agreement for a US\$22.8 million loan from Export-Import Bank (EXIM). As EXIM has reduced capitalized fees it had intended to charge, the loan amount decreased from the originally announced US\$23.5 million.
- A fixed interest rate of 5.43% per annum was locked upon execution of the credit agreement. The total loan cost equals approximately 7.05% per annum over an 8-year term, providing an attractive and flexible funding source for Amaero.
- Following completion of the first tranche of the recent A\$22 million capital raise, Amaero has satisfied a key condition precedent required prior to first draw of the EXIM loan.
- The Export-Import Bank loan was extended to wholly owned U.S. operating subsidiary Amaero Advanced Materials & Manufacturing providing additional flexibility.
- Amaero's EXIM loan is the sixth *Make More in America* (MMIA) loan to be approved and the first MMIA loan that supports advanced materials and additive manufacturing, an important signal of U.S. government support to the capital markets and commercial customers.

Amaero International Limited (ASX:3DA) (“Amaero” or the “Company”) a leading U.S. domestic producer of high-value C103, refractory alloy, and titanium powders for additive and advanced manufacturing of components utilized by the defense, space, and aviation industries is pleased to announce that it has executed a credit agreement for a US\$22.8 million direct loan from the Export-Import Bank of the United States (“EXIM”) initially announced on January 9, 2025. As EXIM agreed to reduce capitalized expenses, the loan amount was reduced from US\$23.5 million to US\$22.8 million. The loan was extended to Amaero Advanced Materials & Manufacturing Inc., a wholly owned U.S. operating subsidiary of Amaero.



Figure 1: EXIM's Senior Vice President Bryan J. Rolfe and Amaero's Chairman and CEO Hank J. Holland signing the credit agreement.

The U.S. federal government credit agency will provide capital equipment financing and will directly fund the loan as part of EXIM's *Make More in America* initiative (“MMIA”) that was established to address the longer-term weaknesses in the United States' supply chains, the result of decades of underinvestment, outsourcing, and offshoring instead of investment in long-term security, sustainability, and resilience. The financing also falls under EXIM's *China and Transformational Exports Program* (“CTEP”). Amaero's loan is the sixth MMIA loan to be approved and the first MMIA loan that supports advanced materials and additive manufacturing.

This direct loan serves as an important signal to the capital markets and commercial customers, reinforcing that Amaero's business is positioned at the nexus of strategically important U.S. policy initiatives focused on enhancing the resiliency and scalability of manufacturing and supply chain capabilities. EXIM's loan provides a demonstrable commitment by the U.S. government that reaffirms the strategic importance of Amaero's capabilities to national security and to economic policy.

In a prior announcement dated January 9, 2025, the Company stated that the loan had received final and unanimous approval by EXIM's bipartisan Board of Directors and that it was subject to mutually agreed upon and fully executed loan documentation. Further, the Company stated that it expected to finalize documentation for the loan in the current quarter, in preparation for drawdown in the next quarter. We are pleased to have negotiated and fully executed the credit agreement in an expedient manner.

The Company also stated that the loan terms included a condition precedent that required Amaero to complete a capital raise prior to the first loan draw. The Company is pleased to confirm that completion of tranche 1 of the A\$22 million capital raise announced on February 11, 2025 has satisfied this condition precedent.

The loan commitment reflects an advance of 75% loan-to-cost ratio on capital equipment that has been or will be installed in Amaero's manufacturing and corporate headquarters in McDonald, Tennessee, as well as a contingency reserve and capitalized loan fees. The loan has an initial 12-month period of interest-only payments, followed by fully amortizing principal and interest payments over seven years. The interest rate was fixed at 5.43% per annum on execution of the credit agreement and the total cost of the loan, including amortized fees and expenses, equals approximately 7.05% per annum.

The final credit agreement reflect the binding terms disclosed in the January 9, 2025 announcement without any material changes.

The Company expects capital expenditures over the three-year period ending FY2026 to total approximately US\$46.5 million. The planned capital expenditures include approximately US\$28.5 million for capital equipment and approximately US\$18.0 million for facility improvements. The EXIM loan will be drawn against capital equipment purchases. The Company expects to satisfy the remaining conditions precedent so that it can initially draw approximately US\$12 million in the June 2025 quarter. The balance of the loan is expected to be drawn during FY2026.

With proceeds from the recent A\$22 million capital raise (assuming all shareholder approvals for the conditional tranche of the placement are received) and the expected proceeds from this US\$22.8 million EXIM loan, the Company has fully funded its planned capital expenditures and operations through EBITDA breakeven which is expected to be achieved in FY2026.

In conjunction with the EXIM loan, the Company has terminated the US\$5 million cash secured credit facility with Western Alliance Bank. This credit facility was announced on 27 December 2023 and the Company has not drawn on the credit facility since it was established.

The US\$18 million in facility improvements remain on budget and on schedule to be substantially completed by the end of FY2025. The commissioning of Amaero's second advanced atomizer also remains on budget and on schedule to be completed by the end of FY 2025.

With the commissioning of the first advanced atomizer and with ordering the second and third advanced atomizers, Amaero is positioned to be the largest U.S. domestic manufacturer of C103, refractory, and titanium alloy powders that are essential to additive / advanced manufacturing of mission-critical components for the space and aerospace sectors. Furthermore, Amaero's pioneering experience in PM-HIP (Powder Metallurgy-Hot Isostatic Pressing) manufacturing of large, complex near-net-shape parts is well suited as an immediate solution to supply-chain gaps resulting from inadequate United States domestic manufacturing capacity for large castings and forgings.

Amaero has provided material to several commercial parties for qualification and is advancing negotiations on several long-term commercial agreements. The Company remains on plan to transition to commercialization in FY2026.

Hank J. Holland, Amaero Chairman and CEO commented:

"Fully funding our planned capital expenditures and expected operating losses through EBITDA breakeven is a very important milestone event for Amaero. Non-dilutive, U.S. government-funded support is an important signal to the market that validates the alignment of Amaero's strategy and capability with the United States' priority policy initiatives. The direct loan of US\$22.8 million from EXIM coupled with a series of equity capital raises since May 2022 that totaled approximately US\$64.5 million have positioned Amaero with a strong balance sheet and with sufficient liquidity to fund planned capital expenditures and to fund operating losses through achieving expected EBITDA breakeven in FY2026.

Amaero has intentionally pursued a corporate strategy that addresses critical gaps in U.S. domestic manufacturing and supply chain capabilities. Improving the resiliency and scalability of domestic manufacturing throughput is an imperative for both national security and for economic prosperity. After decades of offshoring manufacturing to lower cost countries, the United States has atrophied domestic manufacturing capability, has created critical vulnerabilities in domestic supply chains and has lost approximately 7.1 million skilled, highly paid manufacturing jobs.

We are gratified to see President Trump's swift actions, including Executive Orders, that prioritize policy initiatives that strengthen national security, strengthen sovereign capabilities, address domestic manufacturing and supply chain vulnerabilities, promote domestic economic development and support small businesses. Amaero's capabilities and its differentiated market position align with U.S. national interests and with priority policy initiatives."

Lieut. Gen. H.R. McMaster, U.S. Army (retired) and Special Advisor to Amaero Chairman / CEO, added:

"Amaero is moving out on President Trump's priorities of invigorating the defense industrial base and reducing the U.S.' reliance on China for critical minerals and advanced material processing. With the expected commissioning of its 2nd atomizer in June, Amaero will have the only domestic atomizer dedicated to supply a critical family of alloys to defense laboratories, defense prime contractors, and first tier suppliers. Amaero is at the forefront of reducing our reliance on China and Russia for supply chains critical to defense."



Rep. Chuck Fleischmann, U.S. House of Representatives, Chairman, House Appropriations Subcommittee of Energy and Water has previously commented:

“Consistent with the mission of EXIM Bank’s Make More in America initiative, Amaero is providing immediate and scalable capabilities that address critical gaps in the supply chain and improve the readiness and resiliency of the domestic industrial base.

Re-shoring, re-building and scaling the domestic industrial base is an imperative for national security and for economic development. Amaero has acted decisively to commission advanced atomization technology and is positioned as the largest U.S. domestic producer of C103, refractory and titanium alloy powders that are essential to advanced manufacturing of mission-critical components for defense, space and aviation sectors.”

Commissioner Stuart C. McWhorter, Tennessee Department of Economic and Community Development commented:

“Amaero offers unique capabilities to supply the necessary refractory metal powders for critical hypersonic and space applications. They will have the only domestic atomizer dedicated to refractory alloys and house enough capacity to become the supplier of choice for defense laboratories, defense prime contractors and first tier suppliers. The Department of Defense and Industry have wanted someone to develop the ability to manufacture these developmental alloys for years. Amaero will be the only U.S. company that has this capability. Furthermore, Amaero’s growing technical capabilities will assist with the implementation of President Trump’s Executive Order “Unleashing American Energy” and assist in making Bradley County a strategic hub for high-temperature alloy development and powder production.”

About Amaero

Amaero International Limited (ASX:3DA) is an ASX-listed company with manufacturing and corporate headquarters located in Tennessee, USA. Amaero is a leading U.S. domestic producer of high-value C103, refractory alloy, and titanium powders for additive and advanced manufacturing of components utilized by the defense, space, and aviation industries. The technical and manufacturing team brings decades of experience and know-how with pioneering work in gas atomization of refractory and titanium alloys. The Company has commissioned advanced gas atomization technology with an industry leading yield of AM powder. The Company is also a leader in PM-HIP (Powder Metallurgy Hot Isostatic Pressing) manufacturing of large, near-net-shape powder metallurgy parts with forged-like material properties and microstructure for a variety of alloys.

This announcement has been authorized for release by the Board of Directors.



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For further information, please contact:

Amaero International Limited

Hank J. Holland
Chairman and CEO

hank.holland@amaeroinc.com

Media & Investor Inquiries in Australia

Jane Morgan
Jane Morgan Management
jm@janemorganmanagement.com.au

Media & Investor Inquiries in United States

Chris Donovan
MZ Group
amaero@mzgroup.us

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