

QUICKSTEP ANNOUNCES UNMANNED CARGO AIRCRAFT CONTRACT AWARD FROM DRONAMICS

30 January 2023: Quickstep Holdings Ltd (ASX: QHL) (**Quickstep** or the **Company**) is pleased to announce that its Aerostructures business has secured a contract award from Dronamics for the production and supply of their Black Swan unmanned cargo aircraft.

Dronamics is the world's first cargo drone airline, based in Europe with a well-advanced global network plan. The Black Swan is a large, unmanned aircraft designed to be capable of carrying 350kg of cargo in excess of 2,500km. Contracted work will commence in March, 2023.

The initial contract award is the result of several months of detailed negotiations following the announcement of a manufacturing MOU at the Farnborough Airshow in July 2022. Quickstep has undertaken funded engineering work in collaboration with Dronamics during that period, which supported design finalisation and volume production objectives.

The firm contract covers Phase 0 engineering (Design for Manufacture); and Phase A supply (Prototype), on a full cost-reimbursement-plus-fee basis, of 10 low-rate initial production aircraft. These will be split into deliveries of 3 aircraft by October 2023 and 7 further aircraft by July 2024. The anticipated value of the firm contract requirement is likely to be in the range of \$4.5 to \$5.5 million.

Key contract terms:

- Customer right to audit during Phase 0 and Phase A
- Supplier first right of refusal for follow on production
- Mutually binding joint marketing obligations
- Compliance to AS9100D, ISO27001, ISO14001
- 5-year airframe warranty
- Industry standard liability, indemnity and termination clauses
- Standard representations and warranties for an engineering and manufacturing agreement of this nature

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This announcement was approved for release by Mark Burgess (Managing Director) of Quickstep.

About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia, with facilities in Sydney, Geelong, Melbourne and Dallas. The group employs more than 280 people in Australia and internationally. More information about Quickstep is available at www.quickstep.com.au

About Dronamics

Dronamics is the world's first cargo drone airline. As a leading developer and operator of large, long-range drones built specifically for cargo, its flagship Black Swan is designed to carry 350 kg (770 lb) at a distance of up to 2,500 km (1,550 mi) up to 80% faster, 50% cheaper and with up to 60% lower emissions than alternative modes of transport, including airfreight. This should enable same-day shipping over very long distances for a variety of industries: from pharma to food, from e-commerce to spare parts. The company's fast-growing team includes experienced aerospace and logistics experts. Dronamics is Europe's first licensed cargo drone airline and IATA's first Strategic Partner for drones worldwide. More information about Dronamics is available at www.dronamics.com

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Important Information - Forward looking statements

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release.