AMAERO
ADDITIVE MANUFACTURING
ASX:3DA

ASX Release **28 February 2022**

Amaero FY22 Half Year Results

Highlights:

- **Amaero to build world-class Ti Powder plant in Australia: expected to generate revenues of ~A$40.8m p.a.; 10-year lease secured for the facility in January 2022**
- **Heads of Agreement secured with Gilmour Space that will lead to a long-term supply agreement expected to deliver total revenues of ~A$1.7m**
- **Revenues increased by 80% to $214k compared to previous corresponding period (pcp); Amaero continues to focus on progressing key projects to deliver increased revenues**
- **Cash balance of $4.97m, providing support for continued investment in key projects and contracts to deliver future revenue growth**

Amaero International Limited ("Amaero"), (the "Company") (ASX:3DA), a leader in metal additive manufacturing is pleased to present its financial results for the six-months ended 31 December 2021 (1H22).

Commenting on the half-year results, Amaero International Limited CEO, Barrie Finnin said: *"This first half of financial year FY22 saw Amaero make solid progress with our world-class titanium plant – a project that will not only provide us with a strong revenue and profit stream but also position us as a leader in the supply of critically important titanium powder for the aerospace, defence and critical manufacturing industries. Current global events highlight the value of this initiative. The plant is a core focus for our Company and as it is Amaero-owned, it is not dependent on decisions of others to proceed to full operations. We are pleased to advise that the project management plan for the manufacture of equipment is on time and within budget. The project is on track to finalise construction and commencement of commissioning which are both expected in 3Q CY2022.*

"We also made good progress with our third-party projects during the half. We secured a new Heads of Agreement with Gilmour Space that will lead to a long-term supply agreement expected to deliver total revenues of ~A$1.7m. For the Fletcher Insulation project, we received positive test results, whilst for the (H.O.T Al) project with Rio Tinto, the first batch of alloy billets were atomised and testing commenced. We continue to work hard on a number of key projects and contracts to deliver future revenue growth."

OPERATIONAL

Titanium powder plant

During the half-year, Amaero announced that it will build a customised and proprietary titanium alloy powder manufacturing facility in Victoria, Australia.

In January 2022 Amaero subsequently secured a ten-year lease for a 3,857 sqm facility in the Monash Precinct in Melbourne for the facility. Additional works also commenced that month to prepare for the installation of the facility, including the construction of a 600sqm warehouse extension high bay to accommodate Amaero's first gas atomiser for the plant.

The plant will enable Amaero to produce aerospace grade titanium, to the highest standards at approximately half the cost of the nearest competitor and is expected to position Amaero as a supplier of choice of strategically important titanium alloy powder for defence, aerospace and critical manufacturing segments in allied nations.

The facility is expected to provide Amaero with a strong revenue of ~A$40.8 million per annum. This guidance was upgraded from an original estimate of ~A$30 million per annum following evaluation trials which confirmed that yields of Amaero's metal powder products are better than the base case for the investment, and therefore, anticipated output from the facility will be higher than previously expected.

Amaero expects construction to be finalised and commissioning to commence in 3Q CY2022. A five-fold ramp up of additional gas atomisers with commensurate revenues is expected by 2025.

Heads of Agreement with Gilmour Space and further Purchase Orders

In October, Amaero secured a Heads of Agreement (HoA) with Gilmour Space Technologies (Gilmour Space) that will lead to a long-term supply agreement for the manufacture of rocket components.

The resulting supply agreement will be for a three-year term and is expected to deliver total revenues to Amaero of ~A$1.7 million.

Gilmour Space is a venture-backed Australian rocket company which is pioneering innovative hybrid propulsion technologies that will offer lower cost access to space. The HoA follows the supply of a series of prototype rocket motor components to Gilmour Space that were manufactured by Amaero under small purchase orders over the past year and a half.

Also during the half, Amaero received 5 purchase orders from Gilmour for the manufacture of rocket components under the supply agreement.

Progress with Fletchers Insulation and Rio Tinto projects

Amaero recorded positive test results for its spinner tools for the Fletcher Insulation project during the first six months of FY22, with the spinner tools performing well within Fletcher's required performance standards.

In addition, one of Amaero's SP400 3D printing machines was built for the project with commissioning beginning in January.

The High Operating Temperature Aluminium Alloy (**H.O.T Al**) project with Rio Tinto is also progressing well, following freight delays causing project timing slippage earlier in 2021.

The first batch of Rio Tinto's alloy billets has been atomised into powder and testing has commenced. In addition, the second shipment of Amaero H.O.T. Al was dispatched from Rio Tinto during the half.

Proposed Middle East 3D printing centre

Amaero is making progress with virtual meetings on the project agreement for the proposed Middle East centre for additive manufacturing. In person meetings are also expected to be conducted in March 2022, subject to international travel restrictions.

Amaero executes LOI with Australian Missile Corporation

In December, Amaero executed a letter of intent (**LOI**) with Melbourne-based Australian Missile Corporation (**AMC**) to explore opportunities to support of the accelerated establishment of a Sovereign Guided Weapons and Explosive Ordnance (**GWEO**) Enterprise in Australia.

AMC is a subsidiary of NIOA, a 100% Australian-owned Defence Prime specialising in the provision and support of weapon systems and integrated soldier systems.

The LOI follows AMC's proposal to the Federal Government following a request for information for the establishment of the GWEO Enterprise. The proposal provided feedback and advice on how a Sovereign GWEO Enterprise could be established and operated, including proposed commercial model options and identified several areas that could accelerate Enterprise establishment.

Boeing Purchase Order

Amaero also received a new Purchase Order totalling $50k from Boeing for a defence aircraft Independent Research and Development (IRAD) project. This is in addition to the ongoing projects that Amaero continues to develop with Boeing.

FINANCIAL

The 80% increase in revenues received during the half year was due to income from increased research and development work undertaken with key clients.

The Company had $4.97 million in cash and cash equivalents as at 31 December 2021, with the cash burn reflecting the Company's continued investments in its key projects and commercial agreements to generate future revenue growth but allowing for future forthcoming growth.

ACTIVITIES SUBSEQUENT TO 31 DECEMBER 2021

Oceaneering International Purchase Order

Amaero's US operations received a purchase order totalling ~US$100,000 from Oceaneering International Inc. (NYSE:OII).

Oceaneering is a subsea engineering and applied technology company based in Houston, Texas, that provides engineered services and hardware to customers in the marine, space and other sectors.

The purchase order is for a development project for space applications involving aluminium 3D printed components and test specimens.

This ASX release is approved by the Board of Amaero International Limited.

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About Amaero International Limited:

Amaero International Limited is an Australian based company that manufactures large format complex components in metal with laser-based additive manufacturing processes, commonly known as 3D printing.

The principal activity of Amaero is the provision of end-to-end additive manufacturing solutions in terms of materials, services, equipment, and technology to its key clients in the Aviation Defence and Space sectors and the Tool and Die industry.

Amaero has worked with many of the world's leading manufacturers of aerospace and defence products in both an R&D and manufacturing capability and has a demonstrated ability to deliver aviation and military specification 3D printed alloy critical operation components.

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/

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