

Amaero Secures Final Approval for A\$38 Million Loan from Export-Import Bank

Amaero International Limited (ASX:3DA) (“Amaero” or the “Company”) is pleased to announce that Export-Import Bank of the United States’ (“EXIM”) bipartisan Board of Directors unanimously approved a direct loan in the amount of US\$23.5 million to Amaero Advanced Materials & Manufacturing Inc., a wholly-owned U.S. operating subsidiary of Amaero. Based on exchange rate of \$0.621, the loan commitment equals A\$37.8 million.



The U.S. federal government export 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 our nation’s supply chains, the result of decades of underinvestment, outsourcing and offshoring instead of investment in long-term security, sustainability, and resilience. Too many American manufacturers in sectors critical to

America’s national security, especially small- and medium-sized enterprises struggle to obtain financing ... EXIM is well positioned to address this issue, while supporting jobs in America.” – EXIM

The loan approval process involved an extensive due diligence process that included internal underwriting, transaction review and credit committee approval, as well as engagement of third-party consultants. After working closely with EXIM’s MMIA team since January 2024, we are pleased to have received final and unanimous approval by EXIM’s bipartisan Board of Directors. The loan is subject to mutually agreed upon and fully executed loan documentation. The Company expects to finalise documentation for the loan in the current quarter. Amaero very much appreciates the efforts of EXIM’s staff and the leadership of its President and Board Chair, Reta Jo Lewis.

Amaero’s loan is the 6th MMIA loan to be approved by EXIM’s Board of Directors and the 1st MMIA loan that supports advanced materials and additive manufacturing. This is an important signal to the capital markets and commercial customers. Amaero’s business is positioned at the nexus of strategically important U.S. policy initiatives that include 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 vitality. With the commissioning of the 1st advanced atomizer and with ordering the 2nd and 3rd 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. Moreover, Amaero is well positioned to export U.S. produced advanced materials.



The loan commitment reflects an advance of 75% loan-to-cost on capital equipment that has been or will be installed in Amaero's manufacturing and corporate headquarters in McDonald, Tennessee, as well as contingency reserve and capitalized loan fees. The loan is expected to be drawn over 5 quarters beginning the 4th quarter of FY2025 and the loan terms include a precedent condition that requires Amaero to complete a capital raise prior to the 1st draw. The loan has an initial 12-month period of interest-only payments, followed by fully amortizing principal and interest payments over seven (7) years. The cost of capital for the loan, inclusive of the interest rate and amortization of fees, is estimated at approximately 6.95% per annum and the interest rate will be locked at time of closing.

Amaero International Limited will be Guarantor for the loan. EXIM will receive a first priority security interest on the equipment financed by the loan. Initially, Amaero will maintain an interest-bearing cash collateral account with EXIM or a correspondent bank equal to 20% of outstanding principal balance. Upon achieving cash flow from operations that equals or exceeds 1.2x debt service coverage (DSC) for two consecutive quarters, the cash collateral account will convert to a sinking fund with future principal and interest payments debited from account until the cash balance is exhausted. The loan documentation will reflect customary financial covenants, including liquidity and leverage ratios.

As indicated in 13 August 2024 Investor Presentation, the Company expects capital expenditures over 3-year period of FY2024-2026 to total A\$71.5 or approximately US\$46.5 million. The planned capital expense includes approximately US\$28.5 million for capital equipment and approximately US\$18.0 million for facility improvements. The EXIM loan will be drawn against the capital equipment purchases.

Hank J. Holland, Amaero Chairman and CEO commented,

"This 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. 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 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 have worked closely with EXIM since January 2024 and are gratified that the loan has received final and unanimous approval from EXIM's bipartisan Board of Directors.

The EXIM loan provides important enabling support to Amaero. The Company expects to invest approximately US\$50 million into capital equipment and facility improvements and to support an estimated 150 skilled, highly-paid U.S. jobs."

Reta Jo Lewis, Exim Bank President and Board Chair commented,

"With EXIM's bipartisan Board of Director's unanimous approval of the \$23.5 million loan to Amaero, an advanced manufacturing small business headquartered in McDonald, Tennessee, we are underscoring EXIM's commitment to re-shoring and re-building more resilient and more scalable domestic

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manufacturing and supply chain capabilities. The loan is the 6th *Make More in America* transaction and further highlights EXIM's efforts to support the domestic manufacturing economy while creating skilled, highly-paid jobs in the U.S."

Rep. Chuck Fleischmann, U.S. House of Representatives, Chairman, House Appropriations Subcommittee of Energy and Water 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."

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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.

About Export-Import Bank of the United States

The Export-Import Bank of the United States (EXIM) is the nation's official export credit agency with the mission of supporting American jobs by facilitating U.S. exports. To advance American competitiveness and assist U.S. businesses as they compete for global sales, EXIM offers financing including export credit insurance, working capital guarantees, loan guarantees and direct loans. As an independent federal agency, EXIM contributes to U.S. economic growth by supporting tens of thousands of jobs in exporting businesses and their supply chains across the United States. Learn more at www.exim.gov.

In February 2021, President Biden signed Executive Order 14017 directing an all-of-government approach to assessing vulnerabilities in – and strengthening the resilience of – the United States' critical supply chains. The EXIM *Make More in America* initiative is tailored to provide capital to American manufacturers in sectors critical to America's national security.

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

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