

Amaero International Ltd

US government loan of US\$23.5m a significant milestone

Amaero International Ltd (ASX:3DA) is a global specialist in advanced materials manufacturing for the defence, aerospace and other industrial sectors, developing a critical metals alloy powder manufacturing facility in Tennessee, USA. The company has announced that it has secured final approval for a US\$23.5m (A\$37.8m) loan from the Export-Import Bank of the United States (EXIM), the US federal government's export credit agency, under the Make More in America (MMIA) initiative. The loan will be drawn against the estimated US\$28.5m in capital equipment purchases the company has announced for its Tennessee facility. We view this as an important milestone for Amaero as it delivers non-dilutive, US-government funded support to the company on favourable terms. The cost of capital has been estimated at ~6.95% per year, with the first year on interest-only payments followed by fully amortising principal and interest payments over a seven-year payback period. The loan is only the sixth MMIA loan approved by EXIM and the first MMIA loan to support advanced materials and additive manufacturing. We have incorporated the terms of the loan into our forecasts with minimal changes. Our DCF valuation, fully diluted for a final \$20m equity raise and 30% of options conversion, remains unchanged at \$1.16/share, representing potential capital upside of 246% on the current share price. A +15%/-15% sensitivity analysis to our base-case revenue and costs delivers a range of \$0.66-\$1.56/share, fully diluted.

Business model

Amaero is developing a critical metals powder manufacturing facility in Tennessee, USA, targeting the production of high-value alloy powders for mission-critical defence and space applications. The company has announced plans to install four electrode induction melting gas atomisers (EIGAs) at its facility over the next three years and has the first one in commercial production. Amaero has indicated that at full capacity, based on a 50% yield, it will produce up to 399 tonnes a year of high-end alloy powders for use in powder bed fusion (PBF) 3D printing of hypersonic, space, satellite and strategic missile parts. It has highlighted that 10% of PBF production in C103 niobium powder could contribute ~58% of revenue and ~50% of total revenue.

EXIM loan will underpin capex programme

The Export-Import Bank of the United States will provide capital equipment financing of US\$23.5m, directly funding the loan as part of EXIM's MMIA initiative which was established to 'address the longer-term weaknesses in (the US) supply chains'. Amaero has been working through the loan process with EXIM for 12 months and the loan is the first MMIA loan to support advanced materials and additive manufacturing. The company says it is an important signal to the capital markets and commercial customers that validates the alignment of Amaero's strategy and capability with US priority policy initiatives. Amaero expects the loan to be drawn over five quarters beginning in Q4 FY25. The loan will fund a significant proportion of the US\$28.5m that Amaero expects to spend on capital equipment at its facility. Conditions precedent to the loan include a requirement that Amaero completes a capital raise prior to the first draw. The company has previously (14 August 2024) noted that it expects to complete up to \$45m in additional equity raises. An upsized institutional placement in September 2024 raised \$25m. Our financial model incorporates an additional \$20m equity raise in H2 FY25, in line with the loan requirement. We have also incorporated the interest costs of the loan (6.95% versus our previous estimate of ~9%) and the timing of drawdown and repayment. Our forecast changes are minimal.

Base-case DCF valuation is \$1.16/share (unchanged)

Our base-case DCF valuation is \$956m, or \$1.16/share (unchanged) fully diluted for one final equity raise of ~\$20m and 30% of existing options converting. We estimate that the fully diluted share count will rise to 827m in FY26. On the current share count of 615.2m shares the valuation is \$1.55/share (also unchanged). A -15%/+15% sensitivity analysis to our base-case revenue and costs delivers a range of \$0.66-\$1.56/share, fully diluted. Our base-case forecasts and valuation are predicated on the expectation that Amaero will deliver revenue from FY25, EBITDA break-even at FY26, and secure 'at capacity' earnings in H2 CY28.

Historical earnings and RaaS' forecasts (in A\$m unless otherwise stated)

Y/E	Sales revenue	Gross profit	EBITDA	NPAT	EPS (c)	EV/Sales (x)	EV/EBITDA (x)	PER (x)
06/23a	0.1	0.6	(2.8)	(12.5)	(2.7)	n.m.	n.m.	n.m.
06/24a	0.5	0.1	(11.9)	(18.8)	(4.0)	n.m.	n.m.	n.m.
06/25f	16.0	(1.1)	(13.3)	(17.7)	(2.9)	16.9	n.m.	n.m.
06/26f	75.8	23.4	0.1	(9.9)	(1.4)	3.8	n.m.	n.m.
06/27f	147.2	40.9	10.6	(2.8)	(0.4)	2.0	28.2	n.m.

Source: Company data; RaaS estimates for FY25f-FY27f

Critical Metals Manufacturing

10 January 2025

Share Details

ASX code	3DA
Share price (9-Jan)	\$0.335
Market capitalisation	\$206.1M
Shares on issue	615.2M
Net cash 30-Sept-2024	\$20.4M
Free float	~37%

Share Performance (12 months)



Upside Case

- Amaero develops a significant presence in the advanced manufacturing supply chain
- Strong tailwinds in US and global demand for US advanced metal powder production
- Highly experienced management team led by Chairman/CEO with proven track record of delivering ahead of schedule

Downside Case

- Further strategic equity raises may result in dilution
- Pre-production with no guarantee that strategy will translate into earnings success
- Cash-flow profit still at least 18 months away

Catalysts

- Secures US government grants
- Commissions second atomiser
- Delivers EBITDA break-even in FY26

Company Interviews and Webinars

[Amaero International RaaS Interview 8 April 2024](#)

[Amaero International Investor Webinar 14 August 2024](#)

Board & Management

Hank J. Holland	Chairman and CEO
Eric Bono	Executive Director/CTO
Omer Granit	Non-Executive Director
Robert (Bob) Latta	Non-Executive Director
Erik Levy	Non-Executive Director
Jamie Levy	Non-Executive Director

Company Contacts

Hank J. Holland (Chair/CEO) +61 3 9905 9847
hank.holland@amaero.com.au

RaaS Contact

Finola Burke* +61 414 354 712
finola.burke@raasgroup.com

*The analyst holds shares

Loan Details

The loan commitment by EXIM reflects an advance of 75% of loan-to-cost on capital equipment that has been or will be installed at the company's manufacturing and corporate headquarters in McDonald, Tennessee, and includes a contingency reserve and capitalised loan fees.

The loan is expected to fund the bulk of the US\$28.5m in capital equipment that Amaero is installing at McDonald. This is part of a total US\$46.5m (A\$71.5m) capital expenditure programme, including another US\$18m in facility improvements, outlined by the company on 14 August 2024.

The loan is contingent on Amaero first completing a capital raise prior to the first draw, which is expected to begin in Q4 FY25 and be drawn over five quarters. Other key features include:

- The loan has an initial 12-month period of interest-only payments, followed by fully amortising principal and interest payments over seven years;
- The cost of capital for the loan, including interest rate and amortisation of fees, is estimated to be approximately 6.95% per annum. The interest rate will be locked at time of closing;
- Amaero will maintain an interest-bearing cash collateral account with EXIM equal to 20% of the outstanding principal balance;
- Once cash flow from operations equals or exceeds 1.2x debt service coverage for two consecutive quarters, the cash collateral account will convert to a sinking fund with future principal and interest payments debited until the cash balance is exhausted.

We have incorporated the timing of the loan drawdowns, interest costs and repayment schedule into our model but note little change to forecasts as we had already factored in borrowings of \$35m at 9% interest costs and a shorter payback schedule than announced by the company.

We view the loan as an important milestone for Amaero and a significant endorsement of the company's strategy to address critical gaps in the US domestic manufacturing and supply chain capabilities in the critical metal alloys powder manufacturing sector.

DCF Valuation

In our view, given the early-stage nature of Amaero's business and the lead time to revenue and cash generation, the discounted cash-flow methodology is the most appropriate method for valuing the company. We derive a Weighted Average Cost of Capital (WACC) of 12.4% (cost of equity 15.5%, beta 1.8, terminal growth rate 2.2%), and this gives us a base-case valuation of \$956m or \$1.16/share on a fully diluted basis (unchanged). On the current share count of 615.2m, the valuation is \$1.55/share. We use an equity risk premium of 6.5%, risk-free rate of 4.0%, and target gearing of 25%. Note that we use the US corporate tax rate of 21% in our valuation. The valuation also assumes that the \$71.5m in capital expenditure outlined by the company (ASX release 14 August, page 22) is funded through a final \$20m equity raise, \$38m in debt funding from EXIM and cash in hand (including cash from \$25m raised in an institutional placement on 17 September 2024). The company has also pointed to potential US government grants for capital support but for conservatism we have chosen to assume debt funding.

A -15%/+15% sensitivity analysis to our base-case revenue and costs delivers a downside case valuation of \$0.66/share and an upside case of \$1.56/share, fully diluted for raises and options conversion.

Exhibit 1: DCF valuation (in A\$m unless otherwise stated)

DCF valuation	Parameters
WACC (unchanged)	12.4%
Beta	1.8
Terminal growth rate	2.2%
Sum of PV (\$M)	338.5
Present value of terminal value (\$M)	595.6
PV of enterprise (\$M)	934.1
Fully diluted cash and debt inc. options conversion (\$M)	22.2
Net value – shareholder (\$M)	956.3
No. of shares on issue (fully diluted) (M)	827.0
NPV in A\$/share	\$1.16
NPV per share based on current share count (615.2M)	\$1.55
Source: RaaS estimates	

Exhibit 4: Financial Year Financial Summary

Amaero International Ltd						Share price (9 January 2025)						A\$	0.34					
Profit and Loss (A\$m)						Interim (A\$m)						H123A	H223A	H124A	H224A	H125F	H225F	
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F													
USD Sales Revenue	0.0	0.3	10.7	50.8	98.6	Sales Revenue	0.5	(0.4)	0.1	0.3	2.0	14.0						
Sales Revenue	0.1	0.5	16.0	75.8	147.2	EBITDA Adj	(3.1)	0.4	(4.5)	(7.4)	(9.1)	(4.2)						
Total Revenue	0.7	0.5	16.0	75.8	147.2	EBIT Adj ⁱ	(3.7)	(0.4)	(4.9)	(8.0)	(10.3)	(7.4)						
Gross Profit	0.6	0.1	(1.1)	23.4	40.9	NPAT (Adj)	(3.8)	(0.5)	(6.7)	(7.5)	(10.3)	(7.4)						
EBITDA Adj	(2.8)	(11.9)	(13.3)	0.1	10.6	Minorities	-	-	-	-	-	-						
Depn	(1.3)	(1.0)	(4.5)	(8.6)	(9.6)	NPAT (reported)	(6.6)	(0.9)	(9.9)	(8.9)	(10.3)	(7.4)						
Amort	0.0	0.0	0.0	0.0	0.0	EPS (Adj)	(1.05)	(1.61)	(1.52)	(1.52)	(1.76)	(1.18)						
EBIT Adj	(4.1)	(12.9)	(17.8)	(8.6)	1.0	EPS (reported)	(2.39)	(1.23)	(1.93)	(2.11)	(1.67)	(1.04)						
Interest	(0.2)	(0.6)	0.1	(1.2)	(2.5)	Dividend (cps)	-	-	-	-	-	-						
Tax	0.0	(0.0)	0.0	(0.1)	(1.3)	Imputation	-	-	-	-	-	-						
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(6.2)	(4.6)	(6.2)	(6.4)	(6.0)	(5.5)						
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(6.2)	(4.6)	(6.2)	(6.4)	(6.0)	(5.5)						
NPAT pre significant items	(9.2)	(14.1)	(17.7)	(9.9)	(2.8)	Divisions	H123A	H223A	H124A	H224A	H125F	H225F						
Significant items	(3.3)	(4.6)	0.0	0.0	0.0	Sales and service revenue	0.5	(0.4)	0.1	0.3	2.0	14.0						
NPAT (reported)	(12.5)	(18.8)	(17.7)	(9.9)	(2.8)	R&D grants	1.4	(0.8)	0.0	(0.0)	0.0	0.0						
Cash flow (A\$m)						Total Revenue	1.9	(1.3)	0.1	0.3	2.0	14.0						
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F	COGS	0.5	(0.4)	0.0	0.3	5.3	11.8						
EBITDA	(2.8)	(11.9)	(13.3)	0.1	10.6	Gross Profit	1.4	(0.8)	0.1	0.0	(3.3)	2.2						
Interest	(0.2)	(0.5)	0.1	(1.2)	(2.5)	R&D costs	(1.6)	(1.1)	(1.6)	(0.9)	0.0	0.0						
Tax	0.0	0.0	0.0	(0.1)	(1.3)	Employment	(1.2)	1.3	(0.3)	(3.3)	(1.0)	(2.1)						
Working capital changes	(7.8)	(0.2)	1.8	(4.5)	(5.2)	General & Admin costs	(1.2)	0.7	(2.4)	(1.9)	(4.0)	(3.6)						
Operating cash flow	(10.8)	(12.6)	(11.5)	(5.7)	1.6	Other costs	(0.5)	0.4	(0.3)	(1.2)	(0.8)	(0.7)						
Mtce capex	0.0	0.0	0.0	0.0	0.0	EBITDA	(3.1)	0.4	(4.5)	(7.4)	(9.1)	(4.2)						
Free cash flow	(10.8)	(12.6)	(11.5)	(5.7)	1.6	Margins, Leverage, Returns	FY23A	FY24A	FY25F	FY26F	FY27F							
Growth capex	(1.6)	(12.2)	(42.7)	(17.5)	(11.3)	EBITDA	nm	nm	nm	0.1%	7.2%							
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBIT	nm	nm	nm	(11.3%)	0.7%							
Other	(0.0)	(0.4)	0.0	0.0	0.0	NPAT pre significant items	nm	nm	nm	(13.0%)	(1.9%)							
Cash flow pre financing	(11.6)	(25.2)	(54.2)	(23.2)	(9.7)	Net Debt (Cash)	8.8	12.0	(12.2)	(15.9)	(21.3)							
Equity	10.6	30.6	45.0	10.2	4.5	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	(196.4)	(2.0)						
Debt	(0.3)	(0.6)	12.7	22.5	0.0	ND/ND+Equity (%)	(%)	(141.9%)	(68.4%)	18.2%	23.6%	28.8%						
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	2.6						
Net cash flow for year	(1.3)	4.8	3.5	9.5	(5.2)	ROA		(20.3%)	(37.8%)	(25.0%)	(7.9%)	0.7%						
Balance sheet (A\$m)						ROE		(84.3%)	(84.3%)	(42.1%)	(18.6%)	(5.4%)						
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F	ROIC		(25.5%)	(350.9%)	(59.7%)	(20.7%)	1.9%						
Cash	8.8	12.0	13.2	22.1	16.7	NTA (per share)		0.04	0.05	0.07	0.06	0.06						
Accounts receivable	0.2	0.2	2.9	13.5	26.3	Working capital		0.4	0.3	(1.5)	3.0	8.3						
Inventory	1.0	1.5	1.8	5.2	10.3	WC/Sales (%)		521.6%	nm	(9.1%)	4.0%	5.6%						
Other current assets	0.1	0.8	0.8	0.8	0.8	Revenue growth		nm	nm	nm	373.8%	94.1%						
Total current assets	10.1	14.4	18.5	41.6	65.4	EBIT growth pa		n/a	n/a	n/a	n/a	(111.2%)						
PPE	7.7	16.7	54.9	63.7	54.0	Pricing		FY23A	FY24A	FY25F	FY26F	FY27F						
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	417	543	809	809	827						
Investments	0.2	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	346	465	632	724	813						
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps	(3.6)	(4.0)	(2.9)	(1.4)	(0.4)						
Other non current assets	0.2	19.0	19.0	19.0	19.0	EPS Normalised/Diluted	cps	(2.7)	(3.0)	(2.9)	(1.4)	(0.4)						
Total non current assets	8.1	35.7	73.9	82.8	84.5	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	n/a						
Total Assets	18.2	50.1	92.5	124.4	138.4	DPS	cps	-	-	-	-	-						
Accounts payable	0.8	1.4	6.1	15.7	28.3	DPS Growth		n/a	n/a	n/a	n/a	n/a						
Short term debt	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%						
Tax payable	0.0	0.1	0.1	0.1	0.1	Dividend imputation		0	0	0	0	0						
Other current liabilities	1.4	0.1	0.1	0.1	0.1	PE (x)		-	-	-	-	-						
Total current liabilities	2.2	1.6	6.3	15.9	28.5	PE market		27.0	27.0	27.0	27.0	27.0						
Long term debt	0.0	0.0	25.3	38.0	38.0	Premium/(discount)		nm	nm	nm	nm	nm						
Other non current liabs	1.0	19.1	19.1	19.1	19.1	EV/EBITDA		nm	nm	nm	nm	nm						
Total long term liabilities	1.0	19.1	44.4	57.1	57.1	FCF/Share	cps	(2.60)	(2.32)	(1.42)	(0.70)	0.19						
Total Liabilities	3.2	20.7	50.7	73.0	85.6	Price/FCF share		(12.9)	(14.44)	(23.63)	(47.56)	178.37						
Net Assets	15.1	29.5	41.8	51.4	52.8	Free Cash flow Yield		(7.7%)	(6.9%)	(4.2%)	(2.1%)	0.6%						
Share capital	48.3	77.4	122.4	132.6	137.1													
Accumulated profits/losses	(33.4)	(52.1)	(72.2)	(82.5)	(85.6)													
Reserves	0.2	4.2	4.4	1.3	1.3													
Minorities	0.0	0.0	0.0	0.0	0.0													
Total Shareholder funds	15.1	29.5	54.6	51.4	52.8													

Source: Company data for historicals, RaaS estimates

Exhibit 5: Calendar Year Financial Summary

Amaero International Ltd						Share price (9 January 2025)						A\$	0.34					
Profit and Loss (A\$m)						Interim (A\$m)						H1CY23A	H2CY23A	H1CY24A	H2CY24F	H1CY25F	H2CY25F	
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F													
USD Sales Revenue	(0.2)	1.5	23.4	74.0	149.6	Sales Revenue	(0.4)	0.1	0.3	2.0	14.0	22.1						
Sales Revenue	(0.3)	2.4	36.1	113.9	230.2	EBITDA Adj	0.4	(4.5)	(7.4)	(9.1)	(4.2)	(5.8)						
Total Revenue	(1.1)	2.3	36.1	113.9	230.2	EBIT Adj ^j	(0.4)	(4.9)	(8.0)	(10.3)	(7.4)	(9.9)						
Gross Profit	0.1	(3.2)	6.7	31.8	92.3	NPAT (Adj)	(0.5)	(6.7)	(7.5)	(10.3)	(7.4)	(10.3)						
EBITDA Adj	(4.2)	(16.5)	(10.0)	4.0	56.1	Minorities	0.00	0.00	0.00	0.00	0.00	0.00						
Depn	(1.1)	(1.9)	(7.4)	(9.3)	(9.7)	NPAT (reported)	(6.6)	(0.9)	(9.9)	(8.9)	(10.3)	(7.4)						
Amort	0.0	0.0	0.0	0.0	0.0	EPS (Adj)	(1.23)	(1.93)	(2.11)	(1.67)	(1.04)	(1.27)						
EBIT Adj	(5.3)	(18.4)	(17.3)	(5.3)	46.4	EPS (reported)	(1.61)	(1.52)	(1.52)	(1.76)	(1.18)	(1.42)						
Interest	0.1	(0.5)	(0.4)	(2.0)	(2.5)	Dividend (cps)	-	-	-	-	-	-						
Tax	0.0	(0.0)	0.0	(0.1)	(9.2)	Imputation	-	-	-	-	-	-						
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(4.6)	(6.2)	(6.4)	(6.0)	(5.5)	(7.5)						
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(4.8)	(6.2)	(18.6)	(33.7)	(20.4)	(17.1)						
NPAT pre significant items	(7.1)	(17.8)	(17.7)	(7.4)	34.7	Divisions	H1CY23A	H2CY23A	H1CY24A	H2CY24F	H1CY25F	H2CY25F						
Significant items	(3.7)	(1.4)	0.0	0.0	0.0	Sales and service revenue	(0.4)	0.1	0.3	2.0	14.0	22.1						
NPAT (reported)	(10.8)	(19.1)	(17.7)	(7.4)	34.7	R&D grants	(0.8)	0.0	(0.0)	0.0	0.0	0.0						
Cash flow (A\$m)						Total Revenue	(1.3)	0.1	0.3	2.0	14.0	22.1						
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F	COGS	(0.4)	0.0	0.3	5.3	11.8	17.5						
EBITDA	(4.2)	(16.5)	(10.0)	4.0	56.1	Gross Profit	(0.8)	0.1	0.0	(3.3)	2.2	4.5						
Interest	(0.1)	(0.5)	(0.4)	(2.0)	(2.5)	R&D costs	(1.1)	(1.6)	(0.9)	0.0	0.0	0.0						
Tax	0.0	0.0	0.0	(0.1)	(9.2)	Employment	1.3	(0.3)	(3.3)	(1.0)	(2.1)	(3.0)						
Working capital changes	(6.6)	4.6	(2.6)	(5.7)	(12.8)	General & Admin costs	0.7	(2.4)	(1.9)	(4.0)	(3.6)	(6.0)						
Operating cash flow	(10.8)	(12.4)	(12.9)	(3.8)	31.7	Other costs	0.4	(0.3)	(1.2)	(0.8)	(0.7)	(1.3)						
Mtce capex	(0.0)	0.0	0.0	0.0	0.0	EBITDA	0.4	(4.5)	(7.4)	(9.1)	(4.2)	(5.8)						
Free cash flow	(10.8)	(12.3)	(12.9)	(3.8)	31.7	Margins, Leverage, Returns	CY23A	CY24F	CY25F	CY26F	CY27F							
Growth capex	(0.2)	(40.0)	(24.6)	(13.5)	(7.7)	EBITDA		nm	(697.3%)	(27.7%)	3.5%	24.4%						
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBIT		nm	(778.0%)	(48.1%)	(4.6%)	20.2%						
Other	(0.0)	(0.4)	0.0	0.0	0.0	NPAT pre significant items		nm	(751.8%)	(49.1%)	(6.5%)	15.1%						
Cash flow pre financing	(10.3)	(52.7)	(37.5)	(17.3)	24.0	Net Debt (Cash)			11.7	1.9	(9.7)	(22.8)						
Equity	9.2	42.9	28.6	4.3	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	(5.7)	0.0						
Debt	(0.5)	(0.2)	22.5	12.7	(12.7)	ND/ND+Equity (%)	(%)	(176.6%)	(4.7%)	16.0%	32.2%	(1.5%)						
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	0.1						
Net cash flow for year	(1.6)	(10.0)	13.7	(0.4)	11.3	ROA		(25.5%)	(43.0%)	(20.2%)	(4.5%)	31.9%						
Balance sheet (A\$m)						ROE		(65.7%)	(62.5%)	(37.6%)	(14.9%)	53.2%						
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F	ROIC		(32.6%)	(132.7%)	(70.8%)	(11.2%)	89.4%						
Cash	11.7	1.9	15.6	15.2	26.5	NTA (per share)		0.04	0.08	0.06	0.06	0.10						
Accounts receivable	0.1	0.4	6.4	20.3	41.1	Working capital		(0.2)	(2.8)	(0.1)	5.6	18.4						
Inventory	0.7	0.7	2.9	8.0	13.3	WC/Sales (%)		69.0%	nm	(0.4%)	4.9%	8.0%						
Other current assets	0.5	0.8	0.8	0.8	0.8	Revenue growth		nm	nm	nm	215.8%	102.1%						
Total current assets	13.1	3.8	25.7	44.3	81.7	EBIT growth pa		n/a	n/a	n/a	n/a	(978.2%)						
PPE	0.6	43.2	60.4	64.6	62.5	Pricing		CY23A	CY24F	CY25F	CY26F	CY27F						
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	479	615	809	827	827						
Investments	5.9	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	431	584	724	813	827						
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps	(3.2)	(3.9)	(2.6)	(0.9)	4.2						
Other non current assets	0.0	19.0	19.0	19.0	19.0	EPS Normalised/Diluted	cps	(3.1)	(3.3)	(2.6)	(0.9)	4.2						
Total non current assets	6.5	62.2	79.4	83.6	81.5	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-561%						
Total Assets	19.6	66.0	105.2	127.9	163.2	DPS	cps	-	-	-	-	-						
Accounts payable	1.0	3.9	9.5	22.7	36.0	DPS Growth		n/a	n/a	n/a	n/a	n/a						
Short term debt	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%						
Tax payable	0.0	0.1	0.1	0.1	0.1	Dividend imputation		0	0	0	0	0						
Other current liabilities	0.4	0.1	0.1	0.1	0.1	PE (x)		-	-	-	-	8.0						
Total current liabilities	1.4	4.1	9.8	23.0	36.3	PE market		27.0	27.0	27.0	27.0	27.0						
Long term debt	0.0	0.0	25.3	38.0	25.3	Premium/(discount)		nm	nm	nm	nm	(70.4%)						
Other non current liabs	0.0	19.1	19.1	19.1	19.1	EV/EBITDA		nm	nm	nm	nm	nm						
Total long term liabilities	0.0	19.1	44.4	57.1	44.4	FCF/Share	cps	(2.26)	(2.05)	(1.42)	(0.69)	0.19						
Total Liabilities	1.4	23.2	54.2	80.0	80.7	Price/FCF share		(14.8)	(16.36)	(23.63)	(48.61)	178.37						
Net Assets	18.2	42.9	51.1	47.9	82.5	Free Cash flow Yield		(6.7%)	(6.1%)	(4.2%)	(2.1%)	0.6%						
Share capital	58.1	102.4	132.6	137.1	137.1													
Accumulated profits/losses	(41.5)	(63.6)	(82.8)	(90.6)	(55.8)													
Reserves	1.8	4.2	1.4	1.4	1.2													
Minorities	0.0	0.0	0.0	0.0	0.0													
Total Shareholder funds	18.3	42.9	51.2	47.9	82.5													

Source: Company data for historicals, RaaS estimates

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26th March 2024

About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Research Group Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 www.brsecuritiesaustralia.com.au

RaaS: c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
 - Securities

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities.

How are we paid?

RaaS earns fees for producing research reports about companies we like, and/or producing a financial model as well. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report. Sometimes we write reports using our own initiative.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Research Group Pty Ltd on behalf of Amaero International Ltd. RaaS Research Group has been paid a fee, in the form of a monthly retainer, by Amaero International to prepare this report. RaaS Research Group does not engage in capital raisings, nor does it trade shares or provide investor relations services. RaaS Research Group's only source of income is the fees it is paid for its research services. RaaS Research Group's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Research Group and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Research Group at the time of publication. RaaS Research Group provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Research Group in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Research Group has no obligation to update the opinion unless RaaS Research Group is currently contracted to provide such an updated opinion. RaaS Research Group does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Research Group does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Research Group shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Research Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2025 RaaS Research Group Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.