East Coast RESEARCH

Amaero – one of the ASX's best small-cap ideas to play the strong and growing US defence market

Defence Industrial

We revise our coverage on **Amaero Ltd (ASX: 3DA)** with a Target Share Price of $0.827, offering a substantial 162% upside from the current price of $0.315. Amaero is uniquely positioned as a domestic strategic material supplier to the additive manufacturing sector and as a manufacturer with proprietary know-how in PM-HIP manufacturing, capitalising on surging U.S. defence and aerospace spending and the drive for industrial onshoring in the U.S. Amaero's best-in-class refractory powders and advanced manufacturing techniques deliver unmatched strength and complexity for mission-critical components that the US is focused on. With significant U.S.-based facilities and robust government support, Amaero enables a reliable, qualification-proven domestic supply chain of key defence industrial inputs in ways that no other US based competitor currently can. Deep industry partnerships and experienced leadership add to Amaero's technological edge, providing a clear trajectory for accelerated growth and substantial shareholder returns. Add to this the prospect of a near term US exchange listing, leads us to making a high conviction but patient bullish investment thesis for Amaero.

Large and Growing Addressable Markets

Amaero's prospects are tied to the renewed U.S. defence and onshoring-growth momentum. U.S. AM spherical powder SAM is projected to grow faster than the global AM spherical powder SAM, which in turn is projected to grow faster than the global general metals powder TAM. Not only is Amaero positioned in the fastest growing end market, but it also possesses the best technology (EIGA premium systems) to enable it to better address the non-substitutable mission-critical needs of the higher-end segment of this end market (refractory and titanium alloys) in ways that no other US-based competitor can. The Company's PM-HIP manufacturing offering is also aimed at addressing a key US supply chain bottleneck.

Exclusive supply wins and on the path to revenue expansion

Amaero is offering the U.S. market the largest capacity and lowest cost domestic production of refractory and titanium alloy spherical powders and has a first mover advantage with its PM-HIP manufacturing solution. Amaero has already won several long-term exclusive supply deals with leading defence OEMs and strategic additive manufacturers, enabling it to grow as these OEMs and manufacturers grow, paving the way for a notable revenue ramp for the Company over the next few years. Amaero has outspent its competitors on growth capex to achieve this, and the market is mispricing the unique and strong, durable technology-based competitive advantage that Amaero consequently possesses.

Conservative valuation approach confirms bullish thesis

Our bullish valuation thesis for Amaero needs it to only achieve modest market share despite its superior competitive positioning; additionally, our valuation ignores / partly considers other valuation levers like a notable and likely rerate from the realistic near-term goal of the Company's stock listing on a US exchange. **This is a high conviction, unique thematic pick that correctly looks beyond the recent expected revenue guidance change stemming from the 2025 US government shutdown.** Our final intrinsic valuation for Amaero leads to a stock valuation of $0.723 in the Base Case and $0.930 in the Upside, leading to a midpoint valuation of $0.827, which represents a 162% upside return from the current stock price of $0.315.

Date	19 Jan 2026
Current Price (A$)	0.315
Target Price (A$)	0.827
Market Cap (A$M)	309.60
52-week H/L (A$)	0.19/0.54
Free Float (%)	59.57%
Bloomberg	3DA AU
Reuters	3DA.AX

Price Performance (in A$)

Business description

Amaero (ASX: 3DA) is a US-based advanced manufacturing company specializing in high-performance metal powders and components for the defence, space, and aviation sectors. Using advanced gas atomization and PM-HIP technology, the company serves high-tech clients through both powder sales and contract manufacturing, addressing critical needs in next-generation aerospace and defence supply chains.

Analyst

Rahul Tiwari
rahul.tiwari@sharesinvalue.com.au

Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

Amaero's current stock price reflects the ASX's small cap industrial discount and the market's overlooking of how beneficial its aggressive recent capex has been in terms of setting the Company up for strong and durable long term success which may also include a premium future acquisition buy-out by a larger industrial company that wants a faster go to market strategy that Amaero's capabilities can more readily provide.

Amaero Ltd (ASX: 3DA) is a leading USA-based advanced materials manufacturing company that possesses a unique competitive position within a growing market as an enabler of US defence industrial growth and critical supply chain reshoring. The Company is materially undervalued due to being affected by the ASX small cap industrial discount and is also a unique investment play on the ASX, allowing investors to benefit from differentiated exposure to the strong US defence and advanced manufacturing thematic and its growth in ways that are otherwise hard for other ASX plays to replicate. Amareo's positioning is advantageous from many perspectives. Due to geopolitical tensions, the US defence industry has transitioned to not only an increased emphasis on investing in critical defence capabilities, such as new hypersonic missile systems, but has also emphasised that the entire supply chain of these industries be domestically based in the USA. Hence there is a strong demand-pull need for increased US based manufacturing of defence industrial capabilities and in recognising this momentum Amaero took its expertise that it had in producing spherical powders that are vital in additive manufacturing (AM) such as with refractory and titanium alloys and its expertise on Powder Metallurgy Hot Isostatic Pressing (PM-HIP) to the market that has the most demand pull and profitable use for these technologies – the USA. Amaero's spherical powders, such as C103, other refractory alloys and titanium, are vital inputs into AM. AM (also known as 3D printing) itself is growing very fast in defence use cases in the US, especially hypersonics and other missiles, because, vs traditional methods, AM enables faster development, enables designs that cannot be made otherwise, reduces reliance on offshore supply, and generally creates more technically reliable parts. **Within this market, Amaero is focused on the production of the highest value spherical powders used in AM (LPBF powders that face minimal substitution risk)**, and is also producing them via the best technology available in the USA that it currently only uniquely offers – EIGA premium atomisers; its separate PM-HIP offering is also solving key US defence sector supply chain bottlenecks. Amaero has already won exclusive long-term supply contracts with industry-leading defence OEMs and additive manufacturers and is guiding to a material revenue ramp over the next few years. Amaero's offerings have been passing stringent qualification requirements, and hence the Company, which is run by a skilled management team, is well placed to keep winning these sticky, long term defence contracts that value quality over price, **enabling the Company to profit well from its status as uniquely offering the largest capacity and lowest cost U.S. domestic production of C103, refractory, and titanium alloy spherical powders with full feedstock traceability.**

Opportunistically, the Company has faced headwinds from the FY2025 full year continuing resolution (CR) and from the record 43-day government shutdown. The uncertainty of defence budget appropriations and the pause in contracting delayed the revenue recognition. With the temporary shutdown ended and with expected passage of FY2027 defence budget in late-January or early-February, we expect a shift to macro tailwinds in 2026 and 2027.

US demand-pull defence industrial market growth

Amaero's AM spherical powder and PM-HIP manufacturing offering benefits from strong demand-side tailwinds based on the US government policy focus on not only investing rapidly in new defence industrial programs but also making sure that the supply of inputs into these critical programs is based on sovereign sources. This demand push naturally will lead to an increase in the demand for Additive Manufacturing, as explained earlier, due to its various design, performance and efficiency advantages vs traditional forms of manufacturing. As a result, the global SAM for AM spherical powders is expected to grow faster than the global TAM for metal powders generally, confirming the increased demand for AM as a manufacturing solution. Additionally, benefiting Amaero is that the USA-based SAM for AM powders is not only a material size component of the global SAM for AM but is also expected to grow faster than the global SAM. And as an even further layer of differentiation which Amaero's stock price is not coming close to reflect is that Amaero's focus on LPBF powders (refractory and titanium alloys) are positioned within the highest value segment of the spherical AM powder markets themselves and Amaero has first mover advantage in the USA of offering the most advanced atomisation technology to the market and also the largest capacity and lowest cost U.S. domestic production of refractory and titanium alloy spherical powders. Hence, Amaero's position is unique, strong and underappreciated, leading to our bullish investment thesis.

Superior offering vs competitors

Operating in niche markets normally limits a company's revenue potential. However, although Amaero's focus is on the niche market of AM spherical powders and PM-HIP manufacturing, because it has a first mover advantage in both segments and possesses a genuinely strong technology based competitive moat via its industry leading EIGA premium atomisers we expect that Amaero will be able to comfortably ramp its revenues to the extent that is required to support our bullish investment thesis. Additionally, defence sector contracts, as we discuss in depth, are based on technical qualification and are long-term, and hence, once embedded, it is hard for new competitors to win away the contract, and Amaero has already won a number of crucial exclusive supply deals with leading defence OEMs and additive manufacturers. **Amaero has invested heavily and rapidly to achieve this technological advantage vs its peers, and this is an aspect that the market seems to be neglecting.** Over approximately 3.5 years, the company has raised around A$150 million, of which roughly A$125 million is now reflected in tangible value, comprising approximately A$50 million in cash and ~A$75 million in hard manufacturing assets; it's this significant US based manufacturing asset base and its attributes that lead to Amaero having a notable first mover competitive edge over competitors in an industry where the advantage from being a first mover matters**. In terms of its competitors, none offer the confluence of offering at scale, USA-based EIGA premium atomisation of spherical AM powders with full feedstock traceability. Hence, there are strong reasons supporting Amaero's durable competitive moat.**

Strong valuation catalysts support bullish investment thesis

The US stock market rewards unique defence industrial and advance manufacturing plays with significant pricing premium. Amaero's peer company and client with which Amaero has an exclusive supply contract with : Velo3D has seen its stock rising 500% since relisting on the NASDAQ in August 2025. Amaero plans on listing on a major US exchange in the near term.

Our revenue forecasts for Amaero that underpin our bullish thesis are conservative because they only require Amaero to grab a reasonable level of market share in a growing market over time, and are within the context of defence industrial contracts, which have a lot of stickiness. Additionally, we have applied a relative valuation multiple to value Amaero that only conservatively rewards defence/aerospace industrials, which generally have better business characteristics than generic industrial firms (Amaero is also better positioned than its defence/aerospace peers), based on factors such as higher qualification barriers and lower price elasticities. **Our final valuation result for Amaero leads to an intrinsic valuation midpoint of $0.827, which represents an upside of 162% from the current stock price of $0.315.** There are many further levers that our valuation only partly accounts for or conservatively ignores – Amaero's stock will likely list on a major USA exchange in the near term and hence it will benefit from an uplift associated with strong US investor desire to invest in the defence and advanced manufacturing thematic (such plays are scarce) and Amaero is well positioned to eventually become the target of a buyout from a larger defence industrial player due to its unique first mover and technology based competitive advantage that would take years for a competitor to replicate. There is strong U.S. investor interest in companies with a differentiated market position in the defence industrial base, critical minerals, advanced manufacturing and supply chain domain. Amaero sits at nexus of key thematics. As an example, Amaero's strategic partner Velo3D (NASDAQ:VELO) listed on NASDAQ in August at $3.00 / share and the share price has since re-rated to $18.00. **Key risks: US government policy changes, manufacturing operations execution, competitor strategies, contractual issues and equity dilution risk due to capital raises.**

Business Overview and the strategic premise for our bullish Investment Thesis

Amaero's strategy of winning USA defence industrial contracts forms a cornerstone element of our bullish investment thesis given the margin and revenue certainty that these contracts provide.

Amaero Ltd is a United States-based advanced materials manufacturing company focused on supplying high-value metal powders for additive manufacturing (AM) and producing near-net-shape components via Powder Metallurgy Hot Isostatic Pressing (PM-HIP). As there are critical bottlenecks in the castings and forgings supply chain, the company's strategic focus is deliberately niche (but the relevant TAM/SAM is still adequately large/growing and its strategy sufficiently differentiated to enable a defensible and durable moat that grabs market share), targeting production of near-net-shape parts for growing USA defence, aerospace, space, nuclear and related industrial markets where the technical performance, reliability, feed stock traceability and domestic sourcing attributes of Amaero's offerings are decisive procurement criteria in the United States.

Apart from being focused on higher value niche segments that are growing in opportunity size, in which it has a technical competitive advantage, due to its EIGA premium atomisation systems, Amaero's strategy of winning USA defence industrial related contracts also forms a cornerstone element of our bullish investment thesis given that USA defence industrial sector contracts are usually not price sensitive (high margins), are for long durations, and once qualification is achieved these contracts

provide for high margin revenue stickiness with priority given to reliable, high quality sources of supply (Amaero's intended positioning).

The stickiness and high margin (non-price sensitive) nature of these defence industrial-related contracts are linked to the lack of reliable, at-scale local supply (low substitutability). This facet applies to both Amaero's AM spherical powder offering and its PM-HIP segment, but is especially relevant for the LPBF sub-segment of the AM powder market (high-vaue refractory alloys), which Amaero is positioned to better address than any other incumbent USA-based competitor due to providing responsive lead times, as well as the largest and lowest cost US capacity of these vital inputs.

The conceptual reasons why quality, reliability and technical differentiation are more valued as procurement decisions for such types of US defence industrial contracts are outlined below in **Figure 1**. Amaero benefits from this economic context, because as outlined later in the report, Amaero's technological offerings across both EIGA atomisation and PM-HIP are unique, lack competing alternatives, address a demand shortfall and have already achieved ecosystem qualification approval - NASA Glenn Research Center and the Air Force Research Laboratory (AFRL) have both identified EIGA-based atomisation as essential for the qualification and scalable production of C103 and other refractory alloys, whilst Amaero has received a letter of support from the US Navy in relation to the acknowledgement of the technical suitability and need of the Company's PM-HIP manufacturing offering.

Figure 1: Why US defence contracts provide for high margins

1) Qualification regimes restrict competition to proven suppliers	US government procurement deliberately uses qualification gates (QPL/QML/QBL-style regimes) in safety-critical and mission-critical categories to screen for reliability before price competition occurs. Once qualified, suppliers compete in a structurally smaller pool, reducing effective supply elasticity. For Amaero, successful qualification in defence industrial/aerospace materials moves pricing discussions away from "who is cheapest" toward "who is proven and dependable," supporting structurally lower price sensitivity post-qualification.
2) "Best-value" trade-offs permit paying more for lower execution risk	Federal acquisition rules explicitly allow awards where technical merit, past performance, and risk mitigation outweigh lowest price, and this approach is routinely upheld in practice. Reliability is formally monetised in award decisions, not treated as a soft factor. For Amaero, once performance history and process maturity are demonstrated, customers can rationally accept premium pricing to avoid supply-chain or certification risk, especially in defence and regulated aerospace end-markets.
3) Defence/RAND research shows price-only logic breaks down in complex systems	RAND and defence acquisition research consistently shows that price-dominant strategies underperform in complex, military-unique systems, with upfront savings offset by lifecycle cost overruns, reliability shortfalls, and sustainment issues. Outcome-driven and reliability-focused approaches deliver superior total cost and mission outcomes. This directly aligns with Amaero's positioning in high-specification, non-commoditised materials where reliability, not lowest bid, drives economic value.
4) Lock-in and switching costs reduce price elasticity post-qualification	In complex, highly regulated supply chains, switching suppliers imposes real costs (requalification, recertification, learning-curve loss, operational risk). Governments explicitly acknowledge these frictions. Once a supplier is embedded and performing, demand becomes less price-elastic. For Amaero, this means that once qualified into defence/aerospace programs, incumbency and execution reliability can support durable pricing power and repeat revenue.

Sources: East Coast Research, www.rand.org, https://www.acquisition.gov/

Hence, our bullish investment thesis for Amaero is not premised on the broad adoption of additive manufacturing across general industrial markets. Instead, it rests on a structural supply-demand imbalance in a small number of critical materials and powders that are essential for the United States' defence, aerospace and space sectors, especially in the context of the current push for the onshoring of supply chains due to geopolitical reasons. Amaero's C103, refractory alloys, such as C103 for hypersonic and space applications or tungsten for munitions, and titanium are each essential for defence, aerospace and space applications. In these markets, the availability of qualified, domestically produced powder has become a bottleneck that can constrain entire defence-related programs irrespective of budget availability.

Amaero is seeking to preemptively and hence strategically embed itself upstream in the U.S. defence, aerospace and space related supply chain at a point where substitution is difficult and switching costs are high once qualification is achieved and vs its competitors Amaero has first mover advantage with the most advanced atomisation technology.

Amaero's strategic positioning has been cleverly built around addressing this bottleneck. The company operates the only EIGA "Premium" atomisation system in the United States capable of producing high-purity spherical powders suitable for qualification and scaled production of high-melting-point refractory alloys (including the very high-priced C103) and titanium alloy powder. While the detailed technical advantages of this system are discussed later in the report, the strategic implication is clear: Amaero is seeking to preemptively and hence strategically embed itself upstream in the U.S. defence, aerospace and space related supply chain at a point where substitution is difficult and switching costs are high once qualification is achieved and vs its competitors Amaero has first mover advantage with the most advanced atomisation technology.

- This link between Amaero's first mover advantage in the context of offering the large and growing additive manufacturing metal powder market in the USA the most advanced powder atomisation technology in the USA, via the EIGA premium system, and then the resultant sticky projected high margin and strong revenue growth accruing to Amaero (Amaero's success in winning multiple exclusive supply deals show cases this) is a strong and central premise for our bullish investment thesis for Amaero.

- As discussed in more detail later, we posit that Amaero's unique ability vs its competitors to better cater to the higher margin C103, and other specialty refractory alloy markets in the USA by offering the largest USA-based capacity of EIGA premium atomisation will lead to a number of consequential benefits for Amaero. C103 and specialty refractory alloys are themselves much higher priced than titanium powders, with C103 generally being priced up to 20x the price of titanium. With EIGA Premium's higher output yield than other atomisation technologies, the operating cost savings from capital investment in Argon recycling and its subsidized electricity rate (US$0.058 / kWh), Amaero possesses unit cost advantage. Moreover, the EIGA technology itself has been touted by key US defence sector clients such as NASA as being the only atomisation technology that is even able to be properly qualified based on technical parameters for the scaled production of C103 and other specialty refractory alloys.

Amaero's differentiation and superior competitive positioning in the US defence industrial market is not limited to high-value refractory spherical powder production. Amaero is also the only scalable US producer of Titanium spherical alloy powder and has first mover advantage with its PM-HIP offering too.

- Consequently, we are of the view that Amaero will be able to better embed itself into the USA defence industrial AM powder market (given that there are currently no other USA-based competitors offering EIGA premium-based atomisation) into the lucrative USA high-value refractory alloy markets. **Additionally, Amaero is also the only scalable US producer of Titanium spherical alloy powder.** NASA Glenn and the Air Force Research Laboratory (AFRL) have also said that only EIGA technology, which Amaero has, is capable of the qualification and scaled production of C103 and other specialty refractory alloys. Additionally, in terms of other competitors in the USA, as discussed more in the competitor analysis section, they either do not offer full feedstock traceability, which is needed to qualify critical and high-value US defence-related contracts/or are not focused on the manufacturing of refractory spherical powders, which are essential for critical applications.

- Although from a pure tonnage volume basis, titanium powder will dominate Amaero's production and will provide Amaero with the benefits of capacity utilisation and associated accelerated manufacturing learning curves, high-value refractory alloys will have similar revenue contribution and will accelerate absorption of fixed costs. Additionally, we are of the view that Amaero will also often be able to win contracts from the same USA defence sector related client for titanium that keep its EIGA premium systems at full utilisation precisely because it is able to also offer that client responsive lead times, reliable and cost effective supply of the much harder to source high-value refractory alloys (and as discussed later, Amaero's exclusive supply contract wins have been showcasing this aspect).

Apart from the powder segment, Amaero has also developed PM-HIP manufacturing capability, which allows it to participate further downstream by producing finished or semi-finished components that would otherwise rely on constrained forging and casting supply chains. This second segment broadens the company's addressable market while also improving the economics of powder production through higher utilisation of material that would otherwise fall outside tight additive manufacturing powder specifications.

Amaero should therefore NOT be viewed as a generic additive manufacturing supplier, but as a specialist and uniquely positioned provider of strategically sensitive materials and manufacturing solutions aligned with U.S. defence and industrial policy objectives, making Amaero a very unique investment play on the ASX – one that is also materially undervalued.

Amaero's Origins

Amaero's technical foundations were established in Australia, where the company initially focused on advanced manufacturing and metal additive manufacturing applications, including early work on 3D-printed propulsion components and aerospace-grade production. This phase of the company's history was important in

developing intellectual property, metallurgical expertise and process know-how in powder production and additive manufacturing.

While this early work established Amaero's technical credibility, it also highlighted a strategic limitation. The most significant demand for high-temperature refractory powders and advanced manufacturing capability was concentrated in the United States, driven by defence, aerospace and space programs with long development timelines and stringent qualification requirements. Incremental access to U.S. customers was insufficient to fully participate in these markets, particularly given the increasing emphasis on domestic sourcing and supply-chain security.

Recognising this, Amaero, under the prudent leadership of seasoned investor and operator Hank Holland and the Company's board, undertook a strategic shift to relocate its operational base to the United States (2023). This was not a marginal expansion but a fundamental repositioning of the business. The company invested in large-scale manufacturing infrastructure in Tennessee, establishing domestic atomisation and manufacturing capacity intended to meet U.S. qualification and procurement expectations.

Refer below to **Figure 2** and **Figure 3** for a perspective on Amaero's advanced manufacturing facility in Tennessee and one of its commissioned EIGA premium atomisation systems.

Figure 2: Amaero's advanced manufacturing facility in Tennessee

Sources: Company

Figure 3: One of Amaero's premium EIGA atomisation systems

Sources: Company

Rationale for the U.S. pivot: demand-pull, not opportunism

Amaero's decision to shift operations to the US is best understood as a well-planned demand-pull response that aligns very well with US strategic policy.

Amaero's decision to shift operations to the United States is best understood as a well-planned demand-pull response rather than a simple overseas expansion to a larger market. Three structural factors underpin this assessment. First, most of the demand for C103, other high-temperature refractory alloys and titanium spherical powder used in hypersonics and propulsion is tied to U.S. defence, aerospace and space programs. These programs are funded and managed domestically, and procurement decisions are strongly influenced by national security considerations. As seen below in **Figure 4**, both the USA's discretionary defence budget and the Research, Development, Test & Evaluation subcomponent (RDT&E, which is a good proxy for hypersonic missile system defence expenditure) are not only materially large but have also been growing at healthy rates in recent years and will continue to do so. Given that hypersonic missile systems are often in development and testing phases, their funding expenditure is better captured by the RDT&E segment than in overall procurement. Amaero is well placed, given that this segment's expenditure growth since 2017 at 8.6% has been far higher than the DoD's overall discretionary budget growth.

Figure 4: Material size and growth of US defence-related expenditures

$US billion	2017	2018	2019	2020	2021	2022	2023	2024	2025
DoD Discretionary Budget	583	671	688	723	705	777	852	817	850
RDTE Budget	74	92	96	105	106	119	141	140	144

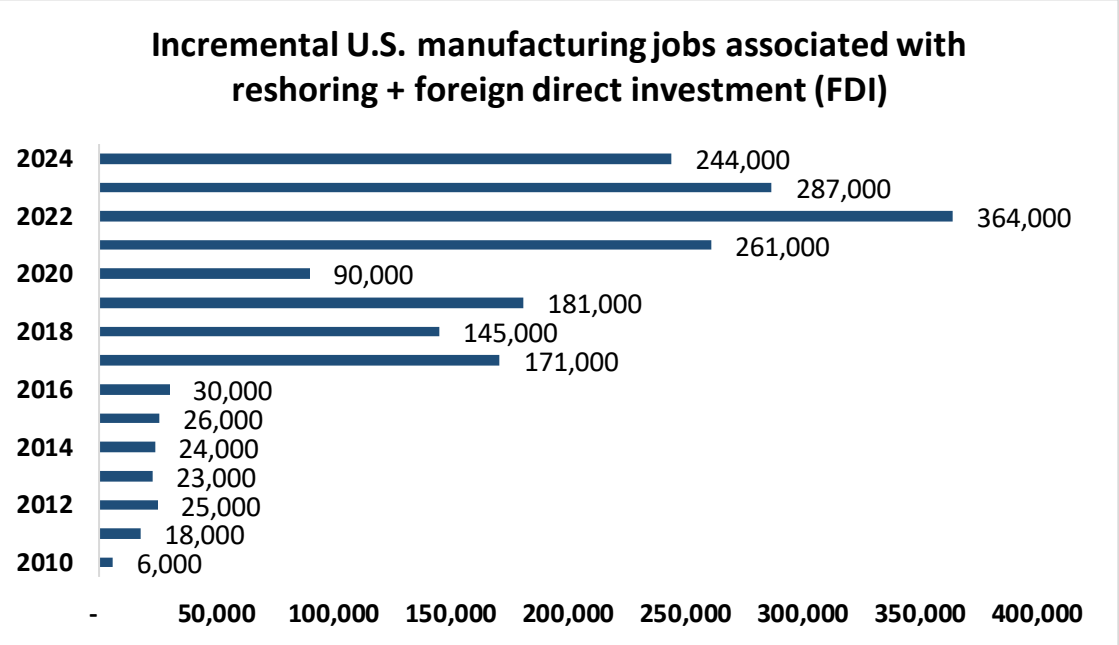
2017-2025	CAGR % growth
DoD Discretionary Budget	4.8%
RDTE Budget	8.6%

Sources: US DoD Budget documents, East Coast Research

Second, U.S. defence and aerospace procurement has increasingly favored domestic sourcing of critical materials. Since 2019, policy settings and program-level decisions have reduced tolerance for reliance on overseas suppliers, particularly where adversarial nations are involved but also generally. For example, as seen below in **Figure 5**, as per data from the Reshoring Initiative post-COVID, the U.S. experienced a statistically significant acceleration in reshoring and FDI-related manufacturing jobs. This acceleration coincides with explicit U.S. policy and DoD actions aimed at rebuilding domestic industrial capacity in defence-relevant sectors and hence

validates Amaero's strategic choice of relocating its manufacturing operations to the USA in 2023.

Figure 5: Increased push for onshoring critical US manufacturing jobs



Sources: www.reshorenow.org, East Coast Research

Third, qualification friction acts as a structural barrier to excess competition. Powder suppliers must typically support extensive testing, documentation and process validation before being approved for a specific application. Hence this context favors early movers like Amaero.

Under the leadership of Hank Holland, Amaero and its board correctly and preemptively concluded that remaining offshore would cap Amaero's growth regardless of technical competence. The U.S. pivot materially increased the company's addressable opportunity and improved the probability that qualification efforts would convert into strong and growing recurring revenue streams.

Figure 6: Market Sizing of Amaero's key business segments

Market Segment	Geography (End Use)	2024 Market Size (US$bn)	2030E Market Size (US$bn)	2024–2030 CAGR
TAM – Metal Powders (broad, contextual)	Global	~36.0	~49.0	~5.3%
TAM – Metal Powders	USA	~13.5	~20.0	~6.7%
SAM – AM Metal Powders	Global	~0.55	~1.65	~18%
SAM – AM Metal Powders	USA	~0.30	~0.9	~20%
Adjacent SAM – PM-HIP Services	USA	~0.80	~1.30	~8%

Sources: Verified Market Research's "Metal Powders for Additive Manufacturing Market Size & Forecast" report. GM Insights' "North America Additive Manufacturing with Metal Powders Market" report. Datahorizon HIP market report.

Apart from all the other strategy, technology, and government policy tail winds that support a bullish case for Amaero, it's important to keep in mind that Additive Manufacturing itself which is the immediate downstream market that Amaero caters to is seeing accelerated adoption due to the economic, and technical advantages that it provides.

Given the context of geopolitical tension motivated reshoring of critical supply chains, particularly for defence, aerospace, space and other industries that are sensitive to USA's economy and sovereignty, and Amaero's strategy to cater to the US market, the correct way to quantify the size of the market opportunity is from an end use demand basis – as shown above in **Figure 6.**

Figure 6 shows that, favourably for Amaero's opportunity set, the USA market represents a disproportionately large and economically critical share of both the TAM and the SAM, reflecting the region's concentration of defence, aerospace and advanced manufacturing consumption. **Importantly, American end-use demand is also expected to grow faster than the global average across the forecast horizon, driven by elevated defence spending, accelerated adoption of additive manufacturing in aerospace, and explicit policy support for domestic supply chains.** While the broad metal powder TAM grows at a mid-single digit rate and serves primarily as the context, the AM metal powder SAM expands at a higher high-teens CAGR, with the USA market's SAM for AM expected to grow even faster, which is

structurally beneficial to Amaero due to qualification, security and sourcing requirements.

Within this SAM, Amaero is favourably positioned because it is levered to the fastest growing segments of the end demand, namely aerospace applications and titanium alloy powders, both of which exhibit growth rates materially above the broader AM powder market (22% and 23.4% respectively) and benefit from long programme lives and high qualification barriers. These segments also overlap directly with use cases where domestic sourcing and powder quality are non-negotiable. In parallel, Amaero's PM-HIP capability addresses an adjacent and strategically important end-use market, providing exposure to defence and maritime industrial bottlenecks while improving overall platform economics through powder utilisation and vertical adjacency. Taken together, this end-use framework reinforces that Amaero is not competing for share in a diffuse global materials market, but is favourably positioned within a fast-growing, USA end market SAM where scarcity, qualification friction and mission-critical demand support durable value creation.

Figure 7 below ties up our expected revenue forecasts for Amaero's 2 business segments: the AM powder segment and the PM-HIP manufacturing segment and then computes the resultant market share of their respective SAM that these revenue forecasts represent. Despite Amaero's superior competitive positioning in terms of having first mover advantage in both of its 2 main businesses and offering to the domestic US market the largest capacity and lowest cost production of high-value refractory, and titanium alloy spherical powders, as can be seen below the revenue projections for Amaero that support our strong bullish investment thesis result in Amaero having to capture only moderate levels of SAM market share, adding material assurance to our bullish investment thesis for Amaero.

Additionally, given the significantly larger size of the overall US RDT&E and defence sector budgets (refer **to Figure 4 above) and the demand-driven** push for expanding the domestic US defence industrial base, our US SAM forecasts for AM Metal Powders and PM-HIP are conservatively estimated.

Figure 7: Amaero's market share assumptions

A$M	2026	2027	2028	2029	2030
Amaero expected Total Powder Revenue	17	31	80	120	137
USA AM Metal Powders SAM	419	496	587	694	~850
Powder Segment Amaero required market share %	4%	6%	14%	17%	~17%
Amaero expected PH-HIP Manufacturing Revenue	3	8	26	62	137
USA PM-HIP SAM	916	980	1,049	1,122	~1,250
PM-HIP Segment Amaero required market share %	0%	1%	3%	6%	11%

Sources: East Coast Research

Why the Additive Manufacturing and Advanced Powder Segments that Amaero provides are important to the Defence and Aerospace Industries

The strategic importance of additive manufacturing to the U.S. defence and aerospace sectors ultimately rests on the technical properties of the produced materials and powders. Alloys such as C103, other specialty refractory alloys, and titanium are critical because their underlying metallurgical characteristics are uniquely suited to the extreme performance and reliability requirements of propulsion, hypersonics, space and flight-critical aerospace applications. These alloys operate in narrow thermal and mechanical envelopes where even minor variability in chemistry, oxygen content or microstructure can materially impact performance or service life. As a result, defence and aerospace programmes demand powders that inherently support **tightly controlled chemistry, consistent particle size distribution, high sphericity, predictable flow behaviour and full feed stock traceability**, as these attributes directly determine manufacturing stability, microstructural consistency and long-term reliability in mission-critical components.

Amaero's relevance to this requirement stems from the alignment between its production approach, which entails the most advanced and largest US-based capacity of EIGA premium atomisation, and the intrinsic technical requirements of

these alloy systems, **along with a need for them to be sourced locally from within the USA**.

C103 and other specialty refractory alloys, by their nature, require atomisation routes capable of handling high melting temperatures while maintaining contamination control and batch-to-batch consistency; titanium alloys similarly reward precision in powder morphology and chemistry to achieve predictable mechanical behaviour in additive manufacturing. Amaero's focus on controlled feedstock, high-fidelity atomisation via the EIGA premium system, and end-to-end traceability allows it to produce powders whose characteristics are not merely desirable, but structurally necessary for qualification in U.S. defence and aerospace programmes. In this sense, Amaero is not simply supplying materials into additive manufacturing; it is enabling the reliable supply of alloys that defence and aerospace customers depend on, reinforcing its positioning within qualification-driven, supply-constrained and high-value segments of the advanced manufacturing supply chain.

Amaero is not just merely a supplier of inputs / raw materials to the US defence industrial base, it is a vital enabler of reliable domestic US defence capabilities in ways that very few of its competitors can seek to emulate over at least the medium term.

Consequently, Amaero's role in this ecosystem is extremely important and made so more due to the push by the USA for having these vital upstream inputs produced in the USA.

In summary: not only are C103, other specialty refractory alloys and titanium best suited to meet the high performance demands of defence, aerospace and space applications, but Amaero's technological advantage is validated by organizations such as NASA Glenn and the Air Force Research Laboratory (AFRL), which have determined that only EIGA technology, which Amaero has, is capable of the qualification and scaled production of C103 and other specialty refractory alloys . Companies utilizing alternative methods, such as AP&C and 6K, have been unsuccessful in qualifying C103. Hence, Amaero's unique EIGA capabilities ensure both the high purity, scalability and local sourcing needs necessary to meet the demanding requirements of the U.S. defence sector.

Business Segments and Manufacturing Advantage

As noted earlier, Amaero operates across two primary business segments: advanced metal powders for additive manufacturing, and PM-HIP manufacturing for near-net-shape components. While these segments can be analysed independently, the strategic value of Amaero's platform is best understood by examining how the two interact to expand addressable markets, improve unit economics, and increase customer stickiness.

The powder segment represents the upstream, materials-enabling component of the business, supplying high-specification powders required for metal additive manufacturing in defence, aerospace and space applications. The PM-HIP segment extends Amaero's participation downstream, allowing it to manufacture finished or semi-finished components that would otherwise rely on constrained forging and casting supply chains. Together, these segments create a vertically integrated platform aligned to the most demanding parts of the U.S. industrial and defence ecosystem.

Advanced Metal Powders Segment

Amaero's powder segment produces spherical metal powders designed primarily for powder-bed fusion additive manufacturing systems. The product suite includes C103 niobium-based alloy powder, a range of other specialty refractory alloys, and titanium alloy powders.

As noted earlier, each powder is engineered to meet specific application requirements, with tight tolerances around chemistry, particle size distribution, morphology, and contamination limits.

In defence and aerospace contexts, metal powders are not interchangeable commodities. A powder supplier must typically support a lengthy qualification process in which material batches are tested across specific printers, parameter sets and component designs. Once qualified, a powder becomes embedded in a given program and replacing it often requires costly and time-consuming requalification. As a result, the economic value of a powder supplier is determined less by spot pricing and more by the ability to achieve and maintain qualification at scale. Amaero's powder strategy therefore emphasises quality, repeatability and traceability over volume growth alone. This approach aligns with the needs of defence and space customers, for whom reliability and pedigree outweigh marginal cost considerations – as discussed in Figure 1.

End Markets addressed by the Powder Segment

The powder segment addresses several end markets with differing growth profiles and economic characteristics.

The most strategically important end market is defence, particularly hypersonics and advanced missile systems. These applications require materials capable of withstanding extreme temperatures and thermal cycling, making refractory alloys such as C103 essential. Demand in this segment is driven by long-dated defence programs, where material qualification is a prerequisite for platform deployment. Volumes are relatively modest, but pricing is high, and customer relationships are typically long-term once established. Munitions is also another important end market across the defence sector.

Closely related is the space and propulsion market. **Space launch vehicles, rocket engines and propulsion subsystems increasingly incorporate additively manufactured components to reduce weight, consolidate parts and accelerate development cycles**. These programs place similar demands on powder quality and traceability as defence applications, reinforcing the importance of domestic, qualified supply.

The aerospace market represents a larger but more cost-sensitive opportunity, particularly for titanium powders. Aerospace adoption of additive manufacturing has expanded steadily, driven by lightweighting initiatives and parts consolidation. While margins in titanium powders are generally lower than in refractory alloys, aerospace demand provides diversification and volume stability.

Industrial and energy applications represent a smaller, more opportunistic segment for Amaero. These markets are typically less qualification-intensive and more price-sensitive, but they can still value high-performance powders where component integrity and delivery timelines are critical. However, that being said, some of Amaero's specialty refractory powders have important end-market uses in nuclear power applications, which is an increasingly important sector in the US.

Emerging uses that can provide the Powder Segment with additional future revenue upside

Amaero's spherical powders used in Additive Manufacturing have a number of emerging end market use cases that could lead to additional surprises to the upside in terms of Amaero's revenue trajectory.

In addition to its core exposure to defence, aerospace and space, Amaero's powder segment has credible medium-term optionality across **medical** and **energy-related** end markets for high-performance metal powders, particularly titanium and refractory alloys. While these sectors are not currently the primary focus of the company's strategy, they represent logical adjacency as additive manufacturing adoption broadens beyond defence-led applications.

In the **medical sector**, titanium alloy powders are increasingly used in patient-specific orthopaedic implants, spinal devices and craniofacial components. Although medical markets are more price sensitive than defence, they impose similarly stringent requirements around powder consistency, traceability and quality assurance. Amaero's emphasis on controlled feedstock, batch traceability and spherical powder morphology aligns well with regulatory and manufacturing standards in medical additive manufacturing, creating a pathway for selective participation over time.

Across **energy and industrial applications**, including **oil and gas**, refractory and specialty alloy powders are gaining relevance in high-temperature, high-corrosion environments such as downhole tools, valves, nozzles and heat-management components. Additive manufacturing is increasingly evaluated in these settings for its ability to reduce lead times, optimise complex geometries and improve component performance under extreme operating conditions. While adoption remains earlier-stage compared with aerospace, the underlying drivers of performance, reliability and supply responsiveness are aligned with Amaero's existing strengths.

C103 Powder: strategic differentiation that benefits Amaero's economics

C103 is a niobium-based alloy powder and sits at the centre of Amaero's differentiation and forms a key part of our bullish investment thesis for Amaero. C103 is a subset of what are defined as refractory alloys. Refractory alloys are defined by their very high melting points and ability to retain strength at extreme temperatures (typically >1,600°C).

C103 is used in high-temperature rocket propulsion, space applications and hypersonic missile applications, including rocket nozzles and thermal structures, where performance requirements exceed the capabilities of more common alloys. Benefiting Amaero is that Refractory alloys are difficult to atomise, difficult to qualify

and have very limited supplier bases. This is especially the case for C103, which sits at the extreme end of the difficulty spectrum for powder production, even within refractory alloys, because it combines very high melting temperature, strong reactivity, and tight chemistry tolerances.

As a result, C103's market price is materially higher than for other specialty refractory alloys, which themselves are priced higher than titanium alloys. For example, Fairmont Consulting's market study indicates that C103 pricing is in the range of approximately A$4,150 to A$5,385 per kilogram, reflecting both the technical difficulty of production and the scarcity of qualified supply. Lead times of 12 to 24 months have been cited, underscoring the constrained nature of the C103 market and adding to the first-mover advantage that Amaero has.

Demand forecasts provided by Fairmont Consulting and referenced in Amaero's guidance updates suggest meaningful growth over the coming decade, with C103 demand expected to reach 93 tonnes by FY2030 (mostly USA-based).

As discussed more in the valuation section, Amaero is well placed to capture a significant part of this high margin C103 demand because it is offering the USA defence industrial market the largest and lowest cost capacity for C103 and other higher margin refractory alloys via its EIGA premium capacity (only one to do so thus far in the US) and this consequently is a central tenet of our bullish investment thesis for Amaero.

Through formal engagement with the U.S. Navy, alignment with NASA and AFRL (technical determinations, receipt of non-dilutive EXIM Bank equipment financing, and integration into defence-servicing additive manufacturing ecosystems, Amaero is steadfastly progressing toward program-level supplier approval in strategically critical materials, including C103 – a number of exclusive supply deals have already been won by Amaero with well known defence sector clients.

Substitution Risk: Benefiting Amaero's strategy is that C103 has **very low substitution risk** in aerospace, space and defence applications, because it operates in temperature and stress regimes that exceed the capabilities of most alternative alloys. C103's use in propulsion, hypersonics and space systems where material failure is unacceptable, and redesign costs are prohibitive, is hard to emulate by alternatives. Substituting C103 would typically require fundamental system redesign, requalification and acceptance of performance trade-offs, which defence and space programmes avoid unless forced by supply failure. As a result, once qualified, C103 demand is effectively locked in, making **availability of qualified supply** rather than substitution the primary risk variable.

Specialty and Refractory Alloy Powders beyond C103: high-temperature optionality

Beyond C103, Amaero's other **specialty and refractory alloy powder portfolio** addresses a range of high-temperature and high-stress applications where conventional alloys are insufficient. These materials are relevant across propulsion systems, thermal management components, space hardware and other extreme-environment use cases. Economically, these alloys sit between titanium and C103, commanding premium pricing relative to titanium but with demand profiles that are

more program-specific and episodic. Strategically, they provide Amaero with exposure to defence and space programs that may not standardise on C103 but still require refractory performance. **As additive manufacturing adoption expands into increasingly demanding environments, the ability to supply multiple qualified refractory alloys apart from just C103 enhances Amaero's relevance to customers and reduces reliance on any single alloy system, while leveraging the same EIGA Premium infrastructure and qualification framework.**

Amaero is well placed to capture a significant part of this high margin C103 demand because it is offering the USA defence industrial market the largest and lowest cost capacity for C103 and other higher margin refractory alloys via its EIGA premium capacity

Beyond the highest price Niobium-based C103, Amaero's suite of refractory alloys includes Molybdenum, Tungsten, Tantalum and Zirconium.

Titanium Alloy Powders: volume, qualification and cash-flow stability

In contrast to C103, titanium alloy powders, Ti-6Al-4V, represent a larger, more established and more competitive market, particularly across aerospace, defence and industrial additive manufacturing (generally outside of the highest temperature sections). Titanium powders are widely adopted due to their favourable strength-to-weight ratio, corrosion resistance and well-understood performance characteristics. Titanium has a much lower melting point (~1,660°C vs >2,400°C for many refractory metals) but is valued for strength-to-weight, corrosion resistance, and fatigue performance, not extreme temperature resistance.

While pricing is materially lower than refractory alloys, titanium demand is broader and more consistent, providing volume throughput and potential cash-flow stability once qualification is achieved.

From a strategic perspective, titanium powders play an important role in Amaero's portfolio by supporting atomiser utilisation, accelerating learning curves in powder production, and embedding the company within defence and aerospace additive manufacturing ecosystems where titanium remains the dominant alloy class. Although prices are structurally lower than C103 and other specialty refractory alloys, titanium powders offer scale, diversification and repeat business. **Investors should also carefully note that the spherical type of Titanium powder that Amaero offers for AM requirements still sits within the high value category of powders – not as high as C103 and specialty refractory, but higher than stainless steel and aluminium alloys.**

Hence, all of Amaero's offerings are high value and differentiated, supporting our bullish investment thesis.

Substitution Risk:

Also benefiting Amaero is the fact that Titanium powders only have **moderate substitution risk**, as they compete with aluminium alloys, steels and composites in aerospace and defence structures. Titanium will very likely remain deeply entrenched due to its strength-to-weight ratio, corrosion resistance and extensive qualification history. In additive manufacturing, titanium's predictable behaviour further limits

practical substitution, meaning competition typically occurs between suppliers rather than away from titanium as a material, particularly once designs are qualified **(Amaero has already achieved some notable successes in this regard as discussed further later).**

PM-HIP Manufacturing Segment

Amaero's PM-HIP is a manufacturing process that consolidates metal powder into fully dense components by applying high temperature and isostatic pressure. The result is a near-net-shape component with mechanical properties comparable to wrought material. PM-HIP is particularly attractive for large or complex components that are difficult or slow to produce using traditional casting or forging methods. In defence and aerospace supply chains, such components often face extended lead times due to limited foundry and forging capacity, creating bottlenecks that can delay entire programs.

The US Navy has issued Amaero a letter of support in relation to its PM-HIP offering, leading to the strong likelihood of subsequent contract wins for Amaero.

Traditional forgings and castings for large, high-integrity components can require lead times of 18 to 30 months, reflecting capacity constraints, complex tooling and multi-stage processing. By contrast, PM-HIP can enable the production of complex components in approximately three to four months once qualification is established. In some cases, lead times can be even shorter, depending on component complexity and process maturity.

Consequently, Amaero's decision to develop PM-HIP capability reflects an assessment that these bottlenecks are structural rather than cyclical. By offering an alternative manufacturing route, the company seeks to address a persistent pain point for defence and industrial customers. As noted later, the US Navy has issued Amaero a letter of support in relation to its PM-HIP offering, leading to the strong likelihood of subsequent contract wins for Amaero.

PM-HIP End Markets and Integration benefits

The most visible end market for Amaero's PM-HIP capability is the U.S. Maritime Industrial Base. The U.S. Navy has publicly acknowledged constraints in domestic casting and forging capacity and has issued Amaero a Letter of Support validating PM-HIP as a viable and technically ready alternative manufacturing route. While such a letter does not constitute a contract, it materially de-risks the adoption pathway and signals institutional support for the technology and moreover provides high likelihood chance of actual future near term contract wins.

Beyond maritime applications, PM-HIP has relevance across a range of other defence industrial components, including structures and subsystems where high integrity and domestic production are required. Aerospace and industrial applications also represent potential markets, although these are generally more price sensitive but they may still adopt PM-HIP due to supply chain constraints.

A key strategic benefit to Amaero from combining powder production with PM-HIP manufacturing is improved powder utilisation. Powder-bed fusion additive

manufacturing typically requires narrow particle size distribution to ensure consistent layer spreading and print quality. Powder outside this specification may be unsuitable for PBF and is often sold at a discount or discarded. PM-HIP, by contrast, can utilise a broader range of particle sizes. This allows Amaero to redirect powder fractions that fall outside tight PBF specifications into PM-HIP applications, reducing waste and lowering the effective cost of usable powder across the business and hence improving operational margins and cash flow. Additionally, this dual exposure reduces Amaero's reliance on a single commercialisation pathway and increases the number of ways in which Amaero can capture value from its core capabilities. For defence and aerospace customers, it also positions the company as a broader solution provider rather than a single-product vendor, increasing customer stickiness over time.

Amaero's Technology Moat – EIGA Premium, Powder Quality and Qualification Barriers

Why the EIGA Premium System Is Central to the Investment Thesis

In defence-grade additive manufacturing, powder quality is the binding constraint to qualification and repeatable production, particularly for high-temperature and refractory alloys such as C103. All suppliers must meet the same outcome-based requirements, tight chemistry control, consistent particle size distribution, high sphericity, strong flowability and full traceability, but the **cost, yield and scalability with which these attributes can be delivered vary materially by production pathway**. This creates meaningful differentiation between Amaero Ltd and its key competitors, such as ATI Inc., and other plasma atomisation-based powder producers.

ATI is a qualified U.S. supplier of C103 alloy and offers C103 spherical powder for additive manufacturing, underpinned by deep metallurgical expertise and long-standing defence relationships. However, atomisation of refractory and titanium alloy powders is non-core to ATI's business, as such ATI does not publicly position its powder production around a dedicated **EIGA Premium** configuration or emphasise yield optimisation for AM-grade powder as a strategic focus. As a diversified materials group, ATI's C103 powder capability appears oriented toward servicing existing programmes rather than scaling incremental AM-grade supply, implying a different cost and capacity profile to a purpose-built additive manufacturing powder strategy (ATI uses lower yielding standard EIGA technology).

Amaero's EIGA Premium strategy is structurally aligned with scaling defence-grade additive manufacturing powders. This positions the company to capture a disproportionate share of incremental C103 and other specialty refractory alloy demand as U.S. defence and aerospace programmes continue to expand additive manufacturing adoption

Amaero's differentiation lies in its deliberate focus on **EIGA Premium atomisation**, optimised for additive manufacturing rather than legacy material forms. While standard EIGA systems can produce acceptable powder, they typically generate broader particle size distributions and lower proportions of AM-grade material. Amaero has disclosed that its EIGA Premium configuration can deliver **materially higher usable yields, often cited as up to approximately double the AM-grade fraction of standard EIGA, depending on alloy and PSD specification**. For high-value materials such as C103, this yield advantage lowers effective unit costs, improves margin resilience and provides critical/strategic pricing flexibility without sacrificing profitability.

Plasma atomisation routes, whilst also capable of producing highly spherical powders and well-suited to certain alloys such as titanium, face structural challenges in scaling **defence-qualified refractory powders**. Energy intensity, throughput limitations, feedstock considerations and qualification complexity constrain their applicability for very high-melting-point alloys such as C103. This distinction is reinforced by conclusions attributed to **NASA Glenn Research Centre and the Air Force Research Laboratory**, which have identified only EIGA-based processes as capable of supporting qualification and scaled production of refractory alloys due to their temperature and contamination sensitivities.

Consequently, Amaero's moat is based on **economic and technological leverage within a constrained supplier set**. Relative to ATI's incumbent but less AM-optimised approach, and plasma competitors' qualification limitations in refractory alloys, Amaero's EIGA Premium strategy is structurally aligned with scaling defence-grade additive manufacturing powders. This positions the company to capture a disproportionate share of incremental C103 and other specialty refractory alloy demand as U.S. defence and aerospace programmes continue to expand additive manufacturing adoption.

Competitive Landscape and Risk

Figure 8: Amaero's market share assumptions

	Amaero Ltd	ATI Inc.	Linde	IperionX Limited	6K Additive	Metal Powder Works	AP&C	Tekna
Scale / Throughput (tpa) - for AM grade powder	600 tpa by ~Jun-2026 (disclosed); >800 tpa with 4th atomiser by ~Jun-2027 (disclosed) *320 tpa LPBF + potential	~50–150 tpa but <50tpa for LPBF net of yield	~300–500 tpa but <50tpa for LPBF net of yield	~150-200 tpa ~10–30 tpa LPBF inferred	~150–200 tpa ~30-50 tpa LPBF	50-150 tpa 10 tpa LPBF	~450–700 tpa 80-150 tpa LPBF net of yield	~400–700 tpa 60-120 tpa for LPBF net of yield
USA source (manufactured in USA)	Yes (Tennessee)	Yes	Yes (US sites + global SITES)	Yes (strategy; US build-out ongoing)	Yes	Yes	No (Canada)	No (Canada)
EIGA Premium	Yes	No (standard EIGA / other routes)	No (VIGA / VIM-AGA)	No	No (microwave plasma)	No (solid-state / mechanical)	No (plasma atomisation)	No (plasma atomisation)
Spherical powder (AM-grade)	Yes	Yes	Yes	emphasises angular used for PM not AM; spherical limited	Yes	emphasises angular used for PM not AM; spherical limited	Yes	Yes
Feedstock traceability	Yes (explicitly highlighted)	Yes	Yes	No partial only	Partial	No	Yes	Yes
Refractory / C103 capability	Yes – core focus	Yes – C103 spherical powder offered	No	No (titanium-centric)	Refractory metals minor capability; C103 not yet	No	Yes (C103 listed)	Limited / not core focus

Dimension	LPBF segment	Non-LPBF AM segment
Particle Size Distribution	Narrow	Wider
Chemistry control	Extreme	Moderate
Qualification	Machine + program-specific	General
End markets	Defence, space, aerospace	Industrial, R&D, energy
C103 / refractory	Core	Rare
Pricing	Highest	Lower
Margin	Highest	Moderate
Switching cost	Very high	Low–moderate

Sources: East Coast Research

Amaero's competitive advantage is best understood through its deliberate concentration on the LPBF (Laser Powder Bed Fusion) segment of the AM powder market, which is structurally distinct from the broader AM powder segment in terms of qualification requirements, end markets, economics and strategic value **(Figure 8).** LPBF powders require narrow particle size distribution (PSD), exceptionally tight chemistry control, machine and program specific qualification, and exhibit very high switching costs once approved. Amaero has oriented both its operating platform and its disclosed capacity expansion and commercialisation growth plans toward maximising LPBF-relevant spherical powder output, rather than treating LPBF as a secondary outlet within a diversified powder business. This contrasts with incumbents such as ATI and Linde, where LPBF represents a relatively small, qualification-constrained subset of broader powder operations, with LPBF volumes remaining well below headline AM powder capacity. As illustrated above in **Figure 8**, this LPBF scale constraint affects all U.S.-based peers (ATI, Linde, IperionX, 6K and Metal Powder Works), of which only ATI currently offers C103 spherical powder, but without the combined quality, yield, scale and qualification advantages associated with Amaero's EIGA Premium atomisation. Also, Amaero is solely focused on atomisation of reactive metals, whereas companies such as Linde, 6K, MPW are focused on higher volume, lower value non-reactive metals such as stainless steel, nickel and copper alloys.

Amaero's strategic positioning is the strongest amongst its peers. Additive Manufacturing for defence applications is facing material tail winds in the US especially for defence applications. Within this segment, Amaero is focussed on the highest value subsegment of the AM spherical powder market which is the LPBF segment and is using the best technology in the world right now to produce it – EIGA premium atomisers.

Critically, Amaero is also structurally differentiated from IperionX and Metal Powder Works, whose technologies are primarily oriented toward angular powders used in powder metallurgy (PM) rather than spherical powders used in additive manufacturing, placing them lower on the value curve. Angular powders are well-suited to PM applications but do not meet LPBF qualification requirements and therefore address lower-margin, more substitutable end markets. Both IperionX and Metal Powder Works are best characterised as development-stage feedstock technologies, focused on process innovation rather than scaled, defence-qualified production. Similarly, 6K's plasma spheroidisation approach is positioned as a development technology centred on recycling scrap and coarse powders, with a primary focus on non-reactive metals such as stainless steels, nickel alloys and copper. In contrast, Amaero is exclusively focused on reactive metals such as titanium and refractory alloys, which command materially higher pricing, face tighter qualification bottlenecks and sit at the core of defence, aerospace and space demand.

While Canadian suppliers such as AP&C and Tekna have achieved meaningful AM-grade spherical powder volumes, their LPBF-qualified output remains materially lower once lower yield (they do not use EIGA premium) and qualification constraints are applied; they are also largely focused on titanium rather than refractory alloys. Moreover, both rely on plasma atomisation, which uses wire feedstock that is materially more expensive than the bar feedstock used in EIGA Premium and typically delivers lower usable yield for LPBF applications. Although Canadian suppliers are not precluded from U.S. defence programmes, U.S. defence procurement increasingly favours domestic production of critical materials, particularly for scaled, long-duration programmes, further reinforcing Amaero's advantage.

Also, it's important to note that LPBF powders encompass both Amaero's Titanium and Refractory alloy offerings, and even within the Titanium segment, Amaero is advantageously positioned with its status as the only scalable US producer of Titanium alloy spherical powder. Titanium alloy spherical powder is also subject to better tailwinds than the market for Titanium wrought. Titanium alloy spherical powders enable additive and near-net-shape production with shorter lead times and, hence, are in more demand than wrought products that support legacy forging-based supply chains.

Taken together, Amaero's strategy is differentiated not only by what it produces, but by how and for whom it produces. **Its focus on LPBF-qualified spherical powders, leadership in C103 and specialty refractory alloys, dominant scale offering of Titanium alloy spherical powder, use of production-grade EIGA Premium technology rather than development pathways, U.S.-based manufacturing footprint and full feedstock traceability position Amaero squarely in the highest-value, most defensible segment of the AM materials market**. This combination materially increases the probability that Amaero secures durable qualification, embeds itself within U.S. defence, maritime and aerospace supply chains, and captures the benefits of long programme lifecycles, high switching costs and sustained pricing power (as discussed later, Amaero has been doing exactly this via key customer contract wins).

Summary of why Amaero's strategic positioning is strong

Amaero's strategic positioning is internally coherent in terms of having EIGA premium atomisers and further capex plans that will enable it to meet its goal of being able to better cater to the more differentiated and higher value LPBF segment of the AM powder market; Amaero also plans to cater to the broader AM spherical powder and PM-HIP segments. This positioning is also aligned externally with long-term structural trends in U.S. defence and aerospace manufacturing, with there being a strong demand-pull need for reshoring of important manufacturing and supply chain capabilities.

As outlined in more detail below, Amaero's combination of first mover technological capability, alignment with US government policy, early and strong commercial partnership successes and integrated advanced manufacturing, amongst other reasons, provides a credible foundation for Amaero to sustain a durable, long-term competitive advantage.

As noted below, Amaero's superior competitive positioning is encapsulated by the Company uniquely establishing the largest capacity and the lowest unit cost U.S. domestic production of spherical refractory and titanium alloy powders.

- **Structural Demand Pull: Onshoring and Geopolitical Drivers**
  As noted, Amaero's strategy is anchored on a structural demand pull that has intensified over the past five years: the United States' push to onshore critical manufacturing capability for defence, aerospace and space applications. This trend reflects a reassessment of supply-chain risk in the context of heightened

geopolitical tension and the strategic importance of advanced, secure, and reliable manufacturing capability.

- **Increased Defence, Space and Aerospace Spending**
  As noted, U.S. spending on defence, space and advanced aerospace systems has increased and is projected to continue to increase, driven by geopolitical competition and the emergence of new operational and defence domains such as hypersonic missiles. The long-term trajectory points to sustained investment in next-generation platforms that demand advanced materials and manufacturing techniques.

  Hypersonic systems place extreme demands on materials performance, favouring refractory alloys such as C103. Space systems similarly require materials that can operate reliably in high-temperature and high-stress environments. Aerospace programs continue to adopt additive manufacturing to improve performance and reduce lifecycle costs.

- **Amaero's First-Mover Advantage Solution to the Demand-Pull Problem**
  Amaero addresses the onshoring and capacity challenge through a combination of advanced metal powder production and PM-HIP manufacturing. In the powders segment, Amaero targets materials that are both high-value and difficult to source domestically. In the PM-HIP segment, Amaero offers a manufacturing solution that can bypass bottlenecks in casting and forging capacity.

Additionally, Amaero's EIGA Premium systems are currently the only ones of its kind operational in the United States, granting the company a substantial first-mover advantage in producing high-value titanium, specialty refractory and C103 powders. As noted earlier, Amaero's relative advantage here is premised on multiple factors: C103, other specialty refractory alloys and titanium powders are technically / practically non substitutable from a technical perspective for the defence industrial end markets that Amaero is targeting, which are segments that themselves are set to grow due to geopolitical reasons. Furthermore, Amaero's first mover advantage in having the USA's only EIGA premium atomisation system, which is better able to manufacture these needed powders within strict quality control requirements vs alternative atomisers adds to the sustainability of Amaero's relatively stronger competitive positioning vis a vis its peers and competitors; this is especially since Amaero's offering is domestically sourced with full feedstock availability - exactly the attributes needed to qualify and win high value USA defence and aerospace contracts.

Amaero's focus on offering the USA defence and naval industries with a new source of at scale, US based PM-HIP manufacturing capability has also been a strong preemptive move that addresses a key bottleneck and that locks in Amaero as a reliable local supplier. Amaero is offering its domestic US based PM-HIP manufacturing as an economically and technically viable solution to the untenably long lead times associated with the alternatives of castings and forgings.

- **Vertical Integration and Sustainability of the Business Model** Amaero's vertically integrated adjacent structure linking powder production with PM-HIP manufacturing provides strategic and economic benefits. It allows engagement with customers across multiple stages, increasing switching costs, and improves powder utilisation (hence lowers overall operating costs) by redirecting off-spec powder into PM-HIP applications.

- **U.S. Government Policy Support and Validation** Amaero's strategic alignment with U.S. industrial policy and related US government support is reinforced by non-dilutive equipment financing through the U.S. Export-Import Bank under the "Make More in America" initiative. The financing package, valued at approximately US$22.8 million, supports the acquisition of capital equipment.

Amaero's receipt of an EXIM Bank equipment financing loan is a strong validator. Whilst EXIM is not the US Department of Defence, this financing confirms that Amaero is positively viewed as being strategically aligned with US national manufacturing priorities.

This financing reduces the need for equity funding, represents strong external validation through due diligence, and underscores Amaero's positioning as a contributor to domestic manufacturing capability. Amaero has also referenced political backing associated with its Tennessee manufacturing / onshoring footprint. EXIM equipment financing approvals are explicitly done with the aim of supporting entities linked to strengthening US industrial and defence supply chains. Whilst EXIM is not the US Department of Defence, this financing confirms that Amaero is positively viewed as being strategically aligned with US national manufacturing priorities, favorably differentiating Amaero from speculative or purely commercial AM players. **Amaero was the first advanced material and manufacturing company to receive EXIM Bank financing.**

As outlined below, Amaero's alignment with the US defence-related procurement ecosystem is also validated via qualification and contract successes with US DoD-related OEMs and programs, such as the one with Velo3D and via the endorsement of EIGA-based atomisation as being essential for the qualification and at-scale production of refractory alloys.

Additionally, Amaero's receipt of a **Letter of Support from the U.S. Navy** represents a meaningful step toward deeper integration within the U.S. defence industrial ecosystem, particularly for its PM-HIP manufacturing capability. While not a contract, this letter of support was issued selectively and is a signal that the Navy views the underlying technology as both technically credible and strategically relevant to the Maritime Industrial Base. In practice, a Navy Letter of Support often functions as an enabling milestone, facilitating access to pilot programs, funding pathways and follow-on procurement discussions. For Amaero, this endorsement also validates PM-HIP as a viable alternative to traditional casting and forging in defence applications, strengthening its positioning with other defence customers and partners and increasing the likelihood that technical validation ultimately translates into programme-level adoption and recurring defence-related revenue.

- **Management Expertise across key functional areas and connectivity to the USA Defence Policy and Procurement. Strong institutional equity holders.**

Execution risk is a central consideration for any capital-intensive industrial business operating in defence-adjacent markets, where quality, reliability and compliance are critical. Amaero's management team combines technical depth, U.S. defence ecosystem alignment and capital markets experience, materially strengthening the credibility of its strategy relative to small-cap industrial peers undertaking similar scale-ups.

Chairman and Chief Executive Officer Hank J. Holland has been the principal architect of Amaero's strategic repositioning and capital allocation. He led the decision to relocate operations to the United States and secured non-dilutive funding, including equipment financing through the U.S. Export-Import Bank's "Make More in America" program. Hank brings a strong private-equity and capital-markets background, including prior successful investments and realised exits, providing relevant experience in disciplined capital deployment and execution through industrial growth cycles. **Importantly, Pegasus Growth Capital, Holland's private equity firm, owns approximately 30% of Amaero's shares. Holland personally funded approximately ½ the position and all shares were acquired alongside other shareholders in placements, on market and off market transactions**.

Hank is now also closely involved in scaling Amaero's operations amidst the Company's revenue ramp, with Hank and his family relocating to Amaero's manufacturing facility in Tennessee during Q1 FY2026.

Technical execution is led by Chief Technical Officer Eric Bono, who oversees powder development, atomisation optimisation, quality systems and customer qualification, which are all critical functions in mitigating yield and consistency risks during scale-up. Working alongside Eric Bono is Fred Yolton, who led pioneering work in gas atomization of titanium 35 years ago. Dr Ron Aman contributes deep metallurgical expertise across refractory and specialty alloys, particularly in qualification-driven customer engagements.

Financial execution is overseen by Chief Financial Officer Brett Paduch, with responsibility for funding runway, working capital and cost discipline during the ramp-up phase. The company is further supported by experienced advisors, including retired Lieutenant General H.R. McMaster, adding defence-sector credibility. Additionally, Amaero's technical partnership with Castheon allows Amaero access to Dr Youping Gao (the preeminent expert in 3D printing C103 and refractory alloys for defence and space applications), strengthening Amaero's standing in defence- and space-grade additive manufacturing. Additional details regarding Amaero's well-qualified management team are provided in **Appendix II.**

Furthermore, Amaero's stock register is significantly comprised of both management and tier 1 institutional ownership, with Hank Holland's Pegasus Capital owning approximately 30% of Amaero's stock. This ownership by Pegasus, which indicates strong alignment of incentives, is complemented by stakes from other high-quality institutional investors that are known long-term investors, such as Fidelity International Investments and IFM Investors, indicating that our thesis on Amaero's

durable competitive advantage and strategic demand pull-based positioning is shared by other tier 1 investors.

➢ **Ecosystem Qualification Validation**

Amaero's competitive positioning is validated with the U.S. defence and space qualification ecosystem, notably through the NASA Glenn Research Centre and the Air Force Research Laboratory (AFRL), both of which have identified EIGA-based atomisation as essential for the qualification and scalable production of C103 and other refractory alloys due to their extreme melting temperatures. While these engagements are not commercial contracts, they provide high-credibility technical validation that the process pathway underpinning Amaero's platform is consistent with U.S. defence and space qualification requirements. This alignment materially de-risks Amaero's addressable market by confirming that only a narrow set of production technologies are viable for refractory alloys in mission-critical applications, thereby reinforcing Amaero's strategic positioning as it progresses from qualification into downstream adoption across defence, aerospace and space programmes.

Hence, Amaero not only has the best technology that is amenable to qualification and that it is planning to offer at scale, but it was also the first to implement it in the USA, leading it to be well placed to become a dominant US-based player in the AM powder segment, especially for refractory alloys. Additionally, the US Navy's validation of the efficacy of Amaero's PM-HIP offering in terms of its technical and practical suitability to substitute traditional casting and forgings, which are subject to significant supply bottlenecks, is also indicative of ecosystem recognition of Amaero's PM-HIP segment.

This combination of first mover advantage across both the AM powder segment and the PM-HIP segments will continue to lead to many more qualification wins, strategic partnerships and preferred / exclusive supplier contractual wins (outlined more below). Qualification processes are slow and resource-intensive. Once qualified, customers are reluctant to switch without compelling reasons, supporting durable market share for early movers. As shown in the next section, Amaero has already achieved qualification and contractual successes with well-known USA defence-related OEMs.

➢ **Contracts, Partnerships and Revenue Visibility – Execution Strength**

Amaero's pathway to revenue is increasingly underpinned by tangible customer and qualification milestones rather than aspirational positioning alone. Over the past 12–18 months, the company has progressed from process validation into customer-specific qualification and initial commercial supply across both powders and PM-HIP manufacturing. These wins reflect Amaero's ability to meet the stringent technical, security and traceability requirements of U.S. defence, space and aerospace supply chains, and collectively demonstrate a credible transition toward a sustained revenue ramp as qualification converts into repeat orders and programme-level adoption.

Amaero has also been selective and strategic in selecting key commercial partners. For instance, Castheon / ADDMAN is the pioneering and technical leader in 3D

printing refractory alloys, and Velo3D is the leading "Made in USA" metal 3D printing equipment OEM. Similarly, Titomic is the leading force in advancing cold spray adoption for advanced coatings and for mission-critical part production. **Hence, in engaging with such commercial partners, who are market leaders in their respective fields, Amaero gains immensely important optionality value, because as these players grow their business with downstream US defence industrial contracts, consequently, more business will also accrue to Amaero, especially since its offerings cover different types of spherical powders and also PM-HIP.**

ADDMAN Group (Castheon + KAM)

Amaero has a downstream preferred supplier agreement with the ADDMAN Group platform, including Castheon and KAM, which together form a defence and space-focused additive manufacturing ecosystem in the United States. Amaero has publicly disclosed that it has successfully qualified C103 powder with this platform, marking a transition from technical capability into approved supplier status for refractory materials used in mission-critical applications. Importantly, this qualification has been accompanied by a minimum purchase commitment of 2.25 tonnes of C103. This partnership establishes Amaero as the preferred supplier for C103, and also for refractory and titanium alloy AM powders to ADDMAN and its subsidiaries for five years.

From a business standpoint, this relationship is strategically significant because ADDMAN, via Castheon and KAM, converts qualified powders into end-use defence, space and aerospace components, meaning Amaero's powders are progressing directly into long-lifecycle government programmes where supplier switching costs are high, and re-qualification is onerous. The partnership with the Addman Group is also particularly valuable due to Dr Youping Gao, the preeminent expert in 3D printing C103 and refractory alloys for defence and space applications.

Velo3D

Amaero has disclosed a **five-year exclusive supply agreement with Velo3D**, commencing in April 2025, under which Amaero is positioned as the exclusive supplier of C103 and other refractory powders and a preferred supplier of titanium alloy powders for Velo3D's LPBF platforms. The agreement is framed around a headline demand estimate of approximately **A$35 million over five years** (around ~10% of FY2026 revenue at maturity), providing a pathway to a steady, high-value revenue stream as qualification converts into production orders. Amaero achieved qualification of its powders with Velo3D in July 2025 (officially qualified for Velo3D's Sapphire printers through Auburn University's NCAME in July 2025, unlocking this trusted supplier agreement).

Strategically, the agreement embeds Amaero powders into the workflows of Velo3D's most advanced customers, **including programmes at SpaceX that utilise Velo3D printers**, thereby positioning Amaero within some of the most demanding aerospace and space manufacturing environments globally. This positioning is further strengthened by Velo3D's alignment with secure U.S. supply-chain requirements: Velo3D is a U.S.-based LPBF OEM, its software is written in the United States, its data is stored by a U.S. company, and it has never sold a machine into China, a factor that

materially enhances its standing with the U.S. government and the Department of Defence. From Amaero's perspective, the Velo3D relationship therefore delivers more than near-term commercial volume; it embeds Amaero's powders into security-sensitive, defence and space relevant additive manufacturing ecosystems, reinforcing its strategic positioning within onshore and controlled U.S. supply chains.

Titomic

In September 2025, Amaero entered into a five-year exclusive supplier and development agreement with Titomic Limited, under which Amaero became Titomic's sole supplier of spherical refractory and titanium alloy powders for use in Titomic's proprietary cold spray technology targeting mission-critical defence, space and aerospace applications. The agreement establishes a tightly integrated development-to-production pathway, ensuring that powders used in first-article demonstrations are the same powders qualified for production, materially de-risking downstream adoption for defence customers. Importantly, this strategic collaboration has now progressed into meaningful commercial execution, with Amaero receiving a A$4.6 million purchase order for refractory alloy powders, to be delivered across Q3 and Q4 FY2026, in support of a Titomic development programme with a leading defence prime contractor. In conjunction with this order, Amaero will also contribute A$2.3 million toward programme development, reinforcing its disciplined approach to investing alongside high-barrier, strategically important opportunities. From a strategic standpoint, the Titomic partnership expands Amaero's embedded exposure beyond LPBF into cold spray as a complementary advanced manufacturing modality, further anchoring Amaero's powders within onshored, defence-critical supply chains and increasing the likelihood that qualification success converts into recurring programme-level production demand as cold spray transitions from development into scaled defence and aerospace applications.

Additionally, given the exclusive supplier agreement, Amaero is positioned to benefit if TItomic successfully executes on its strategy of building a notably larger production business that includes the manufacturing of mission-critical qualified parts that require Titanium spherical alloy powders, which Amaero can supply.

Amaero's commercial ramp is progressing well; as it relates specifically to Amaero's refractory and titanium powder business, Amaero has noted that just in Q1 FY2026, it was pleased to have had orders from 14 different customers.

Knust-Godwin and other progress

During Q1 2026, Amaero signed an exclusive, long-term supplier agreement with Knust-Godwin, a U.S. defence-focused advanced manufacturing company, under which Amaero will supply titanium alloy powders produced at its Tennessee facility for use in defence and aerospace applications. Kunst-Godwin is embarking on a 125,000 square foot expansion of additive manufacturing in 2026 with focus on titanium parts production. **The agreement establishes Amaero as a sole-source powder supplier to Knust-Godwin's manufacturing workflows, materially strengthening Amaero's downstream exposure to U.S. defence programmes.**

In line with Amaero's intensive customer engagement strategy that seeks strategic partners, on December 3rd 2025, Amaero held a PM-HIP Roundtable at Amaero's facility with approximately 40 maritime/submarine industrial base stakeholders, including representatives from Bechtel Plant Machinery, Inc. (BPMI), Naval Nuclear

Laboratory (NNL), Naval Reactors, NAVSEA, and other key stakeholders such as General Dynamics Electric Boat, Newport News Shipbuilding, Hanwha, BWX Technologies, Curtiss-Wright, Northrop Grumman and Leonardo DRS. The convening followed a near-daily collaboration with the maritime industrial base over the past 18 months that included performance on numerous contracts. This event, in conjunction with the US Navy letter of Support regarding the efficacy of Amaero's PM-HIP offering, will likely be followed by some notable PM-HIP contract wins in the ensuing next few months. Further to this point, the Company has also recently commenced a development collaboration with the Boeing Company that aims to leverage Amaero's pioneering experience in PM-HIP manufacturing of large near-net-shape parts and Boeing's vast manufacturing and materials experience.

Amaero is progressing well with winning and establishing a high probability near-term pipeline of both government/defence sector counterparties and also private sector ones across both its 2 key business segments. As it relates specifically to Amaero's refractory and titanium powder business, Amaero has noted that just in Q1 FY2026, it was pleased to have had orders from 14 different customers.

➢ **Growth CAPEX – the root cause of Amaero's strategic positioning for having the largest capacity and lowest cost supply of high-value refractory, and titanium alloy spherical powders.**

Amaero's capital allocation record underscores a highly disciplined, asset-backed approach to scaling an advanced manufacturing business, contrasting sharply with many early-stage peers. Over approximately 3.5 years, the company has raised around A$150 million, of which roughly A$125 million is now reflected in tangible value, comprising approximately A$50 million in cash and ~A$75 million in hard manufacturing assets. This demonstrates that the majority of capital raised has been deployed into production-critical capex and not consumed by overhead or to fund operating costs, resulting in a substantial asset base that, when used along with its commercial engagement successes and plans, Amaero can steadfastly ramp its revenue base, which it has been doing. Management has explicitly avoided the common pitfall seen across the sector, where companies raise capital but have little enduring infrastructure/tangible productive assets to show for. **By comparison, some competitors such as Metal Powder Works operate with minimal cumulative capex yet command comparable market capitalisations, highlighting the relative quality and durability of Amaero's asset base and its related undervaluation.**

Consequent to these prudent capex investments, Amaero has established a first-mover advantage and a competitive moat, and what will follow is a steadfast revenue ramp and commercialisation

Supporting our bullish investment thesis, this capital discipline materially reduces execution risk, supports future operating leverage, and strengthens the credibility of Amaero's strategy as it transitions from build-out into revenue and margin ramp.

Amaero previously guided that it would embark on an aggressive growth capex program across 3 years and invest ~ A$72m in plant and equipment over the period ending 30 June 2026. Amaero is now successfully 2.5 years into this program, having already invested A$52m, with the residual planned to be done on schedule and budget. **Figure 9** below details a break out of this capital investment.

Amaero's growth-oriented capital investments have been very strategic in terms of

Figure 9: Breakout of Amaero's 3-year Capex program

Item	Cost A $m
Improvements to a 100,000 square foot manufacturing facility in Tennessee	27
Commissioning of PM-HIP manufacturing systems	12
Commissioning 3 EIGA Premium Systems	18
Commissioning of ancillary powder processing equipment	15

Sources: Company

their size, scale and timeline, and they have been instrumental in Amaero's competitive positioning of having established the largest capacity and the lowest unit cost U.S. domestic production of spherical refractory and titanium alloy powders. Consequent to these investments, Amaero has established a first-mover advantage and a competitive moat, and what will follow is a steadfast revenue ramp and commercialisation that, when combined with the operating leverage inherent in Amaero's fixed cost-oriented manufacturing business model, will result in rapid sequential improvement in operating margins and unit economics.

Aggressive growth oriented investments of these sort necessitate capital raising rounds and are short term dilutive, however for companies such as Amaero which are uniquely competitively positioned and operate with the tail winds of a strong defence and manufacturing re-shoring thematic in the USA that is also policy driven it is only a matter of time before these investments then lead to strong subsequent growth in revenues and cash flows – and we are already seeing a sharp uptick in Amaero's sequential revenue performance.

Amaero has been laser sharp, focused on this lowering of unit cost theme, which for a business of its type is materially related to scale and other operating model efficiencies. In terms of scale, the A$50m gross capital raise that it successfully executed in August 2025, which was strongly supported by institutional investors, was aimed at further growth-oriented capital investments, such as bringing forward by 18 months the planned commissioning of the 4th EIGA premium system to June 2027 rather than the earlier anticipated date of January 2029.

In terms of other operating efficiencies, Amaero's argon gas recycling initiative, both in its conception and subsequent refinement in terms of cost and timeline reduction, has also been a key initiative that will benefit unit economics. In EIGA atomisation, argon gas is needed to melt and atomise metals, and hence the recycling of this gas will result in notable cost savings to Amaero, lowering Amaero's breakeven volumes and enhancing margin durability vs peers. Following value engineering of plant scope, delivery structure and operating model, Amaero reduced the expected installed cost of the system to approximately **A$6 million**, representing a **~60% (A$9 million) reduction** versus the initial estimates of A$15 m. Installation is now expected by **the end of CY2026**, with commissioning in **1Q CY2027**, bringing forward operating cost benefits by approximately **12 months** relative to prior guidance. Once operational, the system is expected to **reduce argon consumption costs by ~80%**, deliver a **2–2.5 year payback period**, and materially improve unit economics during Amaero's critical production ramp.

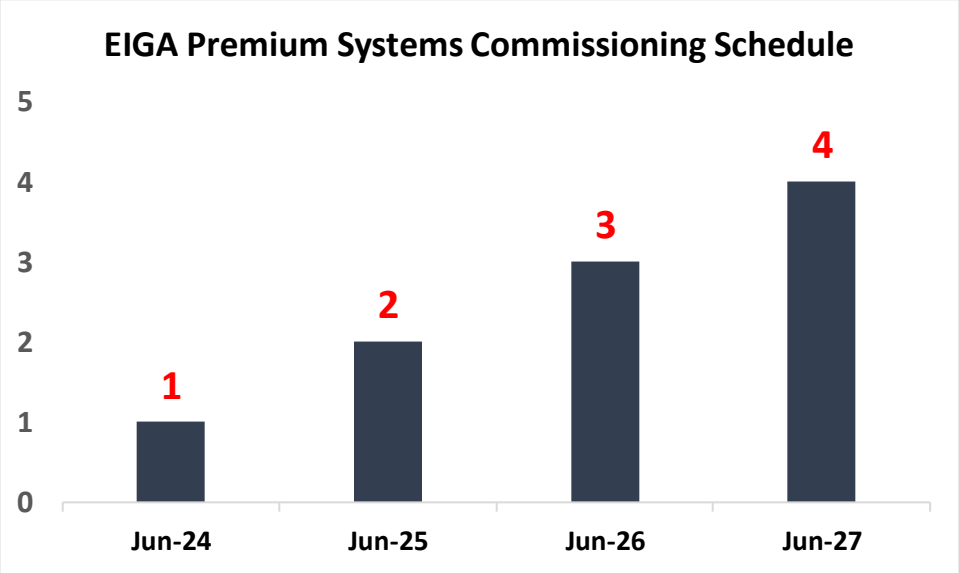
Amaero has a strong strategic cash reserve of ~A$53m as of the end of December 2025. This cash balance amount is strategically important for Amaero and will help the Company to continue to win US defence customers who closely look at counterparty balance sheet strength due to its relation with minimising execution risk during qualification and order fulfilment.

In term of unit costs, the argon gas initiative, pull forward of EIGA manufacturing scale and other factors such as Amaero's 10-year subsidized electricity contract at approximately US$0.058 kWh, which is approximately 70% below the national average when combined with the already intrinsically higher powder yield of EIGA premium systems will result in Amaero possessing the strategic advantage of having the lowest unit cost US domestic supply of C103, refractory and titanium alloy spherical powders, **leading it to have strategic optionality to lower prices to win market share vs higher cost based competitors.**

In terms of the funding of these growth initiatives, in addition to the approximately A$150 million in capital that Amaero has raised over the last 3.5 years, it has also been drawing down on the strategically important EXIM Bank equipment financing approval, with ~US $15m drawn by 31 December 2025 (EXIM bank has committed US $22.8m to the facility, with the balance expected to be drawn by 31 December 2026). Given the quantum of financing Amaero has availed, apart from funding PPE required to ramp its operations, the company also has a strong strategic cash reserve of ~A$53m as of the end of December 2025, which was an increase from the levels at the end of the September quarter. This cash balance amount is strategically important for Amaero and will help the Company to continue to win US defence customers who closely look at counterparty balance sheet strength due to its relation with minimising execution risk during qualification and order fulfilment.

Operating Leverage as a financial & operational performance catalyst

Figure 10: Amaero's EIGA Premium Systems – strong competitive differentiator



Sources: Company

Figure 10 above indicates the achieved and prospective planned commissioning of Amaero's EIGA premium atomisation systems. Currently, Amaero is operating 2 EIGA premium atomisers, both of which were commissioned on schedule and on budget. The 3rd system is due to be commissioned in June 2026, and consequent to Amaero's 2025 institutional heavy capital raise, the planned commissioning of its 4th EIGA system has been pulled forward by 18 months to June 2027. Fixed costs are a key part of the economic cost structure of manufacturing/production businesses such as Amaero's; hence, consequent to the increased scale associated with commissioning more atomisers, Amaero's margins will improve as these costs are spread out over more and more production volumes and revenues (classic operating leverage effect). There are other associated benefits to operating margins and cash flows consequent to increased scale, and this relates to the learning curve benefits that will accrue to Amareo's operations as it expands the scale of its production operations. Over time, the more AM powder and PH-HIP volume that Amaero produces, the more efficient its operations will become due to the benefits of cumulative learning.

Amaero's latest financial and operational metrics confirm the Company's entering of an operational and revenue inflection phase, with rapid scaling across production, shipments and sales. In Q1 FY2026, revenue reached A$4.7 million, up ~455% year-on-year, driven primarily by powder sales, while finished powder shipments increased 153% sequentially to 12.4 tonnes and atomisation

output rose ~240% QoQ to 27 tonnes. For FY2026, Amaero has indicated revenue expectation of A$18-20 million for 372–425% year-on-year revenue growth.

Collectively, these developments point to Amaero transitioning decisively from initial commercialisation into a scalable production ramp, with improving volume leverage and accelerating revenue, which will also flow through to accelerating profitability metrics.

Also, it's important to note that Amaero's production and operations ramp has coincided with the late 2025 US government shutdown, in which Congress failed to pass appropriations legislation to fund federal agencies due to political deadlock over budget priorities. This recent shutdown lasted several weeks, during which many agencies were partially closed, and federal departments were unable to issue new spending authorisations. Consequently, Amaero's management expects an approximately 2-quarter delay in its revenue ramp as per prior expectations; however, despite this, Amaero is still steadily scaling its production and revenues, and it is not alone in indicating a push out in its revenue ramp. Other emerging defence-related businesses are anticipating similar delays (e.g., Velo3D has guided consequential delayed revenues). Given this context of a government-caused delay, Amaero is expecting AEBITDA to break even sometime in calendar year 2027.

There is a strong expectation that the recent US government shutdown will subsequently lead to a notable uplift in US DoD defence expenditure, including the creation of new programs that directly benefit Amaero's business based on renewed nonpartisan agreement on the importance of increasing domestic defence capabilities

Moreover, there is a strong expectation that the recent US government shutdown will subsequently lead to a notable uplift in US DoD defence expenditure, including the creation of new programs that directly benefit Amaero's business based on renewed nonpartisan agreement on the importance of increasing domestic defence capabilities. We have conservatively not factored this prospect of an additional upside into our revenue forecasts.

Financials and Valuation

Rather than undertaking a DCF-based valuation, which would value Amaero in isolation from relative peer group benchmarking, we have chosen to value Amaero on a relative valuation basis based on a very reasonable construction of its expected operating income model between 2026 and 2030.

We felt that this relative-based approach was a more direct way to value Amaero's attributes, such as its strong competitive positioning as a unique first mover industrial play that has a defensible technology-based moat and is also a company supported by strong, durable tailwinds associated with not only increased US defence industrial sector spending but also the reshoring of these capabilities back to the US.

Our assumed operating income statement for Amaero, based on reasonable assumptions and management guidance, is shown below in **Figure 11**. It is important to note that in the steady state time period of ~2030, Amaero's PM-HIP manufacturing business's revenue is expected to ramp expeditiously to be similar in size to the revenues of the powder business based on the anticipated demand-driven procurement cycles of US defence industrial entities. As noted earlier, PM-HIP's ability and also demand-driven need to substitute traditional casings and forgings have been well recognised based on both technical specifications and bottleneck issues facing casings and forgings. Consequently, our delayed revenue ramp for PM-HIP can be viewed as being conservatively constructed, with the real prospect of the ramp materialising earlier.

In terms of profitability metrics, our operating model assumes a steady state gross margin of around ~ 35% in the 2029/2030 period, whilst EBITDA margins net of stock-based compensation are anticipated to settle at around ~24%. Although investors may know well that gross margins and EBITDA margins for mature stage generic US industrial and manufacturing companies listed on the NYSE (Amaero is a US-based business listed, hence NYSE comparison is valid) hover around 30% and 15% respectively, Amaero's situation is justifiably different. As per the analysis of financial valuation expert Aswath Damodaran in the USA, aerospace/defence sector players consistently exhibit higher margins than generic industrial manufacturers based on:

- higher qualification barriers
- regulated supply chains
- long cycle programs
- resultant lower price elasticity (as we discussed above in **Figure 1**)

These aerospace/defence companies exhibit gross and EBITDA margins in the range of our assumptions for Amaero, validating our projections. **However, even within this segment, Amaero is favorably placed due to its unique first mover advantage across both of its US defence industrial base critical business segments and the fact that it has also commissioned the largest capacity and lowest cost U.S. domestic production of C103, refractory, and titanium alloy spherical powders.**

Figure 11: Financial Projections – Operating Income Statement

$ A 000'S	FY26E	FY27E	FY28E	FY29E	FY30E
Refractory Powder	7,500	10,050	35,161	55,148	69,217
Titanium Alloy Powder	9,400	21,000	44,500	65,253	67,674
Total Powder Revenue	**16,900**	**31,050**	**79,661**	**120,401**	**136,891**
PM-HIP Manufacturing Revenue	2,900	8,400	26,437	62,077	136,569
Government Revenue	75	6,282	6,273	6,273	6,273
Total Revenue	**19,875**	**45,732**	**112,371**	**188,751**	**279,733**
Direct Costs	13,058	20,020	42,461	63,243	72,741
Shift Wages	3,071	4,226	7,451	11,224	16,885
Repairs & Maintenance	192	161	408	616	701
HIP Variable Costs	1,685	4,717	15,144	35,560	78,232
Total Variable COGS	18,006	29,124	65,465	110,643	168,559
Plant Wages	2,400	2,900	4,612	5,893	7,028
Insurance	260	194	206	216	227
D&A	3,335	4,885	5,222	5,424	5,643
Total Fixed COGS	5,995	7,979	10,040	11,533	12,897
Total COGS	**24,001**	**37,103**	**75,505**	**122,176**	**181,456**
Gross Profit	**(4,126)**	**8,629**	**36,866**	**66,574**	**98,276**
Gross Margin (%)	(20.8%)	18.9%	32.8%	35.3%	35.1%
Office Salaries and Benefits	8,400	9,400	13,239	16,028	19,394
G&A Expense	4,150	3,100	4,134	3,703	3,588
Professional Services	6,700	3,640	3,290	3,372	3,457
Packaging Expense	125	373	687	1,010	1,060
Shared Development Expenses	825	822	822	822	822
Total SG&A Expense	20,200	17,335	22,172	24,935	28,321
% Revenue (SG&A)	101.6%	37.9%	19.7%	13.2%	10.1%
Total R&D Expense	390	309	518	979	3,685
Other Income / (Expense)	731	-	-	-	-
Unrealised Currency (Gains) / Losses	1	-	-	-	-
EBIT	**(23,984)**	**(9,015)**	**14,176**	**40,660**	**66,271**
EBIT Margin (%)	**(120.7%)**	**(19.7%)**	**12.6%**	**21.5%**	**23.7%**
D&A	3,335	4,885	5,222	5,424	5,643
D&A % Revenue	**16.8%**	**10.7%**	**4.6%**	**2.9%**	**2.0%**
EBITDA (Pre-SBC)	**(20,649)**	**(4,130)**	**19,398**	**46,084**	**71,914**
EBITDA Margin (%)	**-103.9%**	**-9.0%**	**17.3%**	**24.4%**	**25.7%**
Stock-Based Compensation	**4,865**	**5,000**	**5,000**	**5,000**	**4,000**
EBITDA (Post-SBC)	**(25,514)**	**(9,130)**	**14,398**	**41,084**	**67,914**
EBITDA Margin (Post-SBC) %	**-128.4%**	**-20.0%**	**12.8%**	**21.8%**	**24.3%**

Sources: East Coast Research, Company

Additionally, Amaero's key competitor, ATI's aerospace segment performs at gross margins of ~30%, despite not being as scaled at Amaero's LPBF segment (especially by 2030) and using only EIGA standard atomisation technology which has ~ 50% of the yield of EIGA premium that Amaero is focused on using. Hence our profitability assumptions for Amaero are both defensible and conservatively defined.

Amaero's key competitor, ATI's aerospace segment performs at gross margins of ~30%, despite not being as scaled at Amaero's LPBF segment (especially by 2030) and using only EIGA standard atomisation technology which has ~ 50% of the yield of EIGA premium that Amaero is focused on using. Hence our profitability assumptions for Amaero are both defensible and conservatively defined.

Management expects profitability to be similar across each of its 3 reporting lines (2 reporting lines in the powder segment – refractory alloys and titanium) and separately the PM-HIP segment. Hence as discussed further below, in line with the sizeable and growing market for C103 in the USA, as noted by the Fairmont Consulting group (93 tonnes by 2030), our Upside Case scenario assumes that Amaero sells slightly more of these premium refractories than vs the Base Case's assumptions.

In terms of our top line revenue forecasts, based on management guidance, we have already incorporated a reduction in our forecasted revenues for 2026 and also for 2027. **Given that by 2027 and beyond the residual adverse negative impact from the recent US government shutdown is reasonably muted, our curtailment of 2027 revenues can be viewed as being conservative (in fact as noted there could even be a shutdown induced uptick from 2027 and beyond).**

Additionally, underpinning our revenue forecasts are implied volume and pricing assumptions for refractory alloys and titanium which we have carefully sense checked against capacity constraints and market prices. **Figure 12** below indicates our model's estimated gross production volumes. As discussed earlier, titanium is the volume play providing for capacity utilisation support that benefits profitability and it ramps earlier than refractory alloys which includes C103. EIGA premium systems yield an impressive 50% sellable LPBF sellable powder from gross volumes (2x of standard EIGAs), however it is the gross production volumes that need to be constrained by the per annum output limit of each individual EIGA premium system (200,000 kgs). As shown in **Figure 12** when matching Amaero's planned EIGA commissioning schedule and reasonably only assuming that any individual EIGA is active for utilisation calculation purposes if it has been active for a min 12 months, we arrive at the below shown effective utilisation ramp for Amaero's EIGA premium atomisers; **since this utilisation metric is forecasted to grow from 23 % to only 88% by 2030, our volume production forecasts are very reasonable, and Amaero could likely outperform on the upside - a prospect reflected in our Upside Case.**

Figure 12: Amaero's expected production volumes and capacity utilisation forecasts

Gross Production Vols	FY26E	FY27E	FY28E	FY29E	FY30E
Refractory Alloys	5,700	16,500	55,000	78,000	100,000
Titanium	88,000	219,000	397,000	582,000	604,000
Total Powder Production	93,700	235,500	452,000	660,000	704,000

Capacity Utilisation	FY26E	FY27E	FY28E	FY29E	FY30E
Number of fully operational EIGAs for that Year	2	3	4	4	4
1 EIGA Output in kg	200,000	200,000	200,000	200,000	200,000
Total EIGA Capacity	400,000	600,000	800,000	800,000	800,000
Total Powder Production	93,700	235,500	452,000	660,000	704,000
Effective utilisation	23%	39%	57%	83%	88%

Sources: Company, East Coast Research

Figure 13 below shows our pricing assumptions that are baked into our revenue forecasts given the earlier assumed production volumes. Refractory powders, as noted, are comprised of C103 and other metals including tungsten and tantalum.

Figure 13: Our valuation's implied conservative pricing assumptions

Pricing Assumptions A$	FY26E	FY27E	FY28E	FY29E	FY30E
Refractory Powder	$2,632	$1,218	$1,279	$1,414	$1,384
Titanium Alloy Powder	$214	$201	$224	$224	$224

Sources: East Coast Research

Given that the general current market pricing for titanium supports a price of ~$240 and given that other specialty refractory alloys are generally priced at A$950 and higher whilst C103's base pricing is ~A$4,700 whilst C103 will also be sold across the forecast horizon, our implied pricing assumptions can be seen as being very reasonable/conservative.

Relative Valuation Methodology and Valuation Results

We posit that an effective way to value Amaero needs to appropriately take into account the Company's unique and strong competitive positioning within its aerospace and defence industrial peer set (first mover advantage across both business segments, largest and lowest cost US domestic production of C103, refractory, and titanium alloy spherical powders, focus on the non-commoditised and higher value side of the powder market (LPBF), use of the best technology in the US domestic market via the EIGA premium systems, growing success in winning long term exclusive supply deals with well known defence OEMs -amongst other reasons).

Additionally, investors need to look beyond the next 2 years in which Amaero will still be in its early stages of maturity and growth and will also experience an anticipated delay in its immediate revenue ramp due to the recent material government shutdown that has also affected Amaero's peers. Consequently, as per **Figure 9** it would be prudent to look beyond FY 26 and 27 in which our conservative assumptions have Amaero's atomisers at 23% and 39% utilisation respectively and focus on the outer years. Since we have based our valuation on using our FY29E and FY30E EBITDAs to infer what an end of calendar year 2029 EBITDA would be, implied in our valuation is only an effective EIGA premium capacity utilisation of 85% which is still quite conservative.

We then applied an EV/EBITDA multiple of 19 to this forecasted end of 2029 EBITDA and discounted it back to the present using a WACC of 12%. Both pivotal assumptions are conservative. The current[1] average EV/EBITDA multiple for positive EBITDA companies in the aerospace and defence sector is ~ 21, hence our use of 19 is very reasonable especially since by 2029, all of Amaero's unique relative competitive advantages vs its peers would have had time to be reflected in its financials[2]. Similarly, we could have justified using a lower WACC of 8% which is the sector average for aerospace and defence players due to their lower business risk associated with long term contracts and diversified business streams. However, to ensure additional assurance, we decided to use a WACC even higher than the 10% WACC that is associated with general US based industrial manufacturers who are exposed to more risk than Amaero due to being more affected by cyclical demand cycles (10% also approximates Amaero's specific WACC based on its current beta/systematic risk estimate).

Based on these assumptions, our financial valuation results for Amaero are shown below in **Figure 14**. **Our conservative valuation approach leads to a mid-point intrinsic stock price valuation for Amaero of $0.827 which represents the scope of a 162% investment upside from Amaero's current stock price of $0.315.**

The upside case's EV has an additional 30% premium applied to it to conservatively account for the confluence of positive factors that have a real chance of materialising and even materialising together. As noted before, these include supply deficit upside induced upward revisions to the conservative prices that we have assumed for each of Amaero's spherical powders , higher volumes of C103 powder sales and faster

[1] 2026 Aswath Damodaran. USA metrics applicable to Amaero's situation given the planned USA listing
[2] Capex needs would be very stable by then justifying the usage of EBITDA to value Amaero.

ramp up of refractory powder volumes leading to an overall earlier utilisation increase. Additionally, as explained in the next section, given the nature of Amaero's competitive positioning, the upside case's valuation premium also seeks to very conservatively (materially underestimates the benefit) account for the real prospect of Amaero being the subject of an M&A bid by a larger US industrial company which could well occur during the time of our forecast horizon. **As also explained further in the next section, both the Base and Upside cases more or less ignore the likely notable valuation upside that Amaero will benefit from once it lists its shares on either the NASDAQ or on the NYSE sometime in the next 15 months as is management's plan.**

Figure 14: Valuation Results

Valuation (A$m)	Base Case	Bull Case
EV	658	855
Cash & cash equivalent[1]	53	53
Financial Debt[2]	22	22
Total Equity Value	**689**	**886**
Number of ord shares (m)	953	953
Implied price (A$)	**0.723**	**0.930**
Current price (A$)	0.315	0.315
Upside (%)	***129.5%***	***195.3%***
Mid-point Target Price (A$)	**0.827**	
Mid-point Target Price Upside (%)	**162.4%**	
Price / NAV (X)	**0.38**	

Note:
[1] as of end of 2025
[2] Debt in AUD using current ER

Sources: East Coast Research

Further discussion on valuation drivers

As noted above, our Upside Case's overall premium size indirectly and only slightly captures the full premium potential if Amaero is the subject of a takeover target sometime during our forecast horizon. Because Amaero represents a strategically scarce, U.S. based advanced materials platform with embedded defence qualification, refractory alloy expertise and production-ready EIGA Premium capability, for a larger U.S. aerospace or defence industrial player, acquiring Amaero would offer immediate access to hard to replicate supply-chain capability that would take years to replicate organically. Such types of strategic acquisitions in niche aerospace and defence manufacturing typically command 30–80% premiums, reflecting scarcity, qualification lock-in and sovereign supply-chain value benefits.

Amaero will soon list on one of the major US exchanges which will provide the stock a strong lever for re-rating to much higher valued US based peers rather than suffering from the ASX small cap industrial discount. Moreover, it's from this higher re-rate setting that current investors would receive an additional premium on if Amaero were ever to be acquired in a few years time. Amaero certainly has all the right attributes that could incentivise a much larger player to seek to acquire it.

Additionally, Pegasus Capital Advisors, with Hank Holland involved, has previously executed a number of successful exits, reinforcing Pegasus' and Hank's credibility to also successfully commercialise Amaero and then seek a profitable sell when the time is right which would benefit all of Amaero's stock holders (Pegasus owns ~30% of Amaero's shares).

Separately to the acquisition, Amaero is also seeking a NYSE or NASDAQ listing sometime in the next 15 months in order to benefit from the notable momentum behind the defence industrial onshoring and advanced manufacturing thematic in the USA (scarcity of such investment ideas in the USA lead to keen interest in that thematic). **Listing on the NYSE /NASDAQ would most likely improve Amaero's valuation consequent to a re-rating upward to advanced /niche US defence and aerospace comparables and away from the small cap ASX industrial discount that it currently faces**. A US listing would also add visibility and commercial credibility to Amaero in the US procurement ecosystem. Consequent to this increased visibility and tying together the earlier comments relating to Amaero being acquired, it is quite feasible for this acquisition valuation premium to be applied to a higher floor based valuation for Amaero post its USA exchange listing, making our current valuation for Amaero even more conservative since we have ignored this scenario. Amaero has already made some progress to achieve this goal by trading on the US OTC market, which is a stepping stone to executing a US exchange listing.

Lastly, on this topic of the significant US interest in the advanced manufacturing and defence industrial onshoring thematic and the resultant valuation benefit companies can benefit from given the scarcity of US based investment opportunities in this space, the recent stock performance of related peer company Velo3D should be examined. Velo3D is currently listed on the NASDAQ post what was effectively a relisting because it was earlier listed on the NYSE but was forced to delist in late 2024. **Post the relisting on the NASDAQ which happened in August of 2025 which is around the same time that Amaero did its strategically sound institutional focussed capital raise (allowed for the pull forward of the purchase of the 4th EIGA and investment into the Argon recycling plant), Velo's stock has risen ~500%, whilst Amaero which as noted earlier has won a key exclusive supply contract with Velo has seen a ~20% decline in its stock price. We think this is materially due to transitory factors that include the A$50 million placement, the expiration of large options pool in early December and seasonal trading weakness, coupled with the ASX investment community overlooking the strategic positioning of Amaero in the US aerospace and defence industry and hence unnecessarily penalising the company for raising needed growth capital via an equity raise. However, in turn this also provides the premise for our high conviction bullish investment thesis for Amaero.**

Risk and Rerating

Key Catalysts

Expansion of Production Capacity: EIGA installations will continue to enhance production capacity and profitability. Accelerating this timeline, such as commissioning EIGA atomisers earlier than scheduled as Amaero is planning to do with its 4th atomiser or planning for a 5th atomiser would likely lead to a positive rerating for Amaero. This would demonstrate Amaero's ability to successfully execute advanced manufacturing operations, handle rapidly scaling production, benefit more from operating leverage all whilst continuing to win major defence industrial contracts.

Strategic Partnerships & Revenue Visibility: Amaero has done well to secure strategic long-term and exclusive supplier agreements with key vertical leaders – ADDMAN, Velo3D, Titomic, Knust-Godwin. These companies are leaders in their respective areas of focus and moreover, Amaero's revenues will grow as these companies themselves grow their business. Continued announcements of long-term contract wins in both the AM spherical powder business and the PM-HIP business will lead to a positive push on Amaero's stock price. Given the US Navy's letter of support in relation to Amaero's PM-HIP offering and Amaero's recent PM-HIP roundtable event, we expect that over the next 12 months, Amaero will announce some tangible contract wins in this segment, adding to the stock's price momentum. There is the real prospect of the US federal government supporting Amaero on other large-scale grants in order to expedite and integrate key defence industrial capabilities to achieve faster scale. In this regard, if a grant were to be given to expand manufacturing scale, given its first mover capabilities across both AM spherical powder and PM-HIP, Amaero would be well placed vs its competitors to win such a type of grant.

Path to Profitability & Financial Strength: Amaero expects to achieve positive AEBITDA in calendar 2027. Amero's financial position is robust, supported by an approved US$22.8million loan from the Export-Import Bank of the United States, ~ A $53 million of cash on the books and strategic government grants, enabling an adequate and strategic liquidity buffer until the company starts to generate strong organic free cash flows (still in its early ramp up stage). Better than expected financial performance and positive financial guidance will both significantly contribute to a positive rerating of Amaero.

US stock listing: As discussed in the valuation section, Amaero plans to list on one of the major US stock exchanges, helping it to gain more US business due to increased US ecosystem visibility and also gain from a valuation uplift consequent to US investor demand for defence industrial and advanced sovereign manufacturing plays. Additionally, as discussed earlier, Amaero's size and technology based competitive positioning, as well as the current institutional dominant composition of its ownership structure, make it a good candidate for an eventual acquisition buy out at a premium by a much larger industrial player.

Key Risks to Price Target

While Amaero offers compelling upside, several key risks should be considered:

Production Ramp-Up Challenges: The full-scale production of metal powders from multiple atomisers presents operational risks. Delays in scaling production or technical setbacks could impact revenue forecasts and profitability timelines.

Qualification & Certification Delays: Delays in the certification of Amaero's specialized metal powders (e.g., C103, Ti-64) for aerospace and defence customers could defer revenue recognition from supply agreements and slow growth.

Capital Requirements & Funding Risks: Based on its current cash and loan facility and its near term positioning to becoming EBITDA positive, this risk is genuinely very low; any unexpected delays and cost over runs could mean that Amaero has to avail the capital markets for funding which in the case of an equity raise could lead to adverse short term dilution impact.

APPENDIX I: SWOT Analysis

Figure 15: SWOT analysis

Strengths	Weakness
- First Mover and Advanced Technology: Amaero possesses unique EIGA Premium gas atomization technology, noted as the "only such system in the U.S.," for producing high-purity metal powders, alongside leading Powder Metallurgy Hot Isostatic Pressing (PM-HIP) capabilities for large, near-net-shape components. **- Robust Production Capacity Expansion & U.S. Reshoring Alignment:** The company is aggressively expanding its U.S. production capacity to over 800 metric tonnes annually, a scale "unmatched by U.S. competitors," directly aligning with U.S. national policy for domestic supply chain resilience. **- Strong Government Backing and Non-Dilutive Funding:** Amaero has secured significant non-dilutive financing, including a US $23.5 million EXIM Bank loan under the "Make More in America" program, preserving equity and funding critical capital expenditures. **- Strategic Partnerships and Customer Pipeline:** Key exclusive agreements, such as the A$35 million deal with Velo3D (a supplier to SpaceX), ensure consistent revenue streams and a vertically integrated domestic supply chain.	- **Past Operational Delays and Supply Chain Vulnerabilities:** Previous project delays due to global supply chain disruptions, such as semiconductor shortages and difficulties in sourcing specialized engineers, highlight a susceptibility to external factors despite reshoring efforts **- Reliance on a Limited Number of Key Customers and Large Contracts:** A significant portion of near-term revenue visibility is tied to a few strategic long-term agreements and large purchase orders, creating vulnerability to the procurement cycles and strategic shifts of these major clients. That said, Amaero is making steady positive progress to offset this risk, with the Company receiving orders from 14 different customers in Q1 FY 2026.

Opportunities	Threats
- Strong Growth in Aerospace & Defence Additive Manufacturing Market: The US SAM for the AM market is projected for substantial growth (CAGR of ~6% to 19% depending on the subsegment), driven by strong, consistent and growing secular demand for lightweight, high performance, heat resistant components, positioning Amaero to capture significant market share and grow its revenue base.	**- Inherent Legal and Regulatory Risks in Advanced Manufacturing:** The rapidly evolving nature of additive manufacturing introduces complex legal risks, including product liability claims due to customization and material variability, and intellectual property disputes, alongside stringent industry-specific regulations.
- Increasing Demand for Lightweight, Fuel-Efficient, and Complex Components: Additive manufacturing enables the production of intricate, high-performance parts using advanced materials like titanium, directly aligning with critical industry goals for improved fuel efficiency and design freedom.	**- Potential for Further Supply Chain Vulnerabilities:** Despite reshoring efforts, the additive manufacturing industry remains exposed to systemic vulnerabilities such as reliance on specialty sources, limitations in supplier capacity, and raw material availability, which could lead to operational delays and increased costs.
- U.S. Government Push for Domestic Supply Chain Resilience (Reshoring): Amaero's U.S. ownership and explicit dedication to reshoring critical manufacturing align with strong governmental policy, potentially leading to preferential contracts and sustained regulatory support.	**- Volatility and Uncertainty in Government Funding and Program Timelines**: Amaero's reliance on government contracts exposes it to unpredictable factors like extended continuing resolutions and slower-than-anticipated progress in defence programs, impacting revenue forecasts and profitability timelines. **-Competitive threats:** Amaero is clearly best positioned from a strategic view point amongst its competitors due to its first mover advantage with EIGA premium systems and also with PM-HIP , leading it to also offer the US market the largest and lowest cost capacity of refractory and titanium spherical AM powders, however this positioning could come into threat due to competitor maneuverers. That said, first mover advantage, market size, customer stickiness in high qualification barrier defence industrial sectors and other factors still assure us of Amaero's strong prospects.
- Rising Space Exploration Initiatives and Defence Spending: The burgeoning spacecraft segment (projected 71.5% market share by 2037) and increased global defence spending create significant high-growth verticals for Amaero's specialized materials and components.	

APPENDIX II: Management Team

Executive Leadership Team

Figure 16: Amaero's Executive Leadership Team

Name and Designation	Profile
Hank J. Holland **Managing Director**	• Hank J. Holland, Chairman & CEO of Amaero, is a visionary leader with over 35 years of unparalleled experience in investment, finance, and capital markets. Since founding Pegasus Growth Capital in February 2019, he has spearheaded six successful capital raises for Amaero, a testament to Pegasus's significant 30% stake in the company and his exceptional ability to attract crucial funding. • At Amaero, Mr. Holland has orchestrated a transformative corporate strategy reset, including the strategic relocation of the business to the United States, the recruitment of a pioneering leadership team, full capitalization of the company, and critical manufacturing facility enhancements, exemplified by the substantial A$72 million investment in the Tennessee facility. These initiatives underscore his deep understanding of capital markets and his long-term investment perspective, vital for Amaero's ambitious growth in the capital-intensive additive manufacturing sector. • Before founding Pegasus Growth Capital, Mr. Holland held senior investment roles at First Republic Investment Management, Merrill Lynch's private bank, and served 11 years as a principal and national director of investment planning at Bernstein Global Wealth Management. He holds a Bachelor of Science in Civil Engineering from Southern Methodist University and a Master's in Agriculture from Colorado State University.
Lt. General (ret.) H.R. McMaster **Special Advisor to Chairman and CEO**	• Lieutenant General (ret.) H.R. McMaster serves as a Special Advisor to Amaero's Chairman and CEO, providing deep strategic insight aligned with the company's focus on U.S. defence and national security markets. As a former National Security Advisor and retired Lieutenant General, General McMaster brings an unparalleled understanding of U.S. defence strategy, procurement processes and future capability requirements. His involvement enhances Amaero's credibility with government stakeholders, informs product development for military applications and strengthens the company's positioning within the U.S. defence industrial base. • General McMaster retired from the U.S. Army in 2018 after a 34-year career that included senior wartime command roles in Iraq and Afghanistan, leadership of the Army Capabilities Integration Centre, and service as the 25th Assistant to the President for National Security Affairs. He has played a central role in shaping U.S. defence strategy, including the Iraq surge and broader Middle East policy. Beyond military service, he remains an influential national security thought leader, holding senior academic fellowships, teaching at leading institutions and authoring multiple New York Times bestselling books, further reinforcing the strategic depth of his advisory role to Amaero
Brett Paduch **Chief Financial Officer**	• Brett Paduch has been appointed Chief Financial Officer of Amaero, effective July 14, 2025, a pivotal move signalling the company's transition from a development-heavy phase to aggressive commercialization and growth. In this critical role, Mr. Paduch will establish robust financial planning analysis and controls, essential for informing strategic decisions, optimizing capital allocation, and seizing capital market opportunities as Amaero scales its production and commercial sales. • Mr. Paduch brings extensive expertise in Financial Planning & Analysis (FP&A), strategic planning, capital markets, and M&A transactions, honed over a distinguished career. He most recently served as CFO for a private equity-owned business with $160 million in revenue and previously held senior finance roles at a NASDAQ-listed company with a $50 billion market capitalization. His experience also includes 11 years with PwC LLC, where he was Lead Global Audit Senior

	Manager for Ingersoll Rand, a diversified industrial company with $14 billion in revenue.
Erik Bono **Chief Technical Officer**	• Erik Bono, Amaero's Chief Technical Officer and Executive Director, , is a highly accomplished leader with over 30 years of experience and a vital network in powder metallurgy, additive manufacturing, and near-net shape Hot Isostatic Pressing (HIP). His leadership is instrumental in driving Amaero's technological innovation and market penetration. • Mr. Bono's career includes leadership roles across both technical and sales functions at prominent companies such as 6K, Carpenter Technology, Puris, Summit Materials, and Crucible Research. This broad experience directly aligns with Amaero's core business in advanced materials and manufacturing, ensuring that the company's processes and product development remain at the forefront. • His unique dual role as CTO and Executive Director signifies a robust integration of technical strategy with overall business direction. This synergy is crucial for maintaining Amaero's competitive advantage, ensuring that advanced manufacturing capabilities are precisely aligned with evolving market demands.
Mick Maher **Chief Strategy & Commercial Officer**	• Mick Maher, Amaero's Chief Strategy & Commercial Officer, brings over 30 years of unparalleled expertise in advanced materials and manufacturing, including significant leadership roles within the U.S. defence research landscape. This unique background ideally positions him to align Amaero's innovative manufacturing capabilities with strategic market opportunities, particularly within the U.S. defence and government sectors. • From September 2011 to September 2016, Mr. Maher managed a pivotal portfolio of advanced materials and manufacturing programs at the Defence Advanced Research Projects Agency (DARPA), including Tailorable Feedstock and Forming, Materials Development for Platforms, and Open Manufacturing. These programs pioneered modern technologies for rapid qualification and revolutionary composites. Prior to DARPA, he led the Composite and Hybrid Materials Branch and Materials Applications Branch at the U.S. Army Research Laboratory (ARL), overseeing critical R&D in armour, coatings, composites, and material transitions. • Mr. Maher's deep understanding of defence R&D cycles and technology transition pathways is invaluable for identifying emerging needs, guiding product development, and facilitating the adoption of Amaero's technologies into high-value applications. This ensures direct support for the company's strategic pivot to U.S. domestic defence production. Before his time at DARPA, he held various technology and management positions at Martin Marietta, AAI, and DuPont. He holds a Bachelor of Science in Chemistry from Loyola College in Maryland.
Dr. Arun Chattopadhyay **Vice President of Manufacturing & Development**	• Dr. Arun Chattopadhyay, Amaero's Vice President of Manufacturing & Development, is a distinguished academic with a Ph.D. in Chemical Physics from Columbia University and post-doctoral research from Stanford University. His profound scientific background ensures Amaero's manufacturing and development initiatives are deeply rooted in advanced materials science and nanotechnology. • Dr. Chattopadhyay's extensive academic career includes serving as Head of the Department of Chemistry and Head of the Centre for Nanotechnology at IIT Guwahati. Recognized as a Fellow of the Indian Academy of Sciences and the Royal Society of Chemistry, his research expertise spans Thin Films, Membrane Sciences, and Nano Science & Technologies. He also holds multiple patents in chemical processes and nanotechnology, underscoring his applied research capabilities. • For Amaero, his expertise is crucial for driving innovation in material properties, enhancing processing efficiency, and facilitating the development of new alloys and manufacturing techniques. This directly translates into a significant competitive advantage for the company, particularly in producing high-value, specialized alloy powders for demanding applications.

Dr. Ronald Aman **Vice President of Engineering**	• Dr. Ronald Aman serves as Amaero's Vice President of Engineering, having previously held the role of Director of Manufacturing. Recognized as an industry leader, he brings experience and knowledge in powder metallurgy and additive manufacturing, directly contributing to Amaero's strategic objective of becoming a key U.S. domestic supplier for defence and aerospace. • Prior to Amaero, Dr. Aman was a Senior Technology Leader and Principal Engineer at EWI, where he spearheaded an engineering team focused on applied research and development in additive manufacturing and advanced materials for aerospace, nuclear, and other industrial sectors. He also managed the Additive Manufacturing Technology Centre at Carpenter Technology Corporation. His deep expertise spans materials and process development for a wide range of alloys, including refractory alloys, nickel super alloys, stainless steels, aluminium, and copper. • Notably, Dr. Aman was a principal investigator on numerous U.S. Department of Defence and Department of Energy programs, and his work encompassed the critical qualification and certification of materials and additive manufacturing components. This deep understanding of government program requirements, coupled with his expertise in material qualification, will be instrumental in accelerating Amaero's product adoption and securing high-value contracts. His capabilities are essential for ensuring Amaero's advanced materials meet the stringent standards of these critical industries, a significant competitive differentiator. Dr. Aman has also held faculty positions at North Carolina State University and Rochester Institute of Technology and has authored numerous research articles.
Ken Davis **Vice President Corporate Development**	• Ken Davis serves as Amaero's Vice President of Corporate Development, bringing over 30 years of professional experience and a vast network within the additive manufacturing industry. His strategic insights are further enhanced by his role as a Director on the AMAM (Additive Manufacturing Association, Metal Powder Industries Federation) Board of Directors. • Mr. Davis's distinguished career includes serving as Manager of Products and New Product Development at DWA Aluminum Composites (1986-2000) and as Director of Additive Technology at CalRAM (2015-2020). Since 2000, he has also been a Trustee at the Engineers' Council. His extensive tenure in the sector and prominent position on the AMAM Board underscore his recognized standing and deep connections across the industry. • His background is crucial for identifying and pursuing strategic partnerships, potential acquisitions, and new market opportunities for Amaero. Mr. Davis is uniquely positioned to drive the company's growth through external collaborations and market expansion, leveraging his comprehensive understanding of the additive manufacturing landscape and long-standing relationships.
Fred Yolton **Technical Fellow Powder Metallurgy & Materials Engineering**	• Fred Yolton serves as Amaero's Technical Fellow, Powder Metallurgy & Materials Engineering, bringing deep, specialized expertise as an experienced Metallurgist. His foundational knowledge is critical for maintaining the quality, purity, and performance of Amaero's high-value powders, essential for critical defence and aerospace applications. • Mr. Yolton's extensive research profile demonstrates significant contributions in areas vital to Amaero, including titanium gas atomization, processes for minimizing contamination, and the production of high-purity spherical powders. He has notably published on pre-alloyed powder metallurgy, the microstructure, and properties of consolidated materials (such as Ti-Al alloys), and powder metallurgy processing for high-performance applications like aircraft engine and airframe components. His expertise further extends to the powder metallurgy processing of gamma titanium aluminide and microstructure control in rapidly solidified/powder metallurgy titanium alloys. • As a Technical Fellow, Mr. Yolton is a key resource for troubleshooting, process optimization, and advanced material development. His profound understanding of

	core material science and powder production processes ensures Amaero's products consistently meet the most stringent industry standards, providing a significant competitive advantage in its specialized market.
Dr. David Schmidt **Director of Computational Analysis**	• Dr. David Schmidt serves as Amaero's Director of Computational Analysis, bringing critical expertise in integrating engineering design, manufacturing, and advanced computational modeling. Holding a PhD in Computational Mechanics from Carnegie Mellon University (2009), his specialization in predictive simulation is directly relevant to optimizing Amaero's additive manufacturing processes and component design. • Dr. Schmidt's extensive industry career spans aerospace, defence, automotive, biomedical, and manufacturing sectors. His research notably includes "powder metal materials processing" and "Near Net Shape Materials" using hot isostatic processing (HIP) for metal powder densification. He has developed a constitutive material model specifically for high-performance alloy densification, creating simulation tools to explore the complex relationships between preform geometry, processing parameters, and final part shape, an approach directly applicable to additive manufacturing. • As an Associate Professor at the University of Pittsburgh in Mechanical Engineering and Materials Science, his academic insights further bolster his practical contributions. Dr. Schmidt's expertise in computational analysis is paramount for Amaero, enabling the prediction of material behaviour, optimization of part geometries, and ensuring desired properties before physical production. This capability significantly reduces development costs and time, and is essential for producing complex, high-performance components for aerospace and defence, where precision and material integrity are paramount. His work empowers Amaero to push the boundaries of additive manufacturing design and efficiency.
Melissa Denton **Chief Administration Officer**	• Melissa Denton has strong experience serves across human resources, benefit and compensation administration, talent acquisition, team building, workers compensation, training, orientation, on boarding, employee relations, and workers compensation.Prior to her work at Amaero, Ms. Denton was a HR business partner at Cleveland-Cliffs and Cannon Automotive Solutions as well as Director of Human Resources at Quantum Restaurants. • Melissa has also previously been a small business owner specializing in the staffing and HR and compliance advisory industry.

Appendix III: Analyst's Qualifications

Rahul Tiwari, the analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

- Rahul has a bachelor's and master's degree in Applied Finance from Macquarie University, a master's in Accounting from UNSW, and an MBA from Cornell University in the USA.
- Rahul has several years of experience across wealth management and investments, infrastructure project finance, private equity and high tech.

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