

ASX Release

12 May 2022

## Amaero raises ~A\$11.0 million from Institutional Investors

### Key highlights:

- Amaero raises US\$7.6 million (~A\$11.0 million<sup>1</sup>) from institutional investors led by US growth investors Pegasus Growth Capital Fund I (“PGCFI”) and a group of prominent US institutional investors managed by Amaero’s US strategic adviser Omer Granit
- Funds will be used to:
  - Finalise the installation and commissioning of the titanium alloy powder plant which is expected to take Amaero to a cash flow positive position; and
  - Identify and pursue US strategic alternatives with Guggenheim Securities.
- New Shares issued under the Placement priced at A\$0.21, representing nil discount to the last traded price as at 9 May 2022
- Pegasus Growth Capital’s Managing Partner, Hank Holland to join the Amaero Board, subject to receipt of necessary regulatory approvals

Amaero International Limited (“Amaero”), (the “Company”) (ASX:3DA), a leader in metal additive manufacturing is pleased to announce it has raised approximately A\$11.0 million via a combination of a Placement of new Shares and the issue of a Senior Convertible Note.

The funds were raised via:

- A Placement of US\$5.7 million (~A\$8.2 million<sup>1</sup>) to institutional investors led by Pegasus Growth Capital Fund I (PGCFI) at an issue price of A\$0.21 per share; and
- The issue of a US\$1.95 million (~A\$2.8 million<sup>1</sup>) Senior Convertible Note (Note) to PGCFI

Incoming investors are committed to leading Amaero through its next stage of growth.

Funds will be used to finalise the installation and commissioning of the titanium alloy powder plant which is expected to take Amaero to a cash flow positive position and to identify and pursue strategic alternatives for Amaero to maximise shareholder value following the engagement of global investment and advisory firm Guggenheim Securities, LLC (“Guggenheim Securities”) (see ASX Announcement dated 15 March 2022).

Amaero International Limited Chair, David Hanna commented: *“We are delighted with the strong level of support we have received from these investment institutions as we embark on the next phase of Amaero’s growth. We are also very much looking forward to Hank Holland joining the Board and benefitting from his knowledge and experience, especially as we explore strategic opportunities in the US. As a trusted and respected player with incredibly strong prospects in the rapidly evolving 3D/Additive Manufacturing market, we look forward to pursuing additional strategic transactions to maximise value for our shareholders.”*

Pegasus Growth Capital’s Managing Partner, Hank Holland added: *“Amaero is a great example of a strong, well-positioned growth business that is underserved by institutional capital. We were attracted to the opportunity based on the strong secular trends in industrial 3D printing and the realignment of global supply chains for intellectual property and materials that are critical to the defence, aerospace*

<sup>1</sup> Based on an exchange rate of A\$1.00 = US\$0.6949.

*and space industries. As a world-leading research and technology firm, Amaero is at a tipping point for the commercialisation of its technology and catalysts are in place to drive step function growth. We are excited to partner with the strong, proven leadership team and Board of Directors.”*

### **About Pegasus Growth Capital**

Pegasus Growth Capital (Pegasus) is a US-based private equity firm with a focus on growth capital investments in companies at the leading edge of technology advancements that can enhance process efficiency and improve stakeholder experience. Pegasus is an active manager whose Partners have substantial global investment experience along with capital markets and legal expertise.

Pegasus recently exited a controlling equity position in a B2B business, LogicSource, that it had acquired from Bain Capital Ventures.

Hank Holland has 35 years of investment, finance and capital markets experience. Prior to founding Pegasus, he held senior positions at First Republic Investment Management, Merrill Lynch and AllianceBernstein.

### **About the Placement**

Under the terms of the Placement, approximately 39 million new shares have been allocated to investors at an Offer Price of A\$0.21 per share.

Amaero will utilise its existing LR7.1 & 7.1A Placement capacity to issue the maximum amount of Shares and Note. Settlement of approximately 34 million new Shares under the Placement is expected to occur on 20 May 2022 with allotment expected to occur and normal trading of those shares expected to commence on 23 May 2022.

Any additional new Shares along with the attaching options pursuant to the Placement will be issued subject to shareholder approval at an Extraordinary General Meeting (EGM) expected to be held in, or around, mid-June 2022.

New Shares issued under the Placement will rank equally with existing Amaero Ordinary Shares from their date of issue.

### **About the Senior Convertible Note**

PGCFI will also invest US\$1.95 million in a Senior Convertible Note (Note).

The Terms of the Note are as follows:

- Maturity Date three (3) years from the Issue Date;
- Interest rate of 2.25% in year one and, in the event the Note has not been converted, the interest rate will be 15.00% in years two and three.
- Prior to the one-year anniversary of the issue of the Note, the Note will have a mandatory conversion upon PGCFI receiving Australian Foreign Investment Review Board (FIRB) approval required for an increase in permissible foreign ownership.
- The Note will convert to fully paid Ordinary Shares at a share price of A\$0.21.

## Additional information about the Transaction

- In conjunction with the Placement, investors will receive additional options equal to 50% of the number of shares subscribed for under the Placement (i.e. one (1) option for every two (2) new Shares subscribed for).
- In conjunction with the Note, PGCFI will be eligible to receive a tranche of options, the issue of which will be triggered by conversion of the Note (after FIRB approval). The number of options to be issued will be on the same ratio as that of the Placement (i.e. one (1) option for every two (2) new Shares issued via the conversion of the Note)).
- All options will have an exercise price of A\$0.42.
- All options will have an Expiration Date three (3) years from the Issue Date and have a provision for cashless exercise.
- PGCFI will have the right to appoint one Board member, subject to FIRB approval. PGCFI have nominated its Managing Partner, Hank Holland as its Board representative. Mr Holland is an experienced US capital markets director (see biography included above).
- Additional investment by PGCFI will be subject to FIRB approval.
- The issue of Options will be subject to Shareholder approval.

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

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About Amaero International Limited:

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

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

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

Amaero was established with the support of Monash University in 2013 to take advantage of commercial opportunities identified by the Monash Centre for Additive Manufacturing (MCAM). Amaero is co-located with MCAM in Melbourne Australia. It operates two additional facilities, in Adelaide, South Australia, and Los Angeles, California, USA.

For further information, please visit: <https://www.amaero.com.au/>

About Pegasus Growth Capital Fund I

Pegasus Growth Capital Fund I is managed by Pegasus Growth Capital, a US-based private equity firm with a focus on growth capital investments in companies at the leading edge of technology advancements that can enhance process efficiency and improve stakeholder experience. Pegasus is an active manager whose Partners have substantial global investment experience along with capital markets and legal expertise.

For further information, please visit: <https://www.pegasusgrowth.com>

About Omer Granit

After a career as a practicing attorney-at-law at the offices of White & Case in New York City, Omer Granit pivoted to finance, managing a multimillion-dollar family office in London and serving in roles including international investments, business development, M&A and the structuring of new products and services at Migdal Capital Markets, one of Israel's leading financial services firms. He is the Founder and former CEO of Mixer Global (a high-end co-working brand) and the Managing Partner and Founder of West 4 Capital, a leading hedge fund in the income generating real-estate space. Mr. Granit currently serves as a Partner at Infinity VC. Mr. Granit previous positions include serving a Board Director of Balkan Energy Investments, Monte Rosa Private Equity Fund, The Dragon Variation Fund, and the MGT hedge fund. Mr. Granit earned a degree in finance and LLB from Reichman University and LLM (Masters) degrees in law from New York University School of Law where he was Valedictorian.

For further information, please visit: <https://www.west4capital.com>