

# Amaero International Ltd

## Capital Raising & Earnings Adjustment

### Capital raised to deliver on growth options

Amaero International Ltd (ASX:3DA) is a global specialist in metal additive manufacturing for the defence, aerospace and tooling sectors. The company has announced it has raised US\$7.6m (A\$11m) at \$0.21/share from institutional investors led by US private equity fund Pegasus Growth Capital and a group of US institutional investors managed by the company's US strategic adviser Omer Granit. The funds will be used to finalise the installation and commissioning of 3DA's Melbourne titanium alloy powder plant, which will take Amaero to cashflow positive, and to identify and pursue US strategic alternatives with Guggenheim Securities. Pegasus Growth Capital's managing partner Hank Holland will join the Amaero board, subject to regulatory approvals. We have incorporated the raise together with the half-year accounts and taken into account the recent Q3 cashflow report, resulting earnings adjustments to FY22 and FY23. In this report we have also dimensioned the impact of a five-fold expansion of the titanium alloy powder facility in CY2023, as outlined by the company in a March 2022 investor presentation, and this points to a DCF valuation of \$2.24/share or \$541m, based on a Ti64 price per kilo of US\$205. This compares with our current valuation of \$0.70/share, which incorporates the additional shares from the capital raise. Our base-case valuation, fully diluted for options conversion, is \$0.60/share.

### Business model

Amaero generates revenues from several sources including: the design and prototyping of additive manufacturing solutions on a cost-plus basis; from contract manufacturing and tooling on a price-per-unit basis; from the sale of proprietary metal 3D printers and equipment, and 3D printing metal powders, on a cost-plus mark-up basis; from post-sales support and maintenance service fees; and from the rights to commercialise patented proprietary alloys developed by Monash University on a price-per-unit basis. Amaero has the North American commercialisation rights to a range of 3D printing machines, including the world's largest laser powder bed machine, as well as the powder preparation machines and powder handling and recovery devices. The company owns fully accredited manufacturing facilities in Melbourne, Adelaide and El Segundo, California.

### Titanium powder facility is a game changer for Amaero

In an investor presentation (March 17, 2022), Amaero announced it planned to 5x its powder production at its under-construction titanium powder facility in CY2023. The company has previously announced the expansion for CY2025. This will provide an estimated revenue base of \$208m per year with the expansion expected to be debt-funded. Amaero highlighted that the ROI on the capital cost of equipment for the facility was less than six months. We have dimensioned the additional throughput, capex and estimated cost requirements of the 5x expanded case for the titanium facility (or 750tpa production) and estimate that it would lift our base-case valuation to \$541m or \$2.24/share. A 10x facility, which equates to annual output of 1,500tpa, lifts our base-case valuation to \$950m or \$3.93/share. This does not include Amaero's other projects such as the Middle East 3D printing centre or the global opportunity presented by the Fletcher tooling contract. We have also adjusted our forecasts for the capital raise, the H1 FY22 and Q3 FY22 results, and our assessment of project timing for the remainder of CY2022.

### Base-case DCF valuation is \$0.71/share, or \$170.1m

Our base-case DCF valuation is \$0.71/share based on the new share count post-raise and earnings adjustments we have made for cashflows this year to date. We capture the first phase of the titanium powder facility in our forecasts which is expected to be fully operational by year end and current contracts with Fletcher, Boeing and Gilmour Space Technology but not the Middle East 3D printing centre or larger Fletcher opportunity.

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

Y/E	Sales revenues	Gross profit	EBITDA	NPAT	EPS (c)	EV/Sales (x)
06/21e	0.5	0.9	(4.8)	(6.2)	(3.3)	nm
06/22e	1.3	0.9	(7.0)	(7.9)	(3.8)	37.3
06/23e	39.0	15.2	4.6	3.3	1.3	1.4
06/24e	75.4	35.4	24.0	22.0	6.9	0.5

Source: Company data for historicals; RaaS estimates for FY22e, FY23e and FY24e

### Additive Manufacturing

13<sup>th</sup> May 2022

#### Share details

ASX code	3DA
Share price (12-May)	\$0.23
Market capitalisation	\$55.6M
Shares on issue (post-raise)	241.9M
Net cash post-raise	~\$13.6M

#### Share Performance (12 months)



#### Upside Case

- Six of the top-10 defence companies are clients
- Partnered with the world's foremost additive manufacturing R&D team at Monash Uni
- Strong board and advisory board with links into the decision makers in US and EMEA defence

#### Downside Case

- Competing with multinational 3D printing manufacturers with big balance sheets
- Further capital raises may result in dilution
- Still early stage with no guarantee that strategy will translate into earnings success

#### Catalysts

- Australian titanium powder plant is commissioned
- Fletcher tooling opportunity presents globally
- Decision on 3D printing centre in Middle East
- Board agrees to 5x expand titanium powder plant

#### Board of Directors & Management

David Hanna	Non-Executive Chairman
Stuart Douglas	Executive Director
Kathryn Presser	Non-Executive Director
Hank Holland <sup>A</sup>	Non-Executive Director
Barrie Finnin	Chief Executive Officer

<sup>A</sup>Subject to FIRB approval

#### Company Contacts

Barrie Finnin (CEO)/ Stuart Douglas (ED)	+61 3 9905 9847
info@amaero.com.au	

#### RaaS Contact

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

\*The analyst holds shares

## Capital Raising Details

Amaero has announced it has raised US\$7.6m, or A\$11m, at \$0.21/share from institutional investors led by US private equity fund Pegasus Growth Capital and a group of US institutional investors managed by the company's US strategic adviser Omer Granit. Pegasus Growth Capital's managing partner Hank Holland will join the board subject to regulatory approval, including Foreign Investment Review Board approval of the investment.

The funds were raised by way of:

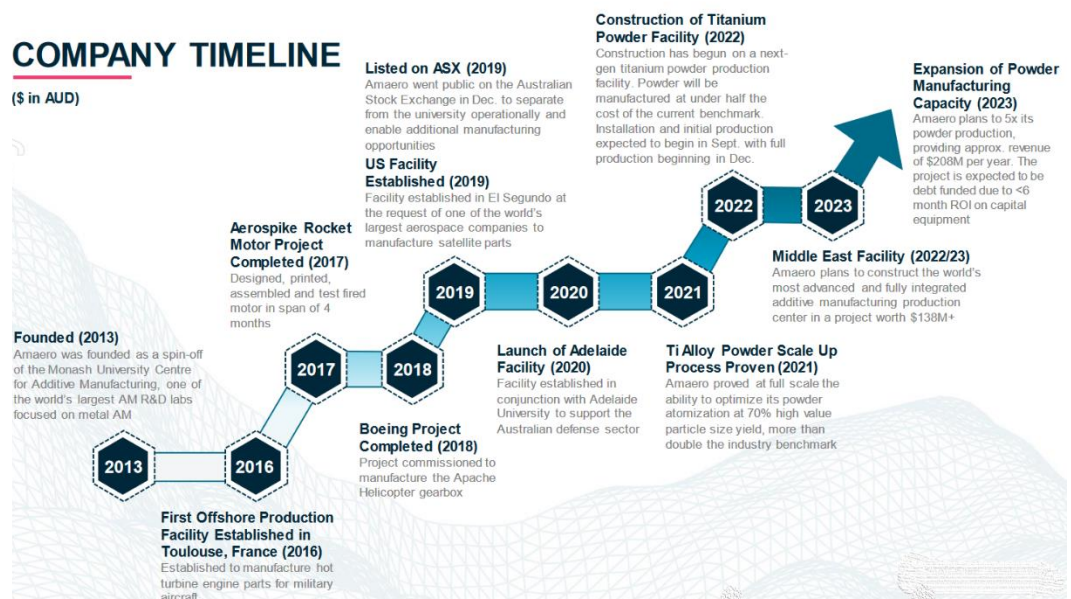
- A placement of US\$5.7m (A\$8.2m) to institutional investors led by Pegasus Growth Fund at \$0.21/share, which was a nil premium to the last close on 9 May; and
- The issue of a US\$1.95m (A\$2.8m) senior convertible note to Pegasus Growth Fund, with a coupon rate of 2.25% for the first year, a three year maturity and a one-year anniversary mandatory conversion upon FIRB approval for the foreign ownership increase. The coupon rate increases to 15% for the second two years should the conversion not take place.

All new shares, including the shares to be issued on conversion of the note, will have one option for every two shares subscribed for. The funds will be used to finalise the installation and commissioning of the titanium alloy powder plant and to identify and pursue US strategic alternatives. In March, the company engaged global investment and advisory firm Guggenheim Securities to assist it with the evaluation of strategic alternatives including potentially listing in the US.

## The Impact Of A 5x Titanium Powder Facility On Valuation

Amaero is progressing its 150tpa titanium powder facility in Melbourne and expects construction to be finalised and commissioning to commence in Q3 CY2022. The company expects the plant to be at full production by December 2022. The plant will enable Amaero to produce aerospace-grade titanium at half the cost of the nearest competitor, delivering annual revenues of an estimated \$42m a year in the first stage. In its presentation in March, Amaero announced it would look to increase the facility's capacity five-fold in 2023 (previously 2025).

### Exhibit 1: Amaero company timeline including expansion plans in CY2023



Source: Company presentation (17 March 2022, page 4)

With such an imminent upgrade, we thought it would be beneficial to consider the valuation upside this potentially presents. Our current forecasts include production from a 150tpa facility from CY2023 and have incorporated revenues of \$23m in FY23 just from the titanium alloy powder plant and \$42.5m in FY24, its first full year of operation.

In our 5X scenario we use the following parameters:

- A Ti64 price of US\$205/kilo;
- A higher production and cost base from H2 CY2023; and
- Expectation of full capacity at the end of CY2025.

This results in our revenue forecast from the powder facility increasing to \$59m in FY23, \$115m in FY24 and \$200m in FY25. This derives a base-case valuation of **\$541m or \$2.24/share** based on the same parameters used in our current valuation.

A 10X scenario (or a 1,500 tpa facility), which we dimension from FY27, would result in a significant uplift in our base-case valuation to \$3.94/share as we set out in the following exhibit.

**Exhibit 2: Valuation, revenue and EBITDA impact of 5x and 10x increase in titanium alloy powder facility on our current base-case forecasts and valuation**

	Current	5x	10x
DCF valuation \$m	170	541	952
DCF valuation per share	\$0.70	\$2.24	\$3.94
Revenue FY23	39.0	47.0	47.0
EBITDA FY23	4.6	9.1	9.1
Revenue FY30	184.0	347.4	551.1
EBITDA FY30	54.1	145.3	277.6
CAGR in revenue %	16.8	22.1	27.9

Source: RaaS estimates and analysis

As we have discussed in previous reports, our model dimensions, but currently does not include in our forecasts or valuation, two other significant opportunities being contemplated by Amaero:

- A \$108m additive manufacturing facility in the Middle East which Amaero is negotiating to build and operate on behalf of a sovereign authority. This would result in Amaero receiving ongoing management fees for the project; and
- An extension of the Fletcher tooling opportunity to the global market for manufacturing Pink Batts™. Amaero has developed a more cost-effective, stronger tool which could be adopted by all manufacturers of Pink Batts™.

These two projects together with the 10x opportunity potentially take **our valuation to \$4.52/share** on the new share count post this raise.

## Key Points From H1 FY22 Result And Q3 FY22 Quarterly

Amaero reported H1 FY22 revenues of \$1.0m, up 80% on the previous corresponding period (pcp) and predominantly due to R&D tax incentives. The underlying EBITDA loss for the half was \$2.95m, up 54% on the pcp but better than our forecast for a \$3.74m operating loss. Underlying NPAT was a net loss of \$3.51m compared with our forecast for \$4.00m for the same period. H1 FY22 was all about setting the scene for the remainder of FY22 and FY23. During the half, the company signed a Heads of Agreement with Gilmour Space Technologies which will lead to a long-term supply agreement expected to generate ~\$1.7m in revenues over the three-year term. Amaero also progressed its key projects with Fletcher Insulation and Rio Tinto, with positive test results recorded for the spinner tools for Fletcher and the first batch of Rio's alloy billets atomised into powder with testing now commenced.

The company's Q3 FY22 results, reported in late April, saw cash receipts of \$0.16m, up 78% on the pcg and 19.4% on Q2 FY22. The operating cashflow loss for the quarter was \$1.39m after including R&D grants of \$0.84m. This brings the operating cashflow loss for the year to date to \$5.87m.

## Earnings Adjustments

We have adjusted our FY22 and FY23 forecasts to reflect the revenues the company generated in H1 FY22, the cash receipts received in Q3 and our expectation that the timing of several projects will be pushed into FY23. Note that our forecasts reflect timing changes to when projects commence rather than downgrades. We have also included the capital raise in our forecasts. Our forecasts for FY22 previously included an expectation for an early (Q4 FY22) commissioning of the 150tpa titanium powder facility. This may still occur but for prudence, we have shifted the commissioning into our Q1 FY23 forecasts with the expectation that the facility will be at full operational rate by Q4 FY23. We previously had expected this to occur in Q1 FY24. We have also pushed the full commercialisation of the Rio and Fletcher projects into FY23. These forecasts do not include the 5x expansion of the titanium powder facility discussed above, nor do they include the Middle East 3D printing sector or the expanded opportunity for the Fletcher tooling project. The result of these changes is that we have reduced our revenue expectations for FY22 but our forecasts for FY23 have lifted due to our expectation that the titanium alloy powder manufacturing plant will now be fully operational at the end of that financial year. Note that the titanium alloy powder facility makes up 60% of the revenues we are forecasting for FY23 with revenues also expected from the company's Fletcher tooling contracts, its Boeing contract and Gilmour Space Technology contract.

<b>Exhibit 3: FY22 and FY23 earnings adjustments (in A\$m unless otherwise stated)</b>				
<b>Year ending June 30</b>	<b>FY22 old</b>	<b>FY22 new</b>	<b>FY23 old</b>	<b>FY23 new</b>
Sales revenue	3.4	1.3	38.2	39.0
Total revenue	4.3	2.0	38.2	39.0
EBITDA	(7.4)	(7.0)	3.1	4.6
NPAT	(8.0)	(7.9)	2.0	3.3
EPS	(3.9)	(3.8)	0.83	1.23
Source: RaaS estimates				

## DCF Valuation

In our view, given the early-stage nature of Amaero's business, the discounted cashflow methodology is the most appropriate method for valuing the company. We derive a weighted average cost of capital (WACC) of 13.9% (beta 1.8, terminal growth rate 2.2%) and this gives us a base-case valuation of \$170.1m or \$0.70/share on the new share count of 241.9m. We use an equity risk premium of 6.5% and risk-free rate of 2.0%, but note that the current 10-year Australian Treasury bond rate is at 3.5%.

On a fully diluted basis, assuming all options attached to the share issue and the convertible note converts to shares, the valuation is \$0.60/share.

<b>Exhibit 4: DCF valuation (in A\$m unless otherwise stated)</b>	
<b>DCF valuation</b>	<b>Parameters</b>
Discount rate / WACC	13.9%
Beta	1.8
Equity risk premium	6.5%
Risk-free rate	2.0%
Terminal growth rate	2.2%
Sum of PV (A\$m)	71.7
PV of terminal value (A\$m)	84.8
PV of enterprise	156.5
Net cash at December 31, 2021	(13.6)
Net value – shareholder	170.1
No. of shares on issue (post raise)	241.9
<b>NPV in A\$</b>	<b>\$0.70</b>
Source: RaaS analysis	

## Exhibit 5: Financial Summary

Amaero International Ltd						Share price (12 May 2022)						A\$	0.23
Profit and Loss (A\$m)						Interim (A\$m)							
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	H121A	H221A	H122F	H222F	H123F	H223F		
Sales Revenue	0.1	0.5	1.3	39.0	75.4	0.1	0.4	0.2	1.0	13.5	25.5		
Total Revenue	0.3	1.3	2.0	39.0	75.4	(1.9)	(2.9)	(3.0)	(4.0)	(1.3)	5.8		
Gross Profit	0.2	0.9	0.9	15.2	35.4	(2.5)	(3.5)	(3.5)	(4.4)	(1.9)	5.1		
EBITDA Adj	(4.3)	(4.8)	(7.0)	4.6	24.0	(2.6)	(3.6)	(3.6)	(4.4)	(1.8)	5.1		
Depn	(0.5)	(1.1)	(0.9)	(1.4)	(2.0)	-	-	-	-	-	-		
Amort	0.0	0.0	0.0	0.0	0.0	(2.8)	(4.2)	(3.5)	(4.4)	(1.8)	5.1		
EBIT Adj	(4.8)	(6.0)	(7.8)	3.2	22.0	(1.59)	(1.69)	(1.76)	(2.07)	(0.76)	2.07		
Interest	(0.2)	(0.2)	(0.1)	0.1	0.1	(1.59)	(2.11)	(1.73)	(1.82)	(0.76)	1.99		
Tax	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-		
Minorities	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-		
Equity accounted assoc	0.0	(0.0)	0.0	0.0	0.0	(2.8)	(2.1)	(4.4)	(2.5)	(1.6)	5.6		
NPAT pre significant items	(4.9)	(6.2)	(7.9)	3.3	22.0	(2.4)	(1.8)	(2.4)	1.5	2.4	9.6		
Significant items	(0.8)	(0.8)	0.0	0.0	0.0	Divisions	H121A	H221A	H122F	H222F	H123F	H223F	
NPAT (reported)	(5.8)	(7.0)	(7.9)	3.3	22.0	Sales and service revenue	0.1	0.4	0.2	1.0	13.5	25.5	
Cash flow (A\$m)						R&D grants	0.6	0.2	0.8	0.0	0.0	0.0	
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Total Revenue	0.7	0.6	1.0	1.0	13.5	25.5	
EBITDA	(4.3)	(4.8)	(7.0)	4.6	24.0	COGS	0.1	0.3	0.4	0.8	9.6	14.2	
Interest	(0.2)	(0.2)	(0.1)	0.1	0.1	Gross Profit	0.6	0.3	0.6	0.2	3.9	11.3	
Tax	0.0	0.0	0.0	0.0	0.0	R&D costs	(0.8)	(1.0)	(1.2)	(1.2)	(1.2)	(1.3)	
Working capital changes	0.2	0.2	0.1	(0.7)	1.9	Employment	(0.6)	(0.7)	(0.8)	(1.3)	(1.8)	(1.9)	
Operating cash flow	(4.2)	(4.9)	(7.0)	4.0	25.9	General & Admin costs	(0.7)	(1.4)	(1.0)	(1.1)	(1.3)	(1.4)	
Mtce capex	0.0	0.0	0.0	0.0	0.0	Other costs	(0.4)	(0.2)	(0.6)	(0.7)	(0.8)	(0.9)	
Free cash flow	(4.2)	(4.9)	(7.0)	4.0	25.9	EBITDA	(1.9)	(2.9)	(3.0)	(4.0)	(1.3)	5.8	
Growth capex	(3.9)	(0.7)	(6.0)	(8.0)	(8.0)	Margins, Leverage, Returns		FY20A	FY21A	FY22F	FY23F	FY24F	
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA	nm	nm		(555.3%)	11.7%	31.8%	
Other	0.0	0.0	(0.0)	0.0	0.0	EBIT	nm	nm		(625.2%)	8.2%	29.1%	
Cash flow pre financing	(8.1)	(5.6)	(13.0)	(4.0)	17.9	NPAT pre significant items	nm	nm		(630.9%)	8.3%	29.3%	
Equity	13.5	13.8	11.0	0.0	0.0	Net Debt (Cash)		4.0	11.5	8.9	4.8	22.8	
Debt	(0.2)	(0.2)	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	1.1	1.0	
Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	(96.3%)	(303.3%)	(100.3%)	(29.4%)	(110.8%)	
Net cash flow for year	5.2	8.1	(2.0)	(4.0)	17.9	EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.0	0.0	
Balance sheet (A\$m)						ROA		(71.7%)	(37.9%)	(37.6%)	12.0%	50.6%	
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	ROE		(133.2%)	(59.6%)	(47.9%)	16.7%	68.2%	
Cash	4.0	11.5	8.9	4.8	22.8	ROIC		(199.1%)	(240.4%)	(288.1%)	114.3%	376.1%	
Accounts receivable	0.1	0.2	0.4	5.2	5.9	NTA (per share)		0.05	0.08	0.07	0.08	0.17	
Inventory	0.5	0.8	0.4	1.1	1.8	Working capital		(0.1)	(0.1)	(1.0)	(0.3)	(2.2)	
Other current assets	0.1	0.1	0.4	0.4	0.4	WC/Sales (%)		(121.6%)	(23.3%)	(79.6%)	(0.9%)	(2.9%)	
Total current assets	4.8	12.5	10.1	11.6	30.9	Revenue growth	nm		332.4%	148.7%	3011.4%	93.2%	
PPE	7.4	6.1	11.9	18.6	24.5	EBIT growth pa	n/a	n/a	n/a	n/a	(140.7%)	587.8%	
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	Pricing		FY20A	FY21A	FY22F	FY23F	FY24F	
Investments	0.0	0.3	0.4	0.4	0.4	No of shares (y/e)	(m)	175	203	242	255	255	
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	143	145	212	245	255	
Other non current assets	0.2	0.2	0.2	0.2	0.2	EPS Reported	cps	(4.0)	(3.7)	(3.8)	1.3	6.9	
Total non current assets	7.6	6.6	12.5	19.1	25.1	EPS Normalised/Diluted	cps	(3.5)	(3.3)	(3.8)	1.3	6.9	
Total Assets	12.4	19.1	22.5	30.7	56.0	EPS growth (norm/dil)		n/a	n/a	n/a	(134.3%)	422.0%	
Accounts payable	0.8	1.1	1.8	6.7	9.9	DPS	cps	-	-	-	-	-	
Short term debt	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a	
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	
Other current liabilities	0.4	0.4	0.5	0.4	0.4	Dividend imputation		0	0	0	0	0	
Total current liabilities	1.2	1.5	2.3	7.1	10.4	PE (x)		-	-	-	17.5	3.4	
Long term debt	0.0	0.0	0.0	0.0	0.0	PE market		23.3	23.3	23.3	23.3	23.3	
Other non current liabs	2.9	2.5	2.4	2.4	2.4	Premium/(discount)		nm	nm	nm	nm	nm	
Total long term liabilities	2.9	2.5	2.4	2.4	2.4	EV/EBITDA		nm	nm	nm	nm	nm	
Total Liabilities	4.1	3.9	4.7	9.5	12.8	FCF/Share	cps	(2.42)	(2.41)	(2.87)	1.55	10.16	
Net Assets	8.2	15.2	17.8	21.3	43.3	Price/FCF share		(9.5)	(9.6)	-	8.0	14.8	
Share capital	14.0	27.2	38.7	38.7	38.7	Free Cash flow Yield		(10.5%)	(10.5%)	(12.5%)	6.7%	44.2%	
Accumulated profits/losses	(5.9)	(12.9)	(21.3)	(18.0)	4.1								
Reserves	0.0	0.9	0.4	0.6	0.6								
Minorities	0.0	0.0	0.0	0.0	0.0								
Total Shareholder funds	8.2	15.2	17.7	21.3	43.3								

Source: Company data for historicals, RaaS estimates

# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 6<sup>th</sup> May 2021**



### About Us

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

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

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

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

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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

### Our general advice service

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

### Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

### How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

### Associations and Relationships

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

### Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

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

### Professional Indemnity Insurance

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

## DISCLAIMERS and DISCLOSURES

This report has been commissioned by Amaero International Ltd and prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory has been paid a fee to prepare this report. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

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

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

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2022 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.