

## December 2024 Quarterly Activities Report

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**Amaero International Limited (ASX:3DA) (“Amaero” or the “Company”)** is pleased to provide an overview of its operations to accompany the Appendix 4C for the period ending 31 December 2024 (“Quarter”, “Reporting Period”).

### Highlights:

#### ● Financial Performance

- Amaero reported revenue for the December Quarter of A\$630,000. Revenue included approximately A\$405,000 from powder sales and A\$225,000 from Powder Metallurgy Hot Isostatic Pressing (“PM-HIP”) manufacturing.
- Amaero received a cash payment of A\$235,000 for grant funding from The Tennessee Valley Authority (“TVA”). The payment is a performance grant received pursuant to the TVA Valley Incentive Programs<sup>1</sup>.
- The Company ended the December Quarter with a cash balance of A\$19.5 million.

#### ● Tranche 2 of Upsized A\$25.0 Million Institutional Placement

- During the Quarter, Amaero successfully finalised its upsized institutional placement from new and existing shareholders (both domestic and international) to fund the purchase of capital equipment, including the atomizer and improvements to the Company’s headquarters in Tennessee, U.S. Net cash proceeds received in the Quarter from Tranche 2 of the Placement approximated A\$5.1 million.
- The Placement initially targeted A\$20.0 million, but was upsized in response to strong investor demand.
- The Placement assisted to position Amaero as the largest capacity and most responsive U.S. domestic producer of C103, refractory, and specialty alloy powder for additive manufacturing.
- Amaero issued 15.4 million shares to sophisticated, professional, and institutional investors under Tranche 2 of the recent upsized A\$25.0 million Placement on 1 November 2024.

#### ● Long-Term Supply Agreement for U.S.-Melt Titanium Bar

- 3-Year Supply Agreement signed for U.S.-Melt and forged titanium alloy bar with The Perryman Company (“Perryman”) to provide Amaero with high quality, reliable, and scalable feedstock for its atomization of premium spherical powder.
- Perryman is a fully integrated U.S. domestic producer and is recognised as a global leader in the manufacture of titanium products.

#### ● Metal Powder and PM-HIP Production AS9100D Accreditation

- Amaero successfully received the Aerospace Quality Management System, AS9100D Accreditation (“AS9100D”) for manufacturing and testing of metal powder and for PM-HIP production at the flagship McDonald, Tennessee facility.

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<sup>1</sup> ASX Announcement, “Amaero Green Lights Flagship Titanium Project in the US”, 14 July 2023.

- AS9100D is an internationally recognised standard for quality management designed for the aerospace, defense, and aviation industries.
- **3<sup>rd</sup> Atomizer Ordered and Commissioning of 2<sup>nd</sup> Atomizer on Schedule**
  - Binding contract signed to purchase a 3<sup>rd</sup> EIGA Premium atomizer with ALD Vacuum Technology North America, Inc. 3<sup>rd</sup> atomizer expected to be commissioned in June 2026.
  - Amaero remains on schedule for commissioning of 2<sup>nd</sup> EIGA Premium atomizer in June 2025.
- **Board Renewal**
  - Appointment of Alistair Cray as a Non-Executive Director following the retirement of Non-Executive Director, Lucy Robb Vujcic at the 2024 Annual General Meeting (“AGM”).
- **Subsequent to 31 December 2024, Michael “Mick” Maher Joins Amaero’s leadership team as Fellow – Defense Programs and Amaero secures final approval for A\$37.8M loan from Export-Import Bank of the United States’ (“EXIM”).**

**Hank J. Holland, Amaero’s Chairman and CEO, commented:**

*“The December quarter included important progress on numerous initiatives in readiness for Amaero’s transition to commercialisation. Progress included securing a 3-year supply agreement with Perryman for U.S.-melt and forged titanium bar, receiving AS9100D quality accreditation for our flagship facility, ordering a 3<sup>rd</sup> atomizer, and confirming the 2<sup>nd</sup> atomizer is on schedule to be commissioned in June.*

*Given Amaero’s singular focus and given the Company’s positioning as the largest capacity and most responsive U.S. domestic producer of C103, refractory, and specialty AM powders for additive manufacturing, we are committed to producing the highest quality powders and collaborating with U.S.-funded laboratories and industry to advance adoption of additive manufacturing and to advance critical programs from development and demonstration to serial production.*

*The shift in Trump-elect Administration policy and macro trends to drive re-shoring and scaling of the U.S. industrial base is expected to provide further momentum for Amaero.*

*Importantly, we enter calendar year 2025 in a strong financial position with a cash balance of A\$19.5 million as of 31 December and recently announced A\$37.8M EXIM loan. We expect to close the EXIM loan in the current quarter and draw approximately 60% of the loan amount upon 1<sup>st</sup> draw in the 4<sup>th</sup> quarter of FY2025. The EXIM loan provides an important signal of support from the U.S. government and re-affirms the alignment of Amaero’s capabilities with the U.S. government’s priority policy initiatives.”*

**Financial Performance**

Amaero reported revenue for the December Quarter of A\$630,000. Revenue included approximately A\$405,000 from powder sales and A\$225,000 from PM-HIP manufacturing. Amaero received a cash payment of A\$235,000 for grant funding from TVA. The payment is a performance grant received pursuant to TVA Valley Incentive Programs.

Amaero ended the Reporting Period with a cash balance of A\$19.5 million. Following the 2024 AGM, Amaero received an additional A\$5.1 million in net cash proceeds from Tranche 2 of its Placement.

**Long-Term Supply Agreement for U.S.-Melt Titanium Bar**

During the Reporting Period, Amaero signed a 3-Year Supply Agreement for U.S.-melt and forged titanium alloy bar with Perryman<sup>2</sup>.

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<sup>2</sup> ASX Announcement, “3DA Secures Long-Term U.S.-Melt Titanium Supply Agreement”, 3 December 2024.

For the 3-year term of the contract, Perryman will be Amaero's preferred and primary supplier of high quality, reliable, and scalable U.S.-melt and forged titanium alloy bar feedstock for its atomization of premium spherical powder (the "**Agreement**"). The Agreement provides a baseline price in CY2025. For the subsequent years of the contract, the base price increases annually by an agreed upon fixed percentage and includes a variable raw material surcharge that's based on a reference index market price for Ti64. Amaero has provided non-binding estimates of minimum annual demand and will provide Perryman with updates on a quarterly basis. Amaero has not provided a take or pay guarantee; however, the stipulated pricing is based on achieving minimum annual order threshold of 45 metric tonnes for CY2025 and 100 metric tonnes for CY2026 and CY2027. The Agreement does not provide a maximum volume and it is understood that Amaero may increase volume if required to meet its order demand.

### **Metal Powder and PM-HIP Production AS9100D Accreditation**

During the Quarter, Amaero received the Aerospace Quality Management System, AS9100D Accreditation ("**AS9100D**") for manufacturing and testing of metal powder and for PM-HIP production at its McDonald, Tennessee flagship facility<sup>3</sup>.

AS9100D accreditation, an enhancement of ISO 9001, is an internationally recognised standard for quality management designed for the aerospace, defense, and aviation industries. After successfully completing the audit process, Amaero has demonstrated that the quality management system at its flagship Tennessee facility delivers the highest quality, reliability and safety in its products. It signifies that the systems, processes and procedures meet rigorous requirements designed to help ensure the delivery of high-performance and safe products.

Amaero was evaluated across different categories including strategic direction of Company, Company leadership, quality planning, support, capital equipment and plant, performance evaluation, and continuous improvement.

### **3<sup>rd</sup> Atomizer Ordered and Commissioning of 2<sup>nd</sup> Atomizer on Schedule**

During the Reporting Period, Amaero signed a binding Equipment Supply Contract ("**Contract**" or the "**Order**") with ALD Vacuum Technology North America, Inc. to purchase an additional EIGA Premium atomizer. Also, the Company has confirmed its prior guidance that the 2<sup>nd</sup> EIGA Premium is on schedule to be commissioned at its flagship Tennessee manufacturing facility in June 2025<sup>4</sup>.

The Order represents the 3<sup>rd</sup> EIGA Premium atomizer ordered by Amaero and it's expected to be commissioned in June 2026. Amaero's EIGA Premium #1 was commissioned in June 2024 and was the 1<sup>st</sup> custom designed and manufactured EIGA Premium to be commissioned in the United States and the 2<sup>nd</sup> to be commissioned globally. The Company's EIGA Premium #2 is expected to be commissioned in June 2025 and is expected to be the 2<sup>nd</sup> custom designed and manufactured EIGA Premium to be commissioned in the U.S. The Company's EIGA Premium #3 is expected to be commissioned in June 2026 and is expected to be the 3<sup>rd</sup> custom designed and manufactured EIGA Premium to be commissioned in the U.S.

The Contract stipulates a schedule of progress payments that reflects 35% of total payments to be paid during FY2025 and 65% of total payments to be paid during FY2026. The contractual price is consistent with the budgeted capital expense that was reflected in guidance for capital expenditure in FY2025 and FY2026.

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<sup>3</sup> ASX Announcement, "*Amaero Achieves AS9100D Accreditation*", 18 December 2024.

<sup>4</sup> ASX Announcement, "*Amaero Orders 3<sup>rd</sup> Atomizer*", 19 December 2024.

**Board Renewal and 2024 AGM**

As announced on 9 September 2024<sup>5</sup>, Non-Executive Director Lucy Robb Vujcic informed Amaero that she does not intend to stand for re-election as a Director at the 2024 AGM. Amaero confirmed on 20 September 2024<sup>6</sup> that Alistair Cray was appointed as a Non-Executive Director of the Company, effective from the commencement of the 2024 AGM and subject to election by the shareholders at the meeting.

Following the conclusion of Amaero's 2024 AGM on 29 October 2024, Amaero confirmed that, in accordance with Listing Rule 3.13.2 and Section 251AA(2) of the Corporations Act, a poll was taken on all resolutions at the Company's AGM.

A first strike was incurred against the Remuneration Report presented under Resolution 1<sup>7</sup>.

**Tranche 2 of Upsized A\$25.0 Million Institutional Placement**

On 1 November 2024<sup>8</sup>, Amaero issued 15.4 million shares to sophisticated, professional and institutional investors under Tranche 2 of the Upsized A\$25.0 million Placement ("**Placement**") announced to ASX on 17 September 2024.

Net cash proceeds received in the Quarter from Tranche 2 of the Placement approximated A\$5.1 million and will be primarily utilised to fund the purchase of capital equipment including the second atomizer and completion of fit out and improvements to the Company's headquarters in Tennessee, U.S.

**Related Party Payments**

Pursuant to ASX Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, A\$530,000 was paid in respect of Directors fees and consulting fees paid to entities associated with Directors.

**Events Subsequent to Balance Date**

On 7 January 2025<sup>9</sup>, Amaero announced that Defense Advanced Research Projects Agency ("**DARPA**") veteran Michael "Mick" Maher joined Amaero's leadership team as Fellow – Defense Programs. This follows Mick Maher working closely with Amaero in a consulting capacity over the past year as well as collaborating with Eric Bono (Chief Technical Officer) for over a decade.

On 9 January 2025<sup>10</sup>, EXIM's bipartisan Board of Directors unanimously approved a direct loan in the amount of US\$23.5 million to Amaero Advanced Materials & Manufacturing, Inc., a wholly-owned U.S. operating subsidiary of Amaero. Based on an exchange rate of \$0.621, the loan commitment equals A\$37.8 million. The loan is expected to be drawn over 5 quarters, beginning the 4<sup>th</sup> quarter of FY2025, and the loan terms include a precedent condition that requires Amaero to complete a capital raise prior to the 1<sup>st</sup> draw.

This announcement has been authorised for release by the Chairman and CEO.

<sup>5</sup> ASX Announcement, "*Board of Directors Update*", 9 September 2024.

<sup>6</sup> ASX Announcement, "*Appointment of Non-Executive Director*", 20 September 2024.

<sup>7</sup> ASX Announcement, "*Results of 2024 Annual General Meeting*", 29 October 2024.

<sup>8</sup> ASX Announcement, "*Notice under section 708A(5)(e) of the Corporations Act*", 31 October 2024.

<sup>9</sup> Press Release, "*DARPA veteran, Mick Maher Joins Amaero as Fellow – Defense Programs*" 7 January 2025.

<sup>10</sup> ASX Announcement, "*Amaero Secures A\$38 Million Loan from Export-Import Bank*", 9 January 2025.

For further information, please contact:

**Amaero International Limited**

Hank J. Holland  
Chairman and CEO  
[hank.holland@amaeroinc.com](mailto:hank.holland@amaeroinc.com)

**Media & Investor Enquiries in Australia**

Jane Morgan  
Director  
[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)

**Media & Investor Enquiries in United States**

Chris Donovan  
MZ Group  
[amaero@mzgroup.us](mailto:amaero@mzgroup.us)

**About Amaero**

Amaero International Limited (ASX:3DA) is an ASX-listed company with manufacturing and corporate headquarters located in Tennessee, U.S. Amaero is a leading U.S. domestic producer of high-value C103, refractory alloy, and titanium powders for additive and advanced manufacturing of components utilised by the defense, space, and aviation industries. The technical and manufacturing team brings decades of experience and know-how with pioneering work in gas atomization of refractory and titanium alloys. The Company has commissioned advanced gas atomization technology with an industry leading yield of AM powder. The Company is also a leader in PM-HIP (Powder Metallurgy Hot Isostatic Pressing) manufacturing of large, near-net-shape powder metallurgy parts with forged-equivalent material properties and microstructure for a variety of alloys. PM-HIP manufacturing is helping alleviate the strained domestic supply chain for large scale castings and forgings.

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

#### Name of entity

Amaero International Limited

#### ABN

82 633 541 634

#### Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	920	951
1.2 Payments for		
(a) research and development	(62)	(89)
(b) product manufacturing and operating costs	(1,250)	(1,982)
(c) advertising and marketing	(80)	(149)
(d) leased assets	(344)	(765)
(e) staff costs	(2,113)	(4,014)
(f) administration and corporate costs	(2,226)	(3,645)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	200	292
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(3)	(3)
1.7 Government grants and tax incentives	220	1,008
1.8 Other (Lease Bond refund and Net GST)	119	435
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,619)</b>	<b>(7,961)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3,289)	(9,494)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,289)</b>	<b>(9,494)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,058	24,683
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	48	167
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(48)	(1,206)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Lease Deposit)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,058</b>	<b>23,644</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	20,223	11,988
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,619)	(7,961)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,289)	(9,494)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,058	23,644
4.5	Effect of movement in exchange rates on cash held	2,105	1,301
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>19,478</b>	<b>19,478</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	19,478	20,223
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>19,478</b>	<b>20,223</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	529
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	8,042	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		8,042
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>Credit Facility: US\$5,000,000.00 with Western Alliance Bank</p> <ul style="list-style-type: none"> <li>• Borrowing Formula: Amaero may advance up to the Credit Facility Amount subject to 100% of amount advanced being held in cash deposit at Western Alliance Bank.</li> <li>• Repayment: Interest-only payable monthly through Maturity.</li> <li>• Maturity: 24 months • Interest Rate: Wall Street Journal ("WSJ") Prime Rate + 0.0%, floating.</li> <li>• Collateral: Cash deposits</li> <li>• Banking Relationship: The Company will utilise Western Alliance Bank as its primary banking relationship for USD deposits and business banking services. Amaero will receive a deposit rate of 5.0% in an Insured Cash Sweep account; the deposit rate is subject to change.</li> </ul>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,619)
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,478
8.3	Unused finance facilities available at quarter end (item 7.5)	8,042
8.4	Total available funding (item 8.2 + item 8.3)	27,520
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	5.96
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..... 20 January 2025.....

Authorised by: .....The Board of Directors.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.