

March 2025 Quarterly Activities Report

Amaero Ltd (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 March 2025 (“**Quarter**”, “**Reporting Period**”).

Highlights:

- **Financial Performance**

- Amaero reported revenue for the March Quarter of A\$652,000. Revenue included approximately A\$416,000 from powder sales and A\$236,000 from Powder Metallurgy Hot Isostatic Pressing (“**PM-HIP**”) manufacturing.
- The Company ended the March Quarter with a cash balance of A\$28.9 million.

- **Completion of A\$22 Million, Two Tranche Placement**

- During the Quarter, Amaero successfully completed an institutional placement following strong support from existing cornerstone institutional investors as well as a new U.S.-based institutional investor, raising A\$20.5 million (“**tranche 1**”).
- The offer was priced at A\$0.30 per share, a 10.4% discount to the last closing price on 6 February 2025 and this Placement concludes a series of six strategic equity capital raises since May 2022, totaling A\$98.5 million¹.
- Subsequent to the Quarter end on 1 April 2025, after receiving shareholder approval, Amaero issued 5.0 million shares, raising a further A\$1.5 million from Directors and related parties under tranche 2 of the Placement.

- **EXIM Credit Agreement Signed for US\$22.8M Loan (approximately AU\$35.7 million)²**

- Amaero executed a credit agreement for a US\$22.8 million loan from Export-Import Bank (“**EXIM**”) and a fixed interest rate of 5.43% per annum was locked.
- Amaero’s EXIM loan is the sixth *Make More In America* (“**MMIA**”) loan to be approved and the first MMIA loan that supports advanced materials and additive manufacturing, an important signal of the U.S. government’s support for capital markets and commercial customers.

- **S&P Dow Jones Index Rebalance**

- S&P Dow Jones Indices confirmed Amaero will be added as a new constituent of the All Ordinaries Index from 24 March 2025.

- **Leadership Renewal**

- Defence Advanced Research Projects Agency (“**DARPA**”) veteran Michael “Mick” Maher was promoted to Chief Strategy and Commercial Officer in February 2025. Mick joined the Company in December 2024 initially holding the position of Fellow – Defense Programs.

¹ Total equity raising of A\$98.5 million, including the February 2025 two tranche Placement of A\$22.0M.

² Calculated based on an AUD/USD exchange rate of 0.6390 on 17 April 2025.

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

"This past quarter marks continued progress for Amaero. As we remain focused on building enduring long-term value for long-term shareholders, we have proactively secured equity and debt capital to fully fund anticipated operating losses and capital investments. The successful completion of the A\$22 million placement and execution of the US\$22.8 million EXIM Bank loan represent a strong endorsement of our business model by institutional investors and the U.S. government. These milestones position Amaero with a strong balance sheet and enhance our ability to scale operations and make forward leaning capital investments to address critical vulnerabilities in the U.S. domestic supply chain.

With the 2nd atomizer currently in transit on a container ship, we continue to expect that the next atomizer will be commissioned at the end of the fiscal year. The additional atomizer will position Amaero as the largest domestic producer by approximately 4x the capacity of laser powder bed fusion (LPBF) spherical powder.

We remain positioned to transition to commercialization in FY2026. We expect revenue growth to accelerate in the current quarter (4Q FY2025) and to significantly scale in FY2026. The Company is advancing numerous strategic partnerships, long-term agreements and commercial contracts.

Though there is noise and volatility resulting from the United States' federal FY2025 budget and the Trump Administration's tariff and trade policy, the priority policy initiatives are explicitly aimed at re-shoring and scaling sovereign defense, manufacturing and supply chain capabilities, re-setting global trade imbalances and forcing government fiscal discipline. Amaero's mission and corporate strategy has been based on "demand pull" and explicitly addresses critical gaps in the U.S. domestic supply chain, including production of refractory and titanium alloy spherical powder for additive manufacturing and PM-HIP manufacturing of large near-net-shape parts. The team is focused on where we need to be one year from now and three years from now. As multinational companies seek to re-locate manufacturing and integrated supply chains to the U.S., we are two years ahead having begun re-locating Amaero to the manufacturing heartland of the United States in July 2023. At that time, we'd also begun assembling a leading technical and operating team, commissioning the 1st EIGA Premium atomizer, the most advanced atomization technology, in June 2024. The 2nd atomizer is expected to be commissioned soon, with improvements to our 100,000 square foot manufacturing facility nearing completion, which has achieved AS9001D quality certification and resulted in a pipeline of business development and commercial discussions.

As FY2026 will focus on commercial progress, after an extensive search, we are excited to share that DARPA veteran Mick Maher has been promoted to Chief Strategy and Commercial Officer, reinforcing our commitment to defense sector leadership. With a fortified balance sheet, expanding manufacturing capabilities and strengthened executive and commercial leadership, we are entering a new phase of growth that will create lasting value for our customers, shareholders, and partners."

Financial Performance

Amaero reported revenue for the Quarter of A\$652,000. Revenue included approximately A\$416,000 from powder sales and A\$236,000 from PM-HIP manufacturing.

Amaero ended the Quarter with a cash balance of A\$28.9 million. After the Quarter and following the 2025 extraordinary general meeting on 1 April 2025, Amaero received an additional A\$1.5 million in cash proceeds from tranche 2 of its Placement to directors and their associated entities.

Completion of A\$22 Million Placement

On 17 February 2025³, Amaero issued 68.3 million shares to sophisticated, professional and institutional investors, raising A\$20.5 million under tranche 1 of the A\$22.0 million Placement ("Placement") announced to ASX on 11 February 2025.

³ ASX Announcement, "Notice under section 708A(5)(e) of the Corporations Act", 17 February 2025.

Cash proceeds received in the Quarter from tranche 1 of the Placement will be primarily utilised to fund the purchase of capital equipment, completion of improvements to the Company's headquarters in Tennessee, U.S., working capital and general operating expenses. Cash proceeds from tranche 2 of the Placement received after the Quarter will be applied for the same purpose.

EXIM Credit Agreement Signed for US\$22.8M (approximately AU\$35.7 million)⁴

Amaero executed a credit agreement for a US\$22.8 million from Export-Import Bank (EXIM). A fixed interest rate of 5.43% per annum was locked upon execution of the credit agreement. The total loan cost equals approximately 7.05% per annum over an 8-year period, providing an attractive and flexible funding source for Amaero. The financing will fund approximately 75% of the cost of capital equipment to be installed at the Company's manufacturing facility in Tennessee.

Following completion of tranche 1 of the Placement, Amaero satisfied a key condition precedent required prior to first draw of the EXIM loan. The Company expects to receive proceeds from the 1st loan draw in the current quarter (4Q FY2025) and expects to draw the balance of the loan proceeds in FY2026.

Amaero's EXIM loan is the sixth *Make More In America* (MMIA) loan to be approved and the first MMIA loan that supports advanced materials and additive manufacturing, an important signal of U.S. government support to the capital markets and commercial customers.

In conjunction with executing the EXIM Bank Credit Agreement the Company terminated the US\$5 million cash secured credit facility with Western Alliance Bank. This credit facility was announced on 27 December 2023 and the Company had not drawn on the credit facility since it was established.

S&P Dow Jones Index Rebalance

During the Quarter, S&P Dow Jones Indices confirmed Amaero will be added as a new constituent of the All Ordinaries Index from 24 March 2025.

The All Ordinaries Index (ASX:XAO) is a key benchmark for the Australian Securities Exchange ("ASX"), tracking the performance of the 500 largest companies listed on the ASX, providing a broad overview of the Australian market's overall performance.

Leadership Renewal

Michael "Mick" Maher was promoted to Chief Strategy and Commercial Officer in February 2025. Mick joined the Company in December 2024 initially holding the position of Fellow – Defense Programs.

Steve Kachur transitioned to a consultant role.

Related Party Payments

During the Quarter, pursuant to ASX Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, A\$532,000 was paid in respect of Directors fees and consulting fees to entities associated with Directors.

Events Subsequent to Balance Date

On 1 April 2025, as part of the Company's 2025 extraordinary general meeting, shareholders resolved to change the Company name to Amaero Ltd from Amaero International Limited. On 8 April 2025, the change of Company name on the ASX to Amaero Ltd took effect.

⁴ Calculated based on an AUD/USD exchange rate of 0.6390 on 17 April 2025.

On 4 April 2025, the Company confirmed that for personal reasons Chris Scanlon had given notice of his resignation from his role as Chief Financial Officer (“**CFO**”) of the Company and will leave the business at the end of April 2025. The Company has commenced an executive search to recruit a new CFO and will update the market as appropriate.

This announcement has been authorised for release by the Board of Directors.

For further information, please contact:

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Amaero Ltd (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 refractory and titanium alloy 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 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.

For more information



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Appendix 4C

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

Name of entity

Amaero Ltd formerly known as Amaero International Limited

ABN

82 633 541 634

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	588	1,539
1.2 Payments for		
(a) research and development	(103)	(192)
(b) product manufacturing and operating costs	(1,135)	(3,117)
(c) advertising and marketing	(70)	(219)
(d) leased assets	(372)	(1,137)
(e) staff costs	(2,277)	(6,292)
(f) administration and corporate costs	(2,640)	(6,285)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	186	478
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(3)
1.7 Government grants and tax incentives	-	1,008
1.8 Other (Lease Bond refund and Net GST)	60	495
1.9 Net cash from / (used in) operating activities	(5,763)	(13,725)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4,620)	(14,113)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(4,620)	(14,113)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,500	45,183
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	310	477
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,129)	(2,335)
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)	-	-
3.10	Net cash from / (used in) financing activities	19,681	43,325

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,478	11,988
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,763)	(13,725)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,620)	(14,113)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,681	43,325
4.5	Effect of movement in exchange rates on cash held	122	1,423
4.6	Cash and cash equivalents at end of period	28,898	28,898

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	28,898	19,478
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	28,898	19,478

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	532
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) *	36,305	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end *		36,305
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>As announced on 26 February 2025: Credit Agreement Signed for US\$22.8 Million Loan from Export-Import Bank</p> <p>A fixed interest rate of 5.43% per annum was locked upon execution of the credit agreement. The total loan cost equals approximately 7.05% per annum over an 8-year term.</p> <p>The loan commitment reflects an advance of 75% loan-to-cost ratio on capital equipment that has been or will be installed in Amaero's manufacturing and corporate headquarters in McDonald, Tennessee, as well as a contingency reserve and capitalized loan fees. The loan has an initial 12-month period of interest-only payments, followed by fully amortizing principal and interest payments over seven years.</p> <p>The Company expects to satisfy the remaining conditions precedent so that it can complete the 1st draw in the June 2025 quarter.</p> <p><i>*Amount Subject to conditions</i></p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,763)
8.2 Cash and cash equivalents at quarter end (item 4.6)	28,898
8.3 Unused finance facilities available at quarter end (item 7.5)	36,305
8.4 Total available funding (item 8.2 + item 8.3)	65,203
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.31
<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	

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: 24 April 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.