

Amaero Executes Key Growth Initiatives and Advances Commercial Momentum in December 2025 Quarter

Capital investment execution, defense validation and conversion of strategic partnership underpin progress toward scaled commercial production

Amaero Ltd (ASX:3DA; OTC:AMROF) ("Amaero" or the "Company") is pleased to provide shareholders and investors with an update on the Company's activities for the quarter ended 31 December 2025.

HIGHLIGHTS

- **Revenue for first half of FY2026** equals A\$7.7 million, an increase of 366% over same period in FY2025.
- **Provided updated financial guidance** with estimated revenue in FY2026 of A\$18 million to A\$20 million, an increase of 372% to 425% over FY2025. Contracted revenue of A\$9.7 million has been secured for second half of FY2026. December ending cash and restricted cash balance equals A\$52.6 million, an increase of A\$1.7 million over September ending balance.
- **Executed key capital investments to support U.S. manufacturing scale-up**, entering into purchase contracts for a dedicated Argon recycling plant and a fourth advanced EIGA Premium atomiser, supporting increased powder production capacity and materially lower unit costs as the Company prepares for scaled commercial production.¹
- **Achieved material capital efficiency and unit cost optimisation outcomes**, securing the Argon recycling plant at approximately **60% below earlier cost estimates**, improving capital efficiency and accelerating the Company's pathway toward a structurally lower cost base.
- **Continued disciplined capital deployment aligned with the Company's growth strategy**, supported by a strong cash position and non-dilutive EXIM Bank financing structured to align with equipment delivery, commissioning and production ramp-up schedules.
- **Received formal validation from the United States Navy** with a **Letter of Support**, recognising Amaero's PM-HIP manufacturing process as a viable and scalable alternative to traditional casting and forging supply chains supporting the U.S. maritime and defense industrial base.²
- **Converted a strategic partnership into an initial commercial supply order**, receiving a **A\$4.6 million refractory powder purchase order from Titomic Limited** under the parties' five-year exclusive supply and development agreement, marking an important step toward recurring commercial supply in FY2026.³
- **Reported continued operational momentum during the quarter** including increases in powder shipments and atomization output, reflecting improved utilisation of existing capacity and ongoing manufacturing optimisation initiatives ahead of additional capacity coming online.
- **Continued to advance a diversified portfolio of commercial opportunities**, progressing engagement across defense, aerospace, space, medical, and industrial markets, underpinned by increasing recognition of Amaero's U.S.-based refractory and titanium alloy powder production coupled with proprietary PM-HIP manufacturing of near-net-shape parts.

¹ ASX Announcement, 11 December 2025, Amaero Accelerates Growth Initiatives with Major Equipment Orders

² ASX Announcement, 5 December 2025, United States Navy Issues Letter of Support

³ ASX Announcement, 19 December 2025, Amaero Receives A\$4.6M Refractory Powder Order from Titomic

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

"The December Quarter represented a continuing transition from the build out and commissioning phase to commercialization and scaling revenue phase. Having established strong technical validation, customer engagement and financial capacity, our focus has shifted firmly toward scaling production, reducing unit costs and converting opportunities into sustainable commercial outcomes.

During the Quarter, we executed key capital investments that materially advance our U.S. manufacturing capability, achieved meaningful improvements in capital efficiency and received strong external validation from the United States Navy for our PM-HIP manufacturing approach. Importantly, we also began to convert strategic partnerships into commercial supply, as evidenced by the purchase order received from Titomic under our long-term exclusive agreement.

"Entering calendar 2026, we expect that headwinds that resulted from the FY2025 continuing resolution and the 43-day government shutdown will turn to positive tailwinds that accelerate commercial opportunities. From a national policy perspective and from an investor perspective, there is strong thematic support in the United States for companies that are focused on re-shoring and scaling defense industrial base, critical minerals, and sovereign manufacturing and supply chains. Amaero is increasingly positioned as a critical enabler of advanced manufacturing supply chains across defense, aerospace and industrial markets. With a strengthened balance sheet, expanding production capability and a growing pipeline of qualified opportunities, we remain resolutely focused on disciplined execution, operational excellence and unlocking long-term value for our shareholders."

Strategic and Operational Progress

During the Quarter, Amaero continued to execute on its strategy to establish a scaled, cost-competitive U.S. domestic manufacturing platform for high-value refractory and titanium alloy powders and near-net-shape PM-HIP components.

The Company entered binding purchase contracts for a dedicated Argon recycling plant and its fourth advanced EIGA Premium atomizer. These investments are expected to materially expand production capacity while delivering significant operating cost reductions, including an estimated reduction in Argon costs of approximately 80% once fully commissioned. The Argon recycling plant was secured at a cost approximately 60% below earlier estimates, improving expected capital efficiency and accelerating progress toward competitive commercial production.

Manufacturing optimization initiatives continued during the Quarter, with a focus on process, safety and quality controls to support consistent output as additional capacity is commissioned.

Defense and Government Engagement

In December 2025, Amaero received a **Letter of Support from the United States Department of the Navy**, recognising the Company's PM-HIP manufacturing process as a viable and scalable alternative to traditional casting and forging supply chains.

This recognition followed extensive technical engagement and reinforces Amaero's alignment with U.S. sovereign manufacturing priorities, particularly in addressing supply-chain constraints and long lead times across the maritime and defense industrial base.

Commercial Progress

Amaero continued to transition strategic relationships into early commercial outcomes during the Quarter. In December, the Company received a **A\$4.6 million purchase order from Titomic Limited (ASX:TTT)** for refractory alloy powders under the parties' existing five-year exclusive supply and development agreement.

Shipments under this order are scheduled for FY2026 and represent an important step toward establishing a recurring commercial supply.

In parallel, the Company continued to advance a diversified pipeline of commercial opportunities across defence, aerospace, space, medical and industrial applications, reflecting growing customer engagement with Amaero's U.S.-based manufacturing capabilities.

Financial Position and Capital Investment

Amaero maintained a strong financial position throughout the Quarter, supporting continued execution of its growth and capital investment program. Capital deployment remained aligned with previously announced initiatives, with EXIM Bank financing structured to match equipment delivery, commissioning and production ramp-up schedules.

Financial Guidance

On 15 January 2026, Amaero provided an update to its FY2026 financial guidance.⁴ The Company estimated FY2026 revenue to equal A\$18 million to A\$20 million, an increase of 372% to 425% over FY2025. The Company has secured contracts for second half of FY2026 equal to A\$9.7 million. The December ending cash balance was estimated at A\$52.6 million, an increase of A\$1.7 million from September ending balance.

The revision to FY2026 revenue guidance primarily reflects timing delays in contract awards and revenue recognition associated with extended U.S government funding uncertainty and a temporary federal government shutdown during the December quarter. Importantly, these delays have not impacted demand or long-term program pipelines.

Outlook

Amaero enters calendar year 2026 with a strong balance sheet, contracted revenue visibility, and expanded production capabilities. The Company expects improved contracting momentum following the anticipated resolution of U.S federal budget appropriations, alongside continued policy support for domestic advanced manufacturing and supply chain resilience.

Amaero remains focused on disciplined execution, advancing commercial contracts, and scaling production in line with customer demand, with the objective of achieving sustainable positive EBITDA.

Related Party Payments

Pursuant to ASX Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the Appendix 4C for the Quarter ended 31 December 2025, payments to related parties during the Quarter comprised remuneration, directors' fees and consulting fees paid to entities associated with Directors. These payments were made on normal commercial terms.

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

⁴ ASX Announcement, 15 January 2026, Updated FY2026 Financial Guidance and December Quarter Activity

Amaero Ltd

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About Amaero Ltd

Amaero Ltd (ASX:3DA, OTC:AMROF) is a dual-listed ASX and OTC-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, aviation, and medical 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.

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 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,517	7,053
1.2 Payments for		
(a) research and development	(279)	(396)
(b) product manufacturing and operating costs	(4,154)	(11,393)
(c) advertising and marketing	(122)	(239)
(d) leased assets	(367)	(737)
(e) staff costs	(1,930)	(4,854)
(f) administration and corporate costs	(3,820)	(6,767)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	440	695
1.5 Interest and other costs of finance paid	(111)	(139)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	-	-
1.8 Other	(15)	19
1.9 Net cash from / (used in) operating activities	(6,843)	(16,760)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(6,012)	(17,400)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(2,543)

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)*	(1,771)	(1,771)
2.6 Net cash from / (used in) investing activities	(7,782)	(21,713)
<p>* Includes (1) A\$709k relating to the release of restricted cash held in escrow following completion of the Tennessee facility construction project, with funds returned to the Company's operating bank account, and (2) A\$2,480k relating to cash transferred to a restricted account in connection with EXIM Bank loan drawdowns during the quarter.</p>		
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	470	50,470
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	2,753	3,697
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(37)	(3,709)
3.5 Proceeds from borrowings	11,315	17,532
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(18)	(79)
3.8 Dividends paid	-	-
3.9 Other (Lease Deposit)	-	-
3.10 Net cash from / (used in) financing activities	14,484	67,912

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	48,360	19,219
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,843)	(16,760)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,782)	(21,713)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	14,484	67,912
4.5	Effect of movement in exchange rates on cash held	(628)	(1,067)
4.6	Cash and cash equivalents at end of period	47,590	47,590
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	17,553	48,360
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other*	30,037	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	47,590	48,360
* Money market fund (cash equivalent, <90-day maturity)			
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	518	
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		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) *	34,082	25,288
7.4	Total financing facilities	34,082	25,288
7.5	Unused financing facilities available at quarter end *		8,794
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.		
	As announced on 26 February 2025: Credit Agreement Signed for US\$22.8 Million Loan from Export-Import Bank.		
	<p>A fixed interest rate of 5.43% per annum was locked in upon execution of the credit agreement, resulting in a total effective interest rate of approximately 7.2% per annum. Interest payments commence on 30 September 2026 and are payable quarterly thereafter. Principal is repaid in twenty-eight quarterly instalments, with the first instalment due on 30 September 2027 and the final instalment due on 30 June 2034.</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.</p> <p>During the quarter, the Company completed two draws totaling A\$12.545 million under the facility, comprising net cash proceeds of A\$11.145 million and a non-cash exposure fee of A\$1.400 million.</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)	(6,843)
8.2	Cash and cash equivalents at quarter end (item 4.6)	47,590
8.3	Unused finance facilities available at quarter end (item 7.5)	8,794
8.4	Total available funding (item 8.2 + item 8.3)	56,384
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.24

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.

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: 19 January 2026.....

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.