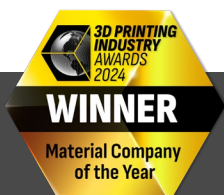


Metal Powder Works

December 2025 Quarterly Report

Highlights:

- CP-Ti order volumes increased more than 3X as multi-alloy customer programs expanded, and five new customers commenced qualification activities
- Received order for 150 kg CP-Ti and multiple bronze alloys, progressing a multi-year program with Powders On Demand, leading to final series-production qualification
- Increased the customer base by 11 customers and increased its metals portfolio by 2 materials, solidifying its position as a high quality special material producer.
- Successful validation outcomes with Hardchrome Engineering result in the potential of US\$1–2 million in bronze-alloy powder sales over the next 12 months
- Successfully produced high-purity silver powder in response to inbound customer requests, developing a pathway to the precious materials market
- Follow-on contract signed with Westinghouse Electric Company to advance powder optimisation for nuclear-grade applications
- Signed Powder Partnership Agreement with Austal (ASX:ASB), establishing a pathway to a commercial offtake agreement and further funding from Defence
- Delivered Expeditionary DirectPowder™ unit on schedule to Naval Postgraduate School
- In-sourced of DirectPowder™ tooling production, increasing tool life by 1.5X, thereby improving security of supply, quality, and lowering cost to produce tooling and powder
- Invested in increased capacity through the development of the NextGen machine, which is expected to be delivered in early Q1 2026 increasing capacity by 100MT per unit
- Continued scaling CP-Ti powder production capacity in line with projected 300,000–600,000 kg annual demand by 2028
- Cash balance of \$15.3 million as at 31 December 2025



Metal Powder Works Limited (ASX: MPW) ("the Company" or "MPW"), a specialty materials company of over 25 high-quality metal powders for additive manufacturing and other advanced applications, is pleased to release its Quarterly Report for the period ending 31 December 2025.

Commenting on the December quarterly, CEO John Barnes said, "Customer engagements have increased approximately 90% since the Company's ASX relisting in March 2025, which translates to 2026 being a pivotal growth phase for Metal Powder Works. Following a successful 2025 focused on lowering operating costs and expanding capacity, while growing the sales funnel and team to execute, the Company is now transitioning decisively toward market expansion and revenue generation. The rapid expansion of our sales & marketing team and associated infrastructure is a central priority as we accelerate customer engagement and commercial uptake.

"During the year, our Technology team will commission and bring the NextGen platform into service, materially increasing production capacity and supporting scalable growth. Metal Powder Works retains full ownership of its intellectual property, with its patented DirectPowder™ process delivering a cost structure that is a fraction of traditional atomisation technologies.

"The DirectPowder™ process also provides clear performance advantages, including superior size yield, consistency, production flexibility, and powder free from fines and satellites. As a specialty materials business, MPW is better by design, enabling us to address customer requirements that conventional atomisation cannot.

"With the capability to produce more than 25 alloys today, and a pathway to expand this portfolio in line with customer demand, MPW is well positioned to capture growing opportunities across advanced manufacturing markets without facing a lot of domestic competition. MPW is a specialty materials producer, better by design."

OPERATIONS

SALES DEVELOPMENTS

The December quarter saw a notable uplift in customer activity and commercial engagement across MPW's titanium, bronze, and copper-based alloy families. With the 90% increase in customer engagements, the enterprise pipeline now includes more than 30 strategic customers with greater than 5,000 kg annual demand each, and several customers with expected demand exceeding 100,000 kg per year. Notably, CP-Ti powder demand increased significantly, rising more than 300% from the prior quarter, with new orders driven by both repeat customers and five newly added customers. MPW now supports eight active CP-Ti customers and continues to receive new enquiries from aerospace, defence, filtration, and industrial markets.

A significant demand contributor during the period was Powders on Demand (POD), a division of Solvus Global, which specialises in high-performance cold spray applications for defence and

aerospace. POD placed a new order for 150 kg of CP-Ti along with bronze-alloy materials, advancing a multi-year collaborative program into the final stage of series-production qualification. With a successful outcome, POD has indicated potential annual recurring demand of 25,000–40,000 kg, representing a long-term supply opportunity for MPW.

The Company also achieved a major commercial milestone through its ongoing partnership with Hardchrome Engineering. Hardchrome's successful validation of multiple MPW bronze alloys was completed in just six weeks from initial engagement and resulted in an estimated US\$1–2 million in potential powder sales to Hardchrome over the next 12 months. This represents a strong entry into the rapidly growing global laser-cladding market and demonstrates MPW's ability to deliver customer-specific alloy solutions at speed.

Demand across additional application segments, including cold-spray, laser cladding, Direct Energy Deposition (DED), and thermal spray, continues to grow, with several customers progressing from initial testing into structured qualification phases.

Qualification of MPW powders through the University of Dayton Research Institute (UDRI) represents one of the most significant near-term catalysts for the Company. UDRI operates under contract with the US Defense Logistics Agency (DLA) for Materials Sustainment and Readiness, serving as the critical gateway for qualifying materials that can be procured across the entire US Department of Defense supply chain. During the quarter, MPW successfully delivered its titanium (CP-Ti) and aluminium alloy powders to UDRI for qualification testing. Qualification results are anticipated in Q1 2026. Upon successful qualification, MPW's metal powders will become eligible for direct procurement by all US Department of Defense command centres—including Air Force, Army, Navy, and Marine Corps facilities—effectively unlocking the entire DoD procurement system without requiring separate qualification with each branch or programme.

SALES UPDATE

During the quarter the Company increased its sales and marketing activities as it roles out its strategy to increase the size and robustness of the sales funnel. This investment culminated in MPW advancing its powder development pipeline. MPW added two new materials to its portfolio during the quarter, bringing the total for the calendar year to seven. MPW now produces more than 25 metal powders for additive manufacturing and powder metallurgy applications, and the Company believes the flexibility of its technology and diversity of its portfolio remain key differentiators against its peers. Customer demand for alloy-specific tuning, consistent performance, and improved manufacturability has remained strong, particularly within titanium, bronze, and copper-based systems. The DirectPowder™ process continues to demonstrate its advantages over atomised powders, with customers reporting excellent powder spreading and feeding characteristics, improved particle deposition velocity and efficiency, and reduced porosity.

POWDER DEVELOPMENT

MPW successfully produced high-purity silver powder during the quarter. The silver powder was developed in response to customer requests and marks MPW's entry into high-value precious metal powders, where turning as much of the feedstock into sellable powder is ultra-critical (i.e. yield).

The addition of silver to the materials portfolio positions MPW to support applications requiring high electrical and thermal conductivity, such as electronics and vehicle electrification. MPW also improves domestic supply chain capability for noble metal powders. MPW will continue to progress market validation of silver powders in line with customer manufacturing requirements.

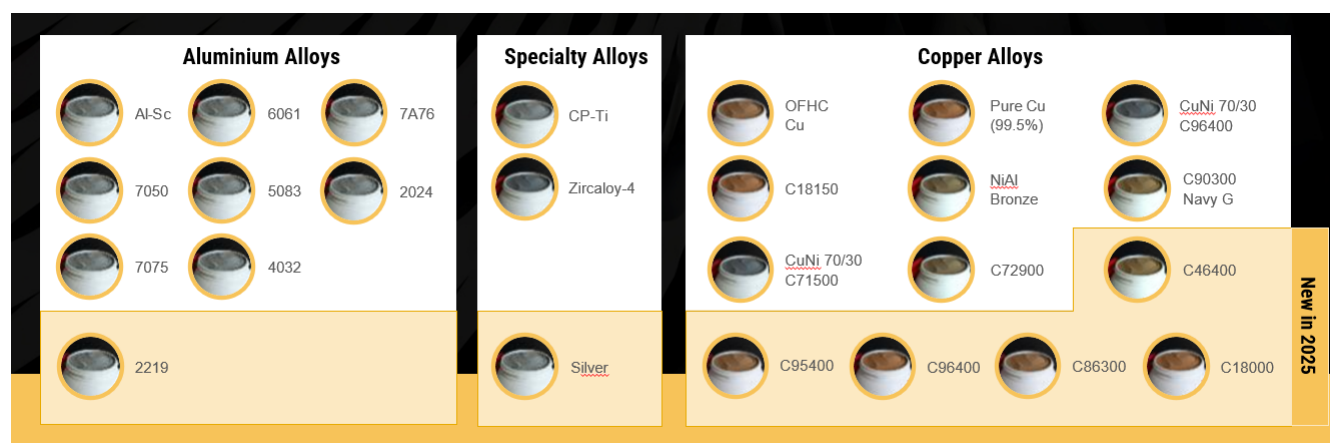


Figure 1: MPW's Total Product Portfolio

Additive Manufacturing (AM)

The Company observed increased activity across cold spray and laser powder bed fusion (LPBF) programs. The expansion of the Powders On Demand (POD) program, as well as ongoing work by HAMR Industries and UDRI with CP-Ti, CuNi, and multiple Aluminum alloys, underscores the preference of the DirectPowder™ process for cold spray applications, particularly within defense maintenance and repair workflows. Additional customers evaluated MPW powders in LPBF, complementing successful research programs with partners from Multi Scale Additive Manufacturing Laboratory at University of Waterloo, The Ohio State University, and government research facilities.

Further alloy-specific requests were received from aerospace and energy customers, and MPW continues to support customer parameter development, reinforcing its ability to provide tailored technical support alongside powder supply.

Powder Metallurgy (PM)

The quarter demonstrated further adoption of MPW powders within traditional PM and industrial environments. Hardchrome's rapid validation and adoption of MPW bronze alloys highlighted the capability of DirectPowder™ to outperform conventional PM materials in laser-cladding applications, while maintaining cost efficiency and significantly reducing lead times. MPW's entry into the laser-cladding market represents a meaningful diversification opportunity, with potential for long-term recurring demand.

Interest also increased across filtration and porous-metal applications, including CP-Ti programs, Customers evaluating MPW titanium and copper-based powders for sintering applications reported strong early-stage performance, and several programs progressed to more advanced testing during the quarter.

PRODUCTION DEVELOPMENTS

During the quarter MPW invested in additional product manufacturing and equipment to progress its production expansion initiatives. Assembly of the NextGen system has begun, and the unit is expected to be commissioned on schedule in early 2026. NextGen will improve productivity by 25X with only a 2X increase in CAPEX from the Alpha system. With the commissioning of NextGen, MPW will increase capacity by 100 MT per unit, with a pathway to producing 800 MT of powder in 2028.

STRATEGIC COMMERCIAL DEVELOPMENTS

The December quarter saw MPW continue to build its presence within the US defence industrial base (DIB). The Company signed a Powder Partnership Agreement with Austal (ASX:ASB), Australia's largest shipbuilder and operator of the US Navy's Additive Manufacturing Center of Excellence in Danville, Virginia. The partnership formalised a long-standing engagement between MPW and Austal and establishes a structured pathway toward a commercial offtake agreement following the successful development and qualification of custom alloy specifications. This program positions the DirectPowder™ process within a key naval manufacturing initiative as the US Department of Defence continues to expand the use of additive manufacturing across critical military programs. This positions MPW within a strategic US Navy supply chain initiative amid growing Department of Defense investment in additive manufacturing.

MPW also strengthened its position in the nuclear advanced manufacturing sector through the signing of a follow-on contract with Westinghouse Electric Company. This agreement builds on earlier collaborative work and will focus on refining powder parameters and optimising performance for nuclear-grade component applications. The nuclear sector represents a large and rapidly expanding opportunity, with additive manufacturing within the industry forecast to grow at more than 20% CAGR through 2030. The continuation of work with Westinghouse highlights confidence in MPW's technical capability and its ability to meet stringent performance requirements.

The delivery of the expeditionary DirectPowder™ process unit to the Naval Postgraduate School has opened the door for MPW to provide ongoing support for US Navy activities. The expeditionary unit will be utilized at the point of need to produce powders for necessary part replacement and repairs, and developing applications where the MPW facility at Neighborhood 91 can be a source for larger volume powder needs to supplement other naval requirements.

MPW's partnerships with key industry leaders enhance its strategic positioning across high-value, high-specification markets that require powder performance characteristics beyond the capabilities of traditional atomised materials.

QUARTERLY CASHFLOW

The attached Appendix 4C provides details on the cashflows for the quarter ended 31 December 2025. As of 31 December 2025, the Company had a cash balance of A\$15.3m. The Company's net cash used in operating activities for the quarter amounted to A\$1,689k. During the quarter receipts from customers were A\$0.4m, staff costs were A\$0.5m, advertising and marketing efforts increased to A\$0.4m as the company accelerates its sales activities, administration and corporate costs A\$0.7m (including increased cost associated with audit and accounting fees, insurance costs, and costs associated with the September 2025 capital raise), and product and manufacturing costs also increased inline with the growth in new metals and new customer enquiries A\$0.4m. During the quarter the company also acquired plant and equipment totalling A\$1.4m for the NextGen machine and repaid borrowings totalling A\$687k.

USE OF FUNDS STATEMENT

MPW was admitted to the official list of the ASX on 11 March 2025 following completion of its relisting. The December 2025 quarter is included in a period covered by a use of funds statement in the prospectus lodged with ASX under Listing rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 31 December 2025 against the estimated expenditure in the use of funds statement is set out below as required by ASX Listing Rule 4.7C.2.

Use of funds – Years 1 & 2	Actual	Prospectus total
Scale NextGen System	1,096,743	1,250,000
Sales and Marketing	1,771,178	1,500,000
Powder development and production	2,922,583	4,500,000
Market expansion assessment	0	250,000

Working capital	4,130,991	2,160,000
Offer costs	1,196,445	1,000,000
Total	11,117,940	10,000,000

The Company notes:

- The 'working capital' line item includes, inter alia, executive management salaries and wages who are supporting the growth strategy and the Company's business objectives as well as the repayment of borrowings.
- The actual 'Offer costs' line item includes costs in relation to the recompliance listing.
- During the September 2025 quarter the Company raised a further A\$15m. Refer to ASX release dated 8 September 2025.

As disclosed in item 6.1 of the attached Appendix 4C, A\$0.27m was paid in respect of managing director, directors' fees and consulting fees to entities associated with the directors during the December 2025 quarter.

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

FOR MORE INFORMATION:

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ABOUT METAL POWDER WORKS

Metal Powder Works Limited's (ASX:MPW) manufacturing base is in Pittsburgh, USA and specialises in the production of high-quality metal powders for additive manufacturing and other advanced applications. MPW has developed a patented, non-thermal powder production process known as DirectPowder™. The MPW process represents the first true innovation in powder manufacturing in over 50 years. This innovative method converts premium bar stock into quality powder for a variety of materials and applications, significantly improving yield and affordability. MPW currently has 25+ powders in production including high strength aluminum, copper and copper-nickel alloys, and specialty alloys including CP-Ti and Zircaloy. In 2024, Metal Powder Works was named as Material Company of the Year by the 3D Printing Industry Awards.

FORWARD LOOKING STATEMENTS

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of Metal Powder Works Limited, are, or may be, forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

For further information please see www.metalpowderworks.com

Metal Powder Works Limited

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Appendix 4C

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

Name of entity

Metal Powder Works Limited

ABN

28 158 307 549

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	368	1,583
1.2 Payments for		
(a) research and development	(37)	(64)
(b) product manufacturing and operating costs	(410)	(753)
(c) advertising and marketing	(356)	(517)
(d) leased assets	(49)	(99)
(e) staff costs	(508)	(991)
(f) administration and corporate costs	(719)	(1,239)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	22
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)*	7	79
1.9 Net cash from / (used in) operating activities	(1,689)	(1,980)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,383)	(2,056)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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	Cash acquired as part of business acquisition	-	-
2.6	Net cash from / (used in) investing activities	(1,383)	(2,056)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	15,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(64)	(1,054)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(687)	(687)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(751)	13,259

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,305	6,295
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,689)	(1,980)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,383)	(2,056)

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)	(751)	13,259
4.5	Effect of movement in exchange rates on cash held	(192)	(228)
4.6	Cash and cash equivalents at end of period	15,290	15,290

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	15,285	6,290
5.2	Call deposits	5	5
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)	15,285	6,295

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	273
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> Wages and salaries paid to directors and fees paid to a director related entities for consulting services.		

7.	Financing facilities <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>	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 (Convertible Note)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,689)
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,290
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	15,290
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.06
	<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	
	<i>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.</i>	

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: 21 January 2026

Authorised by: The Board
(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.