ASX Release **29 April 2022**

March 2022 Quarterly Activities Report

March quarter highlights:

- **Engagement of global investment and advisory firm Guggenheim Securities, LLC to assist in the evaluation of strategic alternatives for Amaero**
- **Lease secured for titanium plant and works commenced; construction expected to be finalised and commissioning to start in 3Q CY2022**
- **Progress with proposed Middle East centre for additive manufacturing, with in-person meetings conducted during the period**
- **Cash balance of $2.7 million as at 31 March 2022**

Amaero International Limited ("Amaero"), (the "Company") (ASX:3DA), a leader in metal additive manufacturing is pleased to present the Company's Appendix 4C and accompanying activities report for the period ending 31 March 2022.

Commenting on the quarter, Amaero International Limited CEO, Barrie Finnin said: *"We were pleased to take the significant step of engaging Guggenheim Securities to review a broad range of strategic alternatives for Amaero to enhance shareholder value during the quarter. The Board and management believe that the Company's growth prospects remain incredibly strong in the rapidly evolving 3D/Additive Manufacturing market and we look forward to working with Guggenheim towards an optimal outcome. During the quarter, we also made progress with our efforts on the titanium project, securing a ten-year lease and commencing the approvals process for additional works. We expect construction to be finalised and commissioning to commence in 3Q CY2022. We look forward to updating investors on our progress on the strategic alternatives and the plant over the coming months."*

OPERATIONAL

Engagement of Guggenheim Securities for evaluation of strategic alternatives

In March, Amaero engaged global investment and advisory firm Guggenheim Securities, LLC ("Guggenheim Securities") to assist it in the evaluation of strategic alternatives for the Company.

The goal of the strategic evaluation process is to ensure Amaero is taking every step possible to maximise value for shareholders and the Company is reviewing a broad range of options with Guggenheim.

Amaero will continue operations and research activities in Australia. Importantly, construction of its titanium powder plant in Victoria, Australia remains on track with further expansion planned for 2023. Amaero will update the market as regards the timeline and the ultimate outcome in due course.

Progress with titanium plant

In January, Amaero secured a ten-year lease for a 3,857 sqm facility in the Monash Precinct in Melbourne for its proposed titanium powder facility.

The approvals process for additional works commenced that month to prepare for the installation of the facility, including the construction of a 600sqm warehouse extension high bay to accommodate Amaero's first gas atomiser for the plant.

Amaero expects construction to be finalised and commissioning to commence in 3Q CY2022; five-fold ramp up of additional gas atomisers with commensurate revenues expected by 2025.

The facility is expected to provide Amaero with a strong revenue of ~A$40.8 million per annum. It is also expected to position Amaero as a supplier of choice for defence, aerospace and critical manufacturing segments in allied nations.

Proposed Middle East 3D printing centre

Amaero made progress with the proposed Middle East centre for additive manufacturing during the quarter, with CEO Barrie Finnin travelling to the Middle East in March for in-person meetings.

Ongoing testing for Fletchers Insulation project

Amaero continued to test its spinner tools for the Fletcher Insulation project during the quarter, with further testing and tool life gains expected to follow.

FINANCIAL

As detailed in the attached ASX Appendix 4C, the Company had $2.7 million in cash and cash equivalents as at 31 March 2022, with the cash burn reflecting the Company's continued investments in its key projects and commercial agreements to generate future revenue growth.

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, $80,000 was paid in respect of Directors fees and consulting fees paid to entities associated with the Directors.

This ASX release is approved by the Board of Amaero International Limited.

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About Amaero International Limited:

Amaero International Limited is an Australian based company that manufactures large format complex components in metal with laser-based additive manufacturing processes, commonly known as 3D printing.

The principal activity of Amaero is the provision of end-to-end additive manufacturing solutions in terms of materials, services, equipment, and technology to its key clients in the Aviation Defence and Space sectors and the Tool and Die industry.

Amaero has worked with many of the world's leading manufacturers of aerospace and defence products in both an R&D and manufacturing capability and has a demonstrated ability to deliver aviation and military specification 3D printed alloy critical operation components.

Amaero was established with the support of Monash University in 2013 to take advantage of commercial opportunities identified by the Monash Centre for Additive Manufacturing (MCAM). Amaero is co-located with MCAM in Melbourne Australia. It operates two additional facilities, in Adelaide, South Australia, and Los Angeles, California, USA.

For further information, please visit: https://www.amaero.com.au/

Appendix 4C

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

Name of entity	
Amaero International Limited	

ABN	**Quarter ended ("current quarter")**
82 633 541 634	31 March 2022

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	160	405
1.2	Payments for		
	(a) research and development	(647)	(1,955)
	(b) product manufacturing and operating costs	(428)	(1,314)
	(c) advertising and marketing	(46)	(159)
	(d) leased assets	-	-
	(e) staff costs	(526)	(1,508)
	(f) administration and corporate costs	(745)	(2,308)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	795	800
1.8	Other (provide details if material)	47	170
1.9	**Net cash from / (used in) operating activities**	**(1,390)**	**(5,869)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(899)	(2,920)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(d) investments	-	(25)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) 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**	**(899)**	**(2,945)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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 (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	4,968	11,467
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,390)	(5,869)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(899)	(2,945)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(27)	(1)
4.6	**Cash and cash equivalents at end of period**	**2,652**	**2,652**

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	2,652	4,968
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)**	**2,652**	**4,968**

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	80
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.

7.	**Financing facilities** *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.*	**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)	-	-
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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,390)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,652
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,652
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.9

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?

Yes

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?

Yes, the Company has held detailed discussions with potential investors and strategic partners in Australia and the US to raise additional funds to support the Titanium Powder Plant and associated working capital requirements. We anticipate these discussions to be finalised imminently at which time further details will be provided.

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?
Yes, the Company expects to continue its operations and to meet its business objectives. As described in section 8.6.2, additional funds will be raised, and details provided immediately upon completion of the capital raise.	

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: 29 April 2022

Authorised by: .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.