ASX Announcement 25 July 2024
Amaero International Limited (ASX:3DA)

June 2024 Quarterly Activities Report

Amaero International Limited (ASX:3DA) ("Amaero" or the **"Company")**, a company positioning itself as the largest U.S. domestic producer of C103 and specialty alloy AM powders, is pleased to provide an overview of its operations to accompany the Appendix 4C for the period ending 30 June 2024 ("**Quarter**", "**Reporting Period**").

June Quarter Highlights:

- **Settlement of A$20 Million Institutional Placement**
  - Fidelity International led the capital raise (holds 5.6% ISC)[1], and
  - Funds raised from the Placement were received during the reporting period.
- **Commissioning of Atomiser Completed Ahead of Schedule**
  - Installation and testing of atomiser in accordance with technical specifications in Purchase Agreement have been completed and Acceptance Agreement has been duly executed,
  - Amaero's technical and manufacturing team commenced proprietary modifications of the atomisation process and optimisation of the operating parameters, and
  - Final commissioning of the atomiser is an important step toward C103 and specialty alloy powder production and toward the intended achievement of qualification.
- **Subsequent to 30 June, Former U.S. National Security Advisor Lieutenant General (ret.) H.R. McMaster Joins Amaero as Special Advisor to Chairman and CEO**

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

"During the quarter, we made important and demonstrable progress that included completing an institutional capital raise, commissioning of the 1st atomiser and commencing powder production. We are pleased with the initial production runs.

With the U.S. elections fast approaching, there is a steady drumbeat of bi-partisan support for The Great American Re-Industrialization – a shared vision to re-establish domestic industrial base capabilities and to bring manufacturing jobs back to the United States.

The insertion of additive manufacturing in high-temperature defense and space applications is enabled by improved resiliency, scalability and responsiveness of U.S. domestic production of C103 and specialty alloy powders. Amaero addresses a critical gap in the supply chain and

[1] ASX Release, "*Becoming a substantial holder*", 9 April 2024.

is positioned to be the largest and most responsive U.S. domestic supplier of refractory and specialty alloy powder.

We are relentlessly focused on execution and the months ahead are critical as we seek to complete the qualification of C103, announce additional commercial contracts and commence commercial sales for delivery in CY2025."

Settlement of A$20 Million Institutional Placement

During the Quarter, Amaero successfully settled an institutional capital raise for A$20 million led by Fidelity International.

Commissioning of Atomiser Completed Ahead of Schedule

During the Reporting Period, Amaero announced the installation and testing of the atomiser in accordance with technical specifications in the Purchasing Agreement between Amaero and ALD Vacuum Technology GmbH, atomiser manufacturer, have been completed. The atomiser has achieved all technical specifications that were stipulated in the contract and acceptance has been formally acknowledged by both parties.

This significant milestone was achieved ahead of schedule and Amaero's technical and manufacturing team immediately commenced proprietary modifications of the atomisation process and optimization of the operating parameters.

H.R. McMaster Joins Amaero as Special Advisor to Chairman and CEO

Subsequent to 30 June 2024, Amaero confirmed that former U.S. National Security Advisor Lieutenant General (ret.) H.R. McMaster joined Amaero as Special Advisor to Chairman and CEO, Hank J. Holland.

In his role, McMaster will advise Holland on strategic and commercial matters, as well as engage on behalf of Amaero with key stakeholders including the U.S. government, Department of Defense, DoD-funded research and development laboratories and defense prime contractors.

McMaster's appointment signals the continued maturity of Amaero as an organisation, the commitment to provide forward-leaning, bold leadership and to effectively navigate the complexities of public-private partnerships.

Related Party Payments

Pursuant to ASX Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, approximately $0.5 million was paid in respect of Directors fees and consulting fees paid to entities associated with Directors.

This announcement has been authorised by the Board of Directors of Amaero International Limited (ASX:3DA).

For further information, please contact:

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About Amaero International Limited (ASX:3DA)

Amaero International Limited is an ASX-listed company focused on high-value refractory, specialty alloy and Ti-64 powder production for additive manufacturing of mission-critical components for the defence, space and aviation industries.

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

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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	**Quarter ended ("current quarter")**
82 633 541 634	30 June 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	296	1,163
1.2	Payments for		
	(a) research and development	(49)	(366)
	(b) product manufacturing and operating costs	(1,728)	(2,007)
	(c) advertising and marketing	(240)	(999)
	(d) leased assets	(492)	(1,617)
	(e) staff costs	(2,057)	(6,883)
	(f) administration and corporate costs	(1,725)	(5,187)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	210	299
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,195	1,374
1.8	Other (Restructuring Costs, Project Falcon and Net GST)	35	9
1.9	**Net cash from / (used in) operating activities**	**(4,555)**	**(14,214)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(8,400)	(11,203)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(f) other non-current assets	-	-
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**	**(8,400)**	**(11,203)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	339	579
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,205)	(1,538)
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)	-	(371)
3.10	**Net cash from / (used in) financing activities**	**19,134**	**28,670**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,008	8,833
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,555)	(14,214)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,400)	(11,203)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,134	28,670
4.5	Effect of movement in exchange rates on cash held	(199)	(98)
4.6	**Cash and cash equivalents at end of period**	**11,988**	**11,988**

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	11,988	6,008
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)**	**11,988**	**6,008**

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	535
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	7,548	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	7,548

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.

Credit Facility: US$5,000,000.00 with Western Alliance Bank

• 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.

• Repayment: Interest-only payable monthly through Maturity.

• Maturity: 24 months • Interest Rate: Wall Street Journal ("WSJ") Prime Rate + 0.0%, floating.

• Collateral: Cash deposits

• 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.

No additional finance facilities have been entered in to.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,555)
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,988
8.3	Unused finance facilities available at quarter end (item 7.5)	7,548
8.4	Total available funding (item 8.2 + item 8.3)	19,536
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.29

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: ..... 25 July 2024.....

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.