

ASX Release

31 October 2022

September 2022 Quarterly Activities Report

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 30 September 2022.

CORPORATE

In late September, Amaero announced a renewal of its Board with managing partner of US-based private equity firm Pegasus Growth Capital and Amaero Non-Executive Director, Mr Hank Holland appointed as Executive Chairman.

Mr David Hanna stepped down as Chairman and continues on the Board as a Non-Executive Director.

Ms Kathryn Presser also resigned from the Board and following her resignation, Mr Hanna assumed her role of Chair of the Audit and Risk Committee.

Mr Omer Granit, Amaero's US strategic adviser, will be appointed as a Non-Executive Director, subject to all regulatory requirements being completed.

OPERATIONAL

During the quarter, the Board completed the initial phase of its strategic review, which focused on the proposed Victoria manufacturing facility, business development opportunities, unit economics and capital allocation. The Board decided not to proceed with the titanium powder manufacturing facility in Victoria, Australia. As a result, it is no longer anticipated that Amaero will become cash flow positive in CY2023.

The Board is taking active steps to pursue alternative opportunities for titanium powder production and Mr Holland has been in the Middle East exploring a number of opportunities.

As a result of the strategic review, the Board has also determined that Amaero will primarily focus on titanium powder production at scale, with Mr Holland taking a leadership role due to his strategic planning, international business, finance and capital markets experience.

FINANCIAL

As detailed in the attached ASX Appendix 4C, the Company had \$6.9 million in cash and cash equivalents as at 30 September 2022.

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$111,000 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.

For further information, please contact:

Corporate:

Hank J. Holland

Executive Chairman

Amaero International Limited

hank.holland@amaero.com.au

Investors:

Gabriella Hold

Automic Group

+61 (0) 411 364 382

gabriella.hold@automicgroup.com.au

Media:

Jane Storey

Amaero International Limited

+61 408 327 030

jane.storey@amaero.com.au

About Amaero International Limited:

Amaero International Limited is an Australian-based company focused on titanium and other alloy powder production utilised by the additive manufacturing industry. The Company provides applied engineering and commercialisation services in collaboration with aerospace, defence and other industries that utilise additive manufacturing.

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

82 633 541 634

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	146	146
1.2 Payments for		
(a) research and development	(286)	(286)
(b) product manufacturing and operating costs	(319)	(319)
(c) advertising and marketing		
(d) leased assets	(165)	(165)
(e) staff costs	(1,135)	(1,135)
(f) administration and corporate costs	(780)	(780)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(13)	(13)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	125	125
1.9 Net cash from / (used in) operating activities	(2,426)	(2,426)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(1,472)	(1,472)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) investments		
	(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	(1,472)	(1,472)

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	(529)	(529)
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	(529)	(529)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,118	11,118
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,426)	(2,426)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,472)	(1,472)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(529)	(529)
4.5	Effect of movement in exchange rates on cash held	254	254
4.6	Cash and cash equivalents at end of period	6,945	6,945

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	6,945	11,118
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)	6,945	11,118

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	111
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.</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 (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.		
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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,426)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,945
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	6,945
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.9
	<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: 31 October 2022.....

Authorised by: 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.