

ASX Release

27 April 2021

Amaero continues to progress its growth strategy ***March 2021 Quarterly Activities Report***

March quarter highlights

- Executed strong commercial development of the opportunity pipeline with notable new relationships including:
 - Purchase order from Nissan Casting Australia Pty Ltd for a 3D printed tool steel insert for die-casting auto components
 - Purchase order from Raytheon Intelligence and Space (RI&S), a business of Raytheon Technologies, to produce 3D printed samples in new materials for evaluation
 - Collaboration with Rio Tinto on the development of the supply chain for Amaero's high performance, High Operating Temperature Aluminium Alloy, "Amaero HOT Al"
- Successfully printed tooling for Fletcher's Glass application in the production geometry. This is a major project milestone and validates the approach outlined in Amaero's patent application
- Closed oversubscribed and upsized Share Purchase Plan, with strong demand generating \$4.825 million of applications, well in advance of the initial \$3 million target
- Cash balance of \$12.6 million at 31 March, providing strong support to fund the Company's growth strategy and execute on planned work programs
- Subsequent to quarter-end, 3D printing industry veteran Tuan TranPham was appointed to Amaero's Global Advisory Board. Mr TranPham is well known as an industry expert and leading business development executive within the 3D printing industry.

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 2021 ("Quarter", "Reporting Period").

Commenting on the Quarter, Amaero International Limited CEO, Barrie Finnin said: *"Amaero continues to execute on its strategy of building the world's leading 3D printing company. During the quarter we signed some significant new purchase orders and strategic agreements.*

"The purchase order from Nissan Casting Australia highlights the benefit that quality 3D components can have in reducing the significant costs associated with rejects in casting within the global auto industry.

"The purchase order and collaboration with Raytheon Intelligence and Space sees Amaero focus on the development of additive manufactured components in new materials. and is an indication of the respect our defence clients have for our technical capabilities.

"We were very pleased to enter an Agreement with Rio Tinto to collaborate on the supply chain for Amaero H.O.T. Al. This agreement is an important step in the commercialisation of the scandium aluminium high performance alloy. We look forward to working with Rio Tinto to progress the production of the alloy so we can commence the qualification process with key customers in the aerospace sector and other industries.

"During the quarter Amaero welcomed experienced 3D printing executive Simon Bartlett to the Management team to focus on commercialising production of the SP series machines. Simon has over a decade of experience leading 3D printing bureau service businesses, including his recent role as Applications Engineering Manager for HP.

"We were also delighted to recently welcome Tuan TranPham to Amaero's Global Advisory Board. Tuan's expertise and industry leadership is expected to drive increased commercialisation of our 3D printing machines, and provide new insights and strategic directions that enable the Company to focus on key relationships and target contracts.

"Our financial position was significantly boosted by the completion of the oversubscribed Share Purchase Plan. The SPP was upsized and raised \$4.825 million, well ahead of the original \$3 million target, reflecting the strong support Amaero has from its shareholders. The SPP funds, coupled with the oversubscribed \$9 million institutional placement, put the company in a strong financial position. We will continue to focus on the commercialisation of our world leading 3D printing machines, and funds will be used for equipment purchases and capital expenses to accelerate our growth.

"On behalf of Amaero I would like to thank all our shareholders for your ongoing support, and we look forward to keeping you updated on our progression in the year ahead."

OPERATIONAL

Collaboration with Rio Tinto on 3D printing Alloys

Amaero and Rio Tinto entered an Agreement to collaborate on the development of the supply chain for Amaero's high performance, High Operating Temperature Aluminium Alloy, "Amaero HOT Al". Rio Tinto holds aluminium and scandium production capability and, under the Agreement, Rio Tinto will provide Amaero with alloy billets to be processed into powder for 3D printing. The Agreement with Rio Tinto is an important step in the commercialisation of this high performance aluminium scandium alloy that will be used in Amaero's breakthrough 3D printing technology. We will work with Rio Tinto to progress the production of the alloy so we can commence the qualification process with key customers in the aerospace sector and other industries.

Subsequent to the Agreement, Amaero has received an Export Control Permit allowing for the export of technology pertaining to the AlMnSc alloy. This has enabled Rio Tinto to manufacture a trial batch of AlMnSc which will be atomised in Q3 2021 to enable further qualification testing.

Tooling purchase order from Nissan

In January 2021, Amaero accepted a purchase order from Nissan Casting Australia Pty Ltd ("Nissan Casting") for the supply of tool steel inserts for die-casting engine components.

Nissan Casting manufactures and distributes machined aluminium alloy castings for the commercial and passenger automotive vehicle industry, as well as commercial and passenger vehicle-related accessories. The casting plant is located in Dandenong South, Victoria, and exports its products to Japan, the United States, the United Kingdom, Thailand, Mexico and South Korea.

Additive manufactured inserts aim to decrease the risk of any manufacturing defects, for example leakers, through the addition of conformal cooling channels to the design. The cost benefits in reducing any rejects associated with casting and subsequent machining and assembly are significant, especially when critical helium decay leak tests are conducted after the final processing stage.

Purchase Order from Raytheon Intelligence and Space

In January 2021, the Company accepted a Purchase Order from Raytheon Intelligence and Space ("RI&S"), whereby Amaero and RI&S will collaborate on the development of additive manufactured (AM) components in new materials.

Since 2016, Raytheon Australia has been working with Amaero, providing mentoring and helping to mature Amaero's manufacturing readiness level to the level required to receive production orders. Raytheon Intelligence and Space has also previously worked with Amaero on R&D programs to provide prototypes and production pilot samples for additive manufactured components for defence applications.

Progress of ongoing relationship with Fletchers Glass

In May 2020, Amaero entered into an agreement with Fletcher Insulation, Australia's leading insulation company, for the development of an additive manufacturing application focussed on the provision of a superior tooling solution. The Agreement will provide revenue subject to performance and will result in serial production revenues consistent with Amaero's growth strategy.

During the quarter Amaero successfully printed tooling for the Fletcher's Glass application in the production geometry. This is a major project milestone and validates the approach outlined in Amaero's patent application. Further work on the alloy continues and it is expected that building and testing of the production geometry in the production alloy will take place in the June quarter.

CORPORATE

Oversubscribed and upsized Share Purchase Plan Raises \$4.825 million

The Company closed its Share Purchase Plan (SPP) on Friday 22 January 2021. The SPP raised \$4.825 million which significantly exceeded the initial target of \$3 million. The strong demand for the SPP was supported by a subscription from joint venture partner and underwriter PPK Group Ltd for \$500k.

Together with the strongly supported institutional placement (ref ASX release 7 December 2020) Amaero raised \$13.825 million leaving the company in a well-funded position to execute on its planned works program and strategic growth. Proceeds from the capital raise will be used to fund equipment purchases, capital expenses including installation and fit-out, research & development and working capital, as well as being utilised to progress clients from R&D activities through to manufacturing opportunities.

FINANCIAL

As detailed in the attached ASX Appendix 4C, the Company had \$12.6 million in cash and cash equivalents as at 31 March 2021.

During the Reporting Period, expenditure of \$464k was also incurred on significant Research and Development (R&D) initiatives.

Pursuant to Listing Rule 4.7C2, the Company confirms that in the 16 months since listing on ASX it has incurred expenditure largely in line with the Use of Proceeds set out on pages 7 and 88 of its Prospectus, as detailed below.

Use of Funds under Prospectus	Funds allocated under Prospectus	Funds expended between admission and 31 March 2021
Equipment Purchases	\$5,220,000	\$3,325,647 ¹
Research and Development	\$1,040,000	\$2,093,909 ²
Working Capital	\$3,530,000	\$4,309,609 ³
IPO Costs	\$660,000	\$706,351 ⁴
Total	\$10,450,000	\$10,435,516

1. Equipment Purchases include the purchase and installation of an EOS M400, an AmPro SP500 and an AmPro SP100 in the USA facility, acquired in the December 2019 and March 2020 quarters and additional support capex acquired in the September 2020 quarter.
2. R&D expenditure includes a combination of internal expenditure and the provision of external providers and materials.
3. Working Capital has been in line with expected use of funds.
4. An increase in IPO costs were as a result of higher than expected legal costs for the IPO.

The table highlights that all funds raised via the Company's Prospectus have now been expended between admission and the current quarter with funds raised from the December 2020 / January 2021 capital raising providing strategic cash flow for future company growth. Whilst Equipment Purchases are down on the proposed expenditure plan, funds have been re-allocated to support vital research and development opportunities.

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$56K was paid in respect of Directors fees and consulting fees paid to entities associated with the Directors.

ACTIVITIES SUBSEQUENT TO THE QUARTER

Tuan TranPham appointed to Global Advisory Board

Mr TranPham is well known as an industry expert and leading business development executive within the 3D printing industry. He previously held the position of Chief Revenue Officer at Desktop Metals, a leading US based 3D printing company, where he was responsible for their revenue model and oversaw its growth from a private company to a NYSE listed company with the largest market capitalisation of any listed 3D printing company globally.

Mr TranPham has over 17 years' experience amongst cutting edge 3D printing companies, across key roles including National Sales & Marketing Director for GE Additive, National Sales Manager for Stratasys, and National Sales Manager for 3D Systems. Together these three companies, as well as Desktop Metals, make up four of the top five 3D printing companies worldwide.

Mr TranPham brings significant relationships, networks and expertise to Amaero's Machine sales and service team. As a member of Amaero's Global Expert Advisory Board, he will provide expert advice on revenue and commercialisation strategy for the continued commercial roll out of Amaero's 3D printing machines. The Amaero SP Series of Laser Powder Bed Fusion machines deliver high performance metal components suitable for use in industries such as aviation, defence, space, biomedical, research and auto racing.

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.

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 El Segundo, California, USA.

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")

31 March 2021

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	90	225
1.2 Payments for		
(a) research and development	(464)	(1,367)
(b) product manufacturing and operating costs	(308)	(700)
(c) advertising and marketing	(35)	(108)
(d) leased assets	-	-
(e) staff costs	(316)	(830)
(f) administration and corporate costs	(608)	(1,923)
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	516	516
1.8 Other (provide details if material)	67	289
1.9 Net cash from / (used in) operating activities	(1,058)	(3,898)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(48)	(386)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) investments	(140)	(240)
	(e) intellectual property	-	-
	(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	(188)	(626)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,825	13,825
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	(159)	(679)
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	4,666	13,146

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	9,159	4,014
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,058)	(3,898)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(188)	(626)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,666	13,146
4.5	Effect of movement in exchange rates on cash held	10	(47)
4.6	Cash and cash equivalents at end of period	12,589	12,589

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	12,589	9,159
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)	12,589	9,159

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	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

During the quarter Directors Fees totalling \$56,000 were paid.

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 <i>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.</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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,058)
8.2 Cash and cash equivalents at quarter end (item 4.6)	12,589
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	12,589
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	12
<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: 27 April 2021.....

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