ASX Release
29 January 2021

ASX CODE: AL3

CAPITAL STRUCTURE

Share Price (28.01.21)	$0.37
Shares on Issue	148m
Market Capitalisation	$56m

MAJOR SHAREHOLDERS

Andrew Sales	26.5%
Perennial Value Mgmt	9.0%

BOARD & MANAGEMENT

Stephen Gerlach AM
Non-Executive Chairman

Andrew Sales
Managing Director

Sean Ebert
Executive Director

Kevin Reid
Non-Executive Director

Len Piro
Non-Executive Director

Christine Manuel
Company Secretary

CONTACT

T: +61 8 8258 2658
E: investor@aml3d.com
W: www.aml3d.com
A: 35 Woomera Avenue
Edinburgh
SA 5111
P: PO BOX 4101
Tranmere
SA 5073

ABN: 55 602 857 983

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DECEMBER QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

AML3D Limited (ASX: AL3) ("**AML3D**" or "**the Company**"), a leader in large scale 'Additive Metal Layering' 3D printing, is pleased to provide the Quarterly Activities Report and Appendix 4C for the December 2020 Quarter (Q2FY21).

AML3D is at an exciting juncture of its commercialisation pathway. Over the December quarter, AML3D continued to experience strong demand for its products and services, progressing several key work programs and selling its second and third Arcemy® modules to well respected industry participants.

The Company also raised an additional $7.0 million via a placement to institutional and sophisticated investors to accelerate commercialisation and establish itself as a global leader in the additive manufacturing sector.

KEY HIGHLIGHTS DURING THE QUARTER

AML3D raises $7.0 million to Accelerate Commercialisation

ASX Release 5 October 2020

During the quarter, the Company raised $7.0 million (before costs) via the issue of ~15.5 million new ordinary shares at an issue price of $0.45 per share ("**Placement**"). The Placement was heavily bid, supported by a range of new and existing institutional, family office, sophisticated and professional investors.

The funds raised from the Placement will ensure that AML3D is well capitalised to accelerate and execute upon the new, large-scale customer opportunities that have presented themselves, without detracting from the key initiatives detailed in the prospectus.

WAM® Identified for Potential Use in Naval Shipbuilding Activities

ASX Release 29 October 2020

AML3D commenced a Manufacturing Evaluation Program with ASC Shipbuilding, a subsidiary of BAE Systems Australia, to produce various geometric parts in a range of metal alloys.

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ASC Shipbuilding has been contracted to design and build nine Hunter class frigates for the Royal Australian Navy and is focused on unearthing new technologies that maximise cost effectiveness. To this endeavour, ASC Shipbuilding has identified AML3D's Wire Additive Manufacturing ("**WAM®**") technology as a potential candidate to participate in shipbuilding activities.

AML3D will produce and test a range of parts under the Manufacturing Evaluation Program to determine whether WAM® is suitable for a long-term commercial relationship with ASC Shipbuilding.

Successful sale of two additional Arcemy® 3D Printing Modules

AML3D sold two highly specialised Arcemy® modules during the period, representing the Company's second and third module sales to date.

These sales demonstrate further market penetration and are expected to provide additional third-party validation for AML3D's WAM® technology. In each case, the AML3D Arcemy® modules have been purchased to enhance the customer's service offering, to obtain production efficiencies and to reduce downtime compared to traditional manufacturing practices.

Rowlands Metalworks Purchases Arcemy® Module
ASX Release 9 November 2020

Rowlands Metalworks ("**RLDS**") is a dynamic sheet metal company based in South Australia servicing the defence, marine, agricultural and automotive industries. The initial application of its Arcemy® module will be to additively join sheet metal structures and manufacture bespoke components for RLDS's customers.

The purchase order to supply, install and commission a bespoke Arcemy® module tailored for RLDS's manufacturing applications is valued at approximately $400k. Once commissioned, AML3D will receive an ongoing licence and service fee.

IKAD Engineering Purchases Highly Specialised Arcemy® Module
ASX Release 24 December 2020

Based in Western Australia, IKAD Engineering ("**IKAD**") is a fabrication and structural engineering company providing project management and engineering solutions to the defence, industrial, mining, marine, oil & gas and water technology industries. The initial application of the Arcemy® module will be to manufacture large-scale pipes of multiple length and diameter dimensions. This highly specialised dual wire feed Arcemy® module is tailored specifically for IKAD manufacturing applications.

The phase one purchase order is valued at $300k and it is anticipated that a second purchase order of a similar amount will be issued for construction, programming and commissioning, subject to agreement of final specifications with IKAD. The Company expects to receive ongoing licence and service fees once the module has been commissioned.

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AML3D Commenced Work Program for Major AdditiveNow Mining Client

ASX Release 7 December 2020

AML3D commenced a phase one materials testing program for a major Australian mining company via the Global Collaboration Agreement executed with AdditiveNow Pty Ltd ("**AdditiveNow**") in August 2020. The Company aims to utilise its WAM® technology to reduce the costs associated with large inventories of high-wear and fatigue loaded components that have naturally long lead times.

AML3D currently provides end-to-end integrated additive manufacturing advisory and printing services to AdditiveNow's broad range of global customers in the energy, chemical, oil & gas and mining industries. It is expected that positive results from this materials testing program could provide validation for other AdditiveNow customers with similar requirements.

Lightforce Next-Gen Body Armour Program Progresses to Stage 2

ASX Release 7 December 2020

Following outstanding results achieved during Stage 1 of AML3D's development program with Lightforce Australia ("**Lightforce**"), the Company has progressed to Stage 2 of its Memorandum of Understanding ("**MoU**").

Under Stage 2, AML3D will develop additional bespoke body armour prototypes of varying thicknesses to be finished with a range of techniques and/or treatments and conduct repeatability ballistics testing. Stage 2 will enable AML3D to optimise the design of Lightforce's next generation, 'made-to-fit' titanium body armour, aiming to deliver the lightest and strongest solution on the market.

Completion of Stage 2 will signify the end of the testing phase under the Lightforce MoU with the potential to initiate commercial discussions thereafter once LightForce have established contracts for supply.

Subsequent Event – Purchase Order Received from Thyssenkrupp and Wilhelmsen

ASX Release 6 January 2021

AML3D received a purchase order from Thyssenkrupp and Wilhelmsen for the delivery of a marine-grade stainless steel impeller valued at SGD $33,000.

Thyssenkrupp, a German industrial and technology businesses conglomerate and one of the largest steel producers in the world, and Wilhelmsen, a Norwegian maritime industry group operating the largest maritime network in the world, have established a 3D printing joint venture ("**JV**") targeting the maritime industry. The JV aims to optimise the production and delivery process of 3D printed spare parts and is seeking technologies that reduce cost and time constraints.

The stainless-steel impeller is to be manufactured to demonstrate the advantages of WAM® over traditional casting methods and represents a significant commercial opportunity for AML3D.

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Financial

Cash receipts of $423k from customers during the quarter included $149k in relation to revenue recognised in the previous financial year, as well as revenue and deposits on current projects in progress. A total of $18k was received for JobKeeper during the quarter and the Company's eligibility for JobKeeper has now ceased.

Use of Funds

Pursuant to Listing Rule 4.7C2, the Company confirms that during the period since listing on the ASX on 20 April 2020, its expenditure incurred is in line with the Use of Funds as set out in its Prospectus, with a summary as shown in the table below:

Use of Funds under Prospectus		**Funds allocated under the prospectus**	**Funds expended to 30 September 2020**
Singapore Bureau establishment	1	4,270,000	556,944
Relocation and expansion of Adelaide facility	2	2,840,000	2,880,696
Development of integrated machinery	3	400,000	-
Intellectual property protection	4	400,000	67,209
Unallocated working capital - Adelaide		950,000	950,000
Unallocated working capital - Singapore		1,100,000	-
Expenses of the offer		1,100,000	1,110,198
Total		**11,060,000**	**5,565,047**

1. **Singapore Bureau Establishment:** AML3D is continuing to assess location options in Singapore. In anticipation of securing a location, the construction of the first two production cells commenced during the quarter. Expenditure was also incurred for wages and support charges.
2. **Relocation and Expansion of Adelaide Facility:** All major equipment has now been purchased for the initial establishment of the Adelaide facility and installation and commissioning is in progress.
3. **Development of Integrated Machining**: Initial research, planning and concept design has been undertaken. The program is anticipated to commence in Q3FY21 with expenditure to be incurred in line with the Company's internal program schedule.
4. **Intellectual Property Protection:** The examination phase for the current patent and extension of the international registration of the current patent is ongoing.

Related Party Payments

Pursuant to Listing Rule 4.7C3, the Company confirms that related party payments of $79,000 as included in section 6.1 of the Appendix 4C were for Executive Director fees paid to Mr Sean Ebert during the quarter. These additional payments were made for assistance provided to the Managing Director, Andrew Sales in regards to Business Development, Investor Relations and Human Resource initiatives. The services are to be provided until end of Q4FY21 while the core technical team is focussed on commissioning of manufacturing facilities, customer equipment delivery for on-site installation and product development.

This announcement has been authorised for release by the Board of AML3D.

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For further information, please contact:

Andrew Sales
Managing Director
AML3D Limited
T: +61 8 8258 2658
E: investor@aml3d.com

Duncan Gordon
Executive Director
Adelaide Equity Partners
T: +61 404 006 444
E: dgordon@adelaideequity.com.au

About AML3D Limited

AML3D Limited is an Australian public company incorporated on 14 November 2014 and currently operates out of its Adelaide Manufacturing Centre. The Company specialises in providing commercial large-scale "Additive Metal Layering" 3D printing services to Defence, Maritime, Automotive and Resources customers. The Company has commercialised its technology under the trademark WAM® and proprietary software WAMSoft® which combines metallurgical science and engineering design to fully automate the 3D printing process utilising advanced robotics technology.

Appendix 4C

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

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Name of entity	
AML3D Limited	
ABN	**Quarter ended ("current quarter")**
55 602 857 983	31 December 2020

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	423	500
1.2	Payments for		
	(a) research and development	(16)	(19)
	(b) product manufacturing and operating costs	(313)	(462)
	(c) advertising and marketing	(124)	(234)
	(d) leased assets	-	-
	(e) staff costs	(703)	(1,350)
	(f) administration and corporate costs	(546)	(870)
1.3	Dividends received (see note 3)		
1.4	Interest received	7	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	40	147
1.8	Other GST Refunds received	171	467
1.9	**Net cash from / (used in) operating activities**	**(1,061)**	**(1,804)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1,272)	(2,325)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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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	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,272)**	**(2,325)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,000	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	500	500
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(462)	(462)
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**	**7,038**	**7,038**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,463	8,259
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,061)	(1,804)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,272)	(2,325)

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)	7,038	7,038
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,168**	**11,168**

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	11,168	6,463
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)**	**11,168**	**6,463**

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	79
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

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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.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,061)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	11,168
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	11,168
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	11

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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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 January 2021.

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.

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