

ASX CODE: AL3

#### CAPITAL STRUCTURE

Share Price (30.04.21)	\$0.265
Shares on Issue	149.9m
Market Capitalisation	\$39m

#### MAJOR SHAREHOLDERS

Andrew Sales	26.5%
Perennial Value Mgmt	11.7%

#### 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

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ABN: 55 602 857 983

## MARCH 2021 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

### HIGHLIGHTS

- **Collaboration with Austal and 3DPC provides key product validation; pathway to grow sales pipeline**
- **Cash receipts of \$346,000 from customers**
- **In excess of 250 enquiries from potential customers for 'Arcemy®' 3D printer sales and contract 3D printing work**
- **Key new staff appointed including new CFO, COO and Group Sales Manager**

AML3D Limited (ASX: AL3) ("**AML3D**" or "**the Company**"), a leader in large scale 'Additive Metal Layering' 3D printing, is pleased to provide its Quarterly Activities Report and Appendix 4C for the March 2021 Quarter (Q3FY21).

AML3D remains at an exciting juncture of its commercialisation pathway. Over the March quarter, AML3D continued to experience strong interest for its products and services, progressing several key work programs.

### KEY HIGHLIGHTS DURING THE QUARTER

#### Continuing Growth in Customer Interaction

AML3D received in excess of 250 enquires during the quarter relating to both the sale of Arcemy® modules and contract 3D printing work. These enquires cross all key target industries including marine, defence, manufacturing and mining, resulting in more than 20 quotes raised during the quarter and subsequent to quarter end.

#### Exceptional 'proof of concept' customer feedback

In particular, the increased level of interest from groups looking to validate AML's technology via contract manufacture 'proof of concept' bodes well for more significant revenue later in the 2021 calendar year. Feedback to date from customers on the strength, consistency and quality of AML3D's products has been exceptional.

In addition to the printing of numerous test parts for validation, including stage 2 of the Lightforce Next-Gen Body Armour Program, printing of specialised materials was undertaken for customers in the marine sector.

- **AML3D maritime product receives verification from key industry body**

*ASX Release 19 March 2021*

AML3D and Austal Australia received a formal verification statement for a maritime product from DNV, an independent expert in risk management and quality assurance. Accreditation shows that AML3D's 'WAM®' process meets requirements for naval and commercial vessels and provides a pathway for a large range of components to be made using this technology.

AML3D sees this initial collaboration with Austal as a conduit to utilise their WAM® technology across a range of marine applications. Interest in the additive manufacturing space has grown in the sector due to inherently low production runs and the specialised nature of many marine parts. It is expected that additional 'proof of concept' and accreditation processes will be completed during CY2021 that have the potential to result in a significant order pipeline for AML3D.

- **AML3D to deliver industrial components to key 3DPC client**

*ASX Release 3 March 2021*

AML3D will supply a series of industrial components for evaluation and testing to a key 3D Printing Corporation ("3DPC") client. 3DPC is a Japanese-based 3D printing solutions firm focused on unearthing innovative technologies and enhancing the manufacturing capabilities of its clients with its unique 3D printing supply chain solutions.

AML3D has obtained substantial interest from 3DPC clients seeking to improve on traditional manufacturing constraints. A 3DPC client has submitted a purchase order to acquire sample components to test the industrial suitability of AML3D's WAM® technology for their needs in an effort to internally endorse replacement of traditional manufacturing methods. The trial is expected to lead to significant business development in industrial and energy sectors, as the client intends to replace its traditionally cast components with AML3D components.



Managing Director, Andy Sales, right, with DNV and Austal representatives upon receiving independent verification from DNV-GL of the WAM® printed davit arm.



A Bronze alloy propellor similar to various commercial models, for demonstration purposes.

### **Bolstering of Inhouse Capability**

Recognising the need to further support the commercialisation of AML3D's offerings, both production and human resource capabilities were enhanced during the quarter.

Adding to its two pre-existing operational Arcemy® 3D printing modules, a further five modules were substantially completed during the quarter. On completion, scheduled for the end of May 2021, this will provide an inhouse printing capability in excess of 30 tonnes per annum.

AML3D also achieved a number of key hires during the quarter including the appointments of Hamish McEwin (CFO), Karsten Bartnicki (COO), and Brad Coulter (Group Sales Manager). These senior appointments, in conjunction with engineering and production hires, are considered critical in achieving future business growth.



Adelaide Facility, showing an Arcemy® printer in the foreground.

### **Activities with existing Customers**

Production focused heavily on the preparation and installation of the highly specialised Arcemy® module for IKAD Engineering, and the preparation of the module for Rowlands Metalworks. Both major projects are scheduled for commissioning towards the end of Q42021.

AML3D continued to provide 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.

### **Outlook**

AML3D remains focused on its commercialisation pathway, continuing to build a strong customer pipeline across both Arcemy® module sales and print jobs.

## Financial

Cash receipts of \$346,000 from customers during the quarter related primarily to progress payments for ongoing installation projects.

### 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 31 March 2021
Singapore Bureau establishment	1	4,270,000	654,881
Relocation and expansion of Adelaide facility	2	2,840,000	3,207,605
Development of integrated machinery	3	400,000	13,448
Intellectual property protection	4	400,000	70,329
Unallocated working capital - Adelaide		950,000	950,000
Unallocated working capital - Singapore	1	1,100,000	-
Expenses of the offer		1,100,000	1,110,198
<b>Total</b>		<b>11,060,000</b>	<b>6,006,461</b>

- 1. Singapore Bureau Establishment:** Construction of the first two production cells continued during the quarter, with further expenditure also incurred on Singapore domiciled employees to demonstrate and promote the capabilities of the Arcemy® module situated in AML3D's customer's premises. Whilst the assessment of opportunities in Singapore continued, progress was hampered by the restrictions imposed by COVID-19.
- 2. Relocation and Expansion of Adelaide Facility:** The installation of, and improvement to, production cells has now largely been completed, with a total of seven cells expected to be fully operational by the end of May 2021. Additional capital expenditure in the range of \$500,000 outside the scope of the production cells has been identified to enhance the Company's printing capabilities, expected to be incurred during Q1FY22.
- 3. Development of Integrated Machining:** Initial research, planning and concept design has been undertaken. The program is anticipated to commence in Q1FY22 (previously 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 with a determination now expected at the end of May 2021.

### Related Party Payments

Pursuant to Listing Rule 4.7C3, the Company confirms that related party payments of \$54,000 as included in section 6.1 of the Appendix 4C were for Executive Director fees paid to Mr Sean Ebert during the quarter. These payments were made for assistance provided to the Managing Director, Andrew Sales regarding Business Development, Investor Relations and Human Resource initiatives. The agreement under which this service was provided ceased 28 February 2021 due to the employment of suitably skilled executive management.



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

For further information, please contact:

**Andrew Sales**

Managing Director

AML3D Limited

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**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.

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## Appendix 4C

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

**Name of entity**

AML3D Limited

**ABN**

55 602 857 983

**Quarter ended ("current quarter")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	364	864
1.2 Payments for		
(a) research and development	(50)	(69)
(b) product manufacturing and operating costs	(718)	(1,180)
(c) advertising and marketing	(35)	(269)
(d) leased assets	-	-
(e) staff costs	(857)	(2,207)
(f) administration and corporate costs	(234)	(1,104)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4	151
1.8 Other (provide details if material)	41	508
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,481)</b>	<b>(3,285)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(479)	(2,804)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(479)</b>	<b>(2,804)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	211	711
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>211</b>	<b>7,249</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,168	8,259
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,481)	(3,285)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(479)	(2,804)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	211	7,249
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>9,419</b>	<b>9,419</b>

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	9,419	11,168
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,419</b>	<b>11,168</b>

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	54
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>		



<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,481)
8.2 Cash and cash equivalents at quarter end (item 4.6)	9,419
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	9,419
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6
<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: 30 April 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.