



AML3D Limited

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MARCH 2024 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

AML3D Limited (ASX: AL3) ("AML3D" or "the Company"), a leader in large scale Wire Additive Manufacturing technology and 3D metal printing solutions, is pleased to provide the Quarterly Activities Report and Appendix 4C for the quarter ended 31 March 2024 (Q3FY24).

KEY HIGHLIGHTS DURING THE QUARTER

AML3D is reporting **strong quarterly cash receipts**, underpinned by continuing strong momentum from AML3D's US 'Scale up' strategy and complemented by milestone payments linked to ARCEMY® industrial 3D printing systems sales and ongoing contract manufacturing orders.

The US 'Scale up' strategy which supports the US Department of Defence, in particular the US Navy's submarine industrial base, **delivered over A\$12 million of orders** in CY2023 and, in the March 2024 quarter, contributed \$1.34 million to the **strong customer receipts of \$1.84 million**. While focussing on converting the growing US sales pipeline into new contract wins, the Company also completed the factory acceptance testing of an enterprise level ARCEMY® metal 3D printing systems for Curtin University in Western Australia during the quarter. The **successful completion of the testing of the Curtin University ARCEMY®** triggered a further \$0.36 million instalment payment. Payments linked to the delivery of **alloy testing and component orders** from AML3D's Adelaide facility in support of US and Australian defence contracts also contributed to March 2024 cash receipts.

AML3D continued to invest in building out the US 'Scale' up team and software development to extend the company's technology advantage. This investment program combined with an increase in the cost of goods linked to the strong order flows, resulted in an operating cash outflow for the quarter of \$0.76 million. Year-to-date customers receipts are \$6.66 million, giving the Company confidence it will report a record revenue performance in FY2024.

While the focus of the activity in the March 2024 quarter was on delivery against the Company's strong order book, progress was also made on positioning AML3D to access new Aerospace and defence contracts and in securing funding to accelerate the US Scale up strategy. Key activities during the quarter included:

- Launch of a \$3.9 million Entitlement Offer to fund the development of a US Headquarters and manufacturing hub and continued investment to maintain AML3D's technology leadership.
- Aerospace Quality Management System, AS9100D:2016 Accreditation of AML3D's proprietary wire-arc additive manufacturing technology

GROWTH STRATEGY

The success of AML3D's US 'Scale up' strategy, which delivered over \$12 million of orders in CY2023, has created a need for AML3D to establish a manufacturing hub in the USA. The Company is planning to establish a standalone, fully operational facility in Ohio to improve its capacity to meet the strong and growing demand in the US for advanced manufacturing technology solutions, notably within the US Defence industry. The US facility will be led by President of US Operations, Mr Pete Goumas and will build AML3D's ARCEMY® advanced manufacturing systems, fulfill contract manufacturing, alloy testing and prototyping contracts and house AML3D's US sales and operating



functions. To fund the establishment of the US headquarters and manufacturing hub, including the ability to rapidly scale up its US employee base, AML3D announced a non-renounceable rights issue, on a 1:3 basis, to raise up to \$3.9 million at \$0.05 per share¹.

The establishment of a standalone facility in the USA, the largest and fastest growing additive manufacturing market in the world, is expected to accelerate sales of AML3D's industrial scale proprietary ARCEMY® metal 3D printing systems as a point of need advanced manufacturing solution. It is also expected to drive demand for additional component and alloy testing contracts and allow AML3D to compete for lucrative ITAR contracts, which are restricted to companies with US facilities. The US growth strategy includes:

- Sales of ARCEMY® systems in support of the US Navy's submarine industrial base.
- Contracts for prototype parts and alloy testing to meet US Navy standards.
- Non-US Navy Defence contracts, with a particular focus on Oil and Gas and Aerospace.
- Opportunities to compete for ITAR manufacturing contracts.

AML3D's US growth strategy is designed to leverage the company's success in winning defence contracts for advanced manufacturing to expand into US based global Tier 1 Oil & Gas, Marine and Aerospace companies, such as existing clients Chevron and Boeing. The awarding of AS9100D:2016 Quality Systems Accreditation during the March 2024 quarter enables AML3D to manufacture certified flight and non-flight components for the aviation, space and defence industries. AML3D is only the second wire-arc additive manufacturing company globally, to achieve AS9100D accreditation, which provides the company with a significant competitive advantage when bidding for Aerospace and Defence contracts.

AML3D's growth strategy also includes expanding in additional globally significant Defence, Oil and Gas and Marine markets. During the quarter the Company leveraged its US playbook to start to build defence sales pipelines in additional markets. This work translated into a contract with the Australian Government Defence Science and Technology Group ('DSTG') to provide components for testing in marine applications signed shortly after the quarters end. AML3D is in the early stages of building its sales pipeline in additional defence markets but remains confident of securing additional defence contracts in Australia and across other globally significant defence markets over the short to medium term.

AML3D also continued to invest in another growth lever, technology development. The Company is committed to maintaining its technology leadership as a key competitive advantage and expanded its software research and development team to support this. The achievement of AS9100D accreditation is an external recognition of the excellence and expertise of AML3D's technology teams. Internally, during the March 2024 quarter, AML3D's research and development teams continued work to advance the development of the next generation twin wire and linear rail ARCEMY® systems that will be bigger, faster and applicable to a broader range of manufacturing scenarios. A portion of the funds raised through the capital raised in the March quarter, \$0.5 million, will be used to support this ongoing technology development work.

FINANCIAL

AML3D delivered strong cash receipts of \$1.84 million in the quarter ended 31 March 2024, reflecting the US 'Scale Up' strategy's success, supported by our existing Australian customer relationships and the continuing high utilisation of our contract manufacturing facilities for component and alloy testing. An 190% increase in staff costs, compared to the prior comparable period (PCP), to \$1.44 million in support of AML3D's growth in the US and a significant increase in 3QFY24 manufacturing and operating costs to \$0.70 million from \$58,000 in the PCP resulted in negative cash flows of \$0.76 million in the March quarter. Cash on hand at 31 March 2024 was \$3 million.

¹ AML3D, [AML3D to Establish USA Facility following Capital Raise](#), 03 April 2024.



CAPITAL RAISE

On 11 April 2024 AML3D launched a non-renounceable rights issue² on a 1:3 basis to raise approximately \$3.9 million (before costs) at an issue price of \$0.05 per share (Rights Issue). The Closing date for the Rights Issue is 9 May 2024.

Utilising both existing cash and proceeds from the Rights Issue, AML3D will fund the establishment of AML3D's US headquarters and manufacturing facility to take advantage of the demand in the US for AML3D's advanced manufacturing technology.

In addition, approximately \$0.5 million will be used to invest in AML3D's market leading advanced Wire-Arc Manufacturing Technology and ARCEMY® platform software. The balance of funds from the Rights Issue will be used to fund working capital, to accelerate growth opportunities, and fund offer costs.

OUTLOOK

AML3D's commitment to developing a standalone US manufacturing base is a demonstration of the company's confidence in the US 'Scale up' strategy. To date, the US had delivered in excess of \$12 million of orders and is expected to deliver additional US defence contracts during the remainder of FY2024 and over the medium to longer term.

The company's Australian manufacturing facilities continue to run at high utilisation rates to deliver existing US and Australian contract manufacturing orders. The emergence of an additional Australian defence contract manufacturing order, post the end of the March 2024 quarter, gives the company confidence plans to expand in additional defence, Oil & Gas, Marine and Aerospace markets are also starting to deliver and will help underpin future growth in contract manufacturing orders and ARCEMY® metal 3D printing systems sales.

AML3D is confident continuing US demand for its WAM® technology solutions alongside emerging Australian demand, particularly from the defence sectors, and clear demand signals from additional globally significant defence markets will convert to a number of additional orders during the remainder of FY2024 and drive significant medium to long term growth.

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

For further information, please contact:

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About AML3D Limited

AML3D Limited, a publicly listed technology company founded in 2014, utilises new technologies to pioneer and lead metal additive manufacturing globally. Disrupting the traditional manufacturing space, AML3D has developed and patented a Wire Additive Manufacturing (WAM®) process that metal 3D prints commercial, large-scale parts for Aerospace, Defence, Maritime, Manufacturing, Mining and Oil & Gas. AML3D provides parts contract manufacturing, from its Technology Centre in Adelaide Australia, and is the OEM of ARCEMY®, an industrial metal 3D printing system that combines IIoT and Industry 4.0 to enable manufacturers to become globally competitive.

² AML3D, [AML3D to Establish USA Facility following Capital Raise](#), 03 April 2024.

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 2024

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	1,839	6,664
1.2 Payments for		
(a) research and development	(148)	(441)
(b) product manufacturing and operating costs	(699)	(2,437)
(c) advertising and marketing	(25)	(52)
(d) leased assets	-	-
(e) staff costs	(1,442)	(3,450)
(f) administration and corporate costs	(264)	(726)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	35
1.5 Interest and other costs of finance paid	(29)	(34)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(758)	(441)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(313)	(684)
(d) investments	-	(60)
(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	9	10
	(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	(304)	(734)

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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(110)	(352)
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	(110)	(352)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,179	4,534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(758)	(441)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(304)	(734)

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)	(110)	(352)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,007	3,007

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	3,007	4,179
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)	3,007	4,179

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	-
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> N/A </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(758)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,007
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,007
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
<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 2024

Authorised 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.