

17 October 2023

SEPTEMBER 2023 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 30 September 2023 (Q1FY24).

KEY HIGHLIGHTS DURING THE QUARTER

AML3D reported its first **positive Operating Cashflow quarter** since listing, as a result of the **largest quarterly cash receipts** from customers.

AML3D's US 'Scale up' strategy continued to build momentum with several new contracts in support of the US Department of Defence signed. AML3D's primary focus is on driving sales of its proprietary ARCEMY® industrial scale, advanced wire arc additive manufacturing (WAAM) metal 3D printing systems for efficient component manufacturing at point of need production sites. The Company is focusing on sales to support the US Navy's submarine industrial base and its supply chain, while also developing a sales pipeline to support the wider applications in the US Defence and Federal sectors as well as with global Tier 1, Corporate customers in the Marine and Aerospace sectors based on recent increasing interest.

AML3D's success in converting its US sales pipeline to contracts has delivered the Company's strongest quarter of customer receipts at \$2.36 million, resulting in positive operating cash flow for 1QFY24 of \$365,000. AML3D's US sales pipeline remains robust, giving the Company confidence of maintaining the momentum within the US scale up strategy.

Key activities during the quarter included:

- The appointments of Mr Sean Ebert as Managing Director and Mr Pete Goumas to the new role of President of US Operations.
- The sale of a \$1.1 million industrial-scale ARCEMY® 'X-Edition 6700' system (ARCEMY® X) to be located at the US Navy's Additive Manufacturing Centre of Excellence in Danville, VA.
- A first order for a leased ARCEMY® system from a US Navy submarine component partner, Laser Welding Solutions, further embedding ARCEMY® into the US Navy supply chain.
- A \$2 million contract to develop metal 3D printed component as a replacement for a high demand US Navy submarine component no longer available from traditional manufacturers, addressing supply chain constraints.
- A new \$0.6 million prototype, 1 tonne, Nickel-Aluminium-Bronze (NAB) component order to support the US Navy's submarine program.
- A Nickel-Aluminium-Bronze (NAB) alloy testing and certification contract extension to support the US Navy's submarine program.
- A new 3D printed Copper-Nickel (CuNi) alloy testing and certification contract to broaden the opportunities to use ARCEMY® to supply CuNi components into the US Navy's submarine program.
- Becoming the only additive manufacturing company to be granted a European Wire Additive Manufacturing process patent.



GROWTH STRATEGY

AML3D's focus on its US 'Scale up' growth strategy included a 4-month review to determine the Company's future leadership structure. The board identified the need to create a senior leadership role responsible for the US operations and in support of a Managing Director and CEO. As a result, interim CEO, Mr Sean Ebert, was appointed to the role of Managing Director and Mr Pete Goumas was appointed to the new, US based, role of President of US Operations.

Mr Ebert is an Executive Director of the Company and acted as Interim CEO from June 2023 and Chairman of the board between November 2020 to October 2021. Mr. Ebert has extensive knowledge of AML3D's operations and strategy makes him ideally suited to executing on AML3D's growth aspirations.

Mr Goumas will be responsible for leading the execution of all aspects of AML3D's US growth strategy, with an initial focus on rapidly growing the Company's position within the US Defence manufacturing sector. Mr Goumas holds a Bachelor of Science in Mechanical Engineering from the University of Akron in Ohio and Master of Business Administration from Lynchburg College, Virginia and has relevant senior executive experience in both public and private US companies, including the relevant clearances to provide support to the US Navy's Nuclear submarine program.

AML3D's primary focus is on the US market where there is the most significant demand for advanced additive manufacturing technology and where we have a strong and growing relationship with the US Department of Defence, in particular through our support of the US Navy's Submarine Industrial Base. Over the medium term AML3D will look to broaden our relationships with the suppliers to the US Department of Defense, such as Laser Welding Solutions; other branches of US federal government; and Global Tier 1 customers across the Marine, Oil & Gas and Aerospace sectors including existing customers Chevron, Boeing and BAE Systems.

During the quarter, AML3D was granted its Patent in Europe (EU) for the Company's method and apparatus for manufacturing WAM® 3D metal parts. The granting of this patent is expected to not only protect the Company's unique WAM® process but to also to strengthen AML3D's competitive advantage in the EU. AML3D is the only additive manufacturing company to be granted a European process patent for wire-arc additive manufacturing and will look to leverage this position and its 'US Scale Up' playbook to target sales to OEMs supporting the European Defence, Marine and Aerospace industries over the medium term.

FINANCIAL

Cash receipts for the quarter were a record \$2.36 million, significantly higher than the prior quarter reflecting the success of the US 'Scale Up' strategy, resulting in positive operating cash flow for the quarter of \$365,000.

The company remains in a strong financial position with cash on hand, as at 30 September 2023 of \$4.8 million.

OUTLOOK

AML3D's success delivering ARCEMY® system sales to support the US Navy's submarine industrial base, with related ARCEMY® component, alloy characterising and testing contracts has led to an expansion of the Companies ARCEMY® sales pipeline, particularly in the US. AML3D is confident of converting this pipeline into firm contracts that will expand on the over \$7 million in confirmed orders to be delivered during FY24.

AML3D's facility in Adelaide is operating at a high utilisation rate to deliver on the Company's current order book but retains the capacity to support additional manufacturing orders.

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

AML3D Limited ACN 602 857 983 / Australian Patent 2019251514. AML3D®, WAM®, WAMSoft®, ARCEMY® are all registered trademarks for AML3D®.



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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.

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")

30 September 2023

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		2,362	2,362
1.2 Payments for			
(a) research and development		(135)	(135)
(b) product manufacturing and operating costs		(786)	(786)
(c) advertising and marketing		(11)	(11)
(d) leased assets		-	-
(e) staff costs		(764)	(764)
(f) administration and corporate costs		(314)	(314)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		14	14
1.5 Interest and other costs of finance paid		(2)	(2)
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		365	365
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(12)	(12)
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(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	(11)	(11)

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	(121)	(121)
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	(121)	(121)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,534	4,534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	365	365
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(11)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(121)	(121)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,767	4,767

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	4,767	4,534
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)	4,767	4,534

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 <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.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	365
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,767
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,767
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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: 17 October 2023

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.