



AML3D Limited

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DECEMBER 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 December 2024 (Q2FY25).

KEY HIGHLIGHTS DURING THE QUARTER

AML3D is reporting a quarter that included the completion of key US Navy and Australian defence contracts, the opening and expansion of the company's US facilities and entry into the US utilities sector. AML3D also raised an additional A\$30 million of capital to fund the company's next growth phase. An award of US\$951 million by the US Navy to Blue Forge Alliance, an AML3D partner, to boost the U.S. Navy's submarine industrial base is expected to underpin continuing strong growth in AML3D's U.S. operations. U.S. growth is also expected to be driven by continued expansion into new US markets. In addition, AML3D will be investing in its European expansion plans, with an initial focus on the Defence sector in the UK, an AUKUS partner.

Key highlights during the quarter included:

- Successful completion of a strongly supported, institutional placement that raised A\$30 million.
- Completion of the:
 - U.S. Navy's Virginia-Class nuclear submarine tailpiece components contract.
 - A\$2 million design and supply contract for non-safety critical US Navy submarine parts.
 - Australian Government Defence Science and Technology Group (**DSTG**) contract to supply components for testing in marine applications.
 - DSTG contract to supply a 6-part nozzle assembly for an aerospace project.
 - Contract to upgrade an Australian Defence and industry supplier's systems to ARCEMY standard.
- The opening, with immediate plans for expansion, of AML3D's US facility.
- US operations launched with A\$2.27 million ARCEMY® X contract for the Tennessee Valley Authority, the sixth-largest power supplier and largest public utility in the USA.
- Delivery of the largest custom made ARCEMY® system, for Austal, to AML3D's US facility for final testing.
- Continuing US Navy materials qualification programs for:
 - Nickle Aluminium Bronze (**NAB**) alloys characterisation and testing.
 - Copper Nickle (**CuNi**) alloys characterisation and testing.

GROWTH STRATEGY UPDATE

AML3D's US 'Scale up' strategy was launched in early 2023 to access the huge demand for industrial metal 3D printing that continues to emerge in the USA. The strategy represents an evolution from using AML3D's patented ARCEMY® technology to manufacture 3D printed parts to supplying ARCEMY® metal 3D printing systems to end users. The ARCEMY® supply strategy has delivered bigger contracts and is unlocking new software licensing, hardware maintenance and tech support revenue streams with over A\$19 million in orders won to date and A\$2.4 million of



those orders received in the quarter under review. AML3D maintains a contract manufacturing capability to showcase its WAM® technology, print proof of concept parts, run alloy testing programs and small production runs as needed.

AML3D continues to invest to support the US Scale up strategy, which is creating significant shareholder value, with the opening of AML3D's US technology centre in Stow, Ohio (**Stow**) during the December quarter. At opening, Stow was operational and working on the delivery of a A\$2.27 million ARCEMY® order from the Tennessee Valley Authority (**TVA**), the largest public utility in the USA. Alongside the formal opening of Stow, AML3D announced immediate plans for an investment of A\$12 million dollars to expand its US operations. The US expansion plans will position AML3D for its next growth phase, which is expected to be underpinned by the award of US\$951 million in additional funds by the US Department of Defence to Blue Forge Alliance, an AML3D partner, to boost the US Navy's Submarine Industrial Base.

The next phase of AML3D's US 'Scale Up' strategy also includes building on the TVA ARCEMY® contract win to expand into additional US sectors, with a particular focus on the Utilities, Aerospace, Marine and Oil & Gas sectors. The Company also plans to use the additional manufacturing capacity the US expansion will create, in both the US and Australia, to enter additional globally significant defence markets. AML3D is executing plans, announced during the December quarter, to establish a European technology centre to facilitate the roll out of the US Scale up playbook across European markets. The European technology centre will be built around a production and demonstration ARCEMY system to allow AML3D access to the UK's defence sector, in the first instance, with plans to explore additional opportunities across the European Defence, Utilities, Aerospace, Marine and Oil & Gas sectors thereafter. AML3D has identified similar demand signals in Europe that underpinned its successful entry into the US market.

In preparation for the next phase of growth, AML3D has completed several US and Australian defence contracts and is continuing its alloy characterisation and testing work in support of the US Navy's submarine industrial base. The company also completed a A\$30 million capital raise in the December quarter, via a strongly support placement to new and existing institutional and sophisticated investors, to fund its growth plans. AML3D is now also positioned to leverage an expanded US manufacturing base to compete for lucrative International Traffic in Arms Regulations (ITAR) and other US only controlled information Defence contracts.

FINANCIAL UPDATE

AML3D announced contracts worth A\$2.4 million and delivered cash receipts of A\$0.5 million in the December quarter, with cash receipts for the First Half of 2025 of A\$3.2 million. Overdue cash receipts for the December quarter of A\$1 million have been received in early January 2025.

Operating cash outflows were consistent with Q1 with the exception of a significant reduction in the Cost of Goods Sold from \$0.9 million in 1Q25 to \$210,000 in 2Q25 reflecting a focus on the completion of projects already underway in preparation for AML3D's next growth phase.

AML3D continued to invest in the establishment and expansion of its US facilities with A\$0.5 million invested in capital equipment in 2Q25, and close to \$1 million invested year to date.

The company's cash position is extremely strong at A\$32.1 million on 31 December 2024, representing 15 quarters of available future operating cash, following the A\$30 million of capital raised (before costs), via an equity placement, undertaken in 2Q25.

OUTLOOK

AML3D is well funded to execute the next phase of its U.S. growth strategy. A key part of this strategy is having the capacity to expand AML3D's U.S. operations to match an expected increase in U.S. Defence production and ARCEMY® system contracts over the short and medium term. This demand is expected to be driven, to a large extent, by the award of US\$951 million to Blue Forge Alliance by the U.S. Department of Defence to uplift the U.S. Navy Submarine



Industrial Base. Alongside the expansion of the U.S. operations to keep pace with the expected growth in US Defence contracts AML3D also expects to leverage additional capacity to build on the TVA ARCEMY® contract and accelerate entry into the US Utility, Marine, Oil & Gas and Aerospace sectors.

The staged expansion of AML3D's US operations will create additional capacity across AML3D's manufacturing network to build on the company's success, to date, in supporting the Australian defence sector. AML3D expects the Australian defence sector to also contribute to a near and medium-term flow of defence contracts. In addition, AML3D is progressing plans to open a European Technology Hub in the Second half of FY25, to take advantage of the strong demand signals from Europe and the UK Defence sector in particular. The planned entry into Europe is expected to drive significant additional contract growth across European Defence, Utility, Oil & Gas, Marine and Aerospace markets over the medium term.

The scale of the opportunities AML3D is positioned to access, across multiple markets, gives the board confidence the company's growth strategy will deliver significant shareholder value over time.

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.

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 December 2024

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	489	3,238
1.2 Payments for		
(a) research and development	(257)	(381)
(b) product manufacturing and operating costs	(210)	(1,096)
(c) advertising and marketing	(77)	(128)
(d) leased assets	-	-
(e) staff costs	(1,411)	(2,986)
(f) administration and corporate costs	(640)	(1,280)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	24
1.5 Interest and other costs of finance paid	(48)	(81)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	20	180
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,115)	(2,492)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(475)	(1,024)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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	(475)	(1,024)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	30,000	30,100
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	(2,066)	(2,066)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(122)	(236)
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	27,812	27,798

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,850	7,790
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,155)	(2,492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(475)	(1,024)

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)	27,812	(27,798)
4.5	Effect of movement in exchange rates on cash held	34	34
4.6	Cash and cash equivalents at end of period	32,106	32,106

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	32,106	6,850
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)	32,106	6,850

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)	(2,115)
8.2	Cash and cash equivalents at quarter end (item 4.6)	32,106
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	32,106
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	15
	<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 January 2025

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.