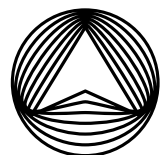


Annual Report

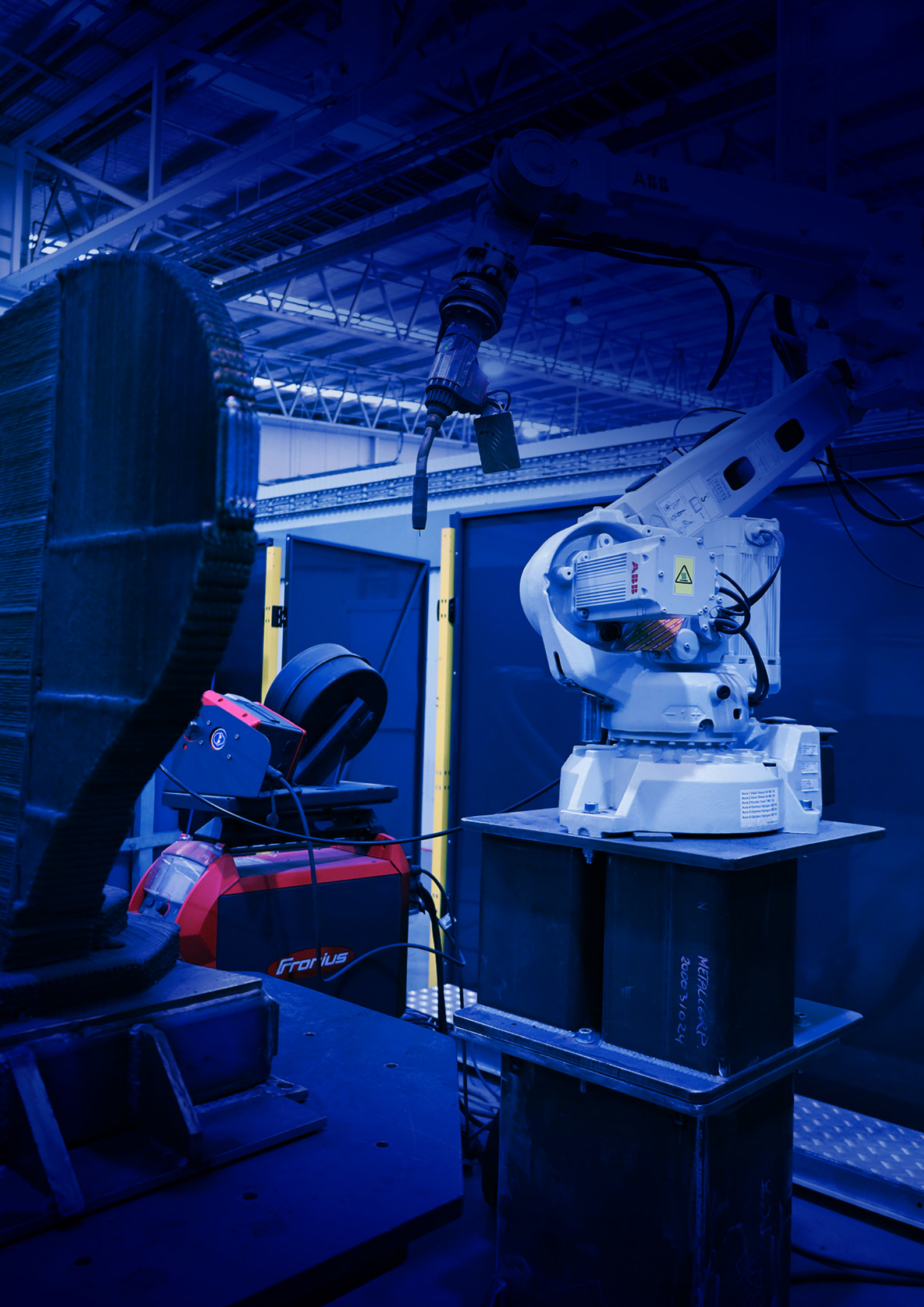
2022



AML3D®

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Chairman's & Managing Director's Report



Board Chairman, Sean Ebert

Dear Shareholders,

It is with great pleasure that we present to you AML3D Limited's ('AML3D' or the 'Company') Annual Report for the year ended 30 June 2022.

During the year AML3D continued to develop its proprietary technology and leverage its advantages to deliver its multi-phase growth strategy. This strategy is designed to generate shareholder value over the immediate, medium and longer-terms, through the commercialisation of our proprietary Wire Additive Manufacturing (WAM®) technology. Our WAM® technology delivers cost savings to our customers of up to 70%, while our production process is 75% faster and reduces waste by up to 80% when compared to traditional manufacturing.

Some of the key milestones achieved during the year include:

- Sale and installation of ARCEMY® units at Queensland University and the Royal Melbourne Institute of Technology, in addition to installation of an ARCEMY® unit at the Tonsley Factory of the Future through a joint venture with BAE and Flinders University.
- Completion of printed parts for global customers across our target markets of Oil and Gas, Marine, Aerospace, and Mining.
- Ongoing technology development to further reduce production lead times and improve the commercial applications of our process.
- Orders from ThyssenKrupp and Boeing, alongside validation work with a key Tier 1 Oil and Gas major is supporting discussions for repeat volume business.
- Being approved as a supplier of 3D printed power plant parts for a major Australian Energy company.

AML3D is working closely with our customers to support their testing and validation of our metal 3D printing technology.

We believe our disruptive technology will transform the metal manufacturing and fabrication landscape forever and is the key to the future of manufacturing. Within the context of a global drive to (net) zero-emissions, our process minimises material waste and significantly lowers emissions and electricity consumption, when compared with traditional casting and forging technology.

AML3D's proprietary 3D-printing solution offers prompt delivery of an array of high-quality, large-scale, custom built components to customers at competitive prices. All of this is achieved with significantly shorter lead times, less raw material input and waste, and greater end product strength. Traditional fabrication has served industry well for hundreds of years, however, today society is rightfully demanding businesses operate sustainably and with a minimal environmental footprint.

Financial Results

Revenue for the financial year was \$2.0 million, an increase of over 200% on the prior year. The greatest portion of this revenue was derived through the sale of AML3D's proprietary ARCEMY® industrial scale 3D metal printing units. In addition, revenue from the printing of parts continued to support our performance and was up 20% on the prior year. This improved performance reflects AML3D's focus on its immediate and medium-term value drivers.

AML3D's financial result for the year reflects the necessary upfront investment needed to establish the foundation for future success. We are continuing to invest in innovation to ensure AML3D maintains its market leading position. In addition, our sales and marketing teams continue to build strong momentum, which bodes well in terms of progressive revenue growth into the future.

Immediate term value drivers – Oil and Gas

AML3D identified the Oil and Gas sector as a key driver of immediate term value creation.

During 2022, AML3D initiated validation work to address supply chain issues impacting a global Tier 1 Oil and Gas customer. The validation work will leverage the advantages of AML3D's advanced WAM® technology to produce industrial scale, 3D metal printed components. The combination of WAM® technology's fast lead times to manufacture providing a solution to the supply chain constraints facing this global Oil and Gas major and its superior ESG profile helping to support this customer's sustainability commitments which helped to secure the validation work. The successful printing and testing of the validation components is expected to create the opportunity for AML3D to become integral to this global Tier 1 Oil and Gas customer's supply chain, using our WAM® technology. This enables the Company to supply a variety of components within this customer's existing parts library and underpin significant growth in future orders.

AML3D also signed a purchase order as part of the Company's global collaboration agreement to supply an industrial component to AdditiveNow for an additional Tier 1 Oil and Gas end customer. The purchase order followed a site visit by the end customer to inspect AML3D's facilities and, following testing, this initial component will be used to identify a range of suitable parts within the end customer's parts library for supply via 3D metal printing.

Immediate term value drivers – ARCEMY® sales

AML3D has sold and installed a further two ARCEMY® industrial scale 3D metal printing units, generating revenues of approximately \$400,000 each. In total five ARCEMY® units have now been sold, commissioned and are operational.

Three of these units are operating within commercial businesses and will provide the Company with ongoing revenue from license fees and service support. The ARCEMY® unit at the Adelaide based 'Factory of the Future' joint venture with BAE Systems and Flinders University has been profiled to potential Tier 1 clients including, Thales, RheinMetall, BAE and Northrop Grumman.

Immediate term value drivers

– Contract manufacturing

Contract manufacturing is an immediate term value driver for AML3D, while also creating entry points to access potential medium term value opportunities through the development of repeat orders and offering additional services.

During Q2 2022, AML3D accessed a new market when it signed its first purchase order with a globally recognised North American space exploration company to supply a bespoke prototype using a high strength corrosion resistant alloy.

This order was followed by a purchase contract with a new Defence Aerospace customer to deliver a 500kg, four-part aluminium nozzle. The Company also signed a purchase contract to produce, what is believed to be a world first 3D metal printed, pressure and corrosion resistant titanium plunger for a new Oil and Gas customer.

In addition, AML3D is an approved supplier to ThyssenKrupp, the German industrial engineering and steel company, and received and fulfilled multiple orders during FY2022.

Our contract manufacturing also completed 3D metal printing of a high value impeller for a major Australian Energy company. The contract demonstrated AML3D's unique ability to reduce supply chain risk through the dependable and efficient supply of on-demand replacement power plant parts. The Company now supplies components to two energy sector customers creating an important entry point for AML3D into this key target market.

Medium term value drivers – Oil and Gas, Marine, Defence, Aerospace and Resource

We have also progressed our strategy to create medium term value by expanding into the Marine, Defence, Aerospace and Resource sectors. As part of this initiative, the Company hosted an in-person inspection of AML3D's facilities by the Tier 1 Defence and Aerospace company, Boeing's, Director of Global Additive Manufacturing in March 2022.

These efforts saw AML3D enter into a \$140,000 purchase agreement with Boeing in July 2022. The agreement covers the manufacture of various aluminium test pieces and structural components using AML3D's WAM® technology. The testing and validation of the components will form the basis of near-term future contracts. The agreement follows an initial purchase contract with Boeing for a mandrel tool artifact signed in June 2021.

Our medium-term value drivers also include expanding the products and services we offer to our existing customers. AML3D is using 3D scanning capabilities in conjunction with its WAM® technology to generate a digital virtual inventory library for our major Australian Energy customer. This library will be used to reduce the customers inventory overheads by allowing the on-demand manufacturing of replacement components and also embed AML3D as a primary provider of a range of spare parts, underpinning a future orders stream.

In line with the strategic objective of generating value over the medium term, AML3D printed the world's largest metal Oil & Gas

high pressure piping spool to be successfully tested and verified by Lloyd's register. The 940kg monocoque piping spool demonstrator component showcases AML3D's capabilities in the subsea Oil and Gas sector and creates an entry point into this new market.

Longer term value drivers – Research and Development

Leveraging AML3D's R&D work to create new opportunities, enhanced technology-enabled solutions and branded products is the key to unlocking longer-term value in the business. Significant progress has been made across several AML3D R&D projects.

The Optimising of Scandium Containing Aluminium Alloys Project is focussed on developing high strength, commercially viable, aluminium-scandium compounds to create a high strength aluminium welding wire to be used in AML3D's WAM® process. The optimisation of aluminium-scandium alloys has the potential to allow AML3D's WAM® process to create higher strength, industrial scale, aluminium components and 3D printed products, while removing the need for age hardening heat treatment. The project also has the potential for AML3D to create and supply a branded specialist aluminium-scandium wire feedstock product.

The Optimising of Scandium Containing Aluminium Alloys project is being run in partnership with Deakin University's, Institute for Frontier Materials (IFM) and the Innovative Manufacturing Cooperative Research Centre (IMCRC) and has met meet all expectations for the delivery of high strength, corrosion resistant structures.

Following these excellent initial results the Project has been extended to incorporate final repeatability commercial trials, which is attracting interest from industry buyers. A successful conclusion to the commercial trials is expected to lead to new applications for WAM® across the Automotive, Resources and broader Marine and Transport industries where there is demand for high strength, corrosion resistant aluminium products.

AML3D is also working with IFM to complete a series of proof-of-concept projects exploring the incorporation of Boron Nitride Nanotubes (BNNTs) in AML3D's WAM® technology. BNNT's are considered the world's strongest fibres, which have the potential to significantly enhance the ability of WAM® deposited alloys to create much stronger, lighter, and more thermally and radiation-resistant aluminium composites. Initial outcomes have been positive, and the project has started to attract commercial interest in the applications for the BNNT/aluminium composites

These R&D projects have the potential to significantly enhance AML3D's revenue prospects through increased opportunities in both printer sales and contract manufacturing services. They also have the potential to create new commercial applications across the space, aerospace, marine, defence and transport industries, which could be rolled out in AML3D's current target markets of Asia Pacific (incl. Japan, South Korea), Europe (Germany, France & UK), and North America.

AML3D's internal R&D focus remains firmly on our 'Next Generation' high productivity ARCEMY® solution. The high productivity ARCEMY® units are designed to print at a rate of up to 30 kilograms and hour, that's up to 5 times faster than our current Arcemy Units, by making use of twin wire feeds.

The high productivity ARCEMY® solution is expected to reduce production lead times and improve the commercial applications of our process. The technology builds on AML3D's Next-Generation Hybrid Printing project with the CSIRO, which developed a material strength prediction tool, to support the creation of a higher quality, one stop production process.

AML3D is currently the only wire feedstock based Additive Manufacturing company accredited to produce Class certified components made of “Steel for hull structure and equipment; copper alloys for valves, fittings and general applications as per DNV’s rules”



Managing Director, Andy Sales

Capital Management

The Company remains debt free and finished the financial year with cash balance of \$2.9 million.

Immediately following the end of the financial year, AML3D successfully completed an equity issue to raise an additional \$2.7 million (before costs), from the placement of 37,605,038 new shares. This provides the Company with the necessary funding to:

- Accelerate our growth initiatives, following recent contract wins;
- Build on the existing business development team to bolster the sales and marketing pipeline;
- Continue the enhancement of AML3D’s disruptive technology and remain a market leader; and
- Meet the working capital demands of an upscaling business.

Events subsequent to FY2022

As announced on the 3rd of August 2022, AML3D has been awarded the first Additive Manufacturing Facility accreditation with wire-feedstock, from DNV, the world’s leading Marine & Industrial Classification Society. The accreditation encompasses an “Approval of Manufacturer” (AoM) certificate and demonstrates that AML3D’s WAM® technology meets the enhanced ‘Class certification’ standards for Integrity and Quality that are applied to critical components in the Oil & Gas and Marine industries.

The DNV facility accreditation follows the receipt of a DNV verification certificate for the world’s largest 3D printed shipboard fitting, a Panama Chook, manufactured by AML3D.

AML3D is currently the only wire feedstock based Additive Manufacturing company accredited to produce Class certified components made of “Steel for hull structure and equipment; copper alloys for valves, fittings and general applications as per DNV’s rules”, which operate in extreme load, pressure or corrosive environments.

Benefits of DNV Accreditation include:

- Advantages and differentiates AML3D when engaging in high value parts tenders
- Extends the range of contracts and customers AML3D can target in the Maritime, Oil & Gas and Navy/Defence Marine organisations
- Ability to produce high quality parts for use in critical operations within the Marine and Oil & Gas industries and issue ‘Class Certification’ for critical components.
- Extends AML3D’s track record of delivering best in class, high quality and integrity components

AML3D’s DNV accreditation builds on AML3D’s previous world first wire-arc Additive Manufacturing facility certification by Lloyd’s Register.

AML3D remains committed to demonstrating the quality of its products and services and is now focused on obtaining AS9100D certification of our WAM® technology during FY23. Achieving the

AS9100D standard will enhance our prospects of becoming a preferred supplier to the aviation, space, and defence industries.

The combination of DNV and Lloyd’s register accreditation with AS9100D certification closely aligns with AML3D’s growth strategy to increase sales of existing products, access new markets and sales and expand our potential customer base.

Board and Governance

In November 2021, the Board announced the retirements of its former Chairman, Mr Stephen Gerlach and non-executive director Mr Kevin Reid. The Board thanks Mr Gerlach and Mr Reid for their contributions to the Company over the past few years, and in particular guiding the Company through its early growth phase and IPO.

Following their retirements, the directors initiated a review of the composition of the Board to ensure the Company’s leadership and governance has the appropriate mix and depth of skills and experience to achieve its strategy and growth ambitions. The Company advises that this process is well advanced, with the Board having progressed discussions with a number of very high-quality candidates.

Outlook

AML3D’s current order book will require our manufacturing facility to operate at high capacity over the coming months. The key production contract with Boeing, the ongoing customer support being provided to Rowlands Metalworks and ST Engineering in Singapore across a range of projects and work to allow a key Tier 1 Oil and Gas customer to validate our WAM® technology’s ability to create superior parts that address the customers supply chain issues all require completion prior to the end of Q2FY23.

We would like to thank our very capable team that continues to work tirelessly through these challenging times to ensure AML3D remains on its path to further success and growth. They have demonstrated resilience and dedication throughout this growth phase. We operate as one team and have not wavered from our overarching goal of becoming a leading diversified large-scale metal fabrication company globally.

Finally, to our shareholders, thank you for supporting AML3D. Your Board and management team are committed to pursuing profitable and sustainable growth for the benefit of all stakeholders, as we build upon the foundation created to date.

Sean Ebert
Chairman

Andy Sales
Managing Director

Board



Sean Ebert //

BEng Hons(Electrical), MAICD

Chairman

Member of Audit & Risk Committee

Appointed as Director 30 August 2019

Appointed as Chairman 18 November 2021

Sean has 25 years of executive experience in both public and private sectors across high growth companies within the engineering, FMCG and emerging technologies sectors in Australia, China, US and Europe. Sean is currently a Non-Executive Director of listed company Mighty Craft (ASX:MCL, appointed 19 July 2021), as well as Non-Executive Director on a range of privately owned Australian growth companies and Executive Director of Venture Corporate Advisory. Sean was previously the Chief Executive Officer (CEO) of Beston Global Food (ASX:BFC), Global Director M&A of Worley, CEO of Camms Pty Ltd and CEO of Profit Impact Pty Ltd. Sean brings listed company and international experience to AML3D, is a Member of the Institute of Company Directors and holds a Bachelor Degree in Engineering with honours.

The Board considers that Mr Ebert is an independent Director.

Andrew Sales //

MEng, MSc, CEng, CMatP

Managing Director

Appointed 14 November 2014

Andrew is a Chartered Engineer with a Master of Engineering and Master of Science and is a renowned expert in welding technology with over 28 years of global experience (Australia, Europe, South America, Africa and Asia). Andrew has held varying roles across upper management and senior leadership within the oil and gas, resources and mining sectors as well as advanced manufacturing, heavy engineering and fabrication.

He is also the author of numerous technical papers in the field of welding high strength corrosion resistant alloys. In addition to Science and Engineering qualifications at Masters level, he also holds a Diploma in Quality Management and Auditing. He is a Chartered Engineer through ECUK and TWI (UK), a professional member of Materials Australia holding a CMatP, and also sits on two Standards Australia committees including the newly established committee for Additive Manufacturing.

Andrew founded AML Technologies in 2014 and has been Managing Director since that time.

The Board considers that Mr Sales is not an independent Director.



Leonard Piro //

BEc, DipCorpMgmt
Non-Executive Director
Chairman of Audit & Risk Committee
Appointed 30 August 2019

Len has extensive experience with major manufacturing projects in Australia, including the establishment of the Tonsley site as a leading national and international Innovation Precinct. He is the former Deputy Chief Executive of the SA Department of Trade and Economic Development, Executive Director Manufacturing and Chief Executive Automotive Industry Transformation Taskforce and Group Executive Director and Chairman of the Tonsley Re-development. As Director of Len Piro Advisory, Len has consulted widely to an extensive range of companies and organisations in SA, from start-ups to global companies, particularly around business strategies and business planning and has had extensive exposure to global manufacturing trends. He is also a member of the Advisory Board of Supashock and Flinders University Institute for NanoScale Science and Technology.

The Board considers that Mr Piro is an independent Director.

Christine Manuel //

BMus, GradDipACG, DipCD,
DiplnvRel, FGIA, FCG (CS, CGP),
MAICD, MAITD, AAIPM
Company Secretary
Appointed 17 April 2019

Christine is an experienced Company Secretary and corporate governance professional and has held Company Secretary, non-executive director, CEO and senior executive roles in a range of listed and unlisted entities over more than 25 years. She is Company Secretary of several companies including Angel Seafood Holdings Ltd (ASX:AS1 2017-2022) and was formerly Company Secretary of Santos Group companies and People's Choice Credit Union.

Christine holds postgraduate qualifications in Applied Corporate Governance and is a Chartered Secretary and Chartered Governance Professional. She is a non-executive director of the Governance Institute of Australia, and past SA/NT State Council Chair. She regularly facilitates Governance Institute training courses.

Directors' Report

The Directors of AML3D Limited (AML3D or the Company) present their report, together with the financial statements of the Company and its controlled entities (the Group) for the financial year ended 30 June 2022.

Directors

The following persons were Directors of the Company during the financial year and to the date of this report:

Sean Ebert	Non-executive Chairman, Appointed as Chairman 18 November 2021
Andrew Sales	Managing Director
Leonard Piro	Non-executive Director
Stephen Gerlach	Non-executive Chairman Resigned 18 November 2021
Kevin Reid	Non-executive Director Resigned 18 November 2021

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Information Relating to Directors and Company Secretary

Details of each Director's experience, qualifications and responsibilities are set out on pages 6 to 7. This includes information on other listed company directorships in the last three years. The Company Secretary is Christine Manuel. Details of her experience and qualifications are set out on page 7.

Company Overview

AML3D is an Australian public company incorporated on 14 November 2014. The Company was admitted to the Official List of ASX on 16 April 2020 and commenced trading on ASX on 20 April 2020. AML3D is a welding, robotics, metallurgy and software business which uses automated wire-fed 3D printing in a large free-form environment to produce metal components and structures for commercial use.

AML3D has commercialised its wire arc additive manufacturing technology (under the trademark WAM®), an innovative metal additive manufacturing technology for the cost-effective production of large, high performance metal components and structures.

AML3D's proprietary WAM® process is part of the spectrum of 3D metal printing that focuses on larger industrial applications with flexibility across multiple classes of metals including titanium alloys, nickel alloys and steel alloys.

AML3D's WAM® technology combines electric arc as a heat source with wire as a feedstock and welds sequential layers of metal to produce near-net shape metal components. WAM® technology provides an alternative manufacturing and fabrication method for the production of components in industry sectors such

as aerospace, marine, defence, oil and gas, mining and general manufacturing which vary from high-end aerospace parts to general engineering, with the value proposition being significant in the case of larger scale industrial grade and complex parts.

In conjunction with its WAM® technology, AML3D has developed its own proprietary software, WAMSoft®, which combines metallurgical science and engineering design to automate the 3D printing process utilising advanced robotics technology. The WAMSoft® software enables a highly tailored approach to the needs of each client by enabling different pathways and welding operations for different products and materials. Depending on material type, thickness of part, geometry and final size, the software identifies optimal path models using an extensive library of weld bead geometries.

Principal Activities

The principal activities of AML3D during the financial year were to:

- Design and construct ARCEMY® 3D printing modules for sale or right to use with an option to buy;
- Design and construct 3D parts using Wire Additive Manufacturing technology and to develop that technology;
- Research and development into the refinement of the companies products, including alternative applications.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating and Financial Review

Review of Operations

The Company's revenue was derived from:

- ARCEMY® sales with customers acquiring the ARCEMY® 3D printing module for research and learning purposes, or their own fabrication needs;
- Contract manufacturing, which is fulfilling manufacturing orders for customers using our ARCEMY® 3D printing module; and
- Service and technical support for customers using our ARCEMY® 3D printing module.

During the year the Company delivered ARCEMY® 3D printing modules to both Queensland University and the Royal Melbourne Institute of Technology. These units will form part of the Universities' additive manufacturing curriculum with a significant number of student to be trained to use our technology, understand its potential uses and potentially drive its adoption across our target markets.

The ARCEMY® module delivered to ST Engineering in June 2020, previously under a right-to-use with an option to buy arrangement, was purchased outright during the year. In addition, a highly specialised ARCEMY® module for iKAD Engineering was also delivered during FY22.

To date, A total of five proprietary ARCEMY® industrial scale 3D metal printing units have now been sold and commissioned.

AML3D continues to work closely with Rowlands Metalworks and ST Engineering to enhance their unit's capabilities in line with their customer requirements.

The Company has continued to develop its technology including the printing of a range of metal pieces for use in a variety of industries such as oil and gas, marine and aerospace. Approximately 50% of revenue from contract manufacture was obtained through local customers, with the remainder generated through the South East Asia and the United States of America regions.

Throughout the year, the Company has sought out new customers and markets and developed a pipeline of opportunities which will be built on in FY23.

Financial Results and Position

Revenue for the year was \$2,014,828, an increase of over 200% on the Prior Corresponding Period (PCP). Total revenue for the year, inclusive of R&D tax offset and grants, was \$2,604,349.

EBITDA was a loss of \$4,158,702 (PCP: \$5,108,666). Overhead expenses of \$5,322,291 were \$673,655 lower on PCP with the Company continuing to invest in activities in accordance with its business plan. Director and employee benefits were down \$1,323,559 on PCP through aligning staff headcount with current and expected medium term demand, with research and development up \$831,667 contributing to the enhancement of existing and new technologies.

Having established the Adelaide facility during the prior financial year, depreciation and amortisation was \$721,119, up \$311,974 on PCP. The resulting net loss after tax was \$4,897,028 (PCP: \$5,515,272) with carried forward tax losses not brought to account.

At the end of the financial year, the Company had \$2,933,482 in cash and cash equivalents on hand. \$3,802,503 of cash was used in operating activities during the financial year, down \$2,351,554 on cash consumed during the PCP.

Use of IPO funds

In the period from admission to ASX on 16 April 2020 and commencement of quotation of securities on ASX on 20 April 2020 until 30 June 2022, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with the Company's business objectives, as outlined in the prospectus dated 10 February 2020.

Business Strategies and Prospects

The Company plans to build on the successes achieved in FY22. The main areas of focus in FY23 will be to:

- Pursue global business opportunities, focusing initially on creating customer and industry partnerships in high margin sectors such as oil and gas, marine and defence;

- Build ARCEMY® modules for customers looking to establish in-house 3D printing capability;
- Grow recurring revenue through annual software licensing, service and maintenance agreements and sale of wire feedstock;
- Continue with our research and development activities to refine and broaden our range of products and processes, further developing our environmental sustainability credentials by reviewing options for use of renewable energy and lowering energy inputs with the aim of reducing the carbon footprint of the WAM® process; and
- Build the global profile of AML3D and its products through collaborations with learning institutions and key industry players. The Company will establish a Technology Advisory Group with participation from leading technical institutions, reviewing and advising on current, future trends and developments in 3D metal printing globally.

AML3D currently has the only diversified large-scale WAM® metal fabrication facility in the Southern Hemisphere that can produce finished parts and components to a certified standard under an accredited Quality Management System. With the granting of Australian Patent 2019251514, this protection validates the Company's market leadership in advanced 3D printing solutions and opens up new markets for our technology. These are the advantage that the Company will look to leverage.

Material Business Risks

There are a number of material business risks which could affect the Company's ability to achieve its business strategies as follows.

Market Acceptance of New Technology

AML3D has commercialised its WAM® technology and has established a number of important relationships and research collaborations. However, there can be no assurances that the market will accept the WAM® technology, given that it is challenging traditional and well-tried processes such as machining, casting and forging. WAM® is a disruptive technology in traditional manufacturing industries where many potential users of WAM® have existing sunk investments in existing processes.

Wire arc additive manufacturing is a new technology in a relatively young industry of 3D metal printing. Widespread awareness-raising of the advantages and value proposition associated with the Company's WAM® technology will be required to lift the profile of the technology and educate the market.

Customer Conversion

At present, the Company is at a paid trial stage with a number of potential contract manufacturing clients. There can be no guarantee that any of these paid trial customers will convert into regular customer contracts. Although the Company's client base is expected to diversify as a result of the expansion of the Company's revenue streams, the Company will initially be substantially reliant on a select number of clients. The loss of any of these clients

may have a negative impact on the Company's revenues and profits unless they can be replaced with new clients.

The Company's future activities are specifically designed around further business development activities in order to grow the client base in Australia, Singapore, and other markets.

Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management, technical experts and its Directors. In particular, the technology and the development of the ARCEMY® 3D printing modules is largely due to the experience of the Managing Director. The Company has reduced this risk by the appointment of additional technical staff.

Access to Raw Materials

The Company requires access to markets for its raw materials including titanium alloys, nickel alloys, stainless steel, aluminium alloys and bronze alloys in order to manufacture components. If the Company is unable to secure these materials, this would likely have a material adverse effect on the business and financial performance of the Company.

Accreditation

The growth of AML3D contract manufacturing services is dependent on retaining Lloyd's Register and ISO 9001 accreditation for the certification of parts produced for its customers. The loss of these accreditations would significantly impact the demand for AML3D's contract manufacturing services.

Climate Change Risk

The Board is not aware of any current material exposure to risks brought about, or likely to be brought about, by climate change.

Research & Development and Technical Risk

The Company's products and technology are the subject of continuous research and development which will likely need to be developed further in order to enable the Company to remain competitive, increase sales and improve the scalability of products and technology. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure

to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or time frames accurately will adversely affect the Company's results.

Intellectual Property

The Company has been granted Australian Patent 2019251514, along with patents in South Korea and New Zealand, which provides coverage over the method and apparatus for manufacturing 3D metal parts. Despite the granting of the patent, it may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products.

Data Loss and Cyber Security

The Company is reliant on the security of its network environment, vendor environments and websites. Breaches of security including hacking, denial of service attacks, malicious software use, internal Intellectual Property theft, data theft or other external or internal security threats could put the integrity and privacy of customers' data and business systems used by the Company at risk which could impact technology operations and ultimately customer satisfaction with the Company's products and services, leading to lost customers and revenue.

The Company has implemented a Cyber Security system and will continue to monitor its effectiveness.

Pandemic

To the date of this report, the Company's operations have been directly adversely impacted by COVID-19.

Uncertainty remains as to the scope and length of the pandemic has, and the impact of restrictions that will be imposed to combat the pandemic. The pandemic may result in the loss of or further delay in sales to customers and potential customers. It may also impact access to equipment and supplies, delaying the delivery of products to customers. The Company is actively monitoring risks associated with COVID-19 and implementing risk management measures to mitigate against potential impacts.

Environmental and Sustainability Risk

The Board is not aware of any material exposure to economic, environmental or social sustainability risks to which the Company may be subject.

Risk Management

The Board determines the Company's risk profile and is responsible for establishing, overseeing and approving the Company's risk management framework, strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee the responsibility for overseeing the risk management system. The Company's risk management policy sets out the requirements for the Company's risk management framework, the process for identification and management of risks and regular reviews.

Sustainability

AML3D is committed to developing and maintaining sustainable and environmentally conscious operations. One of the benefits of AML3D's manufacturing process is that it generates considerably less waste material than traditional casting and machining processes. Additive Manufacturing, with wire feedstock, has also been shown to have a lower carbon foot-print and use less energy when compared to conventional manufacturing processes.

Environmental Regulation

The Group's activities are subject to general environmental laws and regulations relating to manufacturing operations, in particular for the disposal and storage of scrap and hazardous materials. No breaches of environmental regulation occurred during the financial year and to the date of this report.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Significant Events after the Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than:

- i. On 20 July 2022, the Company issued 37,605,038 ordinary shares at \$0.0714 per share via a private placement to provide additional working capital.

- ii. To the date of signing this report, the Company's operations have been directly adversely impacted by COVID-19. Uncertainty remains as to the scope and length of the pandemic and the impact of restrictions that will be imposed to combat the pandemic. The pandemic may result in the loss of or further delay in sales to customers and potential customers. It may also impact access to equipment and supplies, delaying the delivery of products to customers. The Company is actively monitoring risks associated with COVID-19 and implementing risk management measures to mitigate against potential impacts.

Dividends

No dividends were declared or paid during the year.

Corporate Governance

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operations, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Company's Corporate Governance Plan, including key policies, is available on the Company's website at www.aml3d.com

Directors' Meetings

During the financial year, 29 meetings of Directors, including Committees of Directors, were held. Attendances by each Director during the year were as follows:

Directors	Board Meetings		Audit and Risk Committee Meetings	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Sean Ebert	18	18	8	8
Andrew Sales	18	18	-	-
Leonard Piro	18	18	11	11
Stephen Gerlach	5	5	3	3
Kevin Reid	5	5	4	4

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate, including securities held directly, indirectly or by related parties, as at the date of this report:

Director	Fully paid ordinary shares	Share Options
Sean Ebert	1,024,999	2,000,000
Andrew Sales	36,809,850	-
Leonard Piro	850,000	2,000,000

Further details of Directors' security holdings, including the numbers subject to escrow restrictions, are provided in the Remuneration Report commencing on page 12.

Directors' and Senior Executives' Remuneration

Details of the Company's remuneration policies and the nature and amount of the remuneration for the Directors and senior management (including shares, options and rights granted during the financial year) are set out in the Remuneration Report commencing on page 12 and in Notes 9 and 10 to the financial statements.

Remuneration Report (audited)

The Directors of the Company present this Remuneration Report for the Group for the year ended 30 June 2022. The information provided in this Report has been audited as required by s308(3C) of the Corporations Act 2001 (Cth) (Corporations Act) and forms part of the Director's Report.

The Remuneration Report outlines the Company's key remuneration activities during the financial year ended 30 June 2022 and remuneration information pertaining to the Company's Directors and senior management personnel who are the Key Management Personnel (KMP) of the Group for the purpose of the Corporations Act and Accounting Standards. These are the personnel who have authority and responsibility for planning, directing and controlling the activities of the Company.

The report is structured as follows:

1. Remuneration Governance
2. Directors and Key Management Personnel (KMP)
3. Remuneration Policy
4. Remuneration Components
5. Relationship between Remuneration and Group Performance
6. Details of Directors' and KMP Remuneration
7. Key Terms of Employment Contracts
8. Terms and Conditions of Share-based Payment Arrangements
9. Directors' and KMP Equity Holdings
10. Other Transactions with Directors and KMP

1. Remuneration Governance

Consistent with the Board's Charter, the Board has taken the decision that at this early stage of the Company's growth a separate Remuneration and Nomination Committee is not warranted. Accordingly, the Board as a whole carries out the functions of the Remuneration and Nomination Committee, as described in the Committee Charter. Where appropriate, this is undertaken by Non-executive Directors only, without the presence or participation of any Executive Director.

Functions

The Board reviews any matters of significance affecting the remuneration of the Board and employees of the Company.

The primary remuneration purpose of the Board is to fulfil its responsibilities to shareholders, including by:

- a. Ensuring that the approach to executive remuneration demonstrates a clear relationship between key executive performance and remuneration;
- b. Fairly and responsibly rewarding executives, having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- c. Reviewing the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- d. Reviewing and approving any equity-based plans and other incentive schemes;
- e. Clearly distinguishing the structure of Non-executive Director (NED) remuneration from that of executive directors and senior executives, and recommending NED remuneration to the Board;
- f. Arranging the performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis; and
- g. Overseeing the annual remuneration and performance evaluation of the senior executive team.

The Board has adopted protocols for engaging and seeking advice from independent remuneration consultants.

Further information about remuneration structures and the relationship between remuneration policy and company performance is set out below.

The Board Charter and the Remuneration and Nomination Committee Charter, which outline the terms of reference under which the Committee operates, are available in the Corporate Governance Plan at www.aml3d.com/investors.

2. Directors and Key Management Personnel (KMP)

The directors and KMP of the Group during the year were:

	Period of Responsibility in FY22	Position
Non-executives		
Sean Ebert	Full year. Appointed as Chairman 18 November 2021	Independent Non-executive Chairman
Leonard Piro	Full year	Independent Non-executive Director
Stephen Gerlach	To 18 November 2021	Independent Non-executive Chairman
Kevin Reid	To 18 November 2021	Independent Non-executive Director
Executives		
Andrew Sales	Full year	Managing Director, Chief Executive Officer (CEO)
Hamish McEwin	Full year	Chief Financial Officer (CFO)

3. Remuneration Policy

The Company's remuneration framework for Directors and senior executives has been designed to remunerate fairly and responsibly, balancing the need to attract and retain key personnel with a prudent approach to management of costs.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

Non-Executive Director Remuneration

The Board aims to remunerate each Non-executive Director (NED) for their time, commitment and responsibilities at market rates for comparable companies. The Board determines and reviews the level of fees payable to Non-executive Directors annually, based on market practice, duties and accountability and subject to the maximum aggregate amount per annum as approved by shareholders. Fees for Non-executive Directors are not linked to the performance of the Group, other than participation in share options (refer to section 8 for share option plans).

The Board approves a letter of appointment setting out the key terms and conditions of appointment for each Non-executive Director. Non-executive Directors receive statutory superannuation guarantee payments and do not receive any other retirement benefits.

Executive Remuneration

The Board reviews the executive structure and framework on an annual basis to ensure that the remuneration framework remains aligned to business needs. The Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent; and
- Aligned to the Company's strategic and business objectives and the creation of shareholder value.

4. Remuneration Components

Non-Executive Directors

Non-executive Directors receive a fixed fee for their participation on the Board. No additional fee is paid for service on Board sub-committees. Directors do not receive performance-based incentives but they are eligible, subject to shareholder approval, for the grant of options that do not include performance-based vesting criteria.

Non-Executive Director fees are determined by the Board within an aggregate fee pool limit as approved by shareholders. The current aggregate fee pool, as set out in the Constitution in Rule 14.8 detailing initial fees to Directors, is \$400,000.

In addition, Directors are eligible to participate in the Concessional Incentive Option Plan and the Performance Rights and Option Plan, subject to approval by shareholders.

Executives

Executive remuneration comprises fixed remuneration (salary) and may include short-term and long-term incentive plan components. These are set with reference to the Company's performance and the market. Fixed remuneration, which reflects the individual's role and responsibility as well as their experience and skills, includes base pay and statutory superannuation. Remuneration at risk may be provided through short-term and long-term incentive plan components, linked to performance measured against operational and financial targets set by the Company, designed to achieve operational and strategic targets for the sustainable growth of the Company and long-term shareholder value. No short-term or long-term incentive elements were implemented for KMP in the financial year ended 30 June 2022 or to the date of this report. The Board will review the remuneration framework during the coming year.

5. Relationship between Remuneration and Group Performance

The Board aims to align executive remuneration to the Company's strategic and business objectives and the creation of shareholder wealth. The table below sets out key metrics in respect of the Group's performance over the past five years. The remuneration framework is designed to take account of a suitable level for the

fixed remuneration in the context of balancing the requirements of a rapidly growing and newly ASX-listed company and focussing on strategic and business objectives to ensure shareholder value. There are currently no short-term or long-term incentives on foot.

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Cash and cash equivalents	2,933,482	7,200,707	8,227,986	1,158,109	404,136
Net assets/equity	6,631,120	11,528,148	9,712,920	(113,666)	480,145
Revenue	2,014,828	644,486	288,516	36,057	4,065
EBITDA	(4,158,702)	(5,108,666)	(3,008,192)	(595,966)	(26,298)
Loss from ordinary activities after income tax expense	(4,897,029)	(5,515,272)	(3,094,021)	(680,836)	(50,301)
No of issued shares	150,458,386	150,458,386	132,366,163	12,320,250	11,782,750
Basic earnings per share (cents) ²	(3.3)	(3.8)	(3.8)	(1.3)	(0)
Diluted earnings per share (cents) ²	(3.3)	(3.8)	(3.8)	(1.3)	(0)
Share price at start of year (cents) ¹	0.205	0.155	0.20	N/A	N/A
Share price at end of year (cents)	0.052	0.205	0.155	N/A	N/A
Market capitalisation (Undiluted)	7,823,836	30,843,969	20,516,755	N/A	N/A
Interim and final dividend (cents)	N/A	N/A	N/A	N/A	N/A

1. The Company was incorporated in 2014 as a proprietary company and was changed to an unlisted public company on 5 December 2019. Share price at start of FY20 is shown as at commencement of ASX quotation on 20 April 2020 following admission to the official list of ASX on 16 April 2020, based on the value of shares taken up pursuant to the prospectus.

2. Basic earnings per share and diluted earnings per share have been retrospectively restated to account for a capital restructure of shares. A capital reconstruction was undertaken on 29 July 2019 and 4.2348 shares were issued for every 1 share. The number of shares issued in the previous financial periods have been multiplied by 4.2348 for the purpose of EPS calculation.



6. Directors' and KMP Remuneration

Remuneration for the financial year ended 30 June 2022

	Short-term employee benefits				Post-employment	Share-based payments						
	Salary & Fees	Short-term incentive	Annual leave	Long Service Leave	Super-annuation	Shares	Options	Total share-based payments	Termination	Other long-term benefits	Total	Total 'at risk'
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive Directors												
Sean Ebert¹	51,667	-	-	-	5,167	-	-	-	-	-	56,834	-
Leonard Piro	40,000	-	-	-	4,000	-	-	-	-	-	44,000	-
Stephen Gerlach²	25,000	-	-	-	2,500	-	-	-	-	-	27,500	-
Kevin Reid³	16,667	-	-	-	1,667	-	-	-	-	-	18,334	-
Subtotal	133,334	-	-	-	13,334	-	-	-	-	-	146,668	-
Executives												
Andrew Sales	220,042	-	(7,714)	24,739	21,900	-	-	-	-	-	258,967	-
Hamish McEwin	228,311	-	7,465	-	22,831	-	-	-	-	-	258,607	-
Subtotal	448,353	-	(249)	24,739	44,731	-	-	-	-	-	517,574	-
TOTAL	581,687	-	(249)	24,739	58,065	-	-	-	-	-	664,242	-

1. Appointed as Chairman 18 November 2021.

2. Resigned 18 November 2021.

3. Resigned 18 November 2021

Remuneration for the financial year ended 30 June 2021

	Short-term employee benefits				Post-employment	Share-based payments						
	Salary & Fees	Short-term incentive	Annual leave	Other	Super-annuation	Shares	Options ¹	Total share-based payments	Termination	Other long-term benefits	Total	Total 'at risk'
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive Directors¹												
Stephen Gerlach	60,000	-	-	-	5,700	-	-	-	-	-	65,700	-
Sean Ebert¹	178,335	-	-	-	3,800	-	-	-	-	-	182,135	-
Leonard Piro	40,000	-	-	-	3,800	-	-	-	-	-	43,800	-
Kevin Reid	40,000	-	-	-	3,800	-	-	-	-	-	43,800	-
Subtotal	318,335	-	-	-	17,100	-	-	-	-	-	335,435	-
Executives¹												
Andrew Sales	219,278	-	19,766	-	20,831	-	-	-	-	-	259,875	-
Hamish McEwin²	75,518	-	1,418	-	7,174	-	-	-	-	-	84,110	-
Benjamin Hodgson³	164,626	-	-	-	-	-	-	-	-	-	164,626	-
Karsten Bartnicki⁴	118,385	-	-	-	11,035	-	-	-	-	-	129,420	-
Subtotal	577,807	-	21,184	-	39,040	-	-	-	-	-	638,031	-
TOTAL	896,142	-	21,184	-	56,140	-	-	-	-	-	973,466	-

1. Salary and fee remuneration for Sean Ebert comprised Non-executive Director fees of \$40,000 as well as \$138,335 (ex GST) paid to his controlled entity, Ebert Industries Pty Ltd, for consultancy services and his services as an Executive Director.

2. Appointed 1 March 2021.

3. Services were provided by Benjamin Hodgson through his controlled entity, Philhodge Business Services Pty Ltd. This agreement was terminated 1 March 2021.

4. Appointed 18 January 2021. Resigned 26 May 2021.



7. Key Terms of Employment Contracts

Non-Executive Directors

The Company has entered into Non-Executive Director letters of appointment with each of Stephen Gerlach, Leonard Piro, Kevin Reid and Sean Ebert (Letters of Appointment). Each of the Letters of Appointment provide that amongst other things, in consideration for their services, the Company will pay the following fees, exclusive of statutory superannuation:

Chairman: \$60,000 per annum

Non-Executive Directors: \$40,000 per annum

Each Non-Executive Director is also entitled to be reimbursed reasonable expenses incurred in performing their duties.

The appointment of the Non-Executive Directors is subject to the provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors. The appointment of a Non-Executive Director will automatically cease at the end of any meeting at which the relevant Director is not re-elected as a Director by shareholders. A Director may terminate their directorship at any time by advising the Board in writing.

The Letters of Appointment otherwise contain terms and conditions that are considered standard for agreements of this nature and are in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Ed).

Executives

Managing Director

The Company has entered into an executive services agreement with Andrew Sales, whereby he was engaged as the Managing Director and Chief Executive Officer (Managing Director) of the Company. Andrew Sales receives a base salary of \$220,000 per annum (exclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse the Managing Director for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. There is no short-term or long-term incentive component to his remuneration.

The termination provisions in the executive services agreement are on standard commercial terms and generally require a minimum period of notice prior to termination. In the event that the Company elects to terminate the executive services agreement without reason, it must pay the Managing Director the salary payable over a six-month period.

Chief Financial Officer

The Company has entered into an executive services agreement with Hamish McEwin, whereby he was engaged as the Chief Financial Officer (CFO) of the Company. Hamish McEwin receives a base salary of \$250,000 per annum (inclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse the CFO for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. There is no short-term or long-term incentive component to his remuneration.

The termination provisions in the executive services agreement are on standard commercial terms and generally require a minimum period of notice prior to termination. In the event that the Company elects to terminate the executive services agreement without reason, it must pay the CFO the salary payable over a three-month period.





8. Terms and Conditions of Share-based Payment Arrangements

No share-based payments were made during the current financial year (2021: Nil).

Concessional Incentive Option Plan

The key terms of the Concessional Incentive Option Plan are as follows:

Eligibility	Employees, contractors or directors (Participants)
Offers	The Board may in its absolute discretion make a written offer to any Participant to apply for options upon the terms set out in the Concessional Incentive Option Plan and upon such additional terms and conditions as the Board determines.
Vesting Conditions	Options may be made subject to vesting conditions. Options will only vest while the Participant remains employed, engaged or is an officer of the Company. Where a Participant becomes a: • Good Leaver, unless the Board in its sole and absolute discretion determines otherwise, unvested options will lapse and vested options that have not been exercised will remain exercisable for a period of three months; • Bad Leaver, unvested options will lapse and subject to the discretion of the Board, vested options that have not been exercised will lapse on the date of cessation of employment, engagement or office of the Participant.
Disposal	Disposal restrictions apply, including either three years after the date of issue of the option or when the option holder ceases to be a Participant.

Details of the Concessional Incentive Option Plan were included in the Company's Prospectus and a copy of the Plan was released to the ASX market announcements platform on 16 April 2020. A copy of the Concessional Incentive Option Plan is available on the Company's website at www.aml3d.com/investors.

Performance Rights and Option Plan

A Performance Rights and Option Plan is also in place to accommodate future long-term remuneration incentives but as at the date of this report no grants of performance rights or options have been made pursuant to this plan. Details of the Performance Rights and Option Plan were included in the Company's Prospectus and a copy of the Plan was released to the ASX market announcements platform on 16 April 2020. A copy of the Performance Rights and Option Plan is available on the Company's website at www.aml3d.com/investors.



9. Directors' and KMP Equity Holdings

Details of the number of ordinary shares held by Directors and KMP in the Company are set out below. This includes shares held directly, indirectly or beneficially by Directors and KMP, including related party holdings.

	Balance at 1 Jul 2021	Purchased	Sold	Other Changes	Balance at 30 Jun 2022
Non-executive Directors					
Sean Ebert	1,024,999	-	-	-	1,024,999
Leonard Piro	850,000	-	-	-	850,000
Stephen Gerlach¹	300,001	-	-	(300,001)	-
Kevin Reid¹	75,001	-	-	(75,001)	-
Executives					
Andrew Sales	40,311,250	-	-	-	40,311,250
TOTAL	42,561,251	-	-	(375,002)	42,186,249

1. Resigned 18 November 2021

Details of the number of options held by Directors and KMP in the Company are set out below. This includes options held directly, indirectly or beneficially by Directors and KMP, including their related parties.

	Balance at 1 July 2021	Granted	Purchased	Options Exercised	Expired/ Lapsed	Other Changes	Balance at 30 June 2022	Vested	Unvested
Non-executive Directors									
Sean Ebert	2,000,000	-	-	-	-	-	2,000,000	2,000,000	-
Leonard Piro	2,000,000	-	-	-	-	-	2,000,000	2,000,000	-
Stephen Gerlach¹	2,500,000	-	-	-	-	(2,500,000)	-	-	-
Kevin Reid¹	500,000	-	-	-	-	(500,000)	-	-	-
TOTAL	7,000,000	-	-	-	-	(3,000,000)	4,000,000	4,000,000	-

1. Resigned 18 November 2021

Terms of the options granted to Directors are provided in section 8 of this report, above.

10. Other Transactions with Directors and KMP

There have been no transactions with Directors and KMP other than those described in this Remuneration Report.

Related Party Transactions

Details of transactions with related parties including KMP are provided at Note 26 to the financial statements.

-- End of Remuneration Report --

Options and Share Rights

Holders of options and share rights do not have any rights to participate in any issue of shares or other interests of the Company or any other entity.

During the financial year ended 30 June 2022, no options were issued (2021: nil). No shares were issued on the exercise of options during the financial year ended 30 June 2022 (2021: 2,536,666).

No share rights were issued during the financial year ended 30 June 2022 (2021: Nil).

As at the date of this report, the unissued ordinary shares of the Company under option are as follows.

Grant date	Expiry Date	Exercise Price	Number of Options
30 July 2019	30 July 2023	\$0.30	2,000,000
4 December 2019	4 December 2024	\$0.30	7,500,000*
Total			9,500,000

** Comprises 4,000,000 options issued to Directors, 3,000,000 options issued to former Directors and 500,000 options issued to the Company Secretary*

There have been no options or share rights granted over unissued shares or interests of the controlled entity within the Group during or since the reporting period.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

Indemnification and Insurance of Officers or Auditor

During the financial year, in accordance with the provisions of the Company's Constitution, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive Officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001 (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

In accordance with the Constitution, the Company has entered into Deeds of Indemnity in favour of each of the current Directors and Company Secretary. The indemnities operate to the full extent permitted by law. The Company is not aware of any liability having arisen, and no claims have been made during or since the financial year ending 30 June 2022 under the Deeds of Indemnity.

The Company's subsidiary, AML Technologies (Asia) Pte Limited has provided a letter of indemnity to its Company Secretary.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-Audit Services

The Board is satisfied that the provision of non-audit services by its auditor, William Buck, during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the non-audit services provided by the auditors during the year did not compromise the external auditor's independence. The fees paid or payable to William Buck for non-audit services are set out in Note 11 of the financial report. The non-audit services provided were tax compliance services.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 23, of this annual report.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors



Sean Ebert
Chairman

30 August 2022

Auditor Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AML3D LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 30th day of August, 2022 in Adelaide, South Australia.

AML3D Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AML3D Limited (the Company) and its subsidiary (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	
Research and development expenditure - existence and valuation. Refer also to notes 3(i) and 12.	How our audit addressed it
The Group incurs significant amounts of research and development costs each year. In 2022 these costs amounted to \$1,559,617. Each year the Group makes an assessment as to the amount it expects to claim from the Australian Government by the way of a Research & Development Tax Offset Refund. At 30 June 2022 the amount disclosed as a current trade and other receivable in relation to the refund is \$462,374. Overall due to the high level of judgement involved, and the significant carrying amount involved, we have determined that this is a key audit matter area that our audit concentrated on.	Our audit procedures included: – A detailed evaluation of the Group's research and development strategy; – Testing the costs incurred; – Engaging our own taxation specialists to consider the appropriateness of the Group's substantiation for the claim; – Reviewing the historical accuracy by comparing actual Tax offset refunds with the original estimations. We assessed the adequacy of the Group's disclosures in respect of the transactions.
KEY AUDIT MATTER	
Revenue recognition. Refer also to notes 2(j) and 6.	How our audit addressed it
The Group derives income from the following: - Sale of the ARCEMY 3D printing module - Contract manufacturing for customers using owned ARCEMY 3D printing modules - Contract service or technical support for customers using owned ARCEMY 3D printing modules Each revenue stream requires a bespoke revenue recognition model to ensure that revenue is only recognised — When a performance milestone is achieved; and — It can reliably be measured; The application of <i>AASB 15 Revenue from Contracts with Customers</i> can require judgement, thus we considered this area to be a key audit matter.	Our audit procedures included: — determining whether revenue recognised is in accordance with the Group's accounting policies; — Identifying and verifying the achievement of performance milestones and recognition of revenue relative to that achievement; — Examining the existence of revenue by testing both the contract and subsequent receipt of invoicing of the revenue to the customer; — Substantively testing revenue cut-off and the income in advance balance to ensure revenue has been recognised in the correct period. We also assessed the appropriateness of disclosures attached to revenues as required by Accounting Standard <i>AASB 15 Revenue from Contracts with Customers</i>.

KEY AUDIT MATTER	
Liquidity and capital management Refer also to note 2(r).	How our audit addressed it
To support the basis of preparation of the financial statements, the Group has prepared a forecast of its cash flows, which includes a number of significant assumptions about sales and production and estimates of cash outflows. The Group has incurred significant losses in the current and prior financial year. We also noted a significant decline in the net current asset position of the Group as at 30 June 2022. As a result, our assessment of liquidity and capital management as it relates to the basis of preparation of the financial statements is considered a key audit matter. We note that subsequent to 30 June 2022, the Group successfully raised \$2.85 million from a private capital initiative. This has been factored into the Group's cash flow forecast and consideration on going concern.	We assessed the main assumptions in the Group's cash flow forecast for at least 12 months from the date of signing the auditor's report, by performing the following procedures, amongst others: — Evaluating the assumptions used in management's cash flow forecasts; — Compared actual revenue and cost outcomes for the prior period and the current year to date to Group forecasts; — Ensuring that all committed capital purchases and future capital raising initiatives are taken into consideration. We evaluated the Group's potential opportunities for cash conservation as well as options for raising additional funds. We also considered the appropriateness of the liquidity risk disclosures included within the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 22 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of AML3D Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 30th day of August, 2022 in Adelaide, South Australia.

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Consolidated Statement of Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	6	2,014,828	644,486
Cost of goods sold		(1,478,626)	(357,144)
Gross profit		536,202	287,342
R&D Tax Offset		565,425	416,521
Government grants		24,096	183,417
Gain on disposal of property, plant and equipment		37,865	-
Interest received		6,972	20,350
Depreciation and amortisation	7	(721,119)	(409,145)
Director and employee benefits		(1,792,048)	(3,115,607)
Interest expense		(24,179)	(17,811)
Marketing expenses		(148,176)	(163,178)
Occupancy costs		(126,884)	(197,480)
Professional fees expense		(873,541)	(837,685)
Research and development		(1,559,617)	(727,950)
Workshop expenses		(207,882)	(344,216)
Equity settled share based payments	10	-	-
Other expenses		(614,142)	(609,830)
Loss before income tax expense	7	(4,897,028)	(5,515,272)
Income tax	8	-	-
Loss after tax attributable to the owners of the Company		(4,897,028)	(5,515,272)
Other comprehensive (loss) net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the Company		(4,897,028)	(5,515,272)
Basic and diluted loss per share (cents)	25	(3.3)	(3.8)

The Consolidated Statement of Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	30(a)	2,933,482	7,200,707
Trade and other receivables	12	771,534	522,857
Inventory	13	905,985	2,031,657
Other financial assets	14	56,000	56,000
Other assets	15	221,404	224,484
TOTAL CURRENT ASSETS		4,888,405	10,035,705
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,575,201	2,770,639
Right of use assets	17	347,836	537,556
Intangible assets	18	47,479	62,151
TOTAL NON-CURRENT ASSETS		2,970,516	3,370,346
TOTAL ASSETS		7,858,921	13,406,051
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	510,239	777,339
Contract liabilities	20	5,624	451,028
Borrowings	35	189,062	-
Lease liabilities	21	175,025	178,803
Employee benefits	22	128,907	109,626
TOTAL CURRENT LIABILITIES		1,008,857	1,516,796
NON-CURRENT LIABILITIES			
Lease Liabilities	21	185,818	361,107
Employee benefits	22	33,126	-
TOTAL NON-CURRENT LIABILITIES		218,994	361,107
TOTAL LIABILITIES		1,227,801	1,877,903
NET ASSETS		6,631,120	11,528,148
EQUITY			
Issued capital	23(a)	20,641,272	20,641,272
Accumulated losses	24	(14,683,117)	(9,786,089)
Reserves	23(d)	672,965	672,965
TOTAL EQUITY		6,631,120	11,528,148

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital \$	Share Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2020	13,310,772	672,965	(4,270,817)	9,7132,920
Loss after income tax expense for the year	-	-	(5,515,272)	(5,515,272)
Shares issued during the year, net of transaction costs	6,569,500	-	-	6,569,500
Share options issued	761,000	-	-	761,000
Balance at 30 June 2021	20,641,272	672,965	(9,786,089)	11,528,148
Balance at 1 July 2021	20,641,272	672,965	(9,786,089)	11,528,148
Loss after income tax expense for the year	-	-	(4,897,028)	(4,897,028)
Shares issued during the year, net of transaction costs	-	-	-	-
Options exercised during the year	-	-	-	-
Balance at 30 June 2022	20,641,272	672,965	(14,683,117)	6,631,120

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,453,591	1,248,336
Receipts from Government grants		29,049	546,726
Receipts from R&D tax incentive		512,850	565,261
Payments to suppliers and employees		(5,779,930)	(8,519,717)
Interest received		6,117	23,148
Finance costs		(24,179)	(17,811)
Net cash (used in) operating activities	30(b)	(3,802,503)	(6,154,057)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment		58,500	-
Payments for intangible assets		(9,315)	(32,471)
Payment for financial assets		-	(20,000)
Purchase of plant and equipment		(321,207)	(1,980,928)
Net cash (used in) investing activities		(272,022)	(2,033,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issues of shares, net of costs		10,000	7,289,100
Repayment of borrowings		(23,633)	-
Repayment of lease liabilities		(179,067)	(128,923)
Net cash (used in) provided by financing activities		(192,700)	7,160,177
Net (decrease) in cash and cash equivalents held		(4,267,225)	(1,027,279)
Cash and cash equivalents at the beginning of year		7,200,707	8,227,986
Cash and cash equivalents at end of financial year	30(a)	2,933,482	7,200,707

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Notes to the Financial Statements

For the year ended 30 June 2022

1. General Information

AML3D Limited (AML3D or the Company) is a limited liability company incorporated in Australia, whose shares are listed on the ASX.

The financial statements were authorised for issue by the directors on 30 August 2022. The Directors have the power to amend and reissue the financial statements.

The financial statements comprise the consolidated financial statements of the Company and its controlled entity (the Group). The principle accounting policies adopted in the preparation of these consolidated financial statements are set out below or included in the accompanying notes. Unless otherwise stated, these policies have been consistently applied to all the years presented.

2. Statement of Significant Accounting Policies

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). The Company is a for profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of AML3D comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on an accruals basis, except for cashflow information and are based on historical costs, except for the circumstances where the fair value method has been applied as detailed in these accounting policies.

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Comparatives are consistent with prior years, unless otherwise stated.

b. Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Subsidiaries

Subsidiaries are entities controlled by the Group. A list of subsidiaries is provided in Note 5.

ii. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c. Taxation

i. Income Tax

The income tax expense/(income) of the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense/(income) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liabilities during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future tax amounts will be available to utilise those temporary differences and losses.

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

ii. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred

is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows included in cash inflows from operations or payments to suppliers and employees.

d. Plant and Equipment

i. Recognition and Measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not more than the recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

ii. Subsequent Costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

iii. Depreciation

Depreciation is charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness. The straight-line depreciation rates used for the current period are as follows:

Class of fixed asset	Depreciation rate (%)
Office and Computer equipment	20 - 33
Plant and Equipment	10 - 20
Motor Vehicles	22.5
Leasehold improvements	Over the term of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in the Statement of Profit or Loss and Other Comprehensive Income.

e. Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy 2(c)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and asset groups. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated to the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

f. Financial Instruments

i. Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual

provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price. Trade receivables do not contain a significant financing component.

ii. Classification and Subsequent Measurement Financial Liabilities

A financial liability is measured at fair value through profit and loss if the financial liability is:

- A contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- Held for trading; or
- Initially designated as “at fair value through profit or loss”.

All other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred

or liabilities assumed, is recognised in the Statement of Profit or Loss, and other comprehensive income.

Other Financial Assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- The financial asset is managed solely to collect contractual cash flows; and
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified; and
- The business model for managing the financial assets comprises both contractual cash flows' collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the Statement of financial position.

Trade and Other Receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Collectability of trade and other receivables are reviewed on an ongoing basis.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

iii. Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- Financial assets measured at amortised cost
- Debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Impairment of trade receivables is determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected losses.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

iv. Finance Income and Expenses

Finance income comprises interest income on

fundsinvested, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

g. Employee Benefits

i. Short-term Employee Benefits

Provision for employee benefits for wages, salaries, annual leave and long service leave that are expected to be settled wholly within 12 months of the reporting date represent obligations resulting from the employee's services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related payroll on-costs, such as worker's compensation insurance and payroll tax.

ii. Other Long-Term Employee Benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value. The discount rate applied is determined by reference to market yields on high quality corporate bonds at the reporting date that have maturity dates approximating the terms of the Group's obligations.

iii. Retirement benefit Obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

iv. Equity-settled Compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

h. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amount required to settle the obligation at the end of the reporting period.

i. Leases

The Group as Lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short term leases (i.e. a lease with a remaining lease term of 12-months or less) and leases of low value assets are recognised as an operating expense on a straight line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right of use assets are recognised at an amount equal to the lease liability at the initial date of application, adjusted for previously recognised prepaid or accrued lease payments. The subsequent measurement of the right of use asset is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of an underlying asset or the cost of the right of use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

j. Revenue and Other Income

i. Revenue from Contracts with Customers

The core principle of AASB 15: Revenue from Contracts with Customers is that revenue is recognised on a basis that reflects the transfer of promised goods or service to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step process outlined in AASB 15 which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations;

Step 5: Recognise revenue as the performance obligations are satisfied.

Following the adoption of AASB 15 the Group's revenue recognition accounting policy is that:

The Group derives revenue from the sale of 3D printed metal structures and the sale or right to use of 3D metal printing machines. Revenue from the sale of manufactured metal structures and sale of 3D metal printing machines is recognised upon delivery to the customer. Revenue from right to use 3D metal printing machines is recognised once performance milestones in the contract are satisfied. Broadly, these milestones relate to the delivery of software, training and the machine itself. The customer has the option to make a further payment in order to take ownership of the machine.

ii. Service or Technical Support Contracts

For service or technical support contracts where the services provided are substantially the same, for example maintenance and technical support, which are transferred with the same pattern of consumption over time and whose consideration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the Group provides them, the revenue recognition model is based on the time elapsed output method. Under this method, revenue is recognised on a straight-line basis over the term of the contract.

iii. Grant Revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of GST.

k. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. Currently, the Group comprises one operating segment. Further details of the segment reporting are disclosed in Note 28.

l. Intangible Assets

i. Patents and Trademarks

Costs incurred for patents and trademarks are capitalised and amortised over the life of the patent or trademark. The residual value and useful life are reviewed at each balance date and adjusted if appropriate. Amortisation is calculated on a straight-line basis over periods ranging from one to five years.

ii. Software and Website Development Costs

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and or cost reduction are capitalised. Amortisation is calculated on a straight-line basis over periods ranging from one to three years.

m. Foreign Currency Translation

i. Functional and Presentation Currency

Items included in the financial statement of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is AML3D's functional and presentation currency.

ii. Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement or deferred in equity if the gain or loss relates to a qualifying cash flow hedge.

iii. Foreign Operations

The results and financial position of all the foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b. Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c. All resulting exchange differences are recognised in other comprehensive income.

n. Inventory

Inventories consists of finished goods, work in progress and raw materials which are measured at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure.

o. Earnings per Share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the parent company as the numerator, i.e. no adjustments to loss were necessary in respect of the reported figures, which is divided by the weighted average number of ordinary shares outstanding during the year.

p. Share-based Payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and earnings per share growth targets and performance conditions).

q. Research and Development Expenditure

Research and development costs are expensed in the period in which they are incurred. Development costs are not capitalised as there is uncertainty on whether the costs will provide a future economic benefit to the consolidated group.

r. Going Concern

As at 30 June 2022, the Group had a net asset position of \$6,631,120 (2021: \$11,528,148) and cash and cash equivalents of \$2,933,482 (2021: \$7,200,707). The decrease in net assets from the prior year is the result of the Company continuing with the development of its technology whilst building its customer pipeline.

Subsequent to the end of the financial year, the Group raised \$2,685,000 (before costs) through a placement of 37,605,038 shares.

The Group expects that cash and cash equivalents post capital raise in conjunction with stringent controls over the net cash outflows from operating activities will be sufficient to cover ongoing operations.

Moreover, the directors have proactively sought to improved cash performance via the following initiatives:

- continued focus on expanding revenue; and
- continued focus on cost containment in all areas of business.

As a result of the above matters, the Directors are of the view that the consolidated entity will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The Directors remain confident about the successful achievement of projected targets and therefore no adjustments have been made to these financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

3. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions in preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions differing to actual outcomes. The areas involving significant estimates and assumptions are:

i. Key Estimate – R&D Tax Incentive

Where the Group expects to receive the Australian Government's Research and Development Tax Incentive, the Group accounts for the amount refundable on an accruals basis. In determining the amount of the R&D Tax Offset Incentive at year end, there is an estimation process to determine what expenditure will qualify for the incentive. External advice is sought to provide assurance that the estimates are reasonable.

ii. Key Estimate – Lease Term

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease where the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make. The Group determines the likelihood to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to the future strategy of the entity.

iii. Key Estimate – Share-based Payments

The Group operates equity-settled share-based payment and option schemes. The fair value of the equity to which option holders become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black-Scholes pricing model, which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimates of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to prior period estimate are recognised in profit or loss and equity.

Any changes to the estimation are adjusted in the subsequent financial year.

Fair value of options issued for services from suppliers is determined with reference to the supplier's invoice value.

iv. Key Judgements – Performance obligations relating to revenue recognition under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods and services. In making this assessment, management includes the nature/type,

cost/value, quantity and the period of transfer related to the goods or services promised.

4. New, Revised or Amended Accounting Standards

The Group has adopted all the new, revised or amended Accounting Standards issued by the Australian Accounting Standards Board (AASB) which are effective for the current reporting period with no material impact to the financial statements.

5. Interest in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of incorporation	Percentage Owned	
		2022	2021
AML Technologies (Asia) Pte Ltd	Singapore	100%	100%

6. Revenue

	2022 \$	2021 \$
Revenue from contracts with customers	2,014,828	644,486
Timing of revenue recognition:		
- At a point in time	1,964,828	644,486
- Over time	50,000	-
	2,014,828	644,486

7. Expenses

Loss before income tax has been arrived at after charging the following losses and expenses from continuing operations:

	2022 \$	2021 \$
Depreciation of non-current assets	507,412	285,745
Amortisation of intangible assets	23,987	11,322
Depreciation of right of use assets	189,720	112,078
	721,119	409,145

8. Income Tax

a. Income Tax Expense

	2022 \$	2021 \$
Current tax expense	-	-
Deferred tax expense	-	-
Total tax benefit	-	-

b. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2022 \$	2021 \$
Prima facie tax payable on (loss) from ordinary activities before income tax at 25% (2021: 26%)	(1,394,021)	(1,365,925)
Add tax effect of:		
Permanent Differences	124,426	132,273
Less tax effect of:		
Temporary Differences	(45,423)	49,445
Add: Tax losses not recognised	1,315,017	1,184,207
Income Tax Expense/(Benefit)	-	-

Tax Losses and Unrecognised Temporary Differences

Due to inherent uncertainty surrounding forward forecasts, and therefore the Group's ability to fully utilise tax losses in the future, a deferred tax asset for tax losses and deferred tax assets for temporary differences have only been recognised to the extent that they offset deferred tax liabilities. The tax losses and temporary differences for which no deferred tax assets have been recognised are as follows:

	2022 \$	2021 \$
Available tax losses for which no deferred tax asset is recognised	10,495,245	6,327,398
Potential tax benefit at 25% (2021: 26%)	2,623,811	1,645,123
Net deductible temporary differences for which no deferred tax asset has been recognised	817,919	508,401
Potential tax benefit at 25% (2021: 26%)	204,480	132,184
Income Tax Expense/(Benefit)	-	-

The taxation benefits of utilised tax losses and temporary difference not brought to account will only be obtained if:

- The Group derives assessable income of a nature and an amount sufficient for tax losses and future deductions to be offset against;
- The Group continues to comply with the condition for utilisation of tax losses imposed by law; and
- No change in tax legislation affecting the availability of utilisation losses.

9. Key Management Personnel Disclosures

a. Details of Key Management Personnel

The directors and executives of AML3D Limited during the financial year were:

Names	Appointed	Resigned
Directors		
Andrew Sales (Managing Director)	14 November 2014	-
Sean Ebert (Chairman)	30 August 2019	-
Leonard Piro	30 August 2019	-
Stephen Gerlach	30 August 2019	18 November 2021
Kevin Reid	3 December 2019	18 November 2021
Executives		
Hamish McEwin (Chief Financial Officer)	1 March 2021	-

b. Key Management Personnel Compensation

The aggregate compensation made to Key Management Personnel of the company is set out below:

	2022 \$	2021 \$
Short-term employee benefits	606,177	917,326
Post-employment benefits	58,065	56,140
Share-based payments	-	-
Total	664,242	973,466

The compensation of each member of the Key Management Personnel of the Company is set out in the Remuneration Report.

10. Equity Settled Share-based Payments

No shares or options were issued in satisfaction of services provided by suppliers or Directors during the current financial year (2021: Nil).

11. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity and non-related audit firms:

	2022 \$	2021 \$
a. William Buck Adelaide		
i. Audit and other assurance services		
Audit and review of the financial report	42,850	32,000
ii. Taxation services		
Tax compliance and advisory services	32,275	30,226
b. Fiducia LLP audit fees		
Audit and review of subsidiary financial report	3,168	2,689

12. Trade and Other Receivables

	2022 \$	2021 \$
Trade receivables	316,675	106,573
Less: Allowance for expected credit loss	(9,020)	(26,074)
Sub Total	307,655	80,499
R&D Tax Offset Refund Due	462,374	410,000
Other receivables	1,505	32,358
Total	771,534	522,857

Trade receivables are non-interest bearing and generally on terms of 14-90 days. The receivables at reporting date have been reviewed to determine whether there are any expected credit losses. An allowance for credit loss is included for any receivable where the entire balance is not considered collectible.

Additional information in relation to financial risks concerning or with a potential impact on financial assets and liabilities is disclosed in Note 31 – Financial Risk Management.

13. Inventory

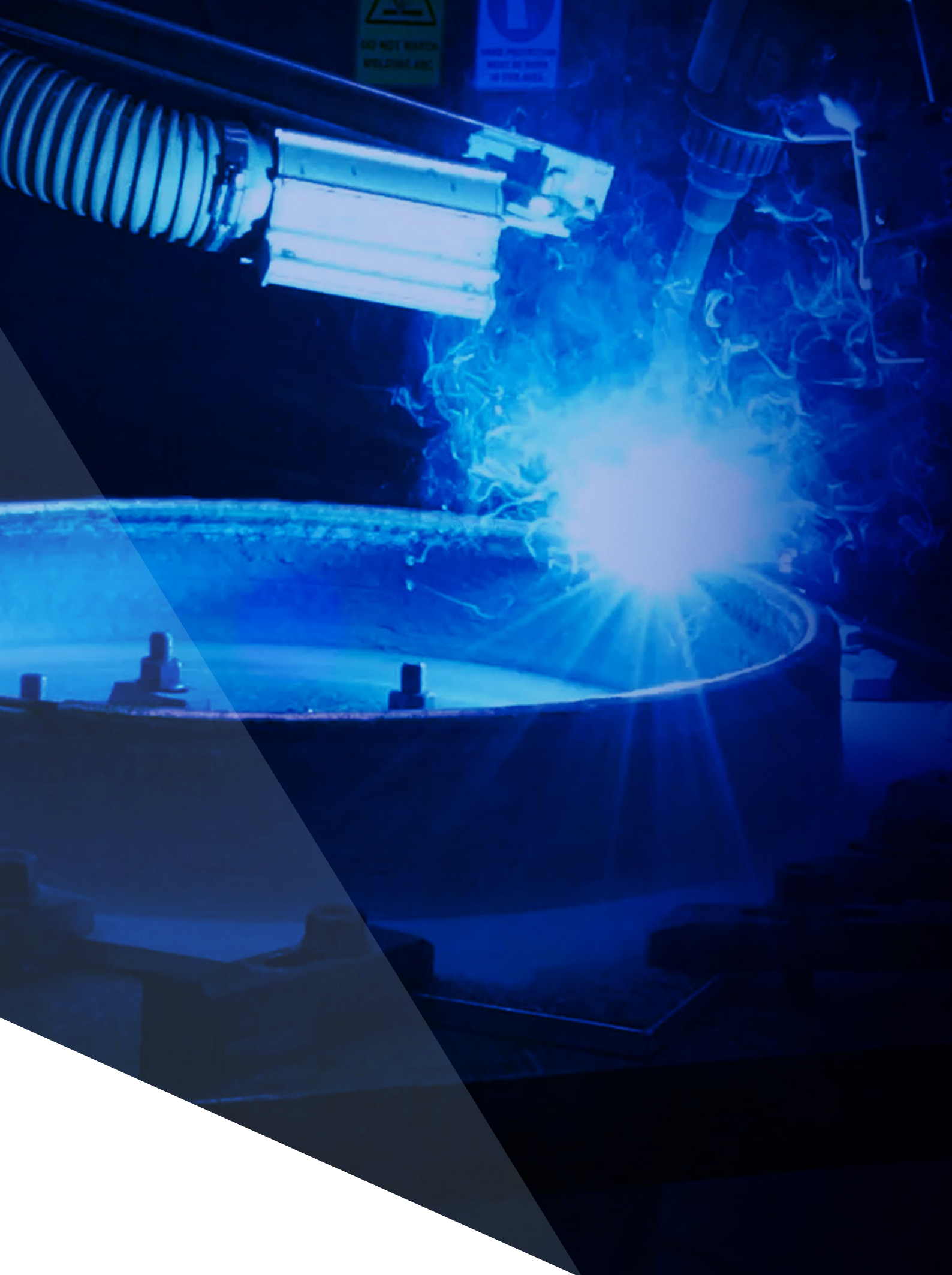
	2022 \$	2021 \$
Finished goods	741,888	1,284,360
Work in progress	28,421	578,223
Raw materials	135,676	169,074
Total	905,985	2,031,657

14. Other Financial Assets

	2022 \$	2021 \$
Term deposit (current)	56,000	56,000
Total	56,000	56,000

15. Other Assets

	2022 \$	2021 \$
Prepayments	221,404	224,484
Total	221,404	224,484



16. Plant and Equipment

Cost	Office and Computer Equipment \$	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance 1 July 2020	36,978	1,109,621	69,674	13,250	1,229,523
Additions	126,845	504,988	50,897	198,191	880,921
Assets under construction	-	1,053,911	-	-	1,053,911
Balance 1 July 2021	163,823	2,668,520	120,571	211,441	3,164,355
Additions	79,532	541,473	57,254	6,225	684,484
Disposals	-	(331,587)	(40,923)	-	(372,510)
Balance at 30 June 2022	243,355	2,878,406	136,902	217,666	3,476,329

Accumulated depreciation and impairment	Office and Computer Equipment \$	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance 1 July 2020	6,527	95,084	6,360	-	107,971
Net depreciation expense	25,198	237,597	18,178	4,772	285,745
Balance 1 July 2021	31,725	332,681	24,538	4,772	393,716
Net depreciation expense	49,256	423,848	5,156	29,152	507,412
Balance at 30 June 2022	80,981	756,529	29,694	33,924	901,128

Net book value					
At 30 June 2021	132,098	2,335,839	96,033	206,669	2,770,639
At 30 June 2022	162,374	2,121,877	107,208	183,742	2,575,201

17. Right of Use Assets

The Group's lease portfolio comprises a single leased building. The lease has an remaining term of one year and ten months.

An option to extend or terminate is contained in the lease agreement. These clauses provide the Group opportunities to manage the lease in order to align with its strategies. All the extension or termination options are only exercisable by the Group. The extension options, which management were reasonably certain to be exercised, have been included in the calculation of the lease liability.

i. AASB 16 related amounts recognised in the statement of financial position:

Right-of-use assets	2022 \$	2021 \$
Leased buildings	584,986	584,986
Accumulated depreciation	(237,150)	(47,430)
Net carrying amount	347,836	537,556

Movement in carrying amounts		
Leased buildings:		
Opening balance	537,556	411,478
Restatement of carrying amount on renegotiation of leas	-	238,156
Depreciation expense for the year ended	(189,720)	(112,078)
Net carrying amount	347,836	537,556



- ii. AASB 16 related amounts recognised in the statement of loss:

	2022 \$	2021 \$
Depreciation charge related to right of use assets	189,720	112,078
Interest expense on lease liabilities	22,929	17,811

18. Intangible Assets

	2022 \$	2021 \$
Patents and Trademarks – at cost	34,550	34,550
– accumulated amortisation	(21,225)	(14,295)
Net carrying value	13,325	20,255
Software – at cost	134,694	125,379
– accumulated amortisation	(100,540)	(83,483)
Net carrying value	34,154	41,896
Website – at cost	16,569	16,569
– accumulated amortisation	(16,569)	(16,569)
Net carrying value	-	-
Total intangibles	47,479	62,151

Reconciliation of movements in Intangible Assets:	2022 \$	2021 \$
Balance at the beginning of the year	62,151	41,002
Additions to intangible assets	9,315	32,471
Amortisation charged to intangible assets	(23,987)	(11,322)
Balance at the end of the year	47,479	62,151

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit and loss and other comprehensive income.

At each reporting date the directors review intangible assets for impairment. No impairment was assessed as necessary in the 2022 financial year (2021: Nil).

19. Trade and Other Payables

	2022 \$	2021 \$
Trade payables	187,025	512,163
Other payables and accrued expenses	323,214	265,176
Total	510,239	777,339

Trade and other payables are unsecured, non-interest bearing and normally settled within 30 days.

20. Contract Liabilities

	2022 \$	2021 \$
Customer deposits	5,624	451,028
Total	5,624	451,028

Contract liabilities represent non-interest bearing customers deposits for which not all contractual performance obligations have been met.

Reconciliation of movements in Contract Liabilities:	2022 \$	2021 \$
Balance at the beginning of the year	451,028	-
Payments received in advance	390,599	631,028
Transfer to revenue - performance obligations satisfied	(836,003)	(180,000)
Balance at the end of the year	5,624	451,028

21. Lease Liabilities

	2022 \$	2021 \$
Lease liability (current)	175,025	178,803
Lease liability (non-current)	185,818	361,107
Total	360,843	539,910

22. Employee Benefits

Current	2022 \$	2021 \$
Annual Leave	128,907	109,626
Total	128,907	109,626

Non-current	2022 \$	2021 \$
Long Service Leave	33,126	-
Total	33,126	-

23. Equity

a. Issued Capital

	2022 \$	2021 \$
150,458,386 fully paid ordinary shares (2021: 150,458,386)	20,641,272	20,641,272

Ordinary shares participate in dividends and the proceeds on winding of the Company in proportion to the number of shares held.

On a show of hands, every holder of ordinary shares present at a meeting or by proxy is entitled to one vote, and on a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

b. Movement in Ordinary Shares:

	2022	
	Number	\$
Balance at beginning of financial year	150,458,386	20,641,272
Balance at end of financial year	150,458,386	20,641,272

	2021	
	Number	\$
Balance at beginning of financial year	132,366,163	13,310,772
Shares issued during the year	15,555,557	7,000,001
Options exercised during the year	2,536,666	761,000
Total shares issued	150,458,386	21,071,773
Costs of the shares issued		(430,501)
Balance at end of financial year	150,458,386	20,641,272

- The Company issued 15,555,557 shares on 12 October 2020 via a private placement at an issue price of \$0.45 per share for a total consideration of \$7,000,001.
- 1,666,666 shares were issued on 28 October 2020 on the exercise options at an exercise price of \$0.30 for a total consideration of \$500,000.
- 370,000 shares were issued on 26 February 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$111,000.

- 333,333 shares were issued on 1 April 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$100,000.
- 66,667 shares were issued on 11 June 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$20,000.
- 50,000 shares were issued on 11 June 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$15,000.
- 16,667 shares were issued on 18 June 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$5,000.
- 33,333 shares were issued on 30 June 2021 on the exercise options at an exercise price of \$0.30 for a total consideration of \$10,000.

c. Capital Management

Management controls the capital of the Company in order to generate long-term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company is subject to externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the issue of the prospectus.

d. Reserves

The Group's reserves comprise a share-based payments reserve. A summary of the movements in the reserve is as follows:

Current	2022 \$	2021 \$
Balance at beginning of financial year	672,965	672,965
Share-based payment expense - Options issued	-	-
Balance end of financial year	672,965	672,965

The reserve records the value of share-based payments provided.

The following table details the tranches of options outstanding as at 30 June 2022.

Number of Options	Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Fair value at Grant Date	Value \$
2,000,000	30 July 2019	30 July 2023	\$0.10	\$0.30	\$0.02	49,474
7,500,000	4 December 2019	4 December 2024	\$0.15	\$0.30	\$0.06	451,408
9,500,000						500,882

e. Movement in Options on Issue

	2022 Number of Options	2021 Number of Options
Balance at beginning of financial year	9,500,000	17,166,179
Options exercised	-	(2,536,666)
Options lapsed	-	(5,129,513)
Balance at end of financial year	9,500,000	9,500,000

24. Accumulated Losses

	2022 \$	2021 \$
Balance at beginning of financial year	(9,786,089)	(4,270,817)
Loss attributable to members of the entity	(4,897,028)	(5,515,272)
Balance at end of financial year	(14,683,117)	(9,786,089)

25. Loss per Share

	2022 \$	2021 \$
Basic (loss) per share (cents):	(3.3)	(3.8)
Loss used in calculating basic earnings per share	(4,897,028)	(5,515,272)

	2022 No.	2021 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	150,458,386	144,822,684

The rights of options are non-dilutive as the Company has incurred a loss for the year.

26. Related Party Disclosures

The following paragraphs provide details of transactions and balances with related parties.

a. Compensation of Key Management Personnel

Details of Key Management Personnel compensation are recorded in Note 9 (b)

b. Other transactions with Key Management Personnel

i. Mr Andrew Sales

During the financial year, the Company engaged the services of a company controlled by Mr Sales' sister to provide IT services. These services were conducted on standard commercial terms. The value of the services for the financial year was \$7,733 (2021: \$11,296).

ii. Mr Sean Ebert and his related entities

In addition to his services as a director, during the previous financial year the Company engaged the services of a company controlled by Mr Ebert to provide executive services to the Company. The services were conducted on standard commercial terms. The total value of the services for the prior financial year was \$138,335 (2022: Nil).

There were no outstanding related party balances as at 30 June 2022.

c. Controlled Entities

During the financial year, the Company provided loan funds to its Singaporean subsidiary, AML Technologies (Asia) Pte Ltd to enable its subsidiary to meet start-up expenses. The transactions were conducted on commercial terms and conditions.

27. Contingencies

In the opinion of the Directors, besides the guarantees disclosed in Note 33, the Group did not have any contingent liabilities or assets as 30 June 2022.

28. Segment Reporting

i. Operating segments

The Company operates in the additive manufacturing sector in Australia and South East Asia. For management purposes, the Group has one main operating segment which involves the provision of 3D printing services and machinery sales in all territories in which it operates. All of the Group's activities are inter-related and discrete financial information is reported to the (Chief Operating Decision Maker), being the Managing Director, as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results for this segment are equivalent to the financial statements of the Group as a whole.

All amounts reported to the Managing Director, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

ii. Geographic area

Revenues from external customers attributed to Australia and other countries is as follows:

	2022 \$	2021 \$
Australia	1,552,661	534,252
Singapore	383,498	84,598
United States	78,669	-
Japan	-	24,596
Other	-	1,040
Total Revenue	2,014,828	644,486

iii. Major customers

The Group has certain customers which represent more than 10% of the Group's revenue from contracts with customers. Each customer is a customer of the 3D printing services and machine sales operating segment. Revenue for those customers is as follows:

	2022 %	2021 %
4 Customers	83%	-
4 Customers	-	94%

29. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in future financial years except for:

- On 20 July 2022, the Company issued 37,605,038 ordinary shares at \$0.0714 per share via a private placement to provide additional working capital.
- To the date of signing this report, the Company's operations have been directly adversely impacted by COVID-19. Uncertainty remains as to the scope and length of the pandemic and the impact of restrictions that will be imposed to combat the pandemic. The pandemic may result in the loss of or further delay in sales to customers and potential customers. It may also impact access to equipment and supplies, delaying the delivery of products to customers. The Company is actively monitoring risks associated with COVID-19 and implementing risk management measures to mitigate against potential impacts.

30. Notes to the Statements of Cashflows

a. Reconciliation of Cash and Cash Equivalents

	2022 \$	2021 \$
Cash and cash at bank	2,933,482	7,200,707

b. Reconciliation of loss for the year to net cash flows used in operating activities

	2022 \$	2021 \$
(Loss) for the year after income tax	(4,897,028)	(5,515,272)
Non-cash items		
Depreciation and amortisation of non-current assets	721,119	409,145
Expected credit losses	-	26,074
Gain on disposal of property, plant and equipment	(37,865)	-
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	(165,609)	202,267
Decrease in prepayments and other assets	5,013	10,756
Decrease / (increase) in inventories	1,108,270	(1,919,282)
Increase / (decrease) in trade and other payables	(261,101)	99,554
Increase / (decrease) in contract liabilities	(540,404)	451,028
Increase in financial liabilities	212,695	-
Increase in employee benefits	52,407	81,673
Net cash (used) in operating activities	(3,802,503)	(6,154,057)

31. Financial Risk Management

The Group's financial risk management is predominantly controlled by the Managing Director and Chief Financial Officer with the oversight of the Board and the Audit and Risk Committee.

a. Financial Risk Management

The Group enters into financial instruments which consist of deposits with banks, accounts receivable and payables. The totals for each category of financial instrument is shown in this Note. The Group has not entered into any derivative financial instruments.

b. Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

c. Interest Rate Risk Management

The Group is exposed to interest rate risk as it places funds at floating interest rates. In the current low interest environment, the Group is exposed to minimal interest rate risk.

d. Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties (where such information is available) and obtaining sufficient collateral (such as up front deposits before commencing work), as a means of mitigating the risk of financial loss from defaults. The Group's exposure is constantly monitored.

Except for one customer, the Group does not have any significant credit risk exposure to any one single counterparty or any group of counterparties having similar characteristics. Sales to that customer are denominated in Singapore dollars and the Group has not hedged the receivable.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The quality of debtors is monitored by the ageing of open invoices in accounts receivable. Trade receivables are analysed as follows:

	2022 \$	2021 \$
Not impaired		
- Within trade terms	294,923	80,499
- Past due but not impaired	107,632	-
Impaired		
- Past due and impaired	9,020	26,074
Total trade receivables	411,675	106,573

Receivables that are past due but not impaired comprise customers which do not have any objective evidence that the receivable may be impaired. The Company knows why certain customers are past due and expects that they will be paid.

An allowance for expected credit losses has however been recognised at 30 June 2022 for balances past due.

Analysis of trade receivables:

Per aged debtors report	Not past Due \$	60-90 days \$	>90 days \$	Total \$
2022				
Trade receivables	199,923	80,861	35,891	316,675
Total	199,923	80,861	35,891	316,675
2021				
Trade receivables	80,499	-	26,074	106,573
Total	80,499	-	26,074	106,573

For the year ended 30 June 2022, no expense has been recognised during the financial year then ended for the allowance for expected credit losses (2021: \$26,000).

Maturity profile of financial instruments					
	Weighted average interest rate (%)	Expected Maturity dates			
		Interest Bearing			
		Less than 1 year \$	1 - 5 years \$	Non interest bearing \$	Total \$
2022					
Financial Assets					
Other financial assets	1%	56,000	-	-	56,000
Cash and cash equivalents	1%	2,933,482	-	-	2,933,482
Trade and other receivables		-	-	771,534	771,534
Total		2,989,482	-	771,534	3,761,016
Financial Liabilities					
Trade and other payables		-	-	415,239	415,239
Borrowings	4%	189,062	-	-	189,062
Lease liabilities	5%	175,025	185,818	-	360,843
Total		364,087	185,818	415,239	965,144
2021					
Financial Assets					
Other financial assets	1%	56,000	-	-	56,000
Cash and cash equivalents	1%	7,200,707	-	-	7,200,707
Trade and other receivables		-	-	522,857	522,857
Total		7,256,707	-	522,857	7,779,564
Financial Liabilities					
Trade and other payables		-	-	777,339	777,339
Lease liabilities	5%	178,803	361,107	-	539,910
Total		178,803	361,107	777,339	1,317,249

The amounts listed above equate to fair value. The cashflows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

e. Liquidity Risk Management

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by maintaining adequate cash reserves and monitoring its actual and forecast cashflows and financial obligations. The Group endeavours to pay its creditors within agreed trade terms.

f. Currency Risk

The Group operates in international markets, however, products and services are invoiced in Australian dollars where possible, in order to eliminate the risk of exposure to foreign currency rate risks.

32. Information relating to AML3D Limited (the Parent)

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position		
	2022 \$	2021 \$
Assets		
Current assets	5,427,220	10,325,229
Non-current assets	2,9710,516	3,370,346
Total assets	8,397,736	13,695,575
Liabilities		
Current liabilities	1,005,945	1,508,753
Non-current liabilities	218,994	361,107
Total liabilities	1,224,939	1,869,860
Net assets	7,172,797	11,825,715
Equity		
Issued capital	20,641,272	20,641,272
Reserves	672,965	672,965
Accumulated losses	(14,141,440)	(9,488,522)
Total equity	7,172,797	11,825,715

Statement of Profit or Loss and Other Comprehensive Income		
	2022 \$	2021 \$
Total loss for the year	4,652,918	5,254,289
Total comprehensive loss for the year	4,652,918	5,254,289

The parent entity has entered into two bank guarantees represented by term deposits, the first for \$36,000 in respect of the leased premises at Edinburgh, Adelaide, and the second for \$20,000 in respect of a corporate credit card facility provided by the Group's banker Commonwealth Bank of Australia. Other than these guarantees, the parent entity had no contingent liabilities at 30 June 2022.

33. Guarantees

AML3D has the following guarantee in place:

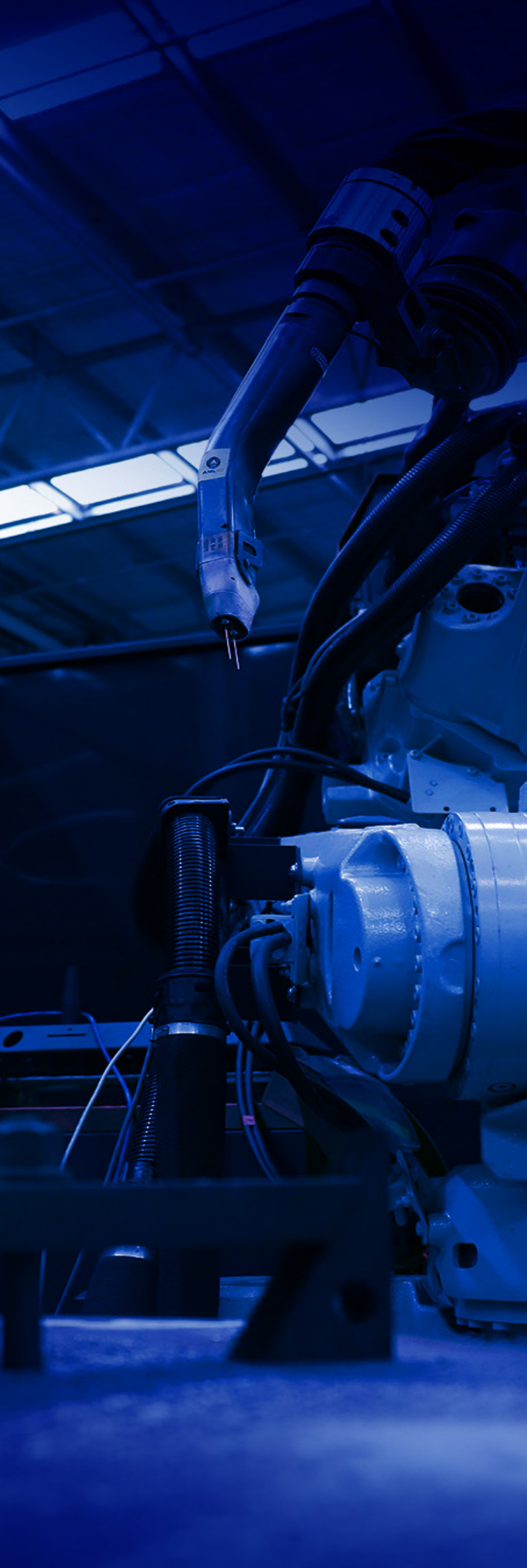
- A guarantee secured by a bank term deposit of \$36,000 for the lease of its premises at 35 Woomera Avenue, Edinburgh SA 5111.
- A guarantee secured by a bank term deposit of \$20,000 for a corporate credit card facility provided by the Group's banker Commonwealth Bank of Australia.

34. Capital Commitments

At 30 June 2022, AML3D had no commitments for capital equipment ordered but not yet received (2021: Nil).

35. Borrowings

	2022 \$	2021 \$
Insurance premium funding	189,062	-
Total borrowings	189,062	-
Reconciliation of movements in borrowings		
Balance at the beginning of the year	-	-
Additional borrowings	212,695	-
Repayment of borrowings	(23,633)	-
Balance at the end of the year	189,062	-



Directors' Declaration

Directors' Declaration

In accordance with a resolution of the Directors of AML3D Limited (Company), the Directors of the Company declare that:

1. In the opinion of the Directors, the financial statements and notes for the year ended 30 June 2022 are in accordance with the Corporations Act 2001 and:
 - a. Comply with Accounting Standards, which, as stated in basis of preparation Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. Give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and its performance for the year ended on that date;
2. In the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.



Sean Ebert
Chairman

Dated this 30th day of August 2022

Additional Shareholder Information

The following information is current as at 25 August 2022:

Shareholding

Following are details of fully paid ordinary shares on issue:

Fully Paid Ordinary Shares on Issue	Number of holders	Number of shares
Quoted on ASX	2,971	188,063,424

There are 8 holders of 9,500,000 unquoted options each of which converts to 1 share upon exercise.

Distribution of Shareholders

Range of Units	Number of Holders	Percentage of total securities
1 – 1,000	105	0.04%
1,001 – 5,000	1,018	1.62%
5,001 – 10,000	566	2.36%
10,001 – 100,000	1,070	19.44%
100,001 and over	212	76.54%
Total	2,971	100.00%

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 930.

Substantial Shareholders

Substantial shareholders as disclosed by notices received by the Company as at 25 August 2022 are:

Shareholder	Number of ordinary shares
Andrew Michael Clayton Sales	36,199,850

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member at a meeting or by proxy has one vote on a show of hands.

Other:

- Options do not confer upon the holder an entitlement to vote on any resolutions proposed by the Company except as required by law.

Stock Exchange Listing

Admitted to the Official List of ASX on 16 April 2020; quotation commenced on 20 April 2020.

ASX:AL3

20 Largest Shareholders – Ordinary Shares

	Name	Number of Shares held	%
1	MR ANDREW MICHAEL CLAYTON SALES	36,199,850	19.25
2	KYLIE MARIE COLLUM <COLLUM INVESTMENT A/C>	7,002,801	3.72
2	DEOR CAPITAL AND INVESTMENTS PTY LTD <DEOR CAPITAL A/C>	7,002,801	3.72
4	GLOBAL ASSET SOLUTIONS	6,987,420	3.72
5	MR KENNETH JOSEPH HALL <HALL PARK A/C>	6,117,850	3.25
6	TOBIAS LEE KLINE <KLINE FAMILY NO 2 A/C>	3,501,400	1.86
6	RICKY JAMES LEGG <SQUIRCLE INVESTMENT A/C>	3,501,400	1.86
8	MEWTWO GLOBAL INVESTMENTS	3,000,000	1.60
8	SCINTILLA STRATEGIC INVESTMENTS LIMITED	3,000,000	1.60
10	ARETZIS COMMERCIAL PTY LTD <THE ARETZIS SUPER FUND A/C>	2,801,120	1.49
11	CITICORP NOMINEES PTY LTD	2,676,130	1.42
12	MR BENJAMIN FEGAN	2,192,250	1.17
13	TOBIAS LEE KLINE + PRUE LOUISE KLINE <KLINE SUPERANNUATION A/C>	2,100,840	1.12
13	TRIHOLM INVESTMENTS PTY LTD	2,100,840	1.12
15	FLODOR PTY LTD <TENNYSON SUPER FUND A/C>	1,630,252	0.87
16	MR MOHAMED ALAA SALLAHEDIN ALJAWHARI + MR ING Y MOHAMED FIKRY FARID ABDEL SHAFEI <ALJAWHARI FAMILY A/C>	1,400,560	0.74
16	JEWEL CREEK VENTURES PTY LTD <ALJAWHARI SUPER FUND A/C>	1,400,560	0.74
16	MR ANDREW PAUL NUNN + MS ALEXANDRA DIMOS <CARPE DIEM SUPER FUND A/C>	1,400,560	0.74
16	SAJ TIGER INVESTMENTS PTY LTD <TSCHARKE FAMILY A/C>	1,400,560	0.74
20	MICJUD PTY LTD <CHESTER SUPER FUND A/C>	1,400,280	0.74
Total		96,817,474	51.48

Corporate Directory

AML3D Limited

ABN 55 602 857 983

Directors

Sean Ebert	Chairman
Andrew Sales	Managing Director
Leonard Piro	Non-executive Director

Company Secretary

Christine Manuel

Registered Office and Principal Place of Business

35 Woomera Avenue
Edinburgh SA 5111

Ph: +61 8 8258 2658

Share Register

Computershare Investor Services – Australia

Level 5, 115 Grenfell Street
Adelaide SA 5000

Ph: (08) 8236 2300 / 1300 850 505

Website: www.computershare.com.au

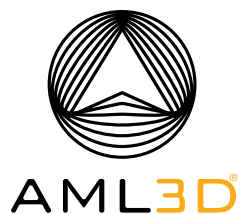
Auditor

William Buck Chartered Accountants

Level 6, 211 Victoria Square
Adelaide SA 5000







Australia
35 Woomera Avenue,
Edinburgh SA 5111 Australia
+61 8 8258 2658

info@aml3d.com
www.aml3d.com



Australian Patent 2019251514



Panama Chock

Wire classification	ER70S-6
Wire diameter	1.2 mm
Total print time	188 hours
Deposited mass	1,250 kg
Machined mass	705 kg
Size	1500 x 1290 x 540 mm
YS	450 - 480 MPa
UTS	550 - 580 MPa
Elongation	> 25%