



AML3D Limited

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JUNE 2024 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

AML3D Limited (ASX: AL3) ("AML3D" or "the Company"), a leader in large scale Wire Additive Manufacturing technology and 3D metal printing solutions, is pleased to provide the Quarterly Activities Report and Appendix 4C for the quarter ended 30 June 2024 (Q4FY24).

KEY HIGHLIGHTS DURING THE QUARTER

AML3D is reporting another quarter of **strong cash receipts**, driven by continuing momentum within the Company's US 'Scale up' strategy, manufacturing contract wins in support of the Australian Defence sector and milestone payments linked to Australian ARCEMY® 3D printing systems sales.

Customer receipts for the June 2024 quarter of A\$1.64m, comprised A\$1.06 million of Australian ARCEMY® system milestone payments and component contracts and A\$0.58 million from US 'Scale up' ARCEMY® system milestone payments in support of the US Navy's Centre of Excellence at Danville, Virginia. The 2024 **full year customer receipts of A\$8.30 million** represent a step change from full year customer receipts for FY23 of A\$1.41 million, which is driven by AML3D's US 'Scale up' strategy and gives the Company confidence it will report another record revenue performance in FY2024.

During the quarter, the Company also **raised a total of \$6.8 million of capital** (before costs) following the successful completion of the non-renounceable, 1 for 3, Rights Offer (\$1.7 million), Shortfall Placement (\$2.2 million) and Placement (\$2.9 million) on the back of strong demand from institutional, professional and sophisticated investors. AML3D is now fully funded to establish its US manufacturing hub, increase its strategic position in the US Defence sector and maintain its technology advantage.

The company has committed A\$4.5 million of investment to establish a US manufacturing, sales and corporate hub and in May 2024 signed a lease on a modern facility in Ohio. AML3D's President and CEO of US Operations Pete Goumas is actively building out the US direct sales and technical support teams and the US Hub is expected to be operational in Q1 FY25. A further A\$1.0 million is being invested in developing AML3D's proprietary ARCEMY technology systems to extend the company's technology advantage. This investment program combined with an increase in the cost of goods linked to the strong order flows, resulted in an operating cash outflow for the quarter of \$1.31 million.

Growth Strategy update

Boeing Manufacturing License Agreement

AML3D's US 'Scale up' strategy remained a key focus during the fourth quarter of the 2024 financial year and it was complemented by continuing progress against the Company's broader growth strategy to diversify into significant Defence, Aerospace, Oil and Gas and Marine markets. Alongside several new contract manufacturing wins during the fourth quarter to support the Australian defence sector AML3D also finalised a **Defence Manufacturing License Agreement ("MLA")** with **Boeing Defence and Space ("Boeing")** and its Australian subsidiaries during the second half of the 2024 financial year.



The highlights of the Defence MLA with Boeing Defence include:

- Support for additive manufacture, testing and inspection of parts use to maintain aircraft.
- Compliance with US Government regulations that supports access to defence contracts restricted by the US International Traffic in Arms Regulations (“**ITAR contracts**”).
- Alignment with AML3D’s strategic objective of expanding in Aerospace defence and additional defence markets globally.

The MLA allows Boeing to provide technical data, defence services and the option to temporarily import parts to allow testing, inspection and additive manufacturing of components to support maintenance of aircraft. The MLA also complies with US Government regulations and supports access to lucrative ITAR contracts. The finalisation of the MLA positions AML3D to supply aircraft components to Boeing’s subsidiaries, Boeing Defence Australia Ltd and Boeing Australia Holdings Pty Ltd.

The MLA represents the continued progression of AML3D’s relationship with Boeing, which is supported by the granting of the Aerospace Quality Management System AS9100D:2016 Accreditation (“**AS9100D**”) in March 2024. AS9100D accreditation demonstrates AML3D operates to highest levels of quality, safety and reliability, as set out by the Aerospace industry and makes the company one of only two wire-arc additive manufacturing companies that can globally, manufacture certified flight and non-flight components for the aviation, space and defence industries. The MLA creates the opportunity for AML3D’s to build on its strong track record of working with Boeing, which includes;

- the Aluminium test part contracts signed with Boeing in 2022,
- the inspection of AML3D’s additive manufacturing facilities by Boeing’s Director of Additive Manufacturing in March 2022, and
- an initial contract to supply Boeing with a 3D printed tooling component in June 2021.

The MLA accelerates AML3D’s strategic push into the Aerospace and Defence sectors by creating potential opportunities to supply additive manufacturing solutions to Boeing and its Australian subsidiaries, however AML3D notes that while the MLA does not guarantee any revenues or orders from Boeing.

US ‘Scale up’

The USA is AML3D’s largest and fastest growing market, which delivered over \$13.5 million of orders since the launch of the US scale up in early CY2023. AML3D is continuing to execute its US ‘Scale up’ strategy to maximise the huge growth opportunities in the USA. Key activities in the quarter in support of the US ‘Scale up’ strategy include:

- Raising a total of \$6.8 million (before costs) through an Entitlement Offer and Placement to fully fund US manufacturing hub and access to growth opportunities, as well as investment in technology leadership.
- Signing of a lease to establish a US manufacturing, sales and corporate hub in Ohio.
- A\$0.70 million order to lease 2 ARCEMY® metal 3D printing systems for use by US Navy submarine component manufacturer, Laser Welding Solutions (LWS).
- A\$1.54 million purchase order to facilitate a Copper/Nickel alloy qualification program in support of the US Department of Defence.
- ARCEMY® ‘X-Edition 6700’ going live at the US Navy’s Centre of Excellence, triggering a final payment of A\$0.58 million, representing 50% of the contract value
- Construction and testing, at AML3D’S Adeliade facility, of the largest custom built ARCEMY® system for Austal USA in preparation for a customer inspection post Quarter’s end.
- Delivery and installation of an ARCEMY® ‘X-Edition 6700’ system for US defence supplier Cogitic up to final commissioning stage.



The US 'Scale up' strategy includes:

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

Meeting the significant and growing demand for AML3D's advanced manufacturing technology solutions in the USA requires the establishment of a US manufacturing hub. During the June 2024 quarter AML3D raised A\$6.8 million of capital (before costs) of which A\$4.5 million is being invested in setting up AML3D's US hub. A 64-month lease on a modern 1,000m² facility to house AML3D's US hub in Stow, Ohio has already been signed and the build out of direct sales, technical and support teams is well advanced by AML3D's President and CEO of US operations Pete Goumas.

The US hub contains a modern, fit for purpose and ready to use fabrication space, loading dock and office space. It is expected to require minimal capex to become fully operational during Q1 2025. Once the US Hub is fully operational it is expected to not only drive a significant increase in US defence contract wins but also an expansion into the US Marine, Oil & Gas and Aerospace sectors. AML3D will also look to leverage the US Hub to bid for lucrative ITAR and other US only controlled information Defence contracts, restricted to US based manufacturers.

Broader Growth Strategy

AML3D also progressed its strategic objective of diversifying into other globally significant Defence, Oil and Gas and Marine markets during the June quarter. The Company signed a contract with Toolcraft to supply a complex missile assembly in support of a Defence aerospace project being run for the Australian Government. The Company also signed an agreement directly with the Australian Government's Defence Science and Technology Group ('DSTG') to provide components for testing in marine applications. Key activities in the quarter in the Australian market:

- Winning, and matching, an SA Government Grant to create a A\$2.24 million investment to develop the next generation of the company's proprietary metal 3D printing technology.
- Signing a contract with Toolcraft to 3D metal print a 6-part nozzle assembly for a DSTG aerospace project.
- Signing a contract with the DSTG to provide components for testing in marine applications.
- Receiving a A\$0.36 million milestone payment for the A\$1.0 million Curtin University enterprise-level ARCEMY® system.

In parallel to the contract wins in Australia AML3D is in the early stages of building a sales pipeline to address the strong demand signals for its proprietary technology in another significant Defence market in the United Kingdom. This growing demand for advanced manufacturing solutions across globally significant defence markets gives AML3D confidence the Company will secure additional defence contracts within Australia, the US and the UK over the short to medium term.

Following the capital raising during the June 2024 quarter, A\$1.0 million is being invested to increase the deposition rates of AML3D's ARCEMY® technology systems to broaden their applications and maintain the competitive advantage of the technology in the US and other defence markets. The research and development work into faster deposition rates was further boosted, at the beginning of June 2024, when AML3D announced an additional A\$2.24 million of investment to accelerate the ARCEMY® Increase Deposition Rates ('AIDR') project. The additional investment is made up of a \$1.12 million grant from South Australia's Economic Recovery Fund, which is matched by AML3D. A successful conclusion of the AIDR project will further extend AML3D's technology and first mover advantage in both the domestic and international markets.

The momentum within AML3D's growth strategy is continuing with the following key activities subsequent to the end of the quarter:

- Conversion of US Navy component supplier, Laser Welding Solutions, initial ARCEMY® lease agreement to an A\$1.1 million ARCEMY® system sale.



FINANCIAL

AML3D delivered strong cash receipts of \$1.64 million in the quarter ended 30 June 2024, reflecting the US 'Scale Up' strategy's success, supported by our existing Australian customer relationships and the continuing high utilisation of our contract manufacturing facilities for component and alloy testing. Staff and administrative costs, compared to the prior comparable period (PCP), were flat at \$1.44 million. This was after a significant rise in 3QFY2024 to support AML3D's growth in the US. Through the progression of customer projects, manufacturing and operating costs increased to \$1.35 million from \$0.70 million in the PCP, resulting in negative operating cash flows of \$1.31 million in the June quarter. Cash on hand at 30 June 2024 was \$7.79 million.

EQUITY ISSUES

On 11 April 2024, AML3D launched a non-renounceable rights issue¹ on a 1:3 basis to raise **\$3.8 million** at an issue price of \$0.05 per share (Rights Issue). Under the Rights Issue existing eligible shareholders could apply for additional New Shares in excess of their rights under a shortfall offer ("**Shortfall Offer**"). The Shortfall Offer shares arising from the Rights Issue and Shortfall Offer made up the New Shares offered to new and existing sophisticated and professional investors in the shortfall placement ("**Shortfall Placement**").

The AML3D Rights Issue successfully raised \$3.9 million via applications from existing eligible shareholders and a strongly supported Shortfall Placement. The Company also offered an **Additional Placement** raising a **further A\$2.9 million** to cater for strong additional demand from institutional, professional and sophisticated investors in the Shortfall Placement. In total, **\$6.8 million** (before costs) was raised following the overwhelming support received by existing and new shareholders.

On 26 June 2024, AML3D issued 4,777,530 shares at a nominal value of 6.956 cents per share, to S3 Consortium Pty Limited (trading as "Next Investors"), a corporate authorised representative of LeMessurier Securities Pty Ltd, for consideration for the preparation of articles and to promote the company. The shares issued are subject to an escrow period of 24 months. In addition, S3 Consortium and Associates has acquired a further 2.0 million shares. Immediately following acquisition of the shares, on 27 June 2024, as disclosed by the company in its ASX announcement dated 28 June 2024 Next Investors published and promoted the first article under this agreement titled, "*AML3D (ASX: AL3) - Our Tech Pick of the Year for 2024.*"

Utilising both existing cash and proceeds from the capital raising during the June quarter, AML3D is fully funded for the establishment of its strategically important US manufacturing hub, to invest in AML3D's market leading advanced Wire-Arc Manufacturing Technology and provide a strong working capital base to further accelerate growth opportunities.

OUTLOOK

The establishment of AML3D's US manufacturing hub is expected to drive a significant increase in US defence contract wins over the short and medium term and accelerate access to additional US Marine, Oil & Gas and Aerospace contracts over the medium term.

Once operational, the US manufacturing hub will free up capacity at the Company's Australian facilities to support growth outside the US. The new contract wins to support Australia's DSTG in the June 2024 quarter, combined with strong demand signals from the UK, give AML3D confidence it can replicate the success of the US 'Scale up' strategy in these additional significant global Defence, Oil & Gas, Marine and Aerospace markets.

¹ AML3D, AML3D raises \$6.9M Across Rights Issue & Placement, 16 May 2024.



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

For further information, please contact:

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About AML3D Limited

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

Appendix 4C

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

Name of entity

AML3D Limited

ABN

55 602 857 983

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,639	8,303
1.2 Payments for			
(a) research and development		(144)	(585)
(b) product manufacturing and operating costs		(1,347)	(3,784)
(c) advertising and marketing		-	(52)
(d) leased assets		-	-
(e) staff costs		(1,310)	(4,760)
(f) administration and corporate costs		(125)	(851)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		12	47
1.5 Interest and other costs of finance paid		(34)	(68)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(1,309)	(1,750)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(204)	(888)
(d) investments		-	(60)
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	12
	(d) investments	36	36
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(166)	(900)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,838	6,838
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(477)	(477)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(103)	(455)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	6,258	5,906

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,007	4,534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,309)	(1,750)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(166)	(900)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,258	5,906
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,790	7,790

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,790	3,007
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,790	3,007

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,309)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,790
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,790
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2024

Authorised by: the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.