

Appendix 4D

(Rule 4.2A.3)

AML3D Limited

ABN 55 602 857 983



For the half-year ended:

31 December 2020

Previous Corresponding Period:

31 December 2019

Results for announcement to the market

	2020	2019	Mvmt	Mvmt
Revenue and Profit	\$	\$	\$	%
Revenue from ordinary activities	143,373	86,999	56,374	65%
Net profit/(loss) from ordinary activities attributable to members	(2,056,321)	(1,837,631)	(218,690)	12%
Net profit/(loss) attributable to members	(2,056,321)	(1,837,631)	(218,690)	12%

Commentary on results for the period

Refer to the Operating Results section in the Directors' Report in the attached Interim Report for commentary on results.

Dividends

No dividends were declared or paid during the period.

Net tangible assets per ordinary share

	31 Dec 2020	30 Jun 2020
	\$	\$
Net tangible assets per ordinary share	0.096	0.022

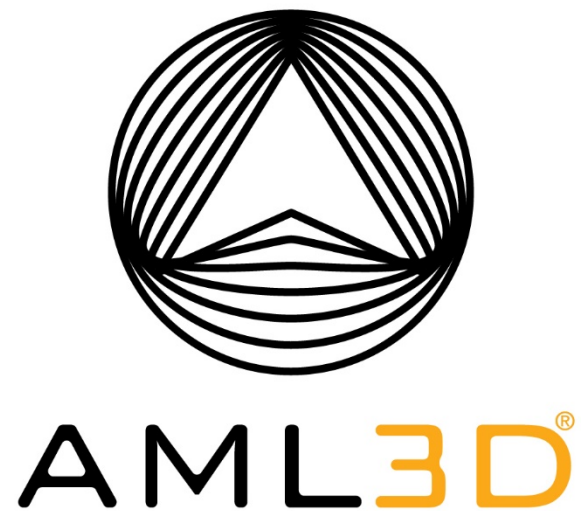
Details of entities over which control has been gained

Nil

Information on Audit or Review

Independent Review by Auditor

This report is based on the attached Interim Report for the half-year ended 31 December 2020, which has been reviewed by William Buck. The review report is attached as part of the Interim Report.



AML3D Limited

ACN 602 857 983

**Interim Report
for the half year ended 31 December 2020**

AML3D Limited
Directors' report
31 December 2020

The Directors of AML3D Limited ("Company" or "AML3D") present their report, together with the interim financial statements of the Company and its controlled entity ("the Group") for the half year ended 31 December 2020 ("interim financial period").

Directors

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

Stephen Gerlach	Non-executive Chairman
Andrew Sales	Managing Director
Sean Ebert	Executive Director
Leonard Piro	Non-executive Director
Kevin Reid	Non-executive Director

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

Principal activities

The principal activities of AML3D during the financial period were to

- a) design and construct 3D parts using Wire Additive Manufacturing technology, and to develop that technology;
- b) Design and construct ARCEMY® 3D printing modules for sale to customers.

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

Operating and Financial Review

Review of operations

The half-year ended 31 December 2020 was a period of continued establishment and growth in accordance with the Company's strategy and goals since listing on the ASX in April 2020. Development of the Company's technology has continued and the Company's transition to its new Head Office and production facility based at Edinburgh Parks, South Australia was completed. 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.

Operating Results and Financial Position

The loss for the consolidated entity after providing for income tax amounted to \$2,056,321 (31 December 2019: Loss \$1,837,631).

The Company achieved sales revenue of \$143,873 (31 December 2019: \$86,999). Total revenue was \$419,523, including interest and Government support in the form of Job-Keeper and grants (31 December 2019: \$87,725). Sales revenue was derived primarily from manufacturing of prototypes and parts. Work in hand as at 31 December 2020 includes two ARCEMY® 3D Printing Modules which will be delivered in the second half of the financial year. Provided that these are fully delivered in the second half of the financial year, it is anticipated that the associated revenue to be recognised in relation to those contracts in the period to 30 June 2021 will be approximately \$1m.

In the interim financial period the Company has continued to use IPO funds in a way consistent with the Company's business objectives, as outlined in the IPO prospectus dated 10 February 2020. The Company raised an additional \$7.0m (before costs) by way of issue of 15,555,557 new ordinary fully paid shares on 12 October 2020 at an issue price of \$0.45 per share in a private placement to a range of new and existing institutional, sophisticated and professional investors. These additional funds were raised to ensure that the Company is well capitalised to accelerate commercialisation without detracting from the key initiatives detailed in the IPO prospectus. At 31 December 2020 the Company had \$11,131,884 in cash and cash equivalents (30 June 2020: \$8,227,986).

Material Business Risks

Business risks with the potential to impact the Group's operations, financial results and its ability to deliver corporate objectives are disclosed in the Annual Report for the year ended 30 June 2020. There was no significant change in the Group's assessment of material business risks during the half-year ended 31 December 2020.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group.

Subsequent events

No matter or circumstances have arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial affairs.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Stephen Gerlach', with a horizontal line underneath it.

Stephen Gerlach AM
Chairman

26 February 2021
Adelaide

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 half-year ended 31 December 2020 there have been:

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

William Buck

William Buck
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Dated at Adelaide this 26th day of February, 2021

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Consolidated Statement of profit or loss and other comprehensive income	6
Consolidated Statement of financial position	7
Consolidated Statement of changes in equity	8
Consolidated Statement of cash flows	9
Notes to the consolidated interim report	10
Directors' declaration	16
Independent auditor's review report to the members of AML3D Limited	17

General information

The financial statements cover AML3D Limited as a consolidated entity consisting of AML3D Limited and the entity it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is AML3D Limited's functional and presentation currency.

AML3D Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

35 Woomera Avenue
Edinburgh SA 5111

Principal place of business

35 Woomera Avenue
Edinburgh SA 5111

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2021.

AML3D Limited
Consolidated Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Revenue	2	143,373	86,999
Cost of goods sold		(66,306)	(46,725)
Gross Profit		<u>77,067</u>	<u>40,274</u>
Other income			
Interest income		15,150	726
Government grants	2	261,000	-
Expenses			
Employee benefits expense		(797,024)	(339,457)
Share based payments	3	-	(775,882)
Depreciation and amortisation expense		(200,623)	(78,322)
Directors' fees		(98,550)	(32,850)
Consulting fees	4	(780,985)	(563,159)
Recruitment costs		(96,710)	-
Marketing		(81,162)	(16,978)
Workshop costs		(103,912)	(1,180)
Insurance		(58,655)	(22,736)
Other expenses		<u>(191,917)</u>	<u>(48,067)</u>
Loss before income tax expense		(2,056,321)	(1,837,631)
Income tax expense		-	-
Loss after income tax expense for the half-year		<u>(2,056,321)</u>	<u>(1,837,631)</u>
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u>(2,056,321)</u>	<u>(1,837,631)</u>
Earnings per Share:			
Basic loss per share (cents)		(-1.5)	(-3.1)
Diluted loss per share (cents)		(-1.5)	(-3.1)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AML3D Limited
Consolidated Statement of financial position
As at 31 December 2020

		Consolidated	
	Note	31 Dec 2020	30 Jun 2020
		\$	\$
Assets			
Current assets			
Cash and Cash equivalents		11,131,884	8,227,986
Trade and other receivables	6	767,794	706,735
Inventories		428,544	112,375
Other assets	7	41,844	235,240
Total current assets		<u>12,370,066</u>	<u>9,282,336</u>
Non-current assets			
Plant and equipment	8	3,274,082	1,121,552
Financial assets		36,000	36,000
Intangibles		35,472	41,002
Right of use Asset	9	327,011	411,478
Total non-current assets		<u>3,672,565</u>	<u>1,610,032</u>
Total assets		<u>16,042,631</u>	<u>10,892,368</u>
Liabilities			
Current liabilities			
Trade and other payables		543,195	738,392
Unearned income		385,000	-
Employee benefits		55,409	27,953
Lease Liabilities		91,780	125,098
Total current liabilities		<u>1,075,384</u>	<u>891,443</u>
Non-current liabilities			
Lease liabilities		241,149	288,005
Total non-current liabilities		<u>241,149</u>	<u>288,005</u>
Total liabilities		<u>1,316,533</u>	<u>1,179,448</u>
Net assets		<u>14,726,098</u>	<u>9,712,920</u>
Equity			
Issued capital	10	20,380,271	13,310,772
Share option reserve		672,965	672,965
Accumulated losses		(6,327,138)	(4,270,817)
Total equity		<u>14,726,098</u>	<u>9,712,920</u>

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes

AML3D Limited
Consolidated Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	1,063,130	-	(1,176,796)	(113,666)
Loss after income tax expense for the half-year	-	-	(1,837,631)	(1,837,631)
Total comprehensive loss for the half-year	-	-	(1,837,631)	(1,837,631)
Shares issued during the half-year, net of transaction costs	3,130,657	-	-	3,130,657
Share options issued	-	629,580	-	629,580
Balance at 31 December 2019	<u>4,193,787</u>	<u>629,580</u>	<u>(3,014,427)</u>	<u>1,808,940</u>

Consolidated	Issued Capital \$	Share Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2020	13,310,772	672,965	(4,270,817)	9,712,920
Loss after income tax expense for the half-year	-	-	(2,056,321)	(2,056,321)
Total comprehensive loss for the half-year	-	-	(2,056,321)	(2,056,321)
Shares issued during the half-year, net of transaction costs	6,569,499	-	-	6,569,499
Shares issued due to Options conversion	500,000	-	-	500,000
Balance at 31 December 2020	<u>20,380,271</u>	<u>672,965</u>	<u>(6,327,138)</u>	<u>14,726,098</u>

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes

AML3D Limited
Consolidated Statement of cash flows
For the half-year ended 31 December 2020

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	500,247	21,663
Payments to suppliers and employees	(2,402,591)	(797,297)
Interest received	16,586	727
Receipts from Government grants	147,000	-
Interest and finance costs paid	-	(1,946)
Net cash used in operating activities	<u>(1,738,758)</u>	<u>(776,853)</u>
Cash flows from investing activities		
Payments for plant and equipment	(2,324,633)	(133,538)
Net cash used in investing activities	<u>(2,324,633)</u>	<u>(133,538)</u>
Cash flows from financing activities		
Proceeds from issue of new shares, net of costs	6,569,499	1,769,354
Proceeds from the conversion of Options	500,000	-
Deposits from investors	-	90,500
Payment of principal on leased assets	(102,210)	(17,107)
Repayment of borrowings	-	(32,578)
Net cash provided by financing activities	<u>6,967,289</u>	<u>1,810,169</u>
Net increase in cash and cash equivalents	2,903,898	899,778
Cash and cash equivalents at the beginning of the financial half-year	8,227,986	1,158,109
Cash and cash equivalents at the end of the financial half-year	<u>11,131,884</u>	<u>2,057,887</u>

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes

AML3D Limited
Notes to the consolidated interim report
31 December 2020

Note 1. Significant accounting policies

This condensed consolidated interim half-year reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020.

The annual financial report of the entity as at and for the year ended 30 June 2020 is available on the Company's website at www.aml3d.com.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended Accounting Standards and Interpretations adopted

There are none that have a material impact for the group to consider for the reporting period ended 31 December 2020.

Note 2. Revenue

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Sale of goods and services	143,373	86,999
Revenue	<u>143,373</u>	<u>86,999</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	143,373	12,133
Services transferred at a point in time	-	74,866
	<u>143,373</u>	<u>86,999</u>
Other Income:		
Research and Development Tax Offset	150,000	-
Government Grants	111,000	-
	<u>261,000</u>	<u>-</u>

Note 3. Share-based payments

During the December 2020 financial half-year, there were no share-based payments made. Details of share-based payments made during the year ended 30 June 2020 are set out in the Group's 2020 Annual Report.

Note 4. Consulting Fees

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Accounting	20,525	8,650
Audit	30,000	7,000
Listing fees	-	137,452
Consulting	438,304	159,418
Consulting - Directors	124,667	185,000
Legal fees	66,697	64,337
ASIC and ASX fees	100,792	1,302
	780,985	563,159

Note 5. 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 Managing Director (Chief Operating Decision Maker), 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.

(ii) Geographic area

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

	Consolidated Dec 2020	Consolidated Dec 2019
	\$	\$
Australia	117,945	-
Singapore	10,599	73,994
Japan	13,790	6,479
Europe	1,039	6,526
Total Revenue	143,373	86,999

(i) 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:

	Consolidated Dec 2020	Consolidated Dec 2019
	%	%
2 Customers	71%	-
1 Customer	-	85%

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2020	30 June 2020
	\$	\$
Trade accounts receivable	240,355	162,412
GST receivable	65,425	187,874
Research and Development Tax Offset due	460,000	310,000
Interest	2,014	3,449
Government wage subsidies	-	43,000
	<u>767,794</u>	<u>706,735</u>

Note 7. Other assets

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Deposits paid	-	129,060
Bond on property rent	2,225	2,225
Prepayments	39,619	103,955
	<u>41,844</u>	<u>235,240</u>

Note 8. Plant and equipment

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Plant and equipment		
At cost	1,317,918	1,109,621
Accumulated depreciation	(180,696)	(95,084)
	<u>1,137,222</u>	<u>1,014,537</u>
Office equipment		
At cost	85,002	36,978
Accumulated depreciation	(16,042)	(6,527)
	<u>68,960</u>	<u>30,451</u>
Leasehold improvements		
At cost	202,229	13,250
Accumulated depreciation	(6,350)	-
	<u>195,879</u>	<u>13,250</u>

Note 8. Plant and equipment (continued)

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
At cost	69,674	69,674
Accumulated depreciation	(14,199)	(6,360)
	<u>55,475</u>	<u>63,314</u>
Work in progress		
At cost	1,816,546	-
	<u>1,816,545</u>	<u>-</u>
Total cost		
Total accumulated depreciation	3,491,369	1,229,523
Total written down value	(217,287)	(107,971)
	<u>3,274,082</u>	<u>1,121,552</u>

During the half-year the Group invested in the commissioning of 8 ARCEMY® 3D Printing Modules at a cost of \$1,816,546 which is reflected in the work in progress.

Note 9. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Land and buildings - right-of-use	392,477	463,183
Less: Accumulated depreciation	(65,466)	(51,705)
	<u>327,011</u>	<u>411,478</u>

Reductions to the right-of-use assets during the half-year were \$70,706, due to the early termination of the lease at Pentland Road premises.

The consolidated entity leases land and buildings for its office and factory under an agreement of less than two years. On renewal, the terms of the leases are renegotiated.

Note 10. Equity

(a) Share capital

	31 Dec 2020 Shares	30 June 2020 Shares	31 Dec 2020 \$	30 June 2020 \$
Fully paid	149,588,386	132,366,163	20,380,271	13,310,772

		Number of Shares	\$
(b) Movement in Share Capital			
Balance as at 1 July 2020		132,366,163	13,310,772
Issue resulting from a private placement	28/10/20	15,555,557	7,000,000
Issue due to exercise of options	12/10/20	1,666,666	500,000
Less: Transaction costs arising on share issue			(430,501)
Balance at 31 December 2020		<u>149,588,386</u>	<u>20,380,271</u>

Note 11. Related Party Transactions

During the financial half year, a number of related party transactions occurred, and are summarised below:

Name	Director fees \$	Consulting fees \$
Stephen Gerlach	32,850	-
Sean Ebert	21,900	88,750
Leonard Piro	21,900	-
Kevin Reid	21,900	2,500
Total	<u>98,550</u>	<u>91,250</u>

Note 12. Contingent liabilities

In the opinion of the Directors, besides the guarantee disclosed in Note 13, the Company did not have any contingencies at 31 December 2020 (30 June 2020: None).

Note 13. Guarantees

AML3D has one guarantee secured by a bank term deposit of \$36,000 for the lease of its premises at 35 Woomera Avenue Edinburgh SA 5111.

Note 14. Events after the reporting period

No matter or circumstances have arisen since 31 December 2020 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

AML3D Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, reading "Stephen Gerlach", with a horizontal line underneath it.

Stephen Gerlach AM
Chairman

26 February 2021
Adelaide

AML3D LIMITED

Independent auditor's review report

Report on the Review of the Half-Year Interim Report

Conclusion

We have reviewed the accompanying half-year financial report of AML3D Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AML3D Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck

ABN: 38 280 203 274

M.D. King

M.D. King
Partner

Dated at Adelaide this 26th day of February, 2021