

Appendix 4E Preliminary Final Report

Entity Details

This Preliminary Final Report prepared in accordance with ASX listing rule 4.3A covers AML3D Limited (Company) and its controlled entity.

Reporting Period

Except where stated otherwise, all figures relate to the year ended 30 June 2021 and the previous corresponding period for the year ended 30 June 2020.

Results for announcement to the market

| | Consolidated | | | |
|---|----------------|----------------|------------------|-------------|
| | 2021 \$'000 | 2020 \$'000 | Change \$'000 | Change % |
| Revenue from ordinary activities | 644 | 289 | 355 | 123% |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | (5,108) | (3,015) | (2,093) | (69%) |
| Net operating (loss) before income tax | (5,515) | (3,094) | (2,421) | (78%) |
| Net operating (loss) after income tax | (5,515) | (3,094) | (2,421) | (78%) |
| Basic earnings per share (cents) | (3.8) | (3.8) | - | - |
| Diluted earnings per share (cents) | (3.8) | (3.8) | - | - |

Dividends

No dividends were paid or proposed for the current or previous corresponding period.

Net tangible assets per security

| | Consolidated | |
|--|----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 |
| Net assets | 11,528 | 9,713 |
| Less intangible assets | (600) | (452) |
| Net tangible assets | 10,928 | 9,261 |
| Ordinary shares | 150,458,386 | 132,366,163 |
| Net tangible assets per security – book value (cents) | 7.3 | 7.0 |

The Company has included its Right of Use Assets in intangible assets for the purposes of calculating net tangible assets per security.

Entities over which control has been gained during the year ended 30 June 2021

None.

Associates and joint venture entities

None.

Audit

This report is based on accounts which are in the process of being audited. The audit report is not anticipated to include a modified opinion, emphasis of matter or other matter paragraph.

Financial statements

A consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows with associated notes to the statements, are attached.

Commentary

Revenue for the year was \$644,000, up 123% on the prior corresponding period (pcp). Total revenue for the year, inclusive of R&D tax offset and grants, was \$1.2 million.

EBITDA was a loss of \$5.1 million (pcp: \$3.0 million). Overhead expenses of \$6.0 million were \$2.3 million or 63% higher on pcp with the Company continuing to invest in activities in accordance with its business plan. Director and employee benefits were up \$2.1 million on pcp through the bolstering of staff headcount, and research and development up \$677,000 contributing to the enhancement of existing and new technologies.

Having established the Adelaide facility during the year, depreciation and amortisation was \$409,000, up \$323,000 on pcp. The resulting net loss after tax was \$5.5 million (pcp: \$3.1 million) with carried forward tax losses not brought to account.

The Company raised \$7,000,000 before costs on 12 October 2020 through the private placement of 15,555,557 new shares at \$0.45 per share. A further \$761,000 was raised during the year on the exercising of 2,536,666 options at \$0.30 per share.

Funds raised continue to be deployed in the implementation of the Company's business plan and to take advantage of the opportunities that exist for additive manufacturing in Australia, South East Asia and other markets.

At the end of the financial year, the Company had \$7.2 million in cash and cash equivalents on hand having spent \$2.0 million on plant and equipment to establish the Adelaide facility and \$1.9 million on additional inventory in anticipation of future customer orders.

Subsequent events

None.

**Consolidated Statement of Loss and Other Comprehensive Income
For the year ended 30 June 2021**

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Revenue | 644 | 289 |
| Cost of goods sold | (357) | (69) |
| Gross profit | 287 | 220 |
| R&D Tax Offset | 417 | 309 |
| Government grants | 183 | 126 |
| Interest received | 20 | 12 |
| Depreciation and amortisation | (409) | (86) |
| Director and employee benefits | (3,116) | (1,017) |
| Interest expense | (18) | (5) |
| Marketing expenses | (163) | (14) |
| Occupancy costs | (197) | (13) |
| Professional fees expense | (838) | (1,275) |
| Research and development | (728) | (51) |
| Workshop expenses | (344) | (93) |
| Equity settled share based payments | - | (967) |
| Other expenses | (609) | (240) |
| Loss before income tax expense | (5,515) | (3,094) |
| Income tax | - | - |
| Loss after tax attributable to the owners of the Company | (5,515) | (3,094) |
| Other comprehensive (loss) net of tax | - | - |
| Total comprehensive loss for the year attributable to the owners of the Company | (5,515) | (3,094) |
| | | |
| (Loss) per share (cents) | (3.8) | (3.8) |
| Basic and diluted loss per share (cents) | (3.8) | (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 unaudited Preliminary report.

Consolidated Statement of Financial Position
As at 30 June 2021

| | 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 7,201 | 8,228 |
| Trade and other receivables | 523 | 707 |
| Inventory | 2,031 | 112 |
| Financial asset | 56 | - |
| Other assets | 224 | 235 |
| TOTAL CURRENT ASSETS | 10,035 | 9,282 |
| NON-CURRENT ASSETS | | |
| Financial asset | - | 36 |
| Property, plant and equipment | 2,771 | 1,122 |
| Right of use assets | 538 | 411 |
| Intangible assets | 62 | 41 |
| TOTAL NON-CURRENT ASSETS | 3,371 | 1,610 |
| TOTAL ASSETS | 13,406 | 10,892 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 777 | 738 |
| Unearned income | 451 | - |
| Lease liabilities | 179 | 125 |
| Employee benefits | 110 | 28 |
| TOTAL CURRENT LIABILITIES | 1,517 | 891 |
| NON-CURRENT LIABILITIES | | |
| Lease Liabilities | 361 | 288 |
| TOTAL NON-CURRENT LIABILITIES | 361 | 288 |
| TOTAL LIABILITIES | 1,878 | 1,179 |
| NET ASSETS | 11,528 | 9,713 |
| EQUITY | | |
| Issued capital | 20,641 | 13,311 |
| Accumulated losses | (9,786) | (4,271) |
| Reserves | 673 | 673 |
| TOTAL EQUITY | 11,528 | 9,713 |

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

**Consolidated Statement of Changes in Equity
For the year ended 30 June 2021**

| | Issued Capital \$'000 | Share Options Reserve \$'000 | Accumulated Losses \$'000 | Total Equity \$'000 |
|---|-----------------------------|---------------------------------------|---------------------------------|---------------------------|
| Balance at 1 July 2019 | 1,063 | - | (1,177) | (114) |
| Loss after income tax expense for the year | - | - | (3,094) | (3,094) |
| Shares issued during the year, net of transaction costs | 12,248 | - | - | 12,248 |
| Share options issued | - | 673 | - | 673 |
| Balance at 30 June 2020 | 13,311 | 673 | (4,271) | 9,713 |
| Balance at 1 July 2020 | 13,311 | 673 | (4,271) | 9,713 |
| Loss after income tax expense for the year | - | - | (5,515) | (5,515) |
| Shares issued during the year, net of transaction costs | 7,330 | - | - | 7,330 |
| Balance at 30 June 2021 | 20,641 | 673 | (9,786) | 11,528 |

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

Consolidated Statement of Cash Flows
For the year ended 30 June 2021

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 1,248 | 130 |
| Receipts from Government grants | 547 | 119 |
| Receipts from R&D tax incentive | 565 | 250 |
| Payments to suppliers and employees | (8,519) | (2,692) |
| Interest received | 23 | 8 |
| Finance costs | (18) | - |
| Net cash (used in) operating activities | (6,154) | (2,185) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for intangible assets | (32) | (27) |
| Payment for financial assets | (20) | (36) |
| Purchase of plant and equipment | (1,981) | (826) |
| Net cash (used in) investing activities | (2,033) | (889) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from the issues of shares, net of costs | 7,289 | 10,228 |
| Repayment of borrowings | - | (84) |
| Repayment of lease liabilities | (129) | - |
| Net cash provided by financing activities | 7,160 | 10,144 |
| Net (decrease) increase in cash and cash equivalents held | (1,027) | 7,070 |
| Cash and cash equivalents at the beginning of year | 8,228 | 1,158 |
| Cash and cash equivalents at end of financial year | 7,201 | 8,228 |

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

Notes to the Financial Statements
For the year ended 30 June 2021

AML3D Limited (“AML3D” or the “Company”) is a limited company incorporated in Australia. The principal activities of the Company during the financial period were to design and construct 3D printing units and parts using Wire Additive Manufacturing technology, and to develop that technology.

Basis of preparation

These unaudited preliminary consolidated financial statements have been prepared to meet the periodic reporting requirements of the ASX, specifically Appendix 4E of its listing rules.

The unaudited preliminary financial statements comprise the consolidated financial statements of the Company and its controlled entity (collectively the Group).

The financial statements have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The unaudited preliminary consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The unaudited preliminary 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.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 applies. Amounts have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The unaudited preliminary financial statements were authorised for issue by the directors on 25 August 2021.

These unaudited preliminary financial statements are in the process of being audited by the Company’s auditor, William Buck.

Issued capital

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$’000 | \$’000 |
| 150,458,386 fully paid ordinary shares (2020: 132,366,163) | 20,641 | 13,311 |

| | 2021 | | 2020 | |
|---------------------------------------|--------------------|---------------|--------------------|---------------|
| | No. | \$’000 | No. | \$’000 |
| Balance at the beginning of year | 132,366,163 | 13,311 | 12,320,250 | 1,063 |
| Shares issued during the year | 18,092,223 | 7,761 | 120,045,913 | 13,336 |
| Total shares issued | 150,458,386 | 21,072 | 132,366,163 | 14,399 |
| Costs of the shares issued | | (431) | | (1,088) |
| Balance at the end of the year | 150,458,386 | 20,641 | 132,366,163 | 13,311 |