

3MF CONTINUES TO ADVANCE FIELD TRIALS AND INTERNATIONAL EXPANSION IN DECEMBER QUARTER

HIGHLIGHTS

- Revenue of A\$340k for Q4 FY21 (up 13.7% on Q3 FY21 revenue of A\$299k).
- Advancing field trials, with conversions to full production orders, and successfully delivered AM parts to Shell and ConocoPhillips.
- Progress in key hubs with expansion in Australia entering the resources sector and strengthened collaboration with UNSW following successful completion of Stage 1 Proof of Concept Study.
- Technology progress with increase of polymer printers to 33, capable of printing in up to 25 different materials and working with Hitachi Metals to identify applications of their MAT21 high performing metal alloy.
- Growing adoption of AM services, driven by rise in long term sustainability goals and short term pandemic linked challenges, resulting in encouraging outlook entering H1 FY22.
- Cash balance of A\$2.7m as at 31 December 2021.

31st January 2022: 3D Metalforge Limited (ASX: 3MF) (“3D Metalforge” or the “Company”), a global revenue generating Additive Manufacturing (“AM”) company, is pleased to release its Appendix 4C cash flow statement and associated activities report for the quarter ended 31 December 2021.

Financial Performance

3D Metalforge continued to see positive sales during the December quarter, achieving revenue of A\$340k, up 13.7% on Q3 FY21 revenue of A\$299k. Revenue growth was driven by the Company building its presence in Australia, Houston and Singapore.

Targeted cash spend was in-line with the investment in building the business with cash expenditure of A\$1.6m. The Company remains cognisant of its cash burn and expects the gap between expenditure and cash inflows to narrow over time as its investments in growth pay off.

“The December quarter was a period of intense activity for 3D Metalforge, expanding our presence in the Australian resources sector with an agreement with Intercast Australia, commencing the promotion of our services to their customers, alongside the advancements in our collaboration with the University of New South Wales.”

“Our field trials are progressing, with a number of these converted into full production orders. By supplying AM services, what we offer clients is more than just a printer, and the projects delivered for global firms Shell and ConocoPhillips validate our approach of delivering critical spare parts faster and more cost effectively, to ultimately green clients’ supply chains.

*“Our pipeline of customers remains solid, underpinned by the technological progress we’ve made during the year, and our encouraging business prospects provide us confidence entering Financial Year 2022”, commented **Matthew Waterhouse, 3D Metalforge Limited Managing Director.***

Main Activities

Progress in key hubs

Australia

Following first orders received in the country, 3D Metalforge has made progress with its strategic expansion in Australia, including signing a channel partner agreement with leading foundry Intercast Australia, whose clients include BGC, Mineral Resources Limited, Water Corporation and Bradken. This is an initial 18 month agreement whereby Intercast Australia will promote 3D Metalforge’s services to customers in Australia.

A number of discussions are currently underway in the resources and energy sectors as large companies in the COVID-19 landscape are looking to adopt AM as a solution to bypass sustainability challenges, following the rise in global shipping costs and transportation delays, and as part of their longer term sustainability goals.

The Company also commenced an initial 12-month Memorandum of Understanding with the University of New South Wales (UNSW), Sydney, for AM research and development collaboration. In the first six months since inception, a stage 1 Proof of Concept study was successfully conducted. The study consisted in establishing a new machine learning based additive manufacturing process to guide the additive manufacturing process of In718 and other alloys to achieve high quality printed parts (relative density $\geq 99.5\%$ without cracks). The results are encouraging and will greatly remove the existing burdens associated with the costly and time-consuming process optimisation for In718 or other new alloys. This represents a further step in 3MF’s continued engagement in the Australian market.

On a corporate front, Srikrishnan (Sri) Vaidyanathan, was appointed as new Chief Finance Officer post period end. Mr Vaidyanathan brings a wealth of Australian industrial and engineering expertise and will continue to be based in Perth, Western Australia, in order to be in proximity of the key resources market and the Company’s investor base.

Houston

3D Metalforge’s 20,000 sq.ft USA flagship facility is up and running in Houston with first parts produced, new business with new customers such as Cooper Machinery and expanding business with longer term customers such as NOV. The Company’s first H-WAAM printer outside Singapore is being installed in early Q1 2022.

The Company is well advanced in field trials with a number of major US companies including Par Pacific that are being led out of the Company's new Houston facility.

Matthew Waterhouse was very pleased to join the Manufacturing and Logistics committee of Greater Houston Partnership to support the Company's outreach program in Houston.

Singapore

A number of projects have shifted from engineering through testing and to full production. Encouragingly, the Company's main production equipment reached >80% utilisation in the December quarter.

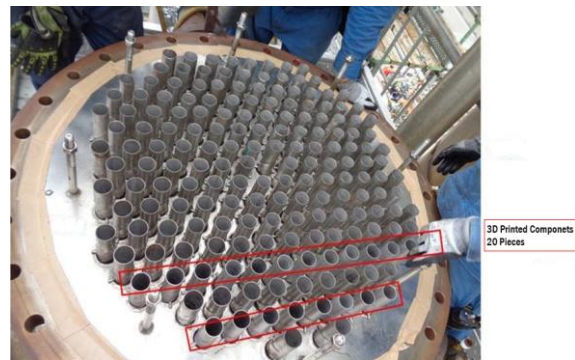
3D Metalforge continued to work with numerous industry leaders including PSA, Bureau Veritas, Lloyds Register and ABS on the Joint Industry Projects organised by Singapore's Maritime Port Authority.

3D Metalforge also continues developments with its on-site production facility at PSA (Port of Singapore).

Advancing field trials and delivery of AM parts to Shell and ConocoPhillips

Having parts on field testing and trials with existing and potential customers brings the Company a step closer to securing contracts and growing its customer base.

During the quarter, parts were delivered to Shell Jurong Island, a site owned by one of the world's largest energy companies Shell, in a considerably shorter timeframe. The AM heat exchanger parts were used to accelerate the required lead time to manufacture heat exchanger tube components. The parts were delivered in a record two weeks, faster and more cost effectively, allowing Shell to reduce equipment downtime and not affect the client's operations. The Company provided a full range of AM services including the creation of a digital file for the parts prior to printing and testing.



3D Printed Component in Heat Exchanger

After installing AM produced parts on-board ConocoPhillips' Endeavour oil tanker in February 2021, these parts were checked and found to be working well in November 2021. Three AM parts were fabricated and installed to improve supply chain efficiencies and sustainability challenges. The project was led with multi-national firms ABS Group, ConocoPhillips Polar Tankers and Sembcorp Marine.

Technology Advancements – increasing fleet of printers and printing in new metal powders

The Company completed testing and commissioning of a range of customised polymer printers, increasing its fleet of polymer printers to 33 capable of printing in up to 25 different materials.

These printers are part of 3D Metalforge's strategy of expanding into high end polymers for defence, maritime and oil & gas applications, as the Company believes that high performing polymers will be increasingly demanded by customers in these sectors.



3MF Impeller printing in Hastelloy

Progress was also made extending 3D printing capability in new high performance metal powders, and the Company has been working with Hitachi Metals Singapore to widen its range of 3D metal powders. Metal powders customised for AM processes are an emerging technology which can improve the performance of printed parts, and provide a significant competitive advantage in servicing clients. To this extent, 3D Metalforge delivered a customer print job with a new material customised for additive manufacturing – MAT21.

MAT21 is an alloy which has superior properties than stainless steel, with high corrosion resistance under various conditions. Companies operating in the oil & gas sector have previously struggled to find a solution for their additively manufactured Hastelloy requirements, and the availability of the MAT21 powder and printability of this powder is an advantage going forward.

Outlook

3D Metalforge continues to execute its commercialisation strategy, with a focus on deepening traction and accelerating sales in existing markets via its core hubs, and ultimately shift clients from field trials to full production.

In addition, 3D Metalforge is actively seeking opportunities to embed its solutions right into client facilities, with its 'shop in a shop' solution, to improve customer supply chains and offer a tangible competitive advantage.

The Company continues to consider inorganic growth opportunities as and when deemed appropriate for the Company's strategy.

Financial Summary

The attached Appendix 4C provides details on the cashflows for the quarter ended 31 December 2021. The Company's net cash used in operating activities for the quarter amounts to A\$1.615m, which included research and development (A\$0.045m), product manufacturing and operating costs (A\$0.334m), staff costs (A\$0.656m), administration and corporate costs including interest paid (A\$0.605m), leased assets costs (A\$0.226m), and advertising and marketing (A\$0.049m). Staff costs and administration and corporate costs included expenditure in relation to international expansion.

Use of Funds

3D Metalforge was admitted to the official list of the ASX on 25 February 2021 following completion of an IPO raising A\$10m. The December 2021 quarter is included in a period covered by a use of funds statement in the IPO prospectus lodged with ASX under Listing rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 31 December 2021 against the estimated expenditure in the use of funds statement is set out below as required by ASX Listing Rule 4.7C.2.

| Description | Prospectus A\$ | Actual to Date (25 February – 31 December 2021) A\$ |
|--|-------------------|---|
| Equipment | 1,500,000 | 726,985 |
| International expansion | 4,000,000 | 1,312,414 |
| Research and Development | 500,000 | 231,612 |
| Loan repayment | 1,000,000 | 600,887 |
| General administration and working capital | 3,074,672 | 3,411,002 |
| Expenses of the Public Offer | 997,621 | 1,130,727 |
| Total | 11,072,293 | 7,413,626 |

The Company notes:

1. For the quarter, 3D Metalforge received total cash receipts from customers of approximately A\$266k.
2. The Company also received total government grants and tax incentives of approximately A\$34k.
3. In addition to the table above, during the December quarter the Company cash spent approximately A\$334k in relation to product manufacturing and operating costs.
4. General administration and working capital have exceeded the budgetary use of IPO funds estimates in the prospectus. This is due to lower-than-expected cashflow from sales growth due to the challenging market conditions.

Related Party Transactions

Payments in the December quarter to related parties of approximately A\$73k included at item 6 in the attached Appendix C comprised of directors' fees and salary.

- ENDS -

This announcement has been approved for release by the Board of 3D Metalforge Limited.

For more information please contact:

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ABOUT 3D METALFORGE

3D Metalforge Limited (ASX: 3MF), founded in 2015, is a leading Additive Manufacturing (AM) company that supports a growing multinational industry-leading client base with their advanced proprietary 3D additive manufacturing systems. The Company offers a full range of in-house AM printing services from design and engineering, material advisory, diagnostics and testing, to printing and post-production certification to the latest industry and API standards. Its approach to industrial production, its proprietary processes and eco-friendly technology produce high-demand parts faster, better and more cost-effectively with less environmental impact and greater sustainability than conventional manufacturing.

FORWARD LOOKING STATEMENT

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of 3D Metalforge Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

Appendix 4C

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

Name of entity

3D Metalforge Limited

ABN

53 644 780 281

Quarter ended ("current quarter")

31 December 2021

| 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 | 266 | 897 |
| 1.2 Payments for | | |
| (a) research and development | (45) | (231) |
| (b) product manufacturing and operating costs | (334) | (1,420) |
| (c) advertising and marketing | (49) | (126) |
| (d) leased assets | (226) | (819) |
| (e) staff costs | (656) | (2,136) |
| (f) administration and corporate costs | (598) | (1,937) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (7) | (38) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 34 | 260 |
| 1.8 Other | - | (97) |
| 1.9 Net cash from / (used in) operating activities | (1,615) | (5,647) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (329) | (721) |
| (d) investments | - | - |
| (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 | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (329) | (721) |

| | | | |
|-------------|---|------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 10,001 |
| 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 | - | (1,051) |
| 3.5 | Proceeds from borrowings | 621 | 621 |
| 3.6 | Repayment of borrowings | (177) | (602) |
| 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 | 444 | 8,969 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 4,263 | 66 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,615) | (5,647) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (329) | (721) |

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

| 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) | 444 | 8,969 |
| 4.5 | Effect of movement in exchange rates on cash held | 1 | 97 |
| 4.6 | Cash and cash equivalents at end of period | 2,764 | 2,764 |

| 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 | 2,764 | 4,263 |
| 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) | 2,764 | 4,263 |

| 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 | 73 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 0 |
| <p><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></p> <p>Payments made to Directors for Director fee and salary</p> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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 | 2,107 | 2,107 |
| 7.2 | Credit standby arrangements | 690* | 621 |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | 2,797 | 2,728 |

7.5 Unused financing facilities available at quarter end

69

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.

| Description | Lender | Outstanding Facility S\$'000 | Interest Rate | Maturity Date | Secured/Unsecured |
|----------------------|------------------------------------|------------------------------|---------------|---|---|
| Temp Bridging Loan | DBS Bank | S\$368 | 2.5% | 24 Apr 25 | Joint and several personal guarantee by Matthew Waterhouse and Khoo Hwi Min |
| Working Capital Loan | DBS Bank | S\$39 | 7.00% | 13 May 23 | |
| Working Capital Loan | DBS Bank | S\$63 | 7.00% | 21 Nov 24 | |
| Working Capital Loan | DBS Bank | S\$1 | 6.75% | 28 Dec 21 | |
| Term Loan | Matthew Waterhouse | S\$202 | 8.00% | 1 Jun 23 | Unsecured |
| Term Loan | Khoo Hwi Min | S\$699 | 8.00% | S\$250k by 1 Mar 22 \$110k between 1 Mar 22 and 1 Mar 23 Remain by 1 Jun 23 | Unsecured |
| Term Loan | Hee Chee Wei | S\$207 | 8.00% | 2 Aug 23 | Joint and several personal guarantee by Matthew Waterhouse and Ho Kuen Loon |
| Term Loan | Mario Babin | S\$247 | 8.00% | 1 Apr 22 | |
| Term Loan | Lim Siang Yong | S\$137 | 8.00% | S\$137k by 6 Apr 22 | |
| Term Loan | Right Angle Ventures Group Pte Ltd | S\$102 | Nil | 1 Mar 23 | Unsecured |
| | Total | S\$2,065 #(A\$2,107) | | | |

based on Reserve Bank of Australia Exchange rate of A\$1.00=S\$0.9799 (31 Dec 2021)

* US\$500,000 bank line of credit for 3D Metallforge LLC (Houston, Texas)

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (1,615) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 2,764 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 69 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 2,833 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 1.75 |
| <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: Yes, at the current time, the Company is expected to continue with current level of net operating cashflow. | |
| 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: The Company expects to meet its operational costs from proceeds from sales to customers, existing cash reserves, and as required from additional funding. | |
| 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: Yes, on the basis of proceeds from sales to customers, existing cash reserves, and as required from seeking additional funding. | |
| <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: 31 January 2022

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.
6. On 18 November 2020, 3D Metalforge Limited ("3D Metalforge") and 3D Infra Pte Ltd ("3D Infra") entered into an implementation agreement to complete the acquisition of 3D Infra. The acquisition was completed on 17 February 2021. The cash flows movements represent the continuation 3D Metalforge from 1 January 2021 and 3D Infra as the accounting from 17 February 2021.