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SEPTEMBER 2022 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 September 2022 (Q1FY23).

KEY HIGHLIGHTS DURING THE QUARTER

On 14 July 2022, AML3D announced the successful Placement of shares, raising an additional $2.7 million (before costs). The Placement was completed 20 July 2022 with the issue of 37,605,038 shares at a price $0.0714 per share.

Funds raised are being applied to:

- Accelerating growth initiatives, following recent contract wins.
- Build on the existing executive, business development team and sales and marketing pipeline.
- Continue the enhancement of AML3D technology to remain a market leader; and
- Meet working capital demands of a scaling business.

As a result of the equity placement and operating cashflows, AML3D's cash balance at the end of the Quarter increased to $4.1 million, compared to $2.9 million at 30 June 2022.

On 26 September 2022, the Company announced the appointment of Mr. Ryan Millar as CEO. Founder and Executive Director, Andy Sales, moved from the role of CEO to Chief Technical Officer (CTO) and is leading the commercialisation of AML3D's strategically important Research and Development Projects, which will underpin AML3D's longer-term growth.

The appointment of Mr. Millar is in line with AML3D's plans to expand its executive capabilities as the Company realises its growth strategy and positions AML3D with a leadership team to execute its next development phase.

AML3D's multi-phase growth strategy has been designed to allow the Company to create value over immediate, medium and longer-term time horizons. Recent contract wins and ongoing contract negotiations with global Tier 1 companies demonstrate delivery in line with our growth strategy.

Key activities during the quarter included:

- Additional purchase agreement to develop and produce 3D printed components for an industry-leading, North American Company. These key components will involve extensive printing of high-strength Aluminium and an intensive testing program compliant to aerospace testing programs for "fly" parts. Additionally, the testing of structural components is aligned with the requirements of AS9100D Quality Assurance standards.
- Commencement of AS9100D:2016 Quality Systems Accreditation for the Company's proprietary advanced manufacturing technology, WAM®, essential for the quality requirements needed for certified aerospace components.
- Engagement with Arican Advisory and Capital to further support AML3D's North American Defence strategy, targeting Navy, Land forces and Aerospace.

- Bolstering of AML3D's Business Development with the addition of Kerrye Owen to the Executive Leadership Team as Vice President of Global Sales.
- World first Additive Manufacturing Facility Accreditation from DNV allowing AML3D to access DNV's high value, global customer base as a supplier of 'Class certified' high-strength steels and nickel aluminium bronze components.

Ongoing development of increased deposition rates to reduce production lead times and improve the commercial applications of our process.

Delivering value over the immediate and medium-term horizons

AML3D's focus on its immediate and medium-term value drivers has translated to winning business with Global Tier 1 companies in the Oil and Gas sector and success over the medium-term horizon by developing our relationships in the Aerospace, Maritime, Defence and Resources markets. A key consideration for AML3D's clients is our proprietary WAM® technology's fast lead times to manufacture and use of wire feedstock which helps avoid the supply chain risks associated with traditional manufacturing.

During the quarter, AML3D received a purchase agreement for $140,000 from a leading global Aerospace company on standard commercial terms to use our proprietary Wire Additive Manufacturing (WAM®) process to supply various high-strength aluminium test pieces and structural "fly" components for evaluation at their North American facility.

The testing and validation of these structural "fly" components by this North American American-based global aerospace company has expanded the initial purchase order to include an additional scope of work for prototype components. This has increased the value of the $140,000 purchase agreement by approximately 150% and demonstrates progress on delivering the company's immediate and medium-term growth strategies. The supply of this next phase of test parts and structural components is expected to lead to more extensive programs as AML3D becomes embedded in this global Tier 1 Aerospace company's supply chain.

To support our existing global Tier 1 Aerospace clients and expand our commercial relationships in the Aerospace and Defence sectors, the company is pursuing the Aerospace Quality Management System, AS9100D:2016 Accreditation. AS9100D:2016 will enable the Company to manufacture and promote 'fly parts' for use in commercial aviation. When fully implemented, AML3D will be only the world's second 3D wire feedstock additive manufacturing company to achieve the standard.

Entry into the North American Defence market is also underway to pursue supply opportunities recently identified by the company's new leadership team. As a result, AML3D has recently signed a consulting partnership with Arican Advisory and Capital. Arican and its founder and principal, Mark Stevens, bring a tremendous amount of defence-related experience and network depth across Australia and the United States. Mark, alongside his U.S.-based team, will provide advisory services and connections as AML3D executes against its local and international defence strategy across Navy, Land forces and Aerospace. Relationships developed with Arican will be supported by AML3D's new leadership team. This team includes Ryan Millar as CEO, and the addition of Kerrye Owen as VP of Global Sales. Ms. Owen brings over 22 years of sales and business development experience to AML3D, gained at several leading global companies such as Gartner, EY and most recently, GE Digital.

In addition, during the quarter, AML3D was awarded the first Additive Manufacturing Facility accreditation for a wire feedstock AM process from DNV[1], the world's leading Marine & Industrial Classification Society[2]. The accreditation demonstrates that AML3D's WAM® technology meets the enhanced 'Class certification' standards for Integrity and Quality applied to critical components in the Oil & Gas and Maritime industry.

[1] https://approvalfinder.dnv.com/#approval/AMMM00002ZC

[2] https://annualreport.dnv.com/2021/

AML3D is the first wire feedstock-based Additive Manufacturing company to achieve this accreditation, making the Company the only wire-feed additive manufacturer accredited to supply high-value Class certified parts to DNV's global customer base. AML3D estimates that its DNV accreditation, combined with its world-first Wire-arc Additive Manufacturing facility certification by Lloyd's Register, gives the Company access to close to two-thirds of the global market for high-value, class-certified marine components[3]. These certifications will support our medium-term growth horizon target of expansion into the Maritime and Defence sectors.

Longer-term value drivers

Commercialising AML3D's Research and Development ("**R&D**") work to enhance the Company's software, technology solutions and create new and innovative materials is key to unlocking additional longer-term value in the business. The appointment of AML3D's founder Andy Sales, to the Chief Technology Officer role is a recognition of how strategically important the Company's R&D to Commercialisation projects are to maintaining its position as a technology leader globally. AML3D's R&D program is critical to broadening and deepening the Company's commercial relationships with our existing and new clients.

AML3D continues to invest in developing our technology solutions. Our in-house R&D team is continually enhancing the software and technology at the heart of our ARCEMY® systems. We are continuing our investment into developing twin wire. These high-productivity printers allow up to five times faster deposition rates, which translates to up to 30 kilograms per hour for larger-scale components. We are also focused on completing engineering analysis for our Hybrid printer solution in the near term, which is now aimed for Q3 FY23. The Company is in discussions with various potential partners for final trials which will commence mid CY23, which incorporates a finishing technology that optimises part completion efficiencies and reduces post-production machining and finishing.

AML3D's contract manufacturing facility in Adelaide has been upgraded with remote automation technology, demonstrating our capability to easily deploy and support our ARCEMY® systems as embedded advanced manufacturing solutions at the point of need within our global customer's operations.

AML3D's internal R&D team is also continuing the development of a new material strength prediction tool, in partnership with CSIRO, for the Company's proprietary WAMSoft® software. This predictive Software feature is bespoke only to the Company and intended to be an added-value option that supports increased licensing fees for our ARCEMY® system.

The Company has also established partnerships with third-party institutions such as Deakin University, The Institute for Frontier Materials ("**IFM**") and the IMCRC to develop innovative new materials. These materials will support our existing global Tier 1 clients' current and future needs and win new business.

The 'Optimising of Scandium Containing Aluminium Alloys Project' is investigating the effect of Scandium as a strengthening element for aluminium welding wire. It has the potential to allow our WAM® process to create higher-strength, industrial scale, aluminium components, and 3D printed products while removing the need for age-hardening heat treatment with the potential to open new markets for maintenance and repair of existing structures.

To date, the new aluminium-scandium alloy has met all expectations for the delivery of high-strength, corrosion-resistant WAAM structures. This project is in the final stages of commercial trials and is attracting interest from industry buyers for 3D printed components for Marine applications.

A successful conclusion to the 'Optimising of Scandium Containing Aluminium Alloys Project' project is expected to unlock new applications for WAM® across the Aerospace, Resources (mining, oil & gas) and broader Maritime and Transport industries.

[3] https://lloydslist.maritimeintelligence.informa.com/LL1135003/Top-10-classification-societies-2020

The initial results of AML3D's proof-of-concept project exploring incorporating Boron Nitride Nanotubes ("**BNNTs**") in AML3D's WAM® technology to create much stronger, lighter, and more thermally and radiation-resistant aluminium composites have been very successful in the first stage. The next stages will be commencing in Q2 FY23 with completion early-mid CY23. BNNTs are considered the world's strongest and most advanced fibres. The BNNT/aluminium composites project has already started to attract commercial interest, giving us confidence that these composites will have commercial applications.

Our ongoing R&D projects to develop innovative materials have the potential to significantly enhance AML3D's WAM® technology and increase the revenue prospects for the company through increased opportunities to deploy ARCEMY® systems and win contract manufacturing orders. Material development projects represent a potentially significant opportunity to create new commercial applications across the Aerospace, Maritime, Defence, and Transport industries, which can be rolled out to multiple geographic markets across Australia, North America, Asia Pacific (incl. Japan and South Korea) and Europe (Germany, France and the United Kingdom).

Events Subsequent to Quarter End

On 5 October 2022, AML3D announced the appointment of Mr. Noel Cornish AM as a Non-executive Director and new Chairman.

Mr. Cornish's appointment follows an extensive search process undertaken by the Board with the assistance of a global executive search firm, Stanton Chase, which identified a number of highly qualified candidates. Mr. Cornish's extensive industry and governance experience mean, as the Board's new Chairman, he is ideally positioned to support the Company achieve its strategic goals.

Financial

Cash receipts for the quarter were $104,000, down significantly on the prior quarter due to the timing of the completion of customer projects. Total operating cash out flow for the quarter was $1.3 million, consistent with the prior quarter.

Net operating cash outflow for the quarter was $1.2 million, with cash on hand, as at 30 September 2022, of $4.1 million, representing over three quarters of available funding based on the current quarter's outflow.

Related Party Payments

Pursuant to Listing Rule 4.7C3, the Company confirms the following related party payments made during the quarter:

- The Company engaged the services of a company controlled by Mr Andrew Sales' sister, to provide IT services. These services were conducted on standard commercial terms. Payments for these services during the quarter totalled $1,006.

- Venture Corporate Advisory Pty Ltd ("**VCA**") acted as Corporate Adviser for the Placement of shares 20 July 2022. Sean Ebert is a director and part-owner of VCA. These services were conducted on standard commercial terms. Payments for these services during the quarter totalled $180,675 (inclusive of GST).

Outlook

AML3D's contract manufacturing facility continues to deliver on our current order book. The Company has a robust opportunity pipeline, which is weighted to the second half of FY2023.

In addition, we are continuing work to secure AS9100D certification, which will add value by making AML3D's technology solution more attractive to our existing global Tier 1 Aerospace and Defence industry clients and creating opportunities to win new clients within these sectors.

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	**Quarter ended ("current quarter")**
55 602 857 983	30 September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	104	104
1.2	Payments for		
	(a) research and development	(176)	(176)
	(b) product manufacturing and operating costs	(115)	(115)
	(c) advertising and marketing	(19)	(19)
	(d) leased assets	-	-
	(e) staff costs	(463)	(463)
	(f) administration and corporate costs	(535)	(535)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	13
1.5	Interest and other costs of finance paid	(7)	(7)
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**	**(1,198)**	**(1,198)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(22)	(22)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	3	3
	(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**	**(19)**	**(19)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,685	2,685
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	(186)	(186)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(118)	(118)
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**	**2,381**	**2,381**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,933	2,933
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,198)	(1,198)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19)	(19)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,381	2,381
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,097**	**4,097**

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	4,097	2,933
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)**	**4,097**	**2,933**

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	1
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Aggregate amount of payments to related parties and their associates included in item 3	181

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.

7.	**Financing facilities** *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.*	**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)	(1,198)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,097
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,097
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3

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.

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

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.

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: 28 October 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.