

3D Metalforge Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	3D Metalforge Limited
ABN:	53 644 780 281
Reporting period:	For the year ended 31 December 2021
Previous period:	For the year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	Up	100% to	956,335
Loss from ordinary activities after tax attributable to the owners of 3D Metalforge Limited	Up	993% To	(5,140,484)
Loss for the year attributable to the owners of 3D Metalforge Limited	Up	993% to	(5,140,484)

Dividends

No dividend has been declared or paid for the year ended 31 December 2021 (31 December 2020: \$nil).

Brief explanation of any of the figures reported above

3D Metalforge Limited was incorporated on 1 October 2020. In February 2021, the Company completed the 100% acquisition of ordinary shares of 3D Infra Pte Ltd ("3D Infra") and commenced trading on the ASX following a successful Initial Public Offering ('IPO'). The Appendix 4E and attached preliminary financial report includes the performance of 3D Infra from 17 February 2021, when the acquisition was completed.

Since listing on the ASX, the Group has been focused on expanding in Australia and Houston, continuing to commercialise the Group's offerings to leading companies such as Par Pacific and PSA as well as developing the Groups technology for example installing the new H-WAAM printer in the facility in the Port of Singapore.

The loss for the Group after providing for income tax, amounted to \$5,140,484 (31 December 2020: loss \$470,305).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.88)</u>	<u>3.85</u>

4. Control gained over entities

Name of Entities	Date Control Gained / Loss
Control Gained 3DInfra Pte Ltd 3D Metalforge Pte Ltd 3D Matters Pte Ltd 3D Metalforge (USA) Pte Ltd 3D Metalforge LLC	17 February 2021 for all entities

Contribution of such entities to the Group's loss from ordinary activities before income tax during the reporting period	\$ (4,124,795)
Contribution of such entities to the Group's loss from ordinary activities before income tax during the previous period	-

There have been no other entities over which control has been gained during the period or previous reporting period.

5. Loss of control over entities

There have been no entities over which control has been lost during the period or previous reporting period.

6. Details of associates and joint venture entities

There were no associates or joint ventures during the period or previous reporting period.

7. Audit qualification or review

The financial statements are in the process of being audited.

Details of audit/review dispute or qualification (if any):

Not applicable

8. Attachments

Details of attachments (if any):

The preliminary final report of 3D Metalforge Limited for the year ended 31 December 2021 is attached.

Signature:



Matthew Waterhouse
Chairman, Managing Director and CEO
Singapore
28 February 2022



3D Metalforge Limited and Its Controlled Entities

ABN 53 644 780 281

**Preliminary Final Report
For the Year Ended 31 December 2021**

3D Metalforge Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$	Company 1 Oct – 31 Dec 2020 \$
Revenue	3	956,335	-
Other income	4	343,590	-
Interest income		671	18
Consulting fees		-	(207,146)
Cost of materials		(911,748)	-
Depreciation and amortisation expense		(1,052,290)	-
Employee expenses	5	(2,041,951)	-
Finance costs		(189,521)	(18)
Legal and professional fees		(709,986)	-
Listing costs		(4,079)	(107,608)
Share-based payments expense	12,13	(30,602)	(148,257)
Other expenses	5	(1,500,903)	(7,294)
Total Expenses		(6,441,080)	(470,323)
Loss before income tax expenses		(5,140,484)	(470,305)
Income tax expense		-	-
Loss after income tax for the year		(5,140,484)	(470,305)
Other comprehensive income for the year			
Other comprehensive income, net of income tax		(97,257)	-
Total comprehensive loss for the year		(5,237,741)	(470,305)
Basic and diluted loss per share (cents)		(3.09)	(12.71)

The above statement should be read in conjunction with the accompanying notes

3D Metalforge Limited
Consolidated Statement of Financial Position
As at 31 December 2021

		Consolidated	Company
		31 Dec 2021	31 Dec 2020
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,073,141	53,509
Trade and other receivables		377,061	510,761
Inventories		307,697	-
Prepayments		327,832	-
Other current assets	6	689,924	-
Total current assets		3,775,655	564,270
Non-current assets			
Property, plant and equipment	7	631,637	-
Right-of-use asset	8	1,765,596	-
Intangible assets	9	527,128	-
Other receivables		280,184	-
Total non-current assets		3,204,545	-
Total assets		6,980,200	564,270
Liabilities			
Current liabilities			
Trade and other payables		1,616,907	193,509
Lease liabilities		591,838	-
Loans and borrowings	10	1,299,297	-
Total current liabilities		3,508,042	193,509
Non-current liabilities			
Lease liabilities		1,200,435	-
Other payables		206,916	-
Loans and borrowings	10	1,447,172	-
Total non-current liabilities		2,854,523	-
Total liabilities		6,362,565	193,509
Net assets		617,635	370,761
Equity			
Issued capital	11	36,043,609	692,809
Reserves	12	(29,815,185)	148,257
Accumulated losses		(5,610,789)	(470,305)
Total equity		617,635	370,761

The above statement should be read in conjunction with the accompanying notes

3D Metalforge Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

	Note	Issued Capital \$	Share-based Payment Reserve \$	Common Control Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Incorporated at 1 October 2020		3	-	-	-	-	3
Loss for the period		-	-	-	-	(470,305)	(470,305)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	-	(470,305)	(470,305)
Shares issued		753,619	-	-	-	-	753,619
Share issue costs		(60,813)	-	-	-	-	(60,813)
Share based payment		-	148,257	-	-	-	148,257
Balance at 31 December 2020		692,809	148,257	-	-	(470,305)	370,761
Loss for the year		-	-	-	-	(5,140,484)	(5,140,484)
Other comprehensive income		-	-	-	(97,257)	-	(97,257)
Total comprehensive loss for the year		-	-	-	(97,257)	(5,140,484)	(5,237,741)
Initial public offer – Public Offer	11	10,000,000	-	-	-	-	10,000,000
Initial public offer – Consideration Offer - Acquisition of 3DInfra Pte Ltd	2,11,12	26,000,000	-	(29,896,787)	-	-	(3,896,787)
Initial public offer – Lead Manager	11	100,000	-	-	-	-	100,000
Share issue costs	11	(749,200)	-	-	-	-	(749,200)
Share based payment	12,13	-	30,602	-	-	-	30,602
Balance at 31 December 2021		36,043,609	178,859	(29,896,787)	(97,257)	(5,610,789)	617,635

The above statement should be read in conjunction with the accompanying notes

3D Metalforge Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$	Company 1 Oct – 31 Dec 2020 \$
Cash flows from operating activities			
Receipts from customers		1,165,551	-
Payments to suppliers and employees		(7,005,760)	(139,318)
Interest paid		(67,473)	-
Interest received		671	18
Net cash used in operating activities		(5,907,011)	(139,300)
Cash flows from investing activities			
Payments for investments		-	(500,000)
Cash from acquisition of 3DInfra		75,111	-
Purchase of plant and equipment		(585,114)	-
Purchase of intangible assets		(249,965)	-
Net cash used in investing activities		(759,968)	(500,000)
Cash flows from financing activities			
Proceeds from issue of shares		-	753,622
Proceeds from Initial Public Offering		10,000,000	-
Share issue costs		(649,200)	(60,813)
Net proceeds from bank loans and external borrowings		1,705	-
Repayment of lease liabilities		(665,894)	-
Net cash provided by financing activities		8,686,611	692,809
Net increase in cash and cash equivalents		2,019,632	53,509
Cash and cash equivalents at the beginning of the year		53,509	-
Cash and cash equivalents at the end of the year		2,073,141	53,509

The above statement should be read in conjunction with the accompanying notes

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 1: Significant Accounting Policies

General

These consolidated financial statements and notes represent those of 3D Metalforge Limited (the “Company”) and its controlled entities (“Group”).

Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. 3D Metalforge Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Company. The functional currency of the Company’s controlled entities is Singapore Dollars (SGD) and United States Dollars (USD).

The preliminary financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, this report is to be read in conjunction with the accompanying notes, the 2020 Annual Report, the 2021 Interim Financial Report and any public announcements made by 3D Metalforge Limited in accordance with the continuous disclosure obligations of the ASX listing rules.

This financial report has been prepared on the going concern basis. The accounting policies have been applied consistently for the purposes of preparation of the financial statements.

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 2: Acquisition of 3DInfra Pte. Ltd

On 17 February 2021, the Company completed the 100% acquisition of ordinary shares of 3DInfra Pte Ltd (“3DInfra”) for a total consideration of 130,000,000 ordinary share of the Company.

The Board of Directors of the merged entity at the time, comprised of Michael Spence as non-executive chairman; Samantha Tough and Geoffrey Piggott as independent directors, and Matthew Waterhouse, a director of 3DInfra, was also appointed as the Chief Executive Officer. The 3DInfra management team assumed responsibility of the management of the merged entity.

The acquisition has been accounted for with reference to common controlled entities. The Group has adopted the predecessor value accounting method to form one enlarged group. The Company has recorded the excess consideration above the net assets of 3DInfra to a common control reserve.

As consideration for the acquisition of 100% of the issued 3DInfra securities, 3D Metalforge Limited issued 130,000,000 ordinary shares at \$0.20 representing total consideration of \$26,000,000.

The following total consideration and fair value of net identifiable liabilities at acquisition date.

Fair value of consideration transferred	\$ 26,000,000
Fair value of identifiable assets and liabilities held at acquisition date	
Cash and cash equivalents	75,111
Trade receivables	287,654
Other assets	212,004
Inventories	49,255
Other receivables	57,987
Property, plant and equipment	244,667
Right of use assets	763,527
Intangible assets	407,326
Trade and other payables	(2,818,840)
Provisions	(67,380)
Borrowings	(3,108,098)
Total fair value of identifiable net liabilities	<u>(3,896,787)</u>
Common control reserve	<u>29,896,787</u>

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 3. Revenue

All sales of goods is recognised at a point in time. The Group's revenue disaggregated by primary geographical markets is as follows:

	Consolidated 31 Dec 2021	Company 31 Dec 2020
	\$	\$
Australia	-	-
Singapore	779,415	-
United States	176,920	-
	<u>956,335</u>	<u>-</u>

Note 4. Other income

	Consolidated 31 Dec 2021	Company 31 Dec 2020
	\$	\$
Grant Income	340,349	-
Write back of bad debts	2,390	-
Sundry income	851	-
	<u>343,590</u>	<u>-</u>

Note 5. Expenses

	Consolidated 31 Dec 2021	Company 31 Dec 2020
	\$	\$
<i>Other expenses mainly comprise of:</i>		
Travel expenses	366,905	-
HR and admin services	307,760	-
Subscriptions	213,728	-
Rental and utilities	205,880	-
Compliance costs	114,301	7,294
	<u>1,008,574</u>	<u>7,294</u>
<i>Employee expenses mainly comprise of:</i>		
Salaries and other related costs	1,907,038	-
Contributions to defined contribution plans	134,913	-
	<u>2,041,951</u>	<u>-</u>

Note 6. Other current assets

	Consolidated 31 Dec 2021	Company 31 Dec 2020
	\$	\$
Certificate of deposit	689,924	-
	<u>689,924</u>	<u>-</u>

A certificate of deposit for USD500,000 is held as security for a line of credit facility for USD500,000 held by 3D Metalforge LLC, with Central Bank (refer to note 10, footnote 4)

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 7. Property, Plant and Equipment

The following tables show the movements in property, plant and equipment:

	Computer equipment \$	Furniture and fittings \$	Office equipment \$	Plant and machinery \$	Renovations \$	Total \$
Cost						
Balance at 1 January 2021	-	-	-	-	-	-
Acquisition through business combination	11,662	463	52	223,133	9,357	244,667
Additions during the year	59,073	77,876	13,857	416,210	18,098	585,114
Exchange rate movement	568	23	2	10,884	456	11,933
At 31 December 2021	71,303	78,362	13,911	650,227	27,911	841,714
Accumulated depreciation						
Balance at 1 January	-	-	-	-	-	-
Depreciation	(16,223)	(10,809)	(2,728)	(174,051)	(9,159)	(212,970)
Exchange rate movement	6,641	(65)	(17)	(3,503)	(163)	2,893
At 31 December 2021	(9,582)	(10,874)	(2,745)	(177,554)	(9,322)	(210,077)
Net carrying amount						
At 31 December 2021	61,721	67,488	11,166	472,673	18,589	631,637

Note 8. Right of Use Asset

The following tables show the movements in right-of-use assets:

	Office premises \$	Plant and machinery \$	Office equipment \$	Vehicle \$	Total \$
Cost					
Balance at 1 January 2021	-	-	-	-	-
Acquisition through business combination	226,210	537,317	-	-	763,527
Additions during the period	1,612,997	-	22,871	38,101	1,673,969
Exchange difference	11,034	26,208	-	-	37,242
Balance at 31 December 2021	1,850,241	563,525	22,871	38,101	2,474,738
Accumulated amortisation					
Balance at 1 January 2021	-	-	-	-	-
Amortisation	(289,676)	(389,800)	(1,614)	(11,703)	(692,793)
Exchange difference	(8,625)	(10,306)	(7)	2,589	(16,349)
Balance at 31 December 2021	(298,301)	(400,106)	(1,621)	(9,114)	(709,142)
Net carrying amount					
At 31 December 2021	1,551,940	163,419	21,250	28,987	1,765,596

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 9. Intangible Asset

	Consolidated	Company
	31 Dec 2021	31 Dec 2020
	\$	\$
Computer software	7,526	-
Development costs	519,602	-
	<u>527,128</u>	<u>-</u>
	<u><u>527,128</u></u>	<u><u>-</u></u>
	Computer software	Development costs
	\$	\$
	Total	\$
Cost		
Balance at 1 January 2021	-	-
Acquisition through business combination	9,515	397,811
Additions during the period	7,496	242,469
Exchange difference	464	19,404
Balance at 31 December 2021	<u>17,475</u>	<u>659,684</u>
	<u><u>17,475</u></u>	<u><u>659,684</u></u>
Accumulated amortisation		
Balance at 1 January 2021	-	-
Amortisation	(9,722)	(136,805)
Exchange rate movement	(227)	(3,277)
Balance at 31 December 2021	<u>(9,949)</u>	<u>(140,082)</u>
	<u><u>(9,949)</u></u>	<u><u>(140,082)</u></u>
Net carrying amount		
At 31 December 2021	<u>7,526</u>	<u>519,602</u>
	<u><u>7,526</u></u>	<u><u>519,602</u></u>

Note 10. Borrowings

	Consolidated	Company
	31 Dec 2021	31 Dec 2020
	\$	\$
Current		
Amount due to related parties ²	112,230	-
Amount due to third parties ³	405,522	-
Amount due to bank ⁴	781,545	-
	<u>1,299,297</u>	<u>-</u>
	<u><u>1,299,297</u></u>	<u><u>-</u></u>
Non-current		
Amounts due to director ¹	205,720	-
Amount due to related parties ²	601,278	-
Amount due to third parties ³	320,569	-
Amount due to bank ⁴	319,605	-
	<u>1,447,172</u>	<u>-</u>
	<u><u>1,447,172</u></u>	<u><u>-</u></u>
	<u><u>2,746,469</u></u>	<u><u>-</u></u>

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 10. Borrowings (continued)

¹ Term loan of S\$202,000 at 8% maturing 2 August 2023 and unsecured.

² Term loan of S\$699,000 at 8%, unsecured and maturing as follows:

- S\$250,000 by 1 March 2022;
- S\$110,000 between 1 March 2022 and 1 March 2023; and
- Remaining balance by 1 June 2023.

³ Amounts due to third parties comprise:

- Term loan of S\$207,000 at 8% maturing 2 August 2023;
 - Term loan of S\$247,000 at 8% maturing 1 April 2022; and
 - Term loan of S\$137,000 at 8% maturing 6 April 2023.
- All the above third party loans are secured by personal guarantees of management.

- Term loan of S\$102,000, non-interest bearing, maturing 1 March 2023 and unsecured.

⁴ Amounts due to bank comprise:

- Temporary bridging loan of \$368,000 at 2.5% maturing 24 April 2025;
 - Working capital loan of \$39,000 at 7% maturing 13 May 2023;
 - Working capital loan of \$63,000 at 7% maturing 21 Nov 2024; and
 - Working capital loan of \$1,000 at 6.75% maturing 28 Dec 2021.
- All the above bank loans are secured by personal guarantees of management.

- Line of credit facility for US\$500,000, of which US\$450,000 had been drawn down at the reporting date, at 2.1%, expiring 8 July 2022 with option to renew, secured by a certificate of deposit for US\$500,000

Note 11: Issued Capital

	31 December 2021		31 December 2020	
	No. of Shares	A\$	No. of Shares	\$
Fully paid ordinary shares	190,119,285	36,043,609	9,619,285	692,809
	Date	No. of Shares	Issue Price \$	\$
<i>Movements in ordinary share capital</i>				
Balance as at 1 October 2020		-		-
Incorporation of Company – 1 Oct 2020 ¹	1 Oct 2020	3	1.00	3
Issue of shares – seed ²	26 Nov 2020	3,619,282	0.001	3,619
Issue of shares – pre-IPO ³	27 Nov 2020	6,000,000	0.125	750,000
Share issue costs		-		(60,813)
Balance as at 31 December 2020		9,619,285		692,809
Initial public offer – Public Offer ⁴	17 Feb 2021	50,000,000	0.20	10,000,000
Initial public offer – Consideration Offer	17 Feb 2021	130,000,000	0.20	26,000,000
Acquisition of 3DInfra Pte Ltd ⁵				
Initial public offer – Lead Manager ⁶	17 Feb 2021	500,000	0.20	100,000
Share issue costs		-	-	(749,200)
Balance at 30 June 2021		190,119,285		36,043,609

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 11: Issued Capital (continued)

- ¹ Upon incorporation of the Company on the 1 October 2020, 3 shares were issued at \$1 per share.
² On 26 November 2020, 3,619,282 shares were issued at \$0.001 per share, pursuant to a subscription agreement and seed capital raise.
³ On 27 November 2020, 6,000,000 shares were issued at \$0.125 per share, pursuant to a pre-IPO capital raise.
⁴ On 17 February 2021, 50,000,000 fully paid ordinary shares were issued pursuant to the Public Offer.
⁵ Concurrently with the Public Offer, 130,000,000 fully paid ordinary to the Vendors (or nominees) were issued pursuant to the Consideration Offer.
⁶ Concurrently with the Public Offer, 500,000 fully paid ordinary shares were issued to the Lead Manager, Alto Capital (or its nominees), pursuant to the Lead Manager Offer.

Note 12: Reserves

	Consolidated	Company
	31 Dec 2021	31 Dec 2020
	\$	\$
Common control reserve ¹	(29,896,787)	-
Share based payment reserve (refer to Note 13)	178,859	148,257
Foreign currency translation reserve	(97,257)	-
	<u>(29,815,185)</u>	<u>148,257</u>

¹ Common Control Reserve

On 17 February 2021, the Company acquired 100% of 3DInfra Pte Ltd. The acquisition has been accounted for with reference to common controlled entities. The Group has adopted the predecessor accounting method to form one enlarged group. The Company has recorded the excess consideration above the net assets of 3DInfra Pte Ltd to a common control reserve in February 2021 (refer to Note 2).

Note 13: Share Based Payment

The share-based payment reserve arises from the equity-settled compensation plan issued to its employees, directors and consultants, upon achieving specific performance target and employees satisfying certain performance conditions and remain in the employment at the share issuance date. Equity-settled compensation plan is share of commons stock that vest and restricted share units are awards that will result in a payment if performance goals are achieved or the awards otherwise vest. The terms and conditions of these awards are established in the employment contract.

	No. of Options	\$
Balance as at 1 October 2020	-	-
Issue of options ¹	1,300,000	148,257
Balance as at 31 December 2020	<u>1,300,000</u>	<u>148,257</u>
Issue of options ²	500,000	30,602
Balance as at 31 December 2021	<u>1,800,000</u>	<u>178,859</u>

¹ On 11 December 2020, 1,300,000 unlisted options exercisable at \$0.25 expiring on 11 December 2023 were issued to Directors and investor relation advisor. 1,000,000 unlisted options were issued to Directors upon appointment, and 300,000 options were issued to investor relation advisor for services provided. All options vested at grant date.

3D Metalforge Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

Note 13: Share Based Payment (continued)

² On 1 August 2021, 500,000 unlisted options exercisable at \$0.25 expiring on 1 August 2024 were issued to a Director upon appointment. The options vested at grant date.

The fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model below:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
11/12/2020	11/12/2023	\$0.20	\$0.25	100%	-	0.10%	\$0.114
29/07/2021	01/08/2024	\$0.14	\$0.25	90%	-	0.12%	\$0.061

Set out below are the options exercisable at the end of the financial year:

Grant Date	Expiry Date	31 Dec 2021 No. of Options	31 Dec 2020 No. of Options
11/12/2020	11/12/2023	1,300,000	1,300,000
29/07/2021	01/08/2024	500,000	-

Note 14: Events Subsequent to Reporting Period

On 1 February 2022, non-executive director Samantha Tough, resigned from the Board and Chief Financial Officer, Sri Vaidyanathan, was appointed as an executive director.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.