

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 2020 and the previous corresponding period for the year ended 30 June 2019.

Results for announcement to the market

	Consolidated 2020	Consolidated 2019	Change \$	Change %
Revenue from ordinary activities	\$288,516	\$36,057	\$252,459	700%
EBITDA	\$(3,008,193)	\$(595,966)	\$(2,412,227)	404%
Net operating (loss) before income tax	\$(3,094,021)	\$(680,836)	\$(2,413,185)	354%
Net operating (loss) after income tax	\$(3,094,021)	\$(680,836)	\$(2,413,185)	354%
Basic earnings per share (cents)	(3.8) cents	(5.5) cents	1.7 cents	31%
Diluted earnings per share (cents)	(3.8) cents	(5.5) cents	1.7 cents	31%

Dividends

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

Net tangible assets per security

	Consolidated 2020	Consolidated 2019
Net assets	\$9,712,920	\$(113,666)
Less intangible assets	\$(452,480)	\$(35,839)
Net tangible assets	\$9,260,440	\$(149,505)
Ordinary shares	132,366,163	12,320,250
Net tangible assets per security – book value	7.0 cents	(1.2) cents

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 2020

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

Commentary

The Company successfully listed on ASX on 20 April 2020, raising \$9,000,000 before costs by issuing 45,000,000 new shares at \$0.20 per share.

The funds raised by the Company are being deployed by the Company to implement its business plan and take advantage of the opportunities that exist for additive manufacturing in Australia, South East Asia and other markets.

Equipment has been purchased and ordered to expand production capacity at its new Adelaide facility and in due course for its similar facility in Singapore. The Company has recruited additional staff to enhance its operations, sales, marketing and technical capabilities in both Australia and Singapore. Several test and demonstration pieces have been prepared for marketing purposes, to demonstrate the capability of the Company's technology.

The Company achieved sales revenue of \$288,156. Total revenue inclusive of R&D Tax offset for FY2020 and grants was \$735,350. This included funds received in the form of an R&D Tax Offset of \$310k and Government support in the form of Cash Boost and Job Keeper payments of \$126k. Sales revenue includes progress payments for the delivery and installation of the first Arcemy 3D Printing Module in Singapore.

The loss before tax for FY2020 of \$3,094,021 was largely attributable to expenditure related to the expansion of the Company in line with the proposed use of funds in the Company's Prospectus dated 10 February 2020 (refer ASX release 16 April 2020) and as reported for the period from ASX listing to 30 June 2020 in the Quarterly Activities Report released to ASX on 31 July 2020. This included expenses related to the listing of \$584,056 and a share-based payment expense of \$966,740.

At the end of the financial year, the Company had \$8,227,986 in cash and cash equivalents after expending \$826k on additional new equipment.

Subsequent events

On 17 July 2020, preliminary equipment orders to a value of \$669,000 were placed for the expansion of the new Adelaide facility.

Statement of Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Consolidated 2020 \$	Consolidated 2019 \$
Revenue	288,516	36,057
Cost of goods sold	(69,254)	(108,254)
Gross profit	219,262	(72,197)
R&D Tax Offset	309,054	252,000
Government grants	126,000	168,446
Interest received	11,780	759
Depreciation and amortisation	(85,829)	(84,870)
Director and employee benefits	(1,016,806)	(356,959)
Professional fees expense	(1,274,755)	(370,287)
Share based payments	(966,740)	-
Other expenses	(415,987)	(217,728)
Loss before income tax expense	(3,094,021)	(680,836)
Income tax	-	-
Loss after tax attributable to the owners of the Company	(3,094,021)	(680,836)
Other comprehensive (loss) net of tax	-	-
Total comprehensive loss for the year attributable to the owners of the Company	(3,094,021)	(680,836)
(Loss) per share (cents)	(3.8)	(5.5)
Basic and diluted loss per share (cents)	(3.8)	(5.5)

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.

Statement of Financial Position
For the year ended 30 June 2020

	Consolidated 2020 \$	Consolidated 2019 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,227,986	1,158,109
Trade and other receivables	706,735	306,416
Inventory	112,375	-
Other assets	235,240	2,225
TOTAL CURRENT ASSETS	9,282,336	1,466,749
NON-CURRENT ASSETS		
Financial asset	36,000	-
Property, plant and equipment	1,533,030	308,069
Intangible assets	41,002	35,839
TOTAL NON-CURRENT ASSETS	1,610,032	343,908
TOTAL ASSETS	10,892,368	1,810,657
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	738,392	145,740
Borrowings	-	1,759,931
Lease liabilities	125,098	-
Employee benefits	27,953	18,652
TOTAL CURRENT LIABILITIES	891,443	1,924,323
NON-CURRENT LIABILITIES		
Lease Liabilities	288,005	-
TOTAL NON-CURRENT LIABILITIES	288,005	-
TOTAL LIABILITIES	1,179,448	1,924,323
NET ASSETS/(LIABILITIES)	9,712,920	(113,666)
EQUITY		
Issued capital	13,310,772	1,063,130
Accumulated losses	(4,270,817)	(1,176,796)
Reserves	672,965	-
TOTAL EQUITY	9,712,920	(113,666)

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.

Statement of Changes in Equity
For the year ended 30 June 2020

	Issued Capital	Share Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Consolidated				
Balance at 1 July 2018	976,105	-	(495,960)	480,145
Loss after income tax expense for the year	-	-	(680,836)	(680,836)
Total comprehensive income for the year	-	-	(680,836)	(680,836)
Shares issued during the year, net of transaction costs	87,025	-	-	87,025
Balance at 30 June 2019	1,063,130	-	(1,176,796)	(113,666)
Consolidated				
Balance at 1 July 2019	1,063,130	-	(1,176,796)	(113,666)
Loss after income tax expense for the year	-	-	(3,094,021)	(3,094,021)
Total comprehensive income for the year	-	-	(3,094,021)	(3,094,021)
Shares issued during the year, net of transaction costs	12,247,642	-	-	12,247,642
Share options issued	-	672,965	-	672,965
Balance at 30 June 2020	13,310,772	672,965	(4,270,817)	9,712,920

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.

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Statement of Cashflows
For the year ended 30 June 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	129,806	39,663
Receipts from Government grants	119,225	153,720
Receipts from R&D tax incentive	250,353	103,288
Payments to suppliers and employees	(2,692,923)	(985,285)
Interest received	8,330	759
Net cash (used in) operating activities	(2,185,209)	(687,855)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets	(26,685)	(18,848)
Term deposit	(36,000)	-
Purchase of plant and equipment	(826,085)	(200,711)
Net cash (used in) investing activities	(888,770)	(219,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issues of shares, net	10,227,867	87,025
Proceeds from the issue of convertible notes	-	1,726,000
Repayment of borrowings	(84,011)	(151,638)
Net cash provided by financing activities	10,143,856	1,661,387
Net increase in cash and cash equivalents held	7,069,877	753,973
Cash and cash equivalents at the beginning of year	1,158,109	404,136
Cash and cash equivalents at end of financial year	8,227,986	1,158,109

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

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Notes to the Financial Statements

For the financial year ended 30 June 2020

AML3D Limited (“AML3D” or the “Company”) is a limited company incorporated in Australia. The principal activity of the Company during the financial period was to design and construct 3D 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 unaudited preliminary financial statements were authorised for issue by the directors on 30 August 2020.

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

Issued capital

	Consolidated 2020		Consolidated 2019	
	\$		\$	
132,366,163 fully paid ordinary shares (2019: 12,320,250)	13,310,772		1,063,130	
	Consolidated 2020		Consolidated 2019	
	No.	\$	No.	\$
Balance at 1 July 2019	12,320,250	1,191,105	11,782,750	976,105
Shares issued during the year	120,045,913	13,336,252	537,500	215,000
Total shares issued	132,366,163	14,527,357	12,320,250	1,191,105
Costs of the shares issued		(1,216,585)		(127,975)
Balance at 30 June 2020	132,366,163	13,310,772	12,320,250	1,063,130