# Appendix 4D

**Under ASX Listing Rule 4.2A.3**

AML3D

For personal use only

| | |
|---|---|
| **For the half-year ended:** | 31 December 2022 |
| **Previous Corresponding Period:** | 31 December 2021 |

## Results for announcement to the market

| Revenue and Profit | 31 Dec 2022 $ | 31 Dec 2021 $ | Mvmt $ | Mvmt % |
|---|---|---|---|---|
| Revenue from ordinary activities | 146,115 | 266,839 | (120,724) | (45%) |
| Net profit/(loss) from ordinary activities attributable to members | (2,623,697) | (2,741,993) | 118,296 | 4% |
| Net profit/(loss) attributable to members | (2,623,697) | (2,741,993) | 118,296 | 4% |

## Commentary on results for the period

Refer to the Operating Results section in the Directors' Report in the attached Interim Report for commentary on results.

## Dividends

No dividends were declared or paid during the period.

## Net tangible assets per ordinary share

| | 31 Dec 2022 $ | 31 Dec 2021 $ |
|---|---|---|
| Net tangible assets per ordinary share | 0.035 | 0.058 |

## Details of entities over which control has been gained

Nil

## Information on Audit or Review

Independent Review by Auditor

*This report is based on the attached Interim Report for the half-year ended 31 December 2022, which has been reviewed by William Buck. The review report is attached as part of the Interim Report.*

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AML3D Limited // ASX: AL3 // ABN 55 602 857 983

# Interim Report

for the half-year ended
31 December 2022



AML3D


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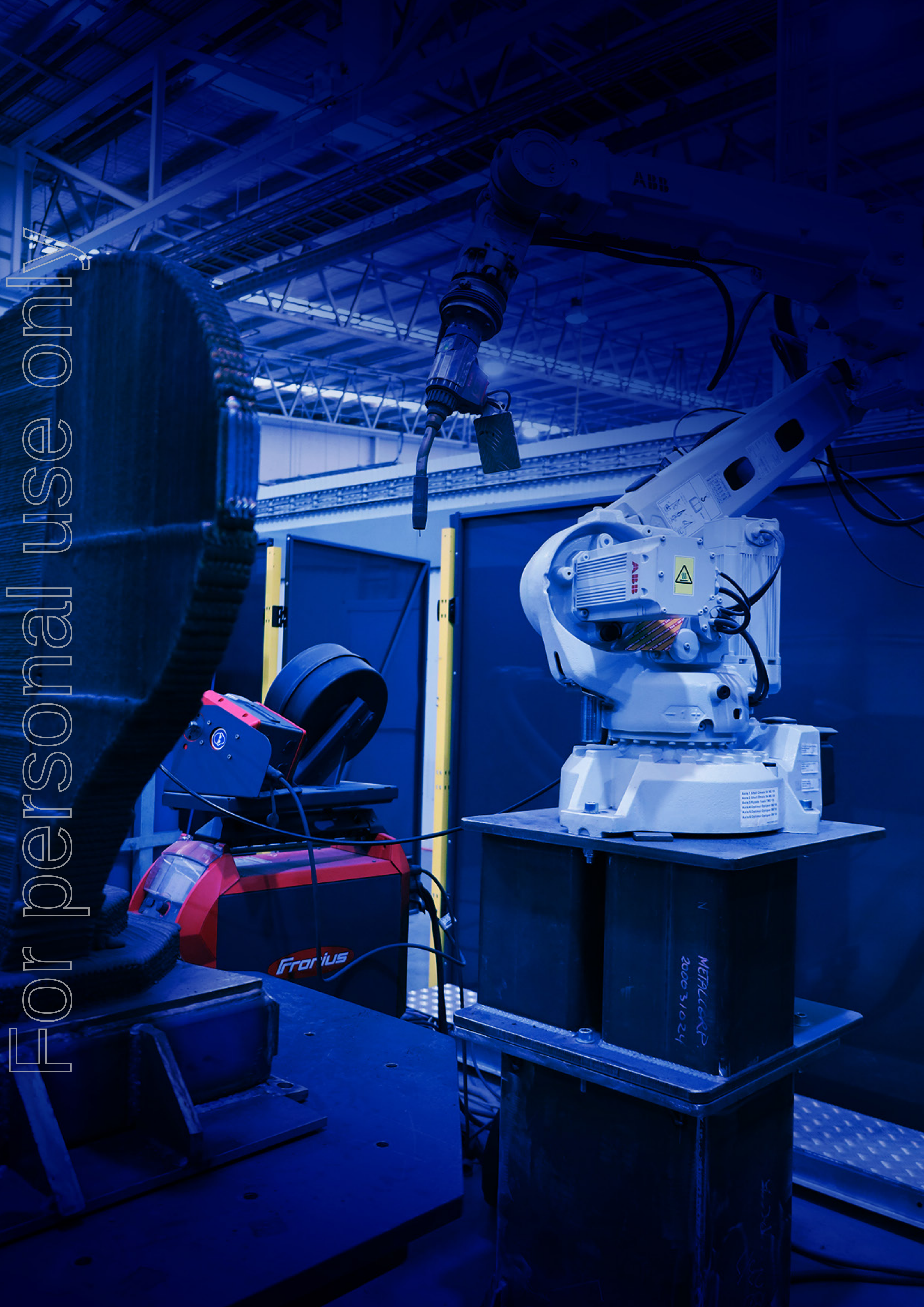
# Contents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# Directors' Report

For the half-year ended 31 December 2022

*Noel Cornish AM, Non-Executive Chairman*

The Directors of AML3D Limited ("Company" or "AML3D") present their report, together with the interim financial statements of the Company and its controlled entity ("the Group") for the half year ended 31 December 2022 ("interim financial period").

## Directors

The following persons were Directors of the Company during the interim financial period:

| | |
|---|---|
| **Noel Cornish** | Non-executive Chairman<br>Appointed 5 October 2022 |
| **Andrew Sales** | Executive Director |
| **Sean Ebert** | Non-executive Director |
| **Leonard Piro** | Non-executive Director<br>Resigned 23 November 2022 |

Directors have been in office since the start of the interim financial period to the date of this report unless otherwise stated.

## Principal activities

The principal activities of AML3D during the financial period were to;

a. Design and construct ARCEMY® 3D printing modules for sale or right to use with an option to buy;

b. Design and construct 3D parts using Wire Additive Manufacturing technology; and

c. Research and development into the refinement of the Company's products, including alternative applications.

No significant changes in the nature of the Company's activity occurred during the interim financial period.

## Operating and Financial Review

### Review of operations

AML3D continued to execute its strategy of disrupting metal fabrication supply chains during the first half of the 2023 financial year (1H2023) through the use of the company's patented Wire Additive Manufacturing, WAM®, technology. WAM® combines state-of-the-art welding science, robotics automation, materials engineering and proprietary software to provide advanced, automated 3D manufacturing solutions.

AML3D's is the original equipment manufacturer, OEM, of ARCEMY® industrial scale metal 3D printing systems that provide on-demand, point-of-need manufacturing solutions which deliver more efficient, cost-effective and better ESG outcomes when compared to traditional casting, forging and billet machining processes. The Company also continues to support its customer base with metal 3D printing design engineering services, software licencing, technical support, consumable sales and contract manufacturing services.

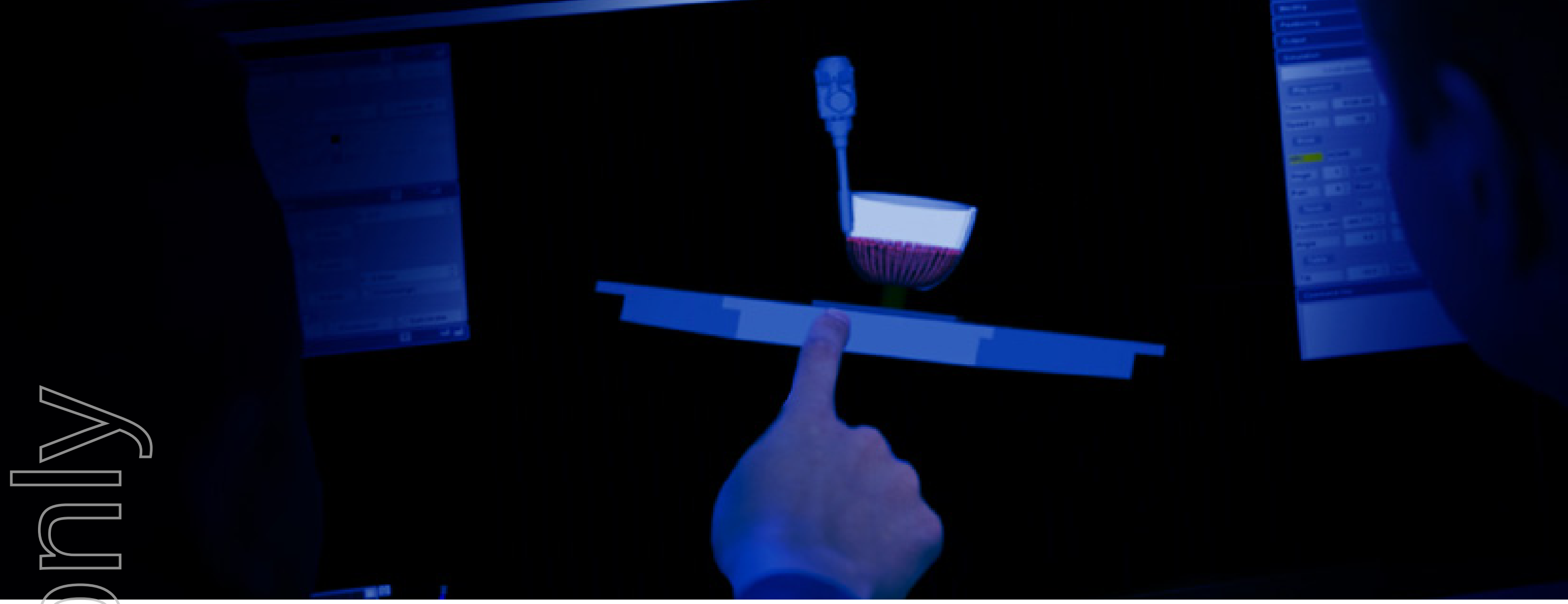
Key activities during the half year included:

- A greater focus on US markets, mainly the US Defence sector targeting Navy, Land forces and Aerospace. This included visits by AML3D's CEO and Business Development team with existing and prospective US based customers and stakeholders; and establishing additional relationships across the defence sector and with value added resellers to support ARCEMY® sales, distribution and service capabilities in the US market.
- Ongoing development and production of metal 3D printed structural "fly" components for an industry-leading, North American Aerospace and Defence Company.
- Ongoing support and servicing of already deployed ARCEMY® systems, to increase system utilisation and enhance customers' in-house manufacturing capabilities.
- Commencement of the production of high-strength, corrosion-resistant steel subsea pipeline fittings for Chevron Australia Pty Ltd, building on our track record of advanced manufacturing for the Oil and Gas industry.
- Printing of prototype parts for BAE Systems Australia's shipbuilding division to support the Australian Department of Defence's project to build nine Hunter class frigates for the Royal Australian Navy.
- Ongoing work on AS9100D:2016 Quality Systems Accreditation for the Company's proprietary advanced manufacturing technology, WAM®, essential for the quality requirements needed for certified aerospace components.

### Short-term growth phase – focus on ARCEMY® system sales and optimise contract manufacturing

AML3D has rebalanced the Company's multi-phase growth strategy to have a greater focus on accelerating the sale of ARCEMY® systems as point-of-need manufacturing solutions for customers across the defence, maritime and aerospace sectors. The rebalance to ARCEMY® systems sales supported by contract manufacturing is designed to create a sustainable business with a reliable, predictable and expanding revenue base.

During the half-year, a senior business development team, led by





CEO Ryan Millar and VP of Global Sales, Kerrye Owen, travelled to the US. This team identified significant opportunities across the US Defence industrial base, particularly the maritime sector, for on-demand, advanced manufacturing technology solutions at the point of need. The announcement, post 1H2023, of an ARCEMY® system sale to the US Navy to support the submarine program demonstrates delivery against this AML3D's rebalanced growth strategy.

The rebalancing to focus on ARCEMY® system sales will also include leveraging the Company's current contract manufacturing relationships and inbound contract manufacturing opportunities to realise short term revenue and continue to build an ARCEMY® sales pipeline. In parallel, AML3D will right size and optimise the Company's contract manufacturing capabilities while continuing to invest in software development and the go-to-market strategy for ARCEMY®.

AML3D's contract manufacturing offering continues to win business with Global Tier One companies in the Oil and Gas, Aerospace and Defence sectors. AML3D's proprietary WAM® advanced metal 3D printing technology is an attractive manufacturing solution because of its faster lead times, shorter delivery times and use of wire feedstock, which helps avoid the supply chain risks associated with traditional manufacturing.

During the half-year, AML3D signed a components contract with a leading, North American Aerospace and Defence Company to print of complex high-strength Aluminium parts These parts are undergoing intensive testing to demonstrate compliance with the standards for "fly" components. Additionally, the testing of these "fly" components is aligned with the requirements of AS9100D Quality Assurance standards.

A purchase contract with BAE System's Australia's ("BAE") maritime division to supply WAM® metal 3D printed prototype parts to support BAE's contract to build nine Hunter class frigates for the Royal Australian Navy was also signed. The ability of AML3D's advanced Manufacturing technology to deliver Lloyd's Register-certified parts with improved lead and delivery times helped secure this contract. While the dollar value of the components manufactured under this contract with BAE is not material, it is aligned with AML3D's refocussed growth strategy to develop and leverage contract manufacturing relationships with the defence sector, and in particular maritime defence, to create opportunities to accelerate ARCEMY® system sales at the point of need.

In addition, AML3D signed a purchase contract for approximately $215,000 with Chevron Australia Pty Ltd to produce two high-strength, corrosion-resistant steel subsea pipeline fittings using WAM®. This contract builds on AML3D's successful 3D metal printing of an 8-tonne commercial pressure vessel, the world's largest certified high-pressure, subsea piping spool. Expanding and deepening our contract manufacturing relationships with global Tier One Oil and Gas clients is designed to support AML3D's ambitions to grow ARCEMY® system sales.

**Mid to Longer-term value drivers – grow ARCEMY® sales**

The mid to longer-term phases of the growth strategy are focused on broadening distribution of ARCEMY® system sales through value added resellers agreements and enhancing AML3D's WAM technology to meet new manufacturing applications.

Over the mid-term AML3D will maintain its focus on sales of ARCEMY® systems as a point of need manufacturing solutions for the US Defence, maritime and aerospace sectors. To maximise this opportunity, AML3D is building a US sales team, identifying US value added resellers and opportunities for US partner led ARCEMY® system sales to create a channel sales model.

The Company is also working to broaden its presence in US additive manufacturing Centres of Excellence at Oak Ridge and Danville, which service the US defence industry and AML3D's existing Tier One US clients.

During the period, AML3D commenced standardising its ARCEMY® technology to offer the following four ARCEMY® system options.

- **Elite**: Large-scale industrial purpose solution for printing significant-sized components and parts with the maximum size robotic footprint
- **Enterprise**: Medium-level enterprise solution with a larger robotic footprint
- **Essential**: Entry-level enterprise solution with a small robotic footprint at a lower cost
- **Education**: discounted small-scale educational systems. These are supplied with a provision for AML3D to benefit from ARCEMY® data and research outcomes.

Creating a standardised suite of ARCEMY® metal 3D printers will facilitate deployment of the systems into the supply chains of OEMs, at the point of need, across targeted core industries globally. Once deployed, the ARCEMY® systems will deliver annual recurring maintenance revenue across hardware, software and services.

Longer-term growth will be accessed by rolling out the US go-to-market playbook into key international markets. AML3D aims to negotiate additional agreements to expand its US value added reseller network with partners that bring significant scale and extensive relationships across each branch of the US Defence forces. Replicating the US value added reseller model in additional jurisdictions will be a key part driving international growth over the longer term.

AML3D's Research and Development ("R&D") to enhance the Company's software and technology solutions, as well as the creation of new and innovative materials, will also be critical to ensuring the Company's ARCEMY® systems remain at the leading edge of metal 3D printing over the longer term. AML3D's technology leadership underpins demand for ARCEMY® systems amongst current and future defence and Tier One clients.

The R&D collaboration with the Australian Governments Innovative Manufacturing Cooperative Research Centre (IMCRC) and Deakin University's Institute for Frontier Materials (IFM) to create high-strength aluminium wire feedstock for 3D printing applications successfully concluded, post 1H2023. The end point of the research was the creation of a high-strength aluminium wire to transform the way complex metal objects are 3D printed by, requiring minimal or no heat treatment post-manufacture. AML3D will complete testing of the new wire to industry standards.

This continuing R&D of innovative materials has the potential to create new commercial applications for ARCEMY® across the Aerospace, Maritime, and Defence industries. These R&D initiatives have the potential to support the Company's current expansion into the US market and longer-term ambitions to access the Aerospace, Maritime, and Defence industries across Australia, North America, Asia Pacific (inc. Japan and South Korea) and Europe (Germany, France and the United Kingdom)

AML3D's technology leadership also extends to leading the large-scale metal 3D printing industry on industry accreditations. During the quarter, the company continued to work towards the Aerospace Quality Management System, AS9100D:2016 Accreditation, that will enable the company to manufacture and promote 'fly parts'. When fully implemented, AML3D will be only the world's second 3D wire feedstock additive manufacturing company to achieve the standard.

AML3D's work to achieve AS9100D Quality Assurance standards follows the Company being awarded the first Additive Manufacturing Facility accreditation with wire-feedstock from DNV, the world's leading Marine and Industrial Classification Society, in addition to being the world's first wire-arc additive manufacturing facility certification by Lloyd's Register.

AML3D will also continue to offer contract manufacturing to meet customer demand for outsourced parts supply, demonstrate the capability of our WAM technology and to generate additional ARCEMY® sales leads over the mid to longer term.

## Operating Results and Financial Position

Revenue for the half-year was $146,000, down 45% on the prior corresponding period (pcp). Revenue in pcp included rental income of $149,000 no longer received due to the sale of the ARCEMY® unit in Singapore. Revenue from customer print jobs and support was $146,000 compared to $118,000 in pcp. Not reflected in the revenue for the half year was a number of large projects included in work in progress and customer deposits to be recognised in the second half of FY2023.

Total overheads for the period were $2.8 million (pcp: $3.2 million), with a consolidated loss after income tax of $2.6 million (pcp: loss $2.7 million).

Cash on hand at the end of the period was $2.8 million. With the further raise of $3.0 million (before costs) subsequent to period end, on the basis of our last quarter's operating cash outflow, adequate cash remains to sustain the business for greater than 12 months whilst we continue to build a self-sustaining business.

### Material Business Risks

Business risks with the potential to impact the Group's operations, financial results and its ability to deliver corporate objectives are disclosed in the Annual Report for the year ended 30 June 2022. There was no significant change in the Group's assessment of material business risks during the half-year ended 31 December 2022.

### Significant changes in the state of affairs

The following significant change in the state of affairs of the Company occurred during the half-year:

- On 20 July 2022, the Company issued 37,605,038 ordinary shares at $0.0714 per share via a private placement to provide additional working capital.

There were no other significant changes in the state of affairs of the Group, other than as referred to in this report.

### Subsequent events

No matter or circumstances have arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial affairs with the exception of:

- On 13 February 2023, the Company issued 41,666,667 ordinary shares at $0.072 per share via a private placement to provide additional working capital.

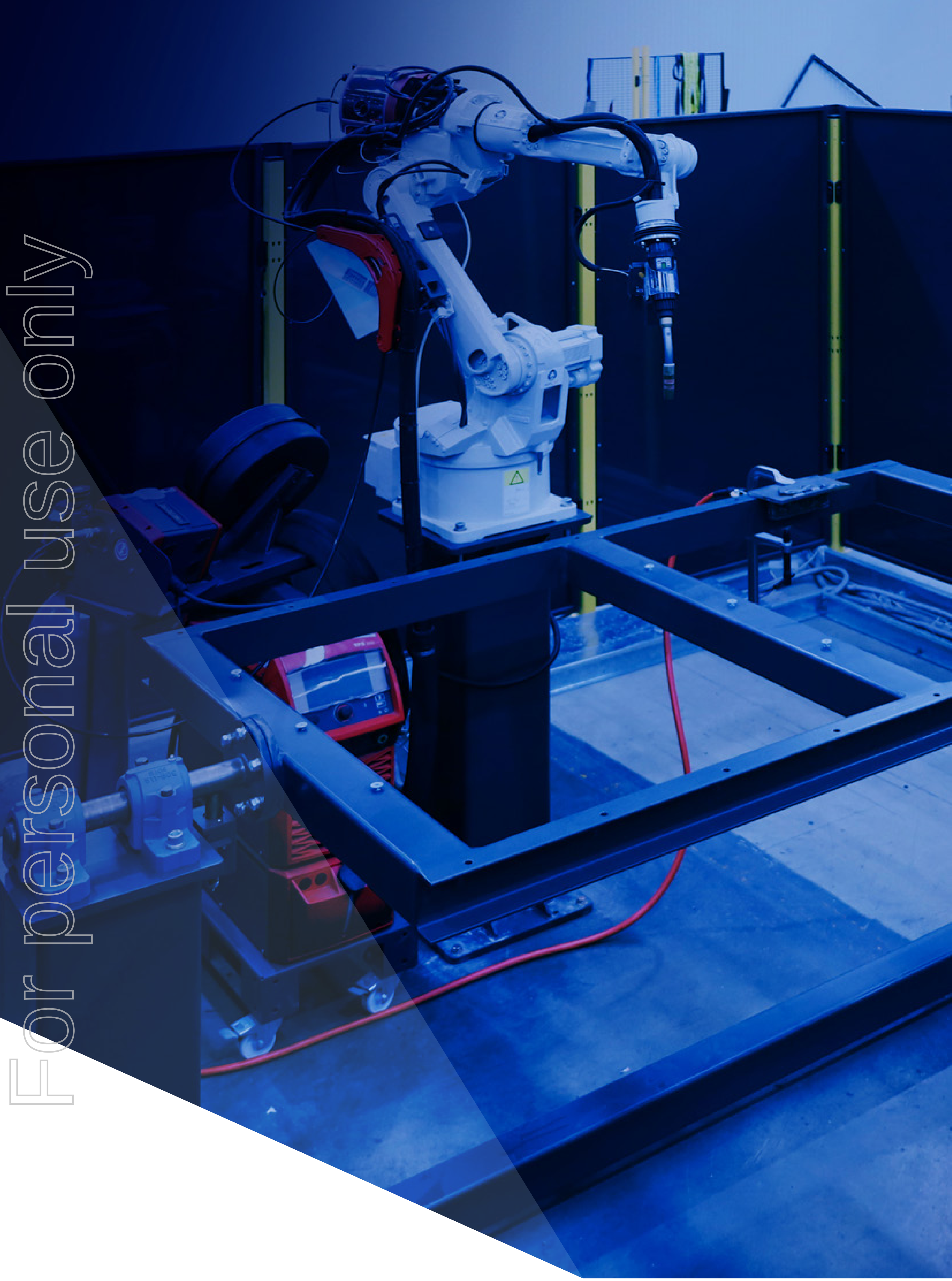
### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors,

**Noel Cornish AM**
Non-Executive Chairman
23 February 2023



# Auditor Independence Declaration



**WilliamBuck**
ACCOUNTANTS & ADVISORS

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AML3D LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

**William Buck (SA)**
ABN 38 280 203 274

**M. D. King**
Partner

Dated at Adelaide this 23rd day of February, 2023

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# Financial Statements



**General Information**

The financial statements cover AML3D Limited as a consolidated entity consisting of AML3D Limited and the entity it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is AML3D Limited's functional and presentation currency.

AML3D Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered Office**

35 Woomera Avenue, Edinburgh SA 5111

**Principal place of business**

35 Woomera Avenue, Edinburgh SA 5111

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

The financial statements where authorised for issue, in accordance with a resolution of directors, on 23rd February 2023.

## Consolidated Statement of Loss and Other Comprehensive Income

**For the half-year ended 31 December 2022**

| | Note | 31 Dec 2022 $ | 31 Dec 2021 $ |
|---|---|---|---|
| Revenue | 2 | 146,115 | 266,839 |
| Cost of goods sold | | (108,410) | (90,529) |
| **Gross Profit** | | **37,705** | **176,310** |
| R&D tax offset | | 79,280 | 236,747 |
| Government grants | | - | 14,448 |
| Interest received | | 33,856 | 2,965 |
| Depreciation and amortisation expense | | (343,685) | (281,384) |
| Directors and employees benefit expense | | (995,761) | (953,413) |
| Interest expense | | (13,854) | (12,582) |
| Marketing expenses | | (22,465) | (122,949) |
| Occupancy costs | | (58,418) | (63,759) |
| Professional fees expense | | (502,517) | (350,204) |
| Research and development | | (343,992) | (994,189) |
| Workshop expenses | | (105,600) | (81,152) |
| Equity settled share based payments | 10 | (59,358) | - |
| Other expenses | | (328,888) | (312,831) |
| **Loss before income tax expense** | | **(2,623,697)** | **(2,741,993)** |
| Income tax | | - | - |
| **Loss after tax attributable to the owners of the Company** | | **(2,623,697)** | **(2,741,993)** |
| Other comprehensive (loss) net of tax | | - | - |
| **Total comprehensive loss for the year attributable to the owners of the Company** | | **(2,623,697)** | **(2,741,993)** |
| **Basic and diluted loss per share (cents)** | | (1.4) | (1.8) |

*The Consolidated Statement of Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position

**As at at 31 December 2022**

| | Note | 31 Dec 2022 $ | 30 June 2022 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 2,778,806 | 2,933,482 |
| Trade and other receivables | 3 | 1,221,209 | 771,534 |
| Inventory | 4 | 833,246 | 905,985 |
| Other financial assets | | 56,000 | 56 ,000 |
| Other assets | | 148,433 | 221,404 |
| **TOTAL CURRENT ASSETS** | | **5,037,694** | **4,888,405** |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 5 | 2,498,735 | 2,575,201 |
| Right of use assets | 6 | 252,976 | 347,836 |
| Intangible assets | | 34,873 | 47,479 |
| **TOTAL NON-CURRENT ASSETS** | | **2,786,584** | **2,970,516** |
| **TOTAL ASSETS** | | **7,824,278** | **7,858,921** |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 7 | 377,673 | 510,239 |
| Contract liabilities | 8 | 358,061 | 5,624 |
| Borrowings | | 45,609 | 189,062 |
| Lease liabilities | | 180,739 | 175,025 |
| Employee benefits | | 160,370 | 128,907 |
| **TOTAL CURRENT LIABILITIES** | | **1,122,452** | **1,008,857** |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | 85,630 | 185,818 |
| Employee benefits | | 39,628 | 33,126 |
| **TOTAL NON-CURRENT LIABILITIES** | | **125,258** | **218,944** |
| **TOTAL LIABILITIES** | | **1,247,710** | **1,227,801** |
| **NET ASSETS** | | **6,576,568** | **6,631,120** |
| **EQUITY** | | | |
| Issued capital | | 23,151,059 | 20,641,272 |
| Accumulated losses | | (17,306,814) | (14,683,117) |
| Reserves | | 732,323 | 672,965 |
| **TOTAL EQUITY** | | **6,576,568** | **6,631,120** |

*The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity

**For the half-year ended 31 December 2022**

| | Issued Capital $ | Share Options Reserve $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2021** | **20,641,272** | **672,965** | **(9,786,089)** | **11,528,148** |
| Loss after income tax expense for the half-year | - | - | (2,741,993) | (2,741,993) |
| **Balance at 31 December 2021** | **20,641,272** | **672,965** | **(12,528,082)** | **8,786,155** |
| | | | | |
| **Balance at 1 July 2022** | **20,641,272** | **672,965** | **(14,683,117)** | **6,631,120** |
| Loss after income tax expense for the half-year | - | - | (2,623,117) | (2,623,117) |
| Shares issued during the half-year, net of transaction costs | 2,509,787 | - | - | 2,509,787 |
| Shares options issued during the half-year | - | 59,358 | - | 59,358 |
| **Balance at 31 December 2022** | **23,151,059** | **732,323** | **(17,306,814)** | **6,576,568** |

*The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Cash Flows

**For the half-year ended 31 December 2022**

| | Note | 31 Dec 2022 $ | 31 Dec 2021 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | | 157,929 | 708,691 |
| Receipts from Government grants | | - | 14,448 |
| Payments to suppliers and employees | | (2,606,510) | (3,181,509) |
| Interest recevied | | 31,398 | 3,209 |
| Finance costs | | (13,854) | (12,582) |
| **Net cash used in operating activities** | | **(2,431,037)** | **(2,467,743)** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from the sale of property, plant and equipment | | 50,885 | - |
| Purchase of property, plant and equipment | | (46,384) | (138,261) |
| **Net cash provided by / (used in) investing activities** | | **4,501** | **(138,261)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from the issue of shares, net of costs | | 2,509,787 | 10 ,000 |
| Repayment of borrowings | | (143,453) | - |
| Repayment of lease liabilities | | (94,474) | (88,416) |
| **Net cash provided by / (used in) financing activities** | | **2,271,860** | **(78,A416)** |
| | | | |
| Net increase / (decrease) in cash and cash equivalents held | | (154,676) | (2,684,420) |
| Cash and cash equivalents at the beginning of half-year | | 2,933,482 | 7,200,707 |
| **Cash and cash equivalents at end of half-year** | | **2,778,806** | **4,516,287** |

*The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# Notes to the Financial Statements

**For the half-year ended 31 December 2022**

## 1. Significant Accounting Policies

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022.

The annual financial report of the entity as at and for the year ended 30 June 2022 is available on the Company's website at www.aml3d.com.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### New or amended Accounting Standards and Interpretations adopted

There are none that have a material impact for the Group to consider for the reporting period ended 31 December 2022.

### Going Concern

As at 31 December 2022, the Group had a net asset position of $6,576,568 (2021: $8,786,115) and cash and cash equivalents of $2,778,806 (2021: $4,516,287). The decrease in net assets from the prior year is the result of the Company continuing with the development of its technology whilst building its customer pipeline.

Subsequent to the end of the half year, the Group raised $3,000,000 (before costs) through a placement of 41,666,667 shares.

The Group expects that cash and cash equivalents post capital raise in conjunction with stringent controls over the net cash outflows from operating activities will be sufficient to cover ongoing operations.

Moreover, the directors have proactively sought to improved cash performance via the following initiatives:

- continued focus on expanding revenue; and
- continued focus on cost containment in all areas of business.

As a result of the above matters, the Directors are of the view that the consolidated entity will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The Directors remain confident about the successful achievement of projected targets and therefore no adjustments have been made to these financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

## 2. Revenue

| | 31 Dec 2022 $ | 31 Dec 2021 $ |
|---|---|---|
| **Sale of goods and services** | **146,115** | **266,839** |
| **Total Revenue** | **146,115** | **266,839** |
| **Timing of revenue recognition:** | | |
| Goods transferred at a point in time | 91,982 | 266,839 |
| Services transferred at a point in time | 54,133 | - |
| **Total Revenue** | **146,115** | **266,839** |

## 3. Trade and Other Receivables

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Trade receivables | 715,592 | 316,675 |
| Less: Provision for impairment of receivables | (40,000) | (9,020) |
| | **675,592** | **307,655** |
| R&D Tax Offset Refund Due | 541,654 | 462,374 |
| Other receivables | 3,963 | 1,505 |
| **Total** | **1,221,209** | **771,534** |

## 4. Inventory

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Finished goods | 537,990 | 741,888 |
| Work in progress | 135,357 | 28,421 |
| Raw materials | 159,899 | 135,676 |
| **Total** | **833,246** | **905,985** |

## 5. Plant and Equipment

| Cost | Office and Computer Equipment $ | Plant and Equipment $ | Motor Vehicle $ | Leasehold Improvements $ | Total $ |
|---|---|---|---|---|---|
| Balance 1 July 2022 | 243,355 | 2,878,406 | 136,902 | 217,666 | 3,476,329 |
| Additions | 3,769 | 241,962 | - | - | 245,731 |
| Disposals | (7,330) | - | (114,428) | - | (121,758) |
| **Balance at 31 December 2022** | **239,794** | **3,120,368** | **22,474** | **217,666** | **3,600,302** |

| Accumulated depreciation and impairment | Office and Computer Equipment $ | Plant and Equipment $ | Motor Vehicle $ | Leasehold Improvements $ | Total $ |
|---|---|---|---|---|---|
| Balance 1 July 2022 | 80,981 | 756,529 | 29,694 | 33,924 | 901,128 |
| Net depreciation expense | 32,238 | 172,611 | (20,374) | 15,964 | 200,439 |
| **Balance at 31 December 2022** | **113,219** | **929,140** | **9,320** | **49,888** | **1,101,567** |

| **Net book value** | | | | | |
|---|---|---|---|---|---|
| **At 30 June 2022** | **162,374** | **2,121,877** | **107,208** | **183,742** | **2,575,201** |
| **At 31 December 2022** | **126,575** | **2,191,228** | **13,154** | **167,778** | **2,498,735** |

## 6. Right of Use Assets

The Group's lease portfolio comprises a single leased building. The lease has an remaining term of 1 year and 4 months.

An option to extend or terminate is contained in the lease agreement. These clauses provide the Group opportunities to manage the lease in order to align with its strategies. All the extension or termination options are only exercisable by the Group. The extension options, which management were reasonably certain to be exercised, have been included in the calculation of the lease liability.

i. AASB 16 related amounts recognised in the statement of financial position:

| Right-of-use assets | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Leased buildings | 584,986 | 584,986 |
| Accumulated depreciation | (332,010) | (237,150) |
| **Net carrying amount** | **252,976** | **347,836** |

| **Movement in carrying amounts** | | |
|---|---|---|
| **Leased buildings:** | | |
| Opening balance | 347,836 | 442,696 |
| Depreciation expense for the period | (94,860) | (94,860) |
| **Net carrying amount** | **252,976** | **347,836** |

ii. AASB 16 related amounts recognised in the statement of loss:

| Right-of-use assets | 31 Dec 2022 $ | 31 Dec 2021 $ |
|---|---|---|
| Depreciation charge related to right of use assets | (94,860) | (94,860) |
| Interest expense on lease liabilities | (8,042) | (12,582) |

For personal use only

## 7. Trade and Other Payables

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Trade payables | 183,045 | 187,025 |
| Other payables and accrued expenses | 194,628 | 323,214 |
| **Total** | **377,673** | **510,239** |

## 8. Contract Liabilities

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Customer deposits | 358,061 | 5,624 |
| **Total** | **358,061** | **5,624** |

## 9. Equity

i. Issued Capital

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| 188,063,424 fully paid ordinary shares (30 June 2022: 150,458,386) | 23,151,059 | 20,641,272 |

ii. Movement in Ordinary Shares

| | 31 Dec 2022 | |
|---|---|---|
| | Number | $ |
| Balance at beginning of half year | 150,458,386 | 20,641,272 |
| Shares issued during the half year | 37,605,038 | 2,685,000 |
| Cost of the shares issued | | (175,213) |
| **Balance at end of half year** | **188,063,424** | **23,151,059** |

(i) The Company issued 37,605,038 shares on 20 July 2022 via a private placement at an issue price of $0.0714 per share for a total consideration of $2,685,000.

iii. Reserves

| | 31 Dec 2022 $ | 30 Jun 2022 $ |
|---|---|---|
| Balance at beginning of half year | 672,965 | 672,965 |
| Share-based payment expense - Options issued | 58,000 | - |
| Share-based payment expense - Performance Rights issued | 1,358 | - |
| **Balance at end of half year** | **732,323** | **672,965** |

The following table details the tranches of options outstanding as at 31 December 2022.

| Number of Options | Grant Date | Expiry Date | Share Price at Grant Date | Exercise Price | Fair Value at Grant Date | Value |
|---|---|---|---|---|---|---|
| 2,000,000 | 30 July 2019 | 30 July 2023 | $0.10 | $0.30 | $0.02 | $49,474 |
| 7,500,000 | 4 December 2019 | 4 December 2024 | $0.15 | $0.30 | $0.06 | $451,408 |
| 2,000,000 | 22 December 2022 | 22 December 2027 | $0.074 | $0.30 | $0.029 | $58,000 |
| **11,500,000** | | | | | | **$558,882** |

The following table details the tranches of performance rights outstanding as at 31 December 2022.

| Number of Performance Right | Grant Date | Expiry Date | Share Price at Grant Date | Fair Value at Grant Date | Value |
|---|---|---|---|---|---|
| 1,133,333 | 22 December 2022 | 25 September 2025 | $0.074 | $0.0235 | $31,333 |
| 566,667 | 22 December 2022 | 25 September 2025 | $0.074 | $0.0167 | $9,463 |
| **1,700,000** | | | | | **$40,796** |

## 10. Equity Settled Share-Based Payments

During the half year, the Company issued the following options and performance rights.

i. On 22 December 2022 the Company issued 2,000,000 fully vested options to the Non-executive Chairman, Mr Noel Cornish. The options are exercisable at $0.30 each on or before five years from the date of issue. The Black Scholes valuation method determined a fair value of $58,000 which has been expensed as a share-based payment.

ii. On 22 December 2022 the Company issued 1,700,000 unvested performance rights to the Chief Executive Officer, Mr Ryan Millar. The number of performance rights granted to Mr Millar was determined using the 'face value' methodology, that is, by dividing an amount equivalent to 40% of Mr Millar's current total fixed remuneration of $340,000 by a share price of $0.12 for the base Long-term Incentive award, with a further 20% to be allocated as a significant stretch target. The Binominal valuation method has been applied to determine a fair value of $40,796 which is being expensed as a share-based payment proportionally from grant date to expiry. The performance rights have an ending date of 25 September 2025 with vesting conditions as follows:

- 1,133,333 performance rights: Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 30%.
- 566,667 performance rights: Achievement of TSR CAGR of 60%.

At the Board's discretion vesting may occur at the time of achievement of each performance condition within the performance period.

## 11. Contingencies

In the opinion of the Directors, besides the guarantees disclosed in note 14, the Group did not have any contingent liabilities or assets as 31 December 2022.

## 12. Segment Reporting

i. Operating segments

The Company operates in the additive manufacturing sector in Australia and South East Asia. For management purposes, the Group has one main operating segment which involves the provision of 3D printing services and machinery sales in all territories in which it operates. All of the Group's activities are inter-related and discrete financial information is reported to the (Chief Operating Decision Maker), being the Chief Executive Officer, as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results for this segment are equivalent to the financial statements of the Group as a whole.

All amounts reported to the Chief Executive Officer, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

ii. Geographic area

Revenues from external customers attributed to Australia and other countries is as follows:

| | 31 Dec 2022<br>$ | 31 Dec 2021<br>$ |
|---|---|---|
| Australia | 104,144 | 22,753 |
| Singapore | 40,571 | 179,564 |
| United States | 1,400 | 64,522 |
| **Total Revenue** | **146,115** | **266,839** |

iii. Major customers

The Group has certain customers which represent more than 10% of the Group's revenue from contracts with customers. Each customer is a customer of the 3D printing services and machine sales operating segment. Revenue for those customers is as follows:

| | 31 Dec 2022<br>% | 31 Dec 2021<br>% |
|---|---|---|
| 3 Customers | 86% | - |
| 3 Customers | - | 80% |

## 13. Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations and the state of affairs of the Company in future financial periods except for:

i. On 13 February 2023, the Company issued 41,666,667 ordinary shares via a private placement at $0.072 per share for a total consideration of $3,000,000 (before costs).

ii. To the date of signing this report, the Company's operations have not been materially and directly adversely impacted by COVID-19. However, uncertainty remains as to the scope and length of the pandemic and the impact of restrictions that will be imposed to combat the pandemic. The pandemic may result in the loss of or delay in sales to customers and potential customers. It may also impact access to equipment and supplies, delaying the delivery of products to customers. The Company is actively monitoring risks associated with COVID-19 and implementing risk management measures to mitigate against potential impacts.

## 14. Guarantees

AML3D has the following guarantee in place:

- A guarantee secured by a bank term deposit of $36,000 for the lease of its premises at 35 Woomera Avenue Edinburgh SA 5111 (in place as at 30 June 2022).
- A guarantee secured by a bank term deposit of $20,000 for a corporate credit card facility provided by the Group's banker Commonwealth Bank of Australia (in place as at 30 June 2022).


AML3D
PRODUCTION CELL



# Directors' Declaration

For the half-year ended 31 December 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors,

**Noel Cornish AM**
Non-Executive Chairman

Dated this 23rd day of February 2023

# Independent Auditor Review Report



William Buck
ACCOUNTANTS & ADVISORS

## AML3D LIMITED

### Independent auditor's review report

## Report on the Review of the Half-Year Interim Report

**Conclusion**

We have reviewed the accompanying half-year financial report of AML3D Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AML3D Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and

b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**Responsibility of Management for the Half-Year Financial Report**

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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**Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

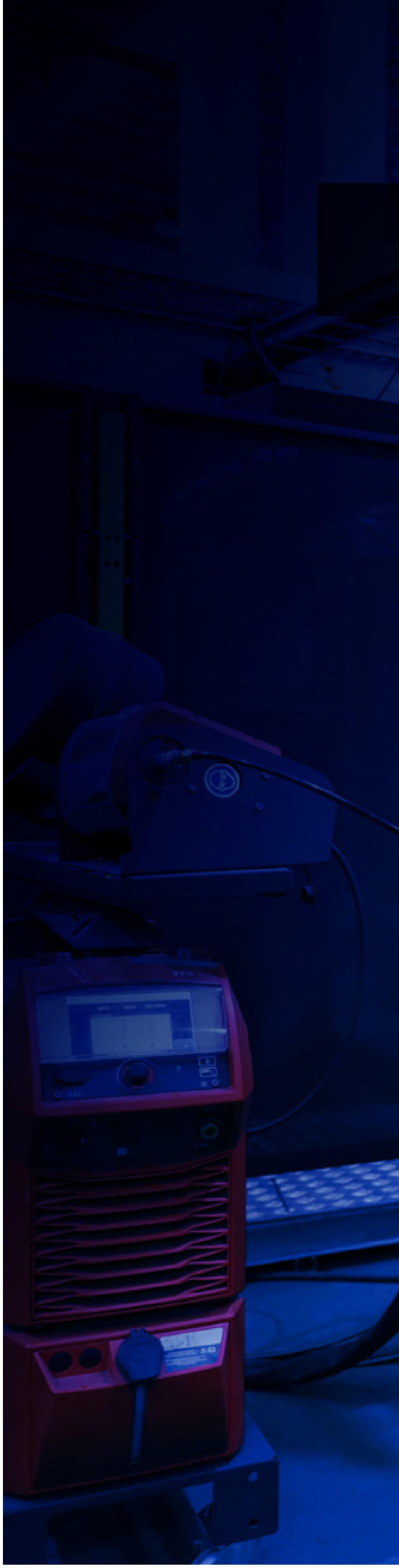
William Buck

**William Buck (SA)**
ABN: 38 280 203 274

**M.D. King**
Partner

Dated at Adelaide this 23rd day of February, 2023

AML3D®

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Australian Patent 2019251514