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3D Metalforge Limited

ABN 53 644 780 281

Annual Report

For the Period 1 October to 31 December 2020

3D Metalforge Limited
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For the year ended 31 December 2020

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3D Metalforge Limited
Corporate Information
For the year ended 31 December 2020

Directors

Michael Spence	Non-Executive Chairman
Matthew Waterhouse	Managing Director & CEO
Geoffrey Piggott	Non-Executive Director
Samantha Tough	Non-Executive Director

Company Secretary

Deborah Ho

Registered Office / Principal Place of Business

Ground Floor, 16 Ord Street
West Perth, WA 6005
Telephone: + 61 8 9482 0500
Facsimile: +61 8 9482 0505

Website

www.3dmetalforge.com

Share Register

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney, NSW 2000
Telephone: +61 2 9696 5414
Email: hello@automic.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 43, 152-158 St Georges Terrace
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Stock Exchange Listing

3D Metalforge Limited shares are listed on the Australian Securities Exchange (ASX code: 3MF)

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

The Directors of 3D Metalforge Limited ("the Company") present their report for the period 1 October 2020 (date of incorporation) to 31 December 2020.

Principal Activities

3D Metalforge Limited was incorporated as a holding company to complete the acquisition of 100% of the issued capital of 3D Infra Pte Ltd.

Review of Operations and Results

Since incorporation, the Company has incurred corporate, ASX listing and acquisition-related costs.

On 18 November 2020, the Company and 3D Infra Pte Ltd ("3D Infra") entered into an implementation agreement to complete the acquisition of 3D Infra. The Company will acquire 3D Infra in consideration for an aggregate of 130,000,000 shares to be issued to the Vendors (or nominees). The acquisition was completed on 17 February 2021. 3D Infra has developed and is continuing to develop intelligent technology and processes to integrate additive manufacturing ("AM") printers, software and material to supply end user customers with a range of AM services including diagnostics to identify suitable part of 3D printing, advanced part design and engineering, part printing in a wide range of materials, comprehensive AM training, and secure part design and print file storage.

The Company incurred a net loss after tax for the year ended 31 December 2020 of \$470,305. As at 31 December 2020, the Company had a net current asset position of \$370,761.

Significant Changes in The State of Affairs

The Company was incorporated on 1 October 2020.

Initial Public Offer

On 21 December 2020, the Company issued a Prospectus for an initial public offer of up to 50,000,000 shares at an issue price of \$0.20 per share to raise up to \$10,000,000 (before costs) ("Public Offer" or "IPO"). The Prospectus also incorporated an offer of:

- (a) 130,000,000 shares issued to the Vendors (or nominees) pursuant to the Acquisition ("Consideration Offer"); and
- (b) 500,000 shares issued to the Lead Manager (or its nominees) in part consideration for advisory services provided to the Company ("Lead Manager Offer").

Events Subsequent to Reporting Period

On the 17 February 2021, the Company acquired 100% of the issued capital of 3D Infra following the issue of the following securities:

- 50,000,000 fully paid ordinary shares at a price of \$0.20 per share pursuant to the Public Offer;
- 130,000,000 fully paid ordinary to the Vendors (or nominees) pursuant to the Consideration Offer; and
- 500,000 fully paid ordinary shares to the Lead Manager, Alto Capital (or its nominees), pursuant to the Lead Manager Offer.

The acquisition of 3D Infra has been accounted for using the predecessor accounting method on the basis it does not fall within the scope of AASB 3 "Business Combination". The difference between the share consideration at the date of the Public Offer and net assets at existing book values will be recorded in reserves.

On 25 February 2021, the Company was admitted to the official list of the Australian Securities Exchange (ASX), with the Company's securities commencing trading on the 2 March 2021.

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

Likely Developments and Expected Results of Operations

Upon completion of the Acquisition and the IPO, the Company will become the parent entity to 3D Infra and will proceed with its AM business and expansion strategy in Australia, Middle East and Europe.

Directors' Details

Name Michael Spence (MBA, BA Economics cum laude)
Title Non-Executive Chairman (Appointed 11 December 2020)
Experience Mr Spence is an angel investor with a portfolio of eight companies in Australia and South East Asia. He has 33 years' experience working with a range of companies and management teams driving operational improvement and business restructuring. Mr Spence has held senior positions with consulting firms Partners in Performance and Mercer ("PIP"), and McKinsey & Company plus executive positions with Ford Motor Company, ITT Inc., Valeo and Ayala Corp.

As a Senior Partner at PIP, Mr Spence turned around underperforming companies, helping CEOs with major restructurings, and helping clients better execute major capital projects. After working with PIP in the Australia and New Zealand region from 2009-13, Mr Spence started the South-East Asian operations of PIP and grew it to \$15 million revenue serving more than 30 clients. After his election by his colleagues in March 2019 to PIP's governing committee, he handed over the Managing Partner South East Asia role and retired from PIP in January 2020.

Since January 2020, Mr Spence has worked primarily in his role as Chairman of 3D Infra and SPENCE Capital.

Interest in Shares & Options 8,743,168 fully paid ordinary shares
Other Listed Entity -
Directorships

Name Matthew Waterhouse (LLB (Honours))
Title Managing Director & CEO (Appointed 1 October 2020)
Experience Mr Waterhouse has over 20 years of Senior Management Experience in multinational corporations, including 7 years as Associate Principal at McKinsey & Co and Chief Operating Officer (COO) for Keppel Integrated Engineering responsible for building \$1Bn+ infrastructure projects. Mr Waterhouse is the Chairman of the Additive Manufacturing (AM) Technical Committee in Singapore responsible for developing Singapore's AM standards on behalf of the National Standards Agency and represents Singapore on AM committees at the International Organization for Standardization and the American Society for Testing and Materials. Mr Waterhouse is also a member of the RIE EXCO advising Singapore's Ministry of Trade & Industry on Singapore's 5-year investment plans. This builds on more than 20 years' experience leading large-scale operations in infrastructure and top-level management consulting.

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Across his career, Mr Waterhouse has specialised in company and project turnarounds (including a US\$1.1BN flagship EPC project in Qatar), operations improvement, cost reduction programs, project controls, risk management and commercial contract management. He has worked extensively across Asia Pacific (15+ years in Singapore, Indonesia, Malaysia, Thailand, Vietnam, China), Australia and Middle East (3+ years in Qatar). As well as additive manufacturing, Mr Waterhouse has expertise in waste-water EPC projects, large scale construction and shipping operations. Mr Waterhouse was called to the Bar of England and Wales and is a member of Lincoln's Inn in London and has a LLB (Hons) (Liverpool, UK).

Interest in Shares & Options 49,952,216 fully paid ordinary shares
 Other Listed Entity -
 Directorships

Name Geoffrey Piggott (MEngSc Environmental, BSc Eng Civil, Fellow of Institution of Engineers Australia, Chartered Professional Engineer, Member of Australian Institute of Company Directors)
 Title Non-Executive Director (Appointed 26 November 2020)
 Experience Mr Piggott has over 50 years of Australian and international engineering experience with Sydney Water, Binnie & Partners, Black & Veatch, URS and Keppel Corporation.

Mr Piggott brings extensive technical and commercial knowledge of urban and rural infrastructure planning design and construction advice with leadership roles overseeing the following major infrastructure projects: Lane Cove Tunnel Bank's Engineer, the planning and design of the upgrading of the Great Western Highway and Camden Valley Way for the then RTA; privatization of Sydney Airport, and a study into the commercialization and expansion on Bankstown Airport, Qatar Integrated Solid Wastes Management Project with overall responsibility for the EPC delivery of this S\$2 billion project from the initial planning through detailed design, procurement, construction, commissioning and operation, S\$6.5bn Singapore Deep Tunnel Sewerage System Phase 2 (DTSS2) for PUB and the S\$3.8 Billion Integrated Waste Management Facility (IWMF) for NEA.

Interest in Shares & Options 160,000 fully paid ordinary shares
 500,000 options exercisable at \$0.25 expiring 11 December 2023
 Other Listed Entity -
 Directorships

Name Samantha Tough (BLaw, Fellow Australian Institute of Company Director)
 Title Non-Executive Director (Appointed 11 December 2020)
 Experience Ms Tough has a distinguished and varied career in the energy, resources and engineering industries as both a director and senior executive. Ms Tough is Chair of Horizon Power, Chair of the National Energy Selection Panel, Director of Clean Energy Finance Corporation, Director of Buru Energy Limited and UWA PVC Engagement.

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3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Ms Tough was previously Chair of Retail Energy Market Company Ltd, Structerre Pty Ltd, Molopo Energy Ltd (ASX:MPO), Aerison Pty Ltd and Southern Cross Goldfields Ltd (ASX: SXG). She is also a former Director of Synergy, Cape PLC, Strike Resources Ltd (ASX:SRK), Murchison Metals Ltd (ASX:MMX), Ox Mountain Pty Ltd and Saracen Mineral Holdings Ltd (ASX:SAR)/Northern Star Resources. Ms Tough's executive roles include General Manager North West Shelf at Woodside Energy Ltd; Director Strategy for Hardman Resources Ltd; Senior Vice President Natural Resources at the Commonwealth Bank and Project Director for the Pilbara Power Project.

Interest in Shares & Options 500,000 options exercisable at \$0.25 expiring 11 December 2023

Other Listed Entity *Current*

Directorships Non-Executive Director of Buru Energy Limited (ASX:BRU)

Previous

Non-Executive Director of Saracen Mineral Holdings Ltd (ASX:SAR)

Name Stuart Carmichael (B Com, C.A (Aust))

Title Non-Executive Director (Appointed 1 October 2020, resigned 11 December 2020)

Experience Mr Carmichael has extensive international corporate advisory, mergers and acquisitions, and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG and KPMG Corporate Finance. Mr Carmichael has extensive corporate and operational experience across multiple geographies having lived and worked in the US, UK, Europe, the Middle East and Australia.

Mr Carmichael's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant. Mr Carmichael is also a Non-Executive Director of ASX listed company Swick Mining Services Ltd (ASX:SWK), De.mem Limited (ASX:DEM), ClearVue Technologies (ASX:CPV), and Non-Executive Chairman of Schrole Limited (ASX:SCL).

Interest in Shares & Options 1,046,251 fully paid ordinary shares (at date of resignation)

Other Listed Entity *Current*

Directorships Non-Executive Chairman of Schrole Limited (ASX:SCL)

Non-Executive Chairman of K-TIG Limited (ASX:KTG)

Non-Executive Director of De.mem Limited (ASX:DEM)

Non-Executive Director of ClearVue Technologies Limited (ASX:CPV)

Non-Executive Director of Osteopore Limited (ASX:OSX)

Non-Executive Director of Swick Mining Services Limited (ASX:SWK)

Previous

-

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Name	Morgan Barron (B Com, C.A, S.A. Fin)
Title	Non-Executive Director (Appointed 1 October 2020, Resigned 11 December 2020)
Experience	Mr Barron is a Chartered Accountant and has over 15 years' experience in corporate advisory. Mr Barron has advised and guided many companies undertaking fundraising activities and corporate matters.
	Mr Barron is a member of the Institute of Group Directors and is a Director and shareholder of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of ASX Companies corporate advisory services. Mr Barron is also a Non-Executive Director of ASX listed company Latitude Consolidated Limited (ASX:LCD).
Interest in Shares & Options	1,102,251 fully paid ordinary shares (at date of resignation)
Other Listed Entity	<i>Current</i>
Directorships	Non-Executive Director of Latitude Consolidated Limited (ASX:LCD)
	<i>Previous</i>
	Non-Executive Director of i Synergy Group Limited (ASX:IS3)
	Non-Executive Director of Indiana Resources Limited (ASX:IDA)

Company Secretary

Ms Deborah Ho is an Associate Member of the Governance Institute of Australia. Ms Ho has over six years of experience in company secretarial, corporate compliance and financial accounting matters. She has acted as Company Secretary to a number of ASX listed and private companies.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the financial year ended 31 December 2020 and the number of meetings attended by each director were:

	Board Meeting		Audit & Compliance Committee Meetings**	
	Eligible to Attend*	Attended	Eligible to Attend	Attended
Michael Spence	-	-	-	-
Matthew Waterhouse	1	1	-	-
Geoffrey Piggott	-	-	-	-
Samantha Tough	-	-	-	-
Stuart Carmichael	1	1	-	-
Morgan Barron	1	1	-	-

* there was one board meeting held in the reporting period on 1 October 2020.

** these are conducted by the Board as a whole, as part of board meetings.

The Board also approved twelve (12) circular resolutions during the year ended 31 December 2020 which were signed by all Directors of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and the Corporation Regulations 2001. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

The key management personnel of the Company for the financial year consists of:

- Michael Spence (appointed 11 December 2020)
- Matthew Waterhouse (appointed 1 October 2020)
- Geoffrey Piggott (appointed 26 November 2020)
- Samantha Tough (appointed 11 December 2020)
- Stuart Carmichael (appointed 1 October 2020, resigned 11 December 2020)
- Morgan Barron (appointed 1 October 2020, resigned 11 December 2020)

Principles used to Determine the Nature and Amount of Remuneration

Remuneration levels for Directors and senior executives of the Company will be competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy. No such advice was obtained during the current year.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

The remuneration structures take into account:

- the capability and experience of the Directors and senior executives;
- the Directors and senior executives' ability to control the relevant performance;
- the Company's performance; and
- the amount of incentives within each Directors and senior executive's remuneration.

Remuneration packages include a mix of fixed remuneration and variable remuneration and short and long-term performance-based incentives. Short-term incentives include The Company's Employee Securities Incentive Plan. The Company's Employee Securities Incentive Plan allows the Board from time to time, in its absolute discretion, make a written offer to any Eligible Participant (as defined in the Plan) to apply for Securities, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines. In exercising that discretion, the Board may have regard to the following (without limitation):

- I. The Eligible Participant's length of service with the Company;
- II. The contribution made by the Eligible Participant to the Company;
- III. The potential contribution of the Eligible Participant to the Company; or
- IV. Any other matter the Board considers relevant.

Fixed remuneration consists of base remuneration, as well as employer contributions to superannuation funds where applicable. Remuneration levels will be, if necessary reviewed annually by the Board through a process that considers the overall performance of the Company. If required, external consultants provide analysis and advice to ensure the Directors' and senior executives' remuneration is competitive in the marketplace.

Before a determination is made by the Company in a general meeting, the aggregate sum of the fees payable by the Company to the Non-executive directors are a maximum of \$500,000 per annum. Non-executive directors will be paid \$40,000 per annum and Non-executive chairman will be paid \$50,000 per annum on the first anniversary of appointment.

Service Agreements

Remuneration and other terms of employment for executives and key management personnel are formalised in service agreements. Details of these agreements are as follows:

Matthew Waterhouse
CEO

Commenced: 1 November 2020

Term: Until terminated by giving one month's written notice

Remuneration: Base salary of S\$15,000 per month plus superannuation to be reviewed annually by the Company. In addition, the Company may pay a performance-based bonus over and above the base salary.

**3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020**

Details of Remuneration

Details of the remuneration of key management personnel of the Company are set out in the following tables.

2020	Short-term benefits		Non-monetary	Post-employment benefits		Share-based payments		Total
	Salary and fees	Cash bonus		Super-annuation	Equity-settled shares	Equity-settled options	\$	
Michael Spence ³	-	-	-	-	-	-	-	-
Matthew Waterhouse ¹	-	-	-	-	-	-	-	-
Geoffrey Piggott ²	-	-	-	-	-	-	57,022	57,022
Samantha Tough ³	-	-	-	-	-	-	57,022	57,022
Stuart Carmichael ⁴	-	-	-	-	-	-	-	-
Morgan Barron ⁴	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	114,044	114,044

¹ Appointed on 1 October 2020

² Appointed on 26 November 2020

³ Appointed on 11 December 2020

⁴ Appointed on 1 October 2020, resigned on 11 December 2020

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Details of Remuneration (Continued)

2020	Fixed Remuneration	At Risk – STI	At Risk – LTI
Michael Spence	-	-	-
Matthew Waterhouse	-	-	-
Geoffrey Piggott	-	-	-
Samantha Tough	-	-	-
Stuart Carmichael	-	-	-
Morgan Barron	-	-	-

Share-based Compensation

Options Issued as Remuneration

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or past reporting years are as follows:

2020	Number of Options Granted	Grant Date	Vesting Date	Expiry Date	Exercise Price (\$)	Fair Value per Option (\$)
Geoffrey Piggott	500,000	11 Dec 2020	11 Dec 2020	11 Dec 2023	\$0.25	0.114
Samantha Tough	500,000	11 Dec 2020	11 Dec 2020	11 Dec 2023	\$0.25	0.114

Options granted carry no dividend or voting rights. All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation are set out below:

	Value of options Granted/vested during the period	Value of options exercised during the period	Value of options lapsed during the period	Remuneration consisting of options for the period
	\$	\$	\$	%
Geoffrey Piggott	57,022	-	-	100
Samantha Tough	57,022	-	-	100

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Additional Disclosures Relating to Key Management Personnel

Shareholding

The number of shares in the Company held during the financial years ended 31 December 2020 by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2020	Balance at incorporation	Received as part of remuneration	Additions	Disposals / Other	Balance at the end of the year / at resignation
<i>Directors</i>					
Michael Spence	-	-	282,574	-	282,574
Matthew Waterhouse	1	-	-	-	1
Geoffrey Piggott	-	-	160,000	-	160,000
Samantha Tough	-	-	-	-	-
Stuart Carmichael	1	-	1,046,250	(1,046,251) ¹	-
Morgan Barron	1	-	1,102,250	(1,102,251) ¹	-
	3	-	2,591,074	(2,148,502)	442,575

¹ Balance at date of resignation

Option holding

The number of options over ordinary shares in the company held during the financial years ended 31 December 2020 by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2020	Balance at incorporation	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
<i>Directors</i>					
Michael Spence	-	-	-	-	-
Matthew Waterhouse	-	-	-	-	-
Geoffrey Piggott	-	500,000	-	-	500,000
Samantha Tough	-	500,000	-	-	500,000
Stuart Carmichael	-	-	-	-	-
Morgan Barron	-	-	-	-	-
	-	1,000,000	-	-	1,000,000

Other Equity-related Key Management Personnel Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to shareholdings and options.

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Other Transactions with Key Management Personnel and/or their Related Parties

There were no other transactions conducted between the Company and Key Management Personnel or their related parties, apart from those disclosed above and below, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

	31 Dec 2020
	\$
Ventnor Capital Pty Ltd (director related entity of Mr Carmichael and Mr Barron) – Corporate advisory (IPO and acquisition), company secretarial and registered office services	71,589
Ventnor Securities Pty Ltd (director related entity of Mr Carmichael and Mr Barron) – Capital raising fees	49,500
	<u>121,089</u>

End of Remuneration Report (Audited)

Dividends

There were no dividends paid, recommended or declared during the year.

Shares Under Option

At the date of this report, the unissued ordinary shares of the Company under option are as follows.

Number of Options Granted	Grant Date	Expiry Date	Exercise Price (\$)	Fair Value per Option (\$)
1,300,000	11/12/2020	11/12/2023	\$0.25	\$0.114

1,000,000 unlisted options were issued to Directors upon appointment, and 300,000 options were issued to investor relation advisor for services provided.

Shares Issued on The Exercise of Options

There are no shares issued on the exercise of the Company options during the year ended 31 December 2020 and up to the date of this report.

Environmental Regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and Insurance of Directors and Officers

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit Pty Ltd during or since the financial year.

3D Metalforge Limited
Directors' Report
For the period ended 31 December 2020

Proceedings on Behalf of The Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, Grant Thornton Australia. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Grant Thornton Australia received or are due to receive the following amounts for the provision of non-audit services:

	\$
Assurance related – Investigating accountants' report	22,000

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.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to principles of sound corporate governance. The Company continued to follow best practice recommendations as set out by 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website.

Signed in accordance with a resolution of the Directors



Matthew Waterhouse
Managing Director
Perth
31 March 2021

Auditor's Independence Declaration

To the Directors of 3D Metalforge Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of 3D Metalforge Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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3D Metalforge Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period 1 October 2020 to 31 December 2020

	Note	1 Oct – 31 Dec 2020 \$
Interest income		18
Consulting fees	8	(207,146)
Finance costs		(18)
Listing costs		(107,608)
Share based payments expense	7	(148,257)
Other expenses		(7,294)
Total Expenses		<u>(470,305)</u>
Loss before income tax expenses		(470,305)
Income tax expense	9	-
Loss after income tax for the period		<u>(470,305)</u>
Other comprehensive income for the period		
Other comprehensive income, net of income tax		-
Total comprehensive loss for the period		<u>(470,305)</u>
Basic and diluted loss per share (cents)	10	(12.71)

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

3D Metalforge Limited
Statement of Financial Position
As at 31 December 2020

	Note	31 Dec 2020 \$
Assets		
Current assets		
Cash and cash equivalents	3	53,509
Other receivables	4	510,761
Total current assets		<u>564,270</u>
Total assets		<u>564,270</u>
Liabilities		
Current liabilities		
Trade and other payables	5	193,509
Total current liabilities		<u>193,509</u>
Total liabilities		<u>193,509</u>
Net assets		<u>370,761</u>
Equity		
Issued capital	6	692,809
Reserves	7	148,257
Accumulated losses		(470,305)
Total equity		<u>370,761</u>

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

3D Metalforge Limited
Statement of Changes in Equity
For the period 1 October 2020 to 31 December 2020

	Note	Issued Capital \$	Reserves \$	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	6	753,619	-	-	753,619
Share issue costs	6	(60,813)	-	-	(60,813)
Share based payment	7	-	148,257	-	148,257
Balance at 31 December 2020		692,809	148,257	(470,305)	370,761

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

3D Metalforge Limited
Statement of Cash Flows
For the period 1 October 2020 to 31 December 2020

	Note	1 Oct – 31 Dec 2020 \$
Cash flows from operating activities		
Payments to suppliers		(139,318)
Interest received		18
Net cash used by operating activities	11	<u>(139,300)</u>
Cash flows from investing activities		
Payments for investments		(500,000)
Net cash used by investing activities		<u>(500,000)</u>
Cash flows from financing activities		
Proceeds from issue of shares		753,622
Share issue costs		(60,813)
Net cash provided by financing activities		<u>692,809</u>
Net increase in cash and cash equivalents		53,509
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	3	<u>53,509</u>

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

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 1: Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied from date of incorporation to year ended 31 December 2020, unless otherwise stated. The financial report was authorised for issue by the Board on 31 March 2021.

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).

Going concern assumption

The Company incurred a loss for the period 1 October 2020 to 31 December 2020 of \$470,305 and was incorporated for the purpose of completing an Initial Public Offering and purchase of 3D Infra Pte Ltd a Singaporean Technology company that operates in the metal fabrication industry in or around January 2021 subject to achieving listing approval. These factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern after consideration of the following factors:

- The Directors completed the listing on the Australian Securities Exchange ("ASX") on 25 February 2021.
- The Company issued 50,000,000 fully paid ordinary shares at a price of \$0.20 per share pursuant to the Public Offer, raising a total of \$10,000,000 (before costs).

Revenue Recognition

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1: Significant Accounting Policies (Continued)

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

Note 1: Significant Accounting Policies (Continued)

Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Note 1: Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

There are no FVPL and FVOCI instruments for the Company.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Note 1: Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; held primarily for the purpose of trading; expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the Company's normal operating cycle; held primarily for the purpose of trading; due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary share are deducted against the share capital account.

Note 1: Significant Accounting Policies (Continued)

Share-Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired option of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1: Significant Accounting Policies (Continued)

Critical Accounting Judgements, Estimates and Assumptions

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. There were no critical accounting judgements, estimates and assumptions applied in the interim financial statements, other than the below.

Share-Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

New, Revised or Amended Accounting Standards and Interpretations

In the year ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for reporting periods beginning on or after 1 January 2020 and have determined that these do not have a material impact on the financial statements.

Any new and revised Standards and Interpretations issued but not yet mandatory, have not been early adopted by the Company for the period reporting period 31 December 2020. At this time, the adoption of these new or amended Accounting Standards and Interpretations are not expected to have a material impact on the financial statements.

Note 2: Dividends

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 3: Cash and Cash Equivalents

31 Dec 2020
\$

Cash and cash equivalents	53,509
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Note 4: Other Receivables

31 Dec 2020
\$

GST receivable	10,761
Other receivable	500,000
	<u>510,761</u>

Other receivable relates to amounts lent to 3D Infra Pte. Ltd. The loan balance carries an interest rate of 6% per annum, to be repaid by 31 December 2021.

Note 5: Trade and Other Payables

31 Dec 2020
\$

Trade payables	147,657
Other payables	45,853
	<u>193,510</u>

Note 6: Issued Capital

	No. of Shares	\$
Issued and Paid Up Capital		
Fully paid ordinary shares as at 31 December 2020	<u>9,619,285</u>	<u>692,809</u>

Movements in ordinary share capital

Balance as at 1 October 2020	-	-
Incorporation of Company – 1 October 2020 ¹	3	3
Issue of shares – seed ²	3,619,282	3,619
Issue of shares – pre-IPO ³	6,000,000	750,000
Share issue costs	-	(60,813)
Balance as at 31 December 2020	<u>9,619,285</u>	<u>692,809</u>

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.

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 7: Reserves

	31 Dec 2020
	\$
Share based payment reserve	<u>148,257</u>

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>

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.

The Company has measured 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

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

	31 Dec 2020
	No. of Options
Grant Date	
11/12/2020	1,300,000
Expiry Date	
11/12/2023	

Note 8: Consulting fees

	31 Dec 2020
	\$
Accounting and audit fees	23,100
Corporate advisory fees	54,109
Legal fees	123,312
Investor relation fees	2,500
Other	4,125
	<u>207,146</u>

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 9: Income Tax

31 Dec 2020
\$

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

Loss before income tax	(470,305)
Prima facie tax payable on loss from ordinary activities before income tax at 30%	(141,092)
Non-assessable non-exempt	-
Non-deductible expenditure	76,760
Temporary differences	13,756
Movement in unrecognised deferred tax assets	50,576
Income tax expense	-
Tax loss carried forward	168,588

The potential deferred tax assets, arising from tax losses are not brought to account as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits.

Note 10: Loss per Share

31 Dec 2020
\$

Loss after income tax	470,305
Weighted average number of ordinary shares	Number 3,698,852
Basic and diluted loss per share	Cents 12.71

As the Company incurred a loss for the period, options on issue will have an anti-dilutive effect, therefore the diluted loss per share is equal to the basic loss per share.

Note 11: Reconciliation of Loss to Net Cash from Operating Activities

31 Dec 2020
\$

Loss after income tax for the period	(470,305)
Share based payments expense	148,257
<i>Change in operating assets and liabilities</i> Increase/(decrease) in trade and other payables	182,748
Net cash used by operating activities	(139,300)

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 12: Auditor Remuneration

	31 Dec 2020
	\$
<i>Remuneration from Audit of Financial Statements</i>	
Review of financial statements	-
<i>Other Services</i>	
Investigating accountant's report	22,000

Note 13: Key Management Personnel Disclosures

	31 Dec 2020
	\$
Short term employee benefits	-
Post-employment benefits	-
Share based payment benefits	114,044
	114,044

Note 14: Related Party Transactions

During the year ended 31 December 2020, there were transactions made with related parties on normal commercial terms and conditions and at deemed market rates.

Ventnor Capital Pty Ltd, a company of which Mr Carmichael and Mr Barron are Directors, provided bookkeeping, financial accounting services, company secretarial support, and corporate services in relation to the administration of the Company. A total amount of \$71,589 was incurred by the Company and is outstanding as at 31 December 2020.

Ventnor Securities Pty Ltd, a company of which Mr Carmichael and Mr Barron are Directors, provided capital raising support to the Company. A total amount of \$49,500 was incurred by the Company and is outstanding as at 31 December 2020.

Note 15: Contingent Assets and Liabilities

There were no contingent liabilities or contingent assets as at 31 December 2020.

Note 16: Commitments

There were no commitments as at 31 December 2020.

3D Metalforge Limited
Notes to the Financial Statement
For the year ended 31 December 2020

Note 17: Events Subsequent to Reporting Period

On the 17 February 2021, the Company acquired 100% of the issued capital of 3D Infra following the issue of the following securities:

- 50,000,000 fully paid ordinary shares at a price of \$0.20 per share pursuant to the Public Offer;
- 130,000,000 fully paid ordinary to the Vendors (or nominees) pursuant to the Consideration Offer; and
- 500,000 fully paid ordinary shares to the Lead Manager, Alto Capital (or its nominees), pursuant to the Lead Manager Offer.

The acquisition of 3D Infra has been accounted for using the predecessor accounting method on the basis it does not fall within the scope of AASB 3 "Business Combination". The difference between the share consideration at the date of the Public Offer and net assets at existing book values will be recorded in reserves.

On 25 February 2021, the Company was admitted to the official list of the Australian Securities Exchange (ASX), with the Company's securities commencing trading on the 2 March 2021.

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

Note 18. Segment Reporting

The Company has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. Given the Company's operations since incorporation, the Company only has one business segment.

Note 19. Financial Instruments

The Company's activities expose them to liquidity risk and market risk – currency, interest rate and price. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Company's exposure to these financial risks or the way it manages the risk, except for its credit risk. Market risk exposures are measured using sensitivity analysis indicated below.

Market Risk

Market risk is the risk that changes in market price, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Note 19. Financial Instruments (Continued)

Market Risk (Continued)

Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk. The Company has not entered any hedging activities to cover interest rate risk. Regarding its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

The following table set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

	Fixed Interest Rate Maturing				Floating Interest Rate	Total	Weighted Average Interest Rate
	Non-Interest Bearing	< 1 Year	1 – 5 Years	> 5 years			
2020	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	7,458	-	-	-	46,048	53,506	0.04

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows. No liquidity risk has been disclosed for the Company as the Company's financial assets and liabilities are contractually due on demand or within one year, and the undiscounted cash flows approximate the carrying amounts as reported on the statement of financial position.

3D Metalforge Limited
Directors' Declaration
For the year ended 31 December 2020

In accordance with a resolution of the directors of 3D Metalforge Limited, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of 3D Metalforge Limited for the financial year ended 31 December 2020 are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2020.

On behalf of the board



Matthew Waterhouse
Managing Director
Perth
31 March 2021

Independent Auditor's Report

To the Members of 3D Metalforge Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of 3D Metalforge Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Events Subsequent to the Reporting Period (Note 17)

The Company was incorporated on 1 October 2020 and issued a prospectus to complete an Initial Public Offering (IPO) on 21 December 2020 to raise \$10 million.

On 25 February 2021, the Company was admitted to the official list of the Australian Securities Exchange (ASX), with the Company's securities commencing trade on 2 March 2021 and completing the capital raise subsequent to year end. All matters relating to the IPO including material agreements that would have come into effect would have to be accurately disclosed in the financial report.

This is a key audit matter due to significance of the event to the financial statements.

How our audit addressed the key audit matter

Our procedures included, amongst others:

- Reviewing the initial public offer prospectus, passed resolutions of the board and material agreements to determine whether information disclosed as events occurring after the reporting date are accurate and complete; and
- Agreeing the subsequent receipt of the IPO proceeds to supporting documentation.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 6 to 11 of the Directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of 3D Metalforge Limited, for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2021

3D Metalforge Limited
ASX Additional Information
For the year ended 31 December 2020

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current at 25 March 2021.

ORDINARY FULLY PAID SHARES

Substantial Shareholders

The names of the substantial shareholders (who hold 5% of more of the issue capital) are listed below:

Name	Number of shares	%
MATTHEW JAMES WATERHOUSE	9,285,927	7.92
KHOO HWI MIN	7,030,309	6.00
TOTAL	79,716,298	41.93%

Distribution of Shareholders

	Number of Holders	Number of Shares
100,001 and Over	132	163,778,469
10,001 to 100,000	639	24,258,127
5,001 to 10,000	161	1,429,749
1,001 to 5,000	212	652,419
1 to 1,000	5	521
TOTAL	1,149	190,119,285

There were 82 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Name	Number of shares	%
ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	5,050,000	5.29
SEEDS CAPITAL PTE LTD	4,706,322	4.93
TONG CHONG HEONG	4,591,519	4.81
JACOBS HARDING PTY LTD <HARDING FAMILY A/C>	4,216,892	4.42
M VENTURE PARTNERS PTE LTD	3,744,915	3.92
KHOO HWI MIN	3,425,770	3.59
DAVID DOUGLAS BUCKLEY	3,210,852	3.36
HEE CHEE WEI	3,068,681	3.21
LIM CHONG SOON	2,968,681	3.11
TAY LIM HENG	2,568,681	2.69
DAVID MICHAEL SPENCE	2,159,566	2.26
CITICORP NOMINEES PTY LIMITED	2,069,180	2.17
JON LEADBETTER	1,853,071	1.94
TAT CHI FRANCIS LO	1,605,426	1.68
MR PAK LIM KONG	1,222,108	1.28
MATTHEW JAMES WATERHOUSE	1,199,811	1.26
TAN JUI CHAI	1,011,418	1.06
KINGSTON NOMINEES PTY LTD	1,000,000	1.05
MR RODNEY JAMES WELLSTEAD	500,000	0.52
FASTWEST ENTERPRISES PTY LTD <STEIN INVESTMENT NO 3 A/C>	500,000	0.52
TOTAL	50,672,893	53.08

3D Metalforge Limited
ASX Additional Information
For the year ended 31 December 2020

UNQUOTED OPTIONS

The Company has 1,300,000 unquoted options exercisable at \$0.25 each, expiring on 11 December 2023.

Option Holders

The name of the option holders (who hold 20% of more of the unquoted options issued) are listed below:

Name	Number of shares	%
SAMANTHA TOUGH	500,000	38.46
GEOFFREY PIGGOTT	500,000	38.46
SPRING SYDNEY PTY LTD	300,000	23.08%
TOTAL	1,300,000	100.00

Distribution of Option Holders

	Number of Holders	Number of Options
100,001 and Over	3	1,300,000
10,001 to 100,000	-	-
5,001 to 10,000	-	-
1,001 to 5,000	-	-
1 to 1,000	-	-
TOTAL	3	1,300,000

ON-MARKET BUY BACK

There is no current on-market buy back.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

RESTRICTED SECURITIES

The Company's restricted securities are listed below:

Class	Number	Restriction Period
Shares	92,711,249	24 months from 2 March 2021
Shares	680,845	12 months from the date of issue of securities in 3D Infra Pte Ltd, being 28 April 2020
Shares	1,258,500	12 months from the date of issue of securities, being 26 November 2020.
Options	1,300,000	24 months from 2 March 2021

USE OF PROCEEDS

In accordance with listing rule 4.10.19, the Company confirms that given it's recent admission to the Australian Securities Exchange in late February 2021, it has used its cash and assets in a form readily convertible to cash in a way consistent with its business objectives at the time of admission.