

## ENTERED 2H FY21 WITH STRONG FUNDAMENTALS

### HIGHLIGHTS

- 1H FY21 revenue and other income of A\$645k
- Progress made in 1H FY21 with new client wins, sales pipeline expanding and a number of projects progressing to field trials
- Commissioned world's first additive manufacturing (AM) facility in a port
- Encouraging traction from USA expansion with first printer delivered and initial site visits from potential customers commenced
- Entered 2H FY21 with field trials underway and positive outlook for growth
- Cash position of A\$6.1 million

**31<sup>st</sup> August 2021:** 3D Metalforge (ASX: 3MF) ("3D Metalforge" or the "Company"), a global revenue generating Additive Manufacturing company, is pleased to release its Appendix 4D and consolidated interim financial report for the half year ended 30 June 2021, and commentary on the activities for the Half Year 2021 results for the half year ended 30 June 2021 ("1H FY21").

3D Metalforge has a unique business model supplying a full range of Additive Manufacturing (AM) services to customers including finished part production. The biggest global market for AM is selling services (\$7.5bn)<sup>1</sup> rather than selling printers and the Company's aim is to become the leading player in the field.

### Financial Performance

1H FY21 was a period of continued development for 3D Metalforge. On 17th February 2021, the Company completed the 100% acquisition of ordinary shares of 3DInfra Pte Ltd ("3DInfra"), and subsequently listed on the ASX in March 2021.

On a consolidated basis, the Group achieved revenue and other income of A\$645k for the period (A\$542k, from the date of acquisition). 1H FY21 revenue was lower compared to 1H FY20 revenue of A\$806k, but the Company's fundamentals are strengthening, with an order book of over A\$1M as of the end of July 2021.

3D Metalforge has continued to strengthen its bench strength by appointing an experienced sales team in Australia and USA and strengthening the Board.

There has been growing interest from new offices in Houston and Australia with first sales from the new team achieved in Australia and first part being produced in Houston.

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<sup>1</sup> Wohlers Report 2020 3D Printing and Additive Manufacturing Global State of the Industry.

As 3D Metalforge continues to invest in building the business, the Company remains cognisant of its cash burn. Cash expenditure is within use of funds budgeted in the listing prospectus. Beside listing costs, key cash expenditure included business expansion with new key hires in Australia and in the USA, the establishment of an AM centre in Houston, Texas, and the Group's operating expenses. 3D Metalforge is confident in managing its growth capital requirements as it invests in building the business. The Company fully expects the gap between expenditure and cash inflows to narrow over time as its investments in growth pay off.

3D Metalforge's sales pipeline is expanding, with a number of parts on field tests with existing and potential customers. For many companies, field tests are a must-do step to achieving adoption, and several of those trials are advancing well.

The cash balance of A\$6.1 million as at 30 June 2021, provides a solid foundation to continue to pursue commercialisation activities ahead.

**3D Metalforge Managing Director, Matthew Waterhouse, said:**

*"The Half Year was a period of continued establishment and evolution for 3D Metalforge. We have a unique business model, and selling additive manufacturing services has a huge potential. One of the main developments in the first half of 2021 was our listing on the ASX and the funds from the IPO have, as outlined in the Prospectus, been directed towards revenue growth-initiatives, including increasing production capacity in Singapore, and leading our international expansion in Houston and Australia.*

*"The commissioning of the world first AM facility for ports, validates our differentiated business model, building more sustainable and robust supply chains for clients directly in their facilities, allowing for on-demand and customised 3D metal parts. This is a great validation of our technology and for our 'shop in a shop' solution to be replicated anywhere in the world in any sector.*

*"Our overseas expansion is our big growth opportunity, and we decided to build a presence in Houston to be closer to key decision makers, and to be at the centre of the Oil & Gas industry. I'm pleased that we are receiving encouraging initial interest from our new Houston flagship centre with site visits from potential end users. Prospective clients are particularly interested in the ESG benefits of additive manufacturing which includes considerably lower CO2 emissions, and we are confident that our additive manufacturing services proposition will be a differentiator towards clients' transition to greener manufacturing. We are also making steady progress expanding in Australia, with key people hired and securing clients in the region."*

*"We understand the additive manufacturing market extremely well. We've entered the second half of the year with discussions underway, and we remain well positioned to add continued value to our clients."*

**Technology advancements resulting in the world's first AM facility in a port**

Significant progress was made expanding 3D Metalforge's larger format printing capabilities, which led to the commissioning of the Hybrid Wire Arc printer (H-WAAM). H-WAAM is capable of faster, larger format metal printing with a production envelope up to 1.5m; well suited for bigger oil & gas, maritime and defence parts, opening up a substantial target market for 3D Metalforge.

The new H-WAAM printer has been commissioned for the world's first on-site additive manufacturing facility for port applications, developed in conjunction with PSA Corporation (PSA) in the Port of Singapore. The facility has now moved into the production phase with a 15-month contract, valued at A\$387k for the production of 3D metal parts.

This 'shop in a shop' concept allows for the production of parts right at the point of use and on demand, while reducing clients' overall inventory and re-designing parts to improve their performance and lifespan. This solution can be replicated anywhere in the world in any sector.

### **Geographical expansion to accelerate engagements in the oil & gas sector**

As part of its reach into key markets, the Company expanded in the USA, establishing a 20,000 sq.ft additive manufacturing flagship facility in Houston. The presence will accelerate engagements in the largest global market for additive manufacturing in this sector, and Houston being the global centre for the oil and gas industry.

The Company is building the Houston team with 4 staff to date and has commissioned the first post-processing equipment in July 2021, with the first printer delivered to the facility in August 2021 and the first parts scheduled to be printed in September 2021. Business development activities are well underway with site visits conducted with interested end users.

To build opportunities in the Australian and New Zealand markets, 3D Metalforge appointed an experienced industrial sales and marketing professional, Mr David Green, to specifically focus on the energy, resources, industrial and defence sectors and good progress is being made on this front.

### **Additional developments: Qualified manufacturing partner to Flowserve, ISO 9001:2015 recertification and member of the Additive Manufacturer Green Trade Association**

3D Metalforge became a Qualified Manufacturing Partner to Flowserve, one of the world's largest manufacturers of pumps, valves and seals with a \$5.5bn NYSE market capitalisation. The Company is now able to supply pump impellers in Stainless Steel to Flowserve, whereby its APAC customers have the option to purchase 3D Metalforge's pump impeller parts instead of parts made via traditional methods.

Post period end, 3D Metalforge was also recertified to the ISO 9001:2015 standard by international accredited certification body, DNV. This qualification will support discussions with partners and future customers, many of whom are large international firms requiring these qualifications as a pre-requisite.

Continuing its ESG push, 3D Metalforge recently became a member of the Additive Manufacturing Green Trade Association (AMGTA), a non-profit trade group founded to promote the environmental benefits of additive manufacturing to key industries and the public. The Company will benefit from shared best practices to ensure the greatest ESG benefits from additive manufacturing.

## Corporate

Post period end, Mr David Buckley was appointed as an Independent Non-Executive Director of the Company, bringing over 30 years of financial and global leadership experience. David brings extensive financial expertise as Chairman of Royal Bank of Canada (Europe), Chairman of Redwood Bank, Chairman of Archax Ltd, and former non-executive Director of CIBC World Markets plc. Former executive positions include European CFO for Morgan Stanley and Intl Treasurer for Goldman Sachs.

## Outlook

3D Metalforge enters 2H FY21 in a solid position, with its commercialisation and business development activities underway.

A number of parts are on field test with existing and potential customers and converting its sales pipeline into product trials and ultimately contracts remains a priority.

3D Metalforge will continue to expand its presence in Asia, USA and Australia, so as to be fully entrenched in the main hubs for the industries it services and where the largest opportunities for AM reside. The Company is expecting to see increased interest in the USA with the first part to be printed in the coming weeks from its Houston facility.

3D Metalforge will also look to embed its solutions directly in client facilities, as with PSA, to provide a 'shop in a shop' solution, building on-demand and customised parts directly at the clients' point of use.

The Company will also continue to look at organic and inorganic opportunities for continued growth.

- ENDS -

This announcement has been approved for release by the Managing Director of 3D Metalforge Limited.

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## ABOUT 3D METALFORGE

3D Metalforge (ASX: 3MF), founded in 2015, is a leading Additive Manufacturing (AM) company that supports a growing multinational industry-leading client base with their advanced proprietary 3D additive manufacturing systems. The Company offers a full range of in-house AM printing services from design and engineering, material advisory, diagnostics and testing, to printing and post-production certification to the latest industry and API standards. Its approach to industrial production, its proprietary processes and eco-friendly technology produce high-demand parts faster, better and more cost-effectively with less environmental impact and greater sustainability than conventional manufacturing.

### **FORWARD LOOKING STATEMENT**

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of 3D Metalforge Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.