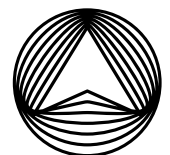


Annual Report

2023

ARCEMY
BY AML3D



AML3D®



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Chairman's & Chief Executive Officer's Report

Dear Shareholders,

It is our pleasure to present to you AML3D Limited's ('AML3D' or the 'Company') Annual Report for the year ended 30 June 2023.

During the year AML3D refocused its growth strategy to supplying the Company's proprietary ARCEMY® metal 3D printing technology as a point-of-need manufacturing solution, with a focus on industrial manufacturers in the US Defence, Marine and Aerospace industries. This shift in focus delivered contracts for AML3D's large scale ARCEMY® X edition 6700 system (ARCEMY® X), to support the US Navy's submarine industrial base in February and post year end in July of 2023, bookending the contract for an Enterprise level ARCEMY® system to Curtin University in Perth.

The combination of AML3D's focus on scaling up in the US and delivering aligned R&D and contract manufacturing sales has delivered \$6 million of work in progress and orders in hand at the time of this report, which will make it possible for a record revenue year in FY24.

Some key milestones achieved include:

- Contracts for ARCEMY® 'X – Edition 6700' systems for use at the US Navy's Danville Additive Manufacturing Centre of Excellence in Virginia and the Oak Ridge National Laboratory in Tennessee.
- Contract for enterprise-level ARCEMY® system to Curtin University with aligned R&D support and creation of a satellite AML3D demonstration facility.
- Contracts for the continuation of alloy testing and validation of metal 3D printed components for the US Navy.
- US value added reseller agreement signed with Phillips Corp, a leading US Federal Government sales partner.
- Contract with Chevron Australia for high strength corrosion resistant subsea steel pipeline fittings and subsequent expansion of order scope.
- Contract to supply prototype parts to BAE Systems Australia to support the Australian Department of Defence's Hunter class frigates program.
- Expanding the scope of a 3D metal printed Aluminium prototype components contract with existing Aerospace client Boeing.
- Receiving a world first Additive Manufacturing facility accreditation from DNV, the world's leading Marine and Industrial manufacturing classification society.

AML3D's growth strategy remains to realise the value of our proven, proprietary, metal 3D-printing technology as a disruptor of traditional manufacturing and fabrication across multiple sectors and time horizons. During 2023 AML3D's success in winning contracts in support of the US Navy and Department of Defence has accelerated interest in the Company's ARCEMY® technology across the US Defence, Marine and Aerospace industries. AML3D's US sales pipeline is strong and growing, with several additional opportunities for ARCEMY® sales having been identified and progressed. The sale of the ARCEMY® X for use at the US Navy's Danville Centre

of Additive Manufacturing Excellence, completed post year end on July 20, and contracts for the continuation of alloy testing and validation of metal 3D printed components signed mid August, reflects the growing momentum in AML3D's US operations.

In addition, AML3D retains the capacity to deliver contract manufacturing and prototyping for the Company's Global Tier 1 clients, including Chevron, Boeing and BAE Systems. AML3D's contract manufacturing relationships deliver revenues today and are creating opportunities to deliver additional ARCEMY® sales in the future. The Company has identified the supply of ARCEMY® systems as a point of need solution for industrial manufacturers as a key growth driver within the overarching strategy to generate shareholder value through the commercialisation of AML3D's proprietary Wire-arc Additive Manufacturing (WAM®) technology.

AML3D believes our disruptive technology is fundamentally transforming metal manufacturing and is key to rebuilding sovereign manufacturing capabilities. The Company's ARCEMY® technology can be deployed at the point of need and delivers a wide range of high-quality, large-scale, custom-built components with significantly shorter lead times and at competitive prices. AML3D's technology also minimises material waste and significantly reduces emissions and electricity consumption, when compared with traditional casting and forging technology, which are key sustainability considerations within the context of the global climate crisis.

Financial Results

Revenue for the financial year was \$0.6 million, a 69% decrease on the prior year as the Company refocused the business to the supply of ARCEMY® systems. Revenue from the printing of parts continued to support our performance, contributing \$0.5 million, up 59% on the prior year. While no revenue was recognised during the 2023 year from the sale of ARCEMY® systems (prior corresponding period \$1.7 million), current orders in hand exceed \$3 million pointing to a record revenue year in FY24.

Central to underpinning an ongoing improvement in AML3D's financial performance is an ongoing investment program to maintain AML3D's technology leadership, which is driving the demand for ARCEMY® systems as a point of need manufacturing solution. During FY23 AML3D continued to invest in software engineering resources, industry Awarding certifications and IP protections to ensure AML3D maintains its position at the forefront of advanced metal additive manufacturing. In turn our position as a market leader is helping build strong momentum within our sales pipeline, which is expected to underpin progressive revenue growth into the future.

Immediate term value drivers – ARCEMY® sales

AML3D has refocused our growth strategy to place greater emphasis on ARCEMY® system sales, particularly to the US Defence, Aerospace and Marine sectors, as a driver of revenue growth. During FY23 the Company signed and progressed contracts to sell, install and commission two ARCEMY® systems. The first, in February 2023, was

the sale of \$1.0 million of a large-scale, industrial ARCEMY® ‘X-Edition 6700’ Wire-arc Additive Manufacturing metal 3D printing system to support the US Navy’s submarine industrial base. The ARCEMY® order has been placed by BlueForge Alliance, a US Department of Defence intermediary supporting the acceleration of advanced manufacturing technologies across the US Defence industrial base. The ARCEMY® X system was shipped to the Oak Ridge national Laboratory in July 2023 for installation and commissioning.

A second \$1.0 million ARCEMY® system was sold to Curtin University in Perth in June 2023. The medium level enterprise ARCEMY® system will be located in the Curtin additive manufacturing microfactory and will be available for use as a satellite manufacturing facility to demonstrate ARCEMY®’s capabilities to potential customers across Western Australia’s Mining, Agriculture, Oil & Gas and Defence Maritime industries. In addition, AML3D has agree to invest \$100,000 a year over three years in an ARCEMY® research and development program at Curtin, with one objective being the development of materials and processes to enhance the ability of ARCEMY® systems to support Defence manufacturing.

AML3D also signed a \$264,000 alloy characterisation and testing program in March 2023, with further contracts totaling \$2.4 million signed subsequent to year end, to support the deployment of the ARCEMY® X unit at the Oak Ridge national Laboratory and demonstrate its capabilities as a manufacturing solution for the US Navy’s submarine industrial base. AML3D’s opportunity to sign additional contracts to support ARCEMY® systems is key to developing recurring revenues from the deployment of the Company’s technology. These recurring revenues will include software licensing and support contracts that are expected to build a long, recurring revenue tail for each ARCEMY® deployment.

In April 2023, AML3D signed an 18-month value-added reseller agreement with Phillips Corporation, a leading service provider and manufacturing reseller partner to the United States Federal Government, to complement the Company’s direct US sales capability. Phillips has extensive reach into the United States Federal Government, including the US Navy, Airforce and Army. AML3D has worked closely with Phillips to upskill their federal sales division and co sell ARCEMY® systems. Post year end, this work delivered a second ARCEMY® sale in support of the US Navy. A \$1.1 million contract for the sale of an ARCEMY® X system to be located at the US Navy’s Additive Manufacturing Center of Excellence in Danville, Virginia was received on 20 July 2023.

In total AML3D has sold 8 ARCEMY® units and the Company is confident ARCEMY® sales momentum will continue to build.

Immediate term value drivers

– Contract manufacturing

During 2023 AML3D’s contract manufacturing division secured several contracts that contributed a total of \$0.5 million of revenues. In addition to providing an additional revenue stream, AML3D’s contract manufacturing relationships with Global Tier 1 clients is also creating awareness of and opportunities to secure additional sales of ARCEMY® systems.

AML3D identified the Oil & Gas sector as a key target industry to drive immediate term value creation. Consistent with the Company’s focus on Oil & Gas, in November 2022, AML3D signed a purchase contract with Chevron Corporation to produce several subsea pipeline fittings using AML3D’s WAM® technology. The \$0.25 million contract was extended to include the production of additional piping for comprehensive independent testing,

following a site visit by Chevron Australia during the June quarter. AML3D’s expanded presence in the global Oil and Gas sector represents an opportunity to target additional, non-US Defence revenues, through ARCEMY® at the point of need sales.

AML3D’s contract manufacturing is also supporting the Companies ambitions across the Defence and marine sectors. In October 2022, AML3D signed a purchase contract with BAE Systems Australia, and its subsidiary ASC Shipbuilding, to deliver prototype components to support ASC’s contract to design and build nine Hunter class frigates for the Australian Navy. This purchase contract followed a commercial validation testing program in October 2022.

The Company also expanded its presence in the aerospace market with an additional purchase contract signed in September 2022 to produce 3D printed components for the Boeing Company. The initial 3D components order was placed in July of 2022 and followed a site visit by Boeing’s Director of Global Additive Manufacturing in March 2022. AML3D’s relationship with Boeing was established in June 2021 with a 3D printed tooling component order.

Medium and longer-term value drivers

– Maintaining Technology Leadership

Central to AML3D’s refocused growth strategy to accelerate revenue generation through sale of ARCEMY® systems to industrial manufacturers over the medium term is maintaining the Company’s position on the leading edge of advanced additive manufacturing. To support this medium-term ambition AML3D expanded the Companies software development capability with the appointment of three new full time software engineers to develop additional software features to maintain AML3D’s position as a technology leader. ARCEMY® systems are now available as large scale ARCEMY® X, medium-level ARCEMY® Enterprise, entry level ARCEMY® Essential and small scale ARCEMY® Education.

In addition, the Company has helped create an ARCEMY® research and development eco-system, encompassing several leading Australian Universities. The sale of an enterprise level ARCEMY® system to Curtin University in June 2023, with a 3-year R&D program part funded by AML3D, expanded this R&D eco-system, which includes ARCEMY® systems that have already been installed at the Royal Melbourne Institute of technology (RMIT), University of Queensland and the Flinders University ‘Factory of the Future’ joint venture in Adelaide.

Alongside directly funding R&D at the Curtin ARCEMY® system the company is also working closely to support R&D projects underway across the ARCEMY® University eco-system. Supporting the use of ARCEMY® systems in Australian Universities will drive creation of new ARCEMY® products and processes to support the AML3D’s growth ambitions; accelerate the adoption of ARCEMY® systems by the next generation of engineers in digital manufacturing and ensure AML3D’s technology remains on the leading edge of Advanced Additive Manufacturing and a preferred partner for customers across the Marine, Defence, Aerospace and Resource sectors.

AML3D is also working to expand international patent protection for the intellectual property in the Company’s proprietary WAM® process. In June 2021 AML3D was granted an Australian patent to protect is Wire-arc Additive Manufacturing process. During 2023 the Company progressed its European Process Patent application and in July 2023, post FY23 year end, that work resulted in the grant of a European Process Patent. Securing patent protection for AML3D’s technology in Europe will support the Company’s medium-term ambition to initiate sales of ARCEMY® systems to industrial manufacturers that

support the European Defence, Aerospace and Marine industries. In parallel with continuous development of AML3D’s software stack and securing patent protection for AML3D’s valuable IP, the company continues to work to expand the range of industry certifications for the Company’s WAM® technology. During FY23 AML3D was awarded the first Additive Manufacturing facility accreditation with wire-feedstock, with an ‘Approval to Manufacture’ certificate, from DNV, the world’s leading Marine and Industrial Classification Society. This accreditation demonstrates AML3D’s technology meets the enhance ‘Class certification’ for critical components in the Oil & Gas and Marine industry. The DNV Additive Manufacturing facility accreditation follows AML3D being granted the first wire-arc manufacturing facility certification by Lloyd’s Register, a leading provider of classification and compliance services to the Marine and Offshore industries.

AML3D also focused on progressing work to implement the Aerospace Quality Management System, AS9100D:2016 Accreditation during FY2023. This accreditation would enable the Company to manufacture ‘fly parts’ for use in aircraft. Once implemented, AML3D would become only the second 3D wire feedstock additive manufacturing company in the world to achieve the standard, which would be a significant competitive advantage when bidding for Aerospace contracts.

Capital Management

The Company remains debt free and finished the financial year with a cash balance of \$4.5 million.

In July 2022 AML3D successfully completed an equity issue to raise an additional \$2.7 million (before costs), from the placement of 37,605,038 new shares. A second successful equity issue in February 2023 raise \$3 million (before costs), from the placement of 41,666.667 new shares. An additional \$0.4 million was raised from the issuance of 5,555,555 new shares in April 2023 following a substantially oversubscribed Share Purchase Plan.

The proceeds from these capital raises are being used to:

- Accelerate our growth initiatives by establishing a presence at Key US bases;
- Expanding a US sales team to build the US sales and marketing pipeline;
- Invest in the ARCEMY® platform software development to maintain technology leadership; and
- Meet the working capital demands of an upscaling business.

Management changes

Mr Ryan Millar, stepped down from the role of Chief Executive Officer of AML3D in June 2023, having successfully reoriented AML3D’s business strategy towards growing ARCEMY® sales, with a focus on U.S. Defence, Oil & Gas and aerospace markets. Non-Executive Director, Mr Sean Ebert, assumed the role of interim Chief Executive.

AML3D’s strategy remains the sale of ARCEMY® systems as a point-of need manufacturing solution for industrial Manufacturers, particularly targeting the US defence, Oil & Gas and aerospace markets.

Events subsequent to FY2023

On 20 July 2023, AML3D announced the sale of an industrial-scale ARCEMY® ‘X-Edition 6700’ Wire-arc Additive Manufacturing metal 3D printing system to be located at the US Navy’s Additive Manufacturing Center of Excellence in Danville, Virginia. The order was received from AML3D’s US value added reseller Philips Corporation and validates the Company’s strategic focus on delivering ARCEMY® systems to the US maritime and defence industries.AML3D’s second ARCEMY® sale in support of the US Navy was followed, in July 2023, by the

granting of a European process patent for the Company’s Wire-arc Additive Manufacturing process. While AML3D’s immediate focus is on scaling up sales of its ARCEMY® systems within the US Defence, Marine and Aerospace industries, the Company plans, over the medium term, to leverage its European technology leadership and US scale up playbook to target sales to industrial manufacturers supporting the European Defence, Marine and Aerospace industries.

In mid August 2023, AML3D announced the signing of \$2.4 million in additional contracts for the continuation of alloy testing and validation of metal 3D printed components, reflects the growing momentum in AML3D’s US operations.

Board and Governance

In October 2022, the Board announced the appointment of Noel Cornish AM as a Non-Executive Director and the New Chairman. Sean Ebert, who has acted as the interim Chairman since November 2021, remains on the Board as an Executive Director.

The Chairman appointment process included a review of the composition of AML3D’s Board to ensure the Company’s leadership and governance has the appropriate mix and depth of skills and experience to achieve its strategy and growth ambitions.

Outlook

AML3D’s success delivering ARCEMY® system sales to support the US Navy’s submarine industrial base, with related ARCEMY® alloy characterising and testing contracts, and to Curtin University’s Additive Manufacturing Microfactory has led to an expansion of the Companies ARCEMY® sales pipeline, particularly in the US, with the support of AML3D’s VAR partner Philips Corp.

AML3D is confident of converting this ARCEMY® sales pipeline into firm contracts that will expand on the \$6m in confirmed orders to be delivered during FY24. AML3D’s contract manufacturing facility continues to deliver on the Company’s current order book and retains the capacity to support additional contract manufacturing orders.

In addition, our work to secure the additional AS9100D:2016 industry certification, build out of the software features across our ARCEMY® systems and advance R&D projects on new materials and applications for ARCEMY® will enhance AML3D’s technology solution to create more opportunities to win clients across the Defence, Marine and Aerospace industry, particularly in the US and become more embedded with existing clients by meeting more of their advanced additive manufacturing needs.

We would like to thank our very capable team that continues to work tirelessly through these challenging times to ensure AML3D remains on its path to further success and growth. They have demonstrated resilience and dedication throughout this growth phase. We operate as one team and have not wavered from our overarching goal of becoming a leading diversified large-scale metal fabrication company globally.

Finally, to our shareholders, thank you for supporting AML3D. Your Board and management team are committed to pursuing profitable and sustainable growth for the benefit of all stakeholders, as we build upon the foundation created to date.

Noel Cornish AM
Chairman

Sean Ebert
Interim CEO

Board



Noel Cornish AM //

B.Sc, M.Eng.Sc., FAICD FUOW
Chairman
Chairman of the Remuneration Committee
Chairman of the Audit & Risk Committee
Appointed as Chairman 5 October 2022

Noel Cornish joined the Board of AML3D as a Non-executive Director and Chairman in October 2022. His former roles include Chief Executive of BlueScope Limited's Australian and New Zealand steel manufacturing businesses, Deputy Chancellor University of Wollongong, President Northstar BHP LLC in Ohio USA, Chairman of Snowy Hydro Limited and IMB Bank, as well as past National President Ai Group. Noel is currently Chairman of the Hunter Valley Coal Chain and a Non-executive Director of the University of Wollongong Global Enterprises.

Noel was appointed a Member of the Order of Australia in 2017 for his business leadership and community service.

The Board considers that Mr Cornish is an independent director.

Sean Ebert //

BEng Hons(Electrical), MAICD
Executive Director
Member of Audit & Risk Committee
Appointed as Director 30 August 2019
Chairman from 18 November 2021 to 5 October 2022
Appointed as Interim CEO 15 June 2023

Sean has 25 years of executive experience in both public and private sectors across high growth companies within the engineering, FMCG and emerging technologies sectors in Australia, China, US and Europe. Sean is currently a Non-Executive Director of listed company Mighty Craft (ASX:MCL, appointed 19 July 2021), as well as Non-Executive Director on a range of privately owned Australian growth companies and Executive Director of Venture Corporate Advisory. Sean was previously the Chief Executive Officer (CEO) of Beston Global Food (ASX:BFC), Global Director M&A of Worley, CEO of Camms Pty Ltd and CEO of Profit Impact Pty Ltd. Sean brings listed company and international experience to AML3D, is a Member of the Institute of Company Directors and holds a Bachelor Degree in Engineering with honours.

The Board considers that Mr Ebert is not an independent Director.

Andrew Sales //

MEng, MSc, CEng, CMatP
Executive Director
Appointed as Director 14 November 2014
Former Managing Director, appointed as CTO 26 September 2022

Andrew is a Chartered Engineer with a Master of Engineering and Master of Science and is a renowned expert in welding technology with over 28 years of global experience (Australia, Europe, South America, Africa and Asia). Andrew has held varying roles across upper management and senior leadership within the oil and gas, resources and mining sectors as well as advanced manufacturing, heavy engineering and fabrication.

He is also the author of numerous technical papers in the field of welding high strength corrosion resistant alloys. In addition to Science and Engineering qualifications at Masters level, he also holds a Diploma in Quality Management and Auditing. He is a Chartered Engineer through ECUK and TWI (UK), a professional member of Materials Australia holding a CMatP, and also sits on two Standards Australia committees including the newly established committee for Additive Manufacturing.

Andrew founded AML Technologies in 2014 and has been Managing Director since that time.

The Board considers that Mr Sales is not an independent Director.

Kaitlin Smith //

B.Com (Acc), CA, FGIA
Company Secretary
Appointed 30 November 2022

Kaitlin Smith was appointed to the position of Company Secretary on 30 November 2022. Kaitlin provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting). The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the effective functioning of the Board. All directors have direct access to the Company Secretary.

Directors’ Report

The Directors of AML3D Limited (AML3D or the Company) present their report, together with the financial statements of the Company and its controlled entities (the Group) for the financial year ended 30 June 2023.

Directors

The following persons were Directors of the Company during the financial year and to the date of this report:

Noel Cornish	Non-executive Chairman Appointed 5 October 2022
Sean Ebert	Executive Director Chairman to 5 October 2022 Non-executive Director to 15 June 2023
Andrew Sales	Executive Director
Leonard Piro	Non-executive Director Resigned 23 November 2022

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

Information Relating to Directors and Company Secretary

Details of each Director’s experience, qualifications and responsibilities are set out on pages 6 to 7. This includes information on other listed company directorships in the last three years. The Company Secretary is Kaitlin Smith. Details of her experience and qualifications are set out on page 7.

Company Overview

AML3D is an Australian public company incorporated on 14 November 2014. The Company was admitted to the Official List of ASX on 16 April 2020 and commenced trading on ASX on 20 April 2020. AML3D is a welding, robotics, metallurgy and software business which uses automated wire-fed 3D printing in a large free-form environment to produce metal components and structures for commercial use.

AML3D has commercialised its wire arc additive manufacturing technology (under the trademark WAM®), an innovative metal additive manufacturing technology for the cost-effective production of large, high performance metal components and structures.

AML3D’s proprietary WAM® process is part of the spectrum of 3D metal printing that focuses on larger industrial applications with flexibility across multiple classes of metals including titanium alloys, nickel alloys and steel alloys.

AML3D’s WAM® technology combines electric arc as a heat source with wire as a feedstock and welds sequential layers of metal to

produce near-net shape metal components. WAM® technology provides an alternative manufacturing and fabrication method for the production of components in industry sectors such as aerospace, marine, defence, oil and gas, mining and general manufacturing which vary from high-end aerospace parts to general engineering, with the value proposition being significant in the case of larger scale industrial grade and complex parts.

In conjunction with its WAM® technology, AML3D has developed its own proprietary software, WAMSoft®, which combines metallurgical science and engineering design to automate the 3D printing process utilising advanced robotics technology. The WAMSoft® software enables a highly tailored approach to the needs of each client by enabling different pathways and welding operations for different products and materials. Depending on material type, thickness of part, geometry and final size, the software identifies optimal path models using an extensive library of weld bead geometries.

Principal Activities

The principal activities of AML3D during the financial year 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-arc Additive Manufacturing technology and to develop that technology;
- c. Research and development into the refinement of the companies products, including alternative applications.

No significant changes in the nature of the Company’s activity occurred during the financial year.

Operating and Financial Review

Review of Operations

The Company’s revenue is derived from:

- a. ARCEMY® sales with customers acquiring the ARCEMY® 3D printing modules for their own fabrication needs or research and learning purposes; or
- b. Contract manufacturing, which is fulfilling manufacturing orders for customers using our ARCEMY® 3D printing module; and
- c. Licensing, service and technical support for customers using our ARCEMY® 3D printing module.

Throughout the year, the Company has sought out new customers and markets and developed a pipeline of opportunities which will be built on in FY24.

AML3D has maintained its focus on executing the US ‘Scale up’ strategy and developing the Company’s position as supplier of ARCEMY® industrial scale, advanced Wire-arc Additive Manufacturing (WAM®) metal 3D printing systems. The US ‘Scale up’ strategy is designed to create a sustainable

business with a reliable, predictable and expanding revenue base that can also generate additional earnings by accessing aligned R&D and contract manufacturing opportunities.

Despite there being no revenue recognised form the sale of ARCEMY® system during the year, the Company is preparing for a record revenue year in FY24 with the first of two ARCEMY® X-edition 6700 systems to support the US Navy shipped post year end, the second scheduled for delivery in Q3 of FY24. In addition, the Company has signed a contract with Curtin University for an enterprise level ARCEMY® system to support R&D at Curtin, also scheduled for delivery in Q3 of FY24.

The Company has continued to develop its technology including the printing of a range of metal pieces for use in a variety of industries such as defence, oil and gas, marine and aerospace. Over 50% of revenue for the year was obtained through key target markets in the United States of America.

Financial Results and Position

Revenue for the year was \$634,422, down 69% on the Prior Corresponding Period (PCP). While orders were received during the year for ARCEMY® systems, revenue will not be recognised until delivery and commissioning in FY24. Revenue for the year was derived from the printing of parts and customer support, with over 50% generated from the key target market of the US.

EBITDA was a loss of \$4,793,053 (PCP: \$4,158,702). Overhead expenses of \$5,281,800 were \$40,491 lower on PCP with the Company dedicating additional resources to the US scale up.

The net loss after tax for the year was \$5,436,253 (PCP: \$4,897,028) with carried forward tax losses not brought to account.

At the end of the financial year, the Company had \$4,533,957 in cash and cash equivalents on hand. During the year \$3,642,885 of cash was used in operating activities, down \$159,618 on cash consumed during the PCP.

Business Strategies and Prospects

The Company plans to build on the successes achieved in FY23. The main areas of focus in FY24 will be to:

- Pursue global business opportunities, focusing initially on creating customer and industry partnerships in high margin sectors such as defence, oil and gas, and marine;
- Build ARCEMY® modules for customers looking to establish in-house 3D printing capability;
- Grow recurring revenue through annual software licensing, service and maintenance agreements;
- Continue with our research and development activities to refine and broaden our range of products and processes, further developing our environmental sustainability credentials by reviewing options for use of renewable energy and lowering energy inputs with the aim of reducing the carbon footprint of the WAM® process; and
- Build the global profile of AML3D and its products through collaborations with universities and key industry players.

AML3D currently has the only diversified large-scale WAM® metal fabrication facility in the Southern Hemisphere that can produce finished parts and components to a certified standard under an accredited Quality Management System. With the granting of patents in Australian, Europe, India, Japan, New Zealand, Republic of Korea and Singapore this protection validates the Company’s market leadership in advanced 3D printing solutions and opens up new markets for our technology. These are the advantage that the Company will look to leverage.

Material Business Risks

There are a number of material business risks which could affect the Company’s ability to achieve its business strategies as follows.

Market Acceptance of New Technology

AML3D has commercialised its WAM® technology and has established a number of important relationships and research collaborations. However, there can be no assurances that the market will accept the WAM® technology, given that it is challenging traditional and well-tried processes such as machining, casting and forging. WAM® is a disruptive technology in traditional manufacturing industries where many potential users of WAM® have existing sunk investments in existing processes.

Wire arc additive manufacturing is a new technology in a relatively young industry of 3D metal printing. Widespread awareness-raising of the advantages and value proposition associated with the Company’s WAM® technology will be required to lift the profile of the technology and educate the market.

Customer Conversion

At present, the Company is at a paid trial stage with a number of potential clients. There can be no guarantee that any of these paid trial customers will convert into regular customer contracts. Although the Company’s client base is expected to diversify as a result of the expansion of the Company’s revenue streams, the Company will initially be substantially reliant on a select number of clients. The loss of any of these clients may have a negative impact on the Company’s revenues and profits unless they can be replaced with new clients.

The Company’s future activities are specifically designed around further business development activities in order to grow the client base in Australia, US, and other markets.

Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management, technical experts and its Directors. The Company has reduced this risk by the appointment of additional technical staff.

Access to Raw Materials

The Company requires access to markets for its raw materials including titanium alloys, nickel alloys, stainless steel, aluminium alloys and bronze alloys in order to manufacture components. If the Company is unable to secure these materials, this would likely have a material adverse effect on the business and financial performance of the Company.

Accreditation

The reputation of AML3D's products and services is largely dependent on retaining Lloyd's Register and ISO 9001 accreditation. The loss of these accreditations would significantly impact the demand for AML3D's products and services.

Climate Change Risk

The Board is not aware of any current material exposure to risks brought about, or likely to be brought about, by climate change.

Research & Development and Technical Risk

The Company's products and technology are the subject of continuous research and development which will likely need to be developed further in order to enable the Company to remain competitive, increase sales and improve the scalability of products and technology. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or time frames accurately will adversely affect the Company's results.

Intellectual Property

The Company has been granted patent in Australian, Europe, India, Japan, New Zealand, Republic of Korea and Singapore, which provides coverage over the method and apparatus for manufacturing 3D metal parts. Despite the granting of the patent, it may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products.

Data Loss and Cyber Security

The Company is reliant on the security of its network environment, vendor environments and websites. Breaches of security including hacking, denial of service attacks, malicious software use, internal Intellectual Property theft, data theft or other external or internal security threats could put the integrity and privacy of customers' data and business systems used by the Company at risk which could impact technology operations and ultimately customer satisfaction with the Company's products and services, leading to lost customers and revenue.

The Company has implemented a Cyber Security system and will continue to monitor its effectiveness.

Environmental and Sustainability Risk

The Board is not aware of any material exposure to economic, environmental or social sustainability risks to which the Company may be subject.

Risk Management

The Board determines the Company's risk profile and is responsible for establishing, overseeing and approving the Company's risk management framework, strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee the responsibility for overseeing the risk management system. The Company's risk management policy sets out the requirements for the Company's risk management framework, the process for identification and management of risks and regular reviews.

Sustainability

AML3D is committed to developing and maintaining sustainable and environmentally conscious operations. One of the benefits of AML3D's manufacturing process is that it generates considerably less waste material than traditional casting and machining

processes. Additive Manufacturing, with wire feedstock, has also been shown to have a lower carbon foot-print and use less energy when compared to conventional manufacturing processes.

Environmental Regulation

The Group's activities are subject to general environmental laws and regulations relating to manufacturing operations, in particular for the disposal and storage of scrap and hazardous materials. No breaches of environmental regulation occurred during the financial year and to the date of this report.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- i. On 20 July 2022, the Company issued 37,605,038 ordinary shares at \$0.0714 per share via a private placement for a total consideration of \$2,685,000.
 - ii. On 13 February 2023, the Company issued 41,666,667 shares at \$0.072 per share via a private placement for a total consideration of \$3,000,000
 - iii. On 27 March 2023, the Company established a wholly owned subsidiary in the United States of America, AML3D USA Inc.
 - iv. On 12 April 2023, the Company issued 5,555,555 ordinary shares at \$0.072 per share via a share purchase plan for a total consideration of \$400,000.
 - v. On 26 June 2023, the company issued 268,067 ordinary shares for nil consideration on the exercise of performance rights.
- Significant Events after the Balance Date
- No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for:
- i. On 20 of July 2023, AML3D announced the sale of an industrial-scale ARCEMY® 'X-Edition 6700' Wire-arc Additive Manufacturing metal 3D printing system for 1.1 million to be located at the US Navy's Additive Manufacturing Center of Excellence in Danville, Virginia.
 - ii. In mid August 2023, AML3D announced the signing of \$2.4 million in additional contracts for the continuation of alloy testing and validation of metal 3D printed components for the US Navy.

Dividends

No dividends were declared or paid during the year.

Corporate Governance

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operations, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes

are appropriate for the business and which are designed to promote the responsible management and conduct of the Company. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Company's Corporate Governance Plan, including key policies, is available on the Company's website at www.aml3d.com

Directors' Meetings

During the financial year, 25 meetings of Directors, including Committees of Directors, were held. Attendances by each Director during the year were as follows:

Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meeting	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Noel Cornish	15	15	2	2	1	1
Sean Ebert	19	19	5	5	1	1
Andrew Sales	19	19	-	-		-
Leonard Piro	8	7	3	3	-	-

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate, including securities held directly, indirectly or by related parties, as at the date of this report:

Director	Fully paid ordinary shares	Share Options
Noel Cornish	700,280	2,000,000
Sean Ebert	1,087,499	2,000,000
Andrew Sales	35,559,850	-

Further details of Directors' security holdings, including the numbers subject to escrow restrictions, are provided in the Remuneration Report commencing on page 12.

Directors' and Senior Executives' Remuneration

Details of the Company's remuneration policies and the nature and amount of the remuneration for the Directors and senior management (including shares, options and rights granted during the financial year) are set out in the Remuneration Report commencing on page 12 and in Notes 9 and 10 to the financial statements. The Directors of the Company present this Remuneration Report for the Group for the year ended 30 June 2023. The information provided in this Report has been audited as required by s308(3C) of the Corporations Act 2001 (Cth) (Corporations Act) and forms part of the Director's Report.

Remuneration Report (audited)

The Remuneration Report outlines the Company's key remuneration activities during the financial year ended 30 June 2023 and remuneration information pertaining to the Company's Directors and senior management personnel who are the Key Management Personnel (KMP) of the Group for the purpose of the Corporations Act and Accounting Standards. These are the personnel who have authority and responsibility for planning, directing and controlling the activities of the Company.

The report is structured as follows:

- 1. Remuneration Governance
- 2. Directors and Key Management Personnel (KMP)
- 3. Remuneration Policy
- 4. Remuneration Components
- 5. Relationship between Remuneration and Group Performance
- 6. Details of Directors' and KMP Remuneration
- 7. Key Terms of Employment Contracts
- 8. Terms and Conditions of Share-based Payment Arrangements
- 9. Directors' and KMP Equity Holdings
- 10. Other Transactions with Directors and KMP

1. Remuneration Governance

Consistent with the Board's Charter, the Board has established a Remuneration and Nomination Committee. The functions of the Committee are described in the Committee Charter. Where appropriate, these functions are undertaken by Non-executive Directors only, without the presence or participation of any Executive Director.

Functions

The Committee reviews any matters of significance affecting the remuneration of the Board and employees of the Company.

The primary remuneration purpose of the Committee is to fulfil its responsibilities to shareholders, including by:

- a. Ensuring that the approach to executive remuneration demonstrates a clear relationship between key executive performance and remuneration;
- b. Fairly and responsibly rewarding executives, having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- c. Reviewing the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- d. Reviewing and approving any equity-based plans and other incentive schemes;
- e. Clearly distinguishing the structure of Non-executive Director (NED) remuneration from that of executive directors and senior executives, and recommending NED remuneration to the Board;
- f. Arranging the performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis; and
- g. Overseeing the annual remuneration and performance evaluation of the senior executive team.

The Board has adopted protocols for engaging and seeking advice from independent remuneration consultants.

Further information about remuneration structures and the relationship between remuneration policy and company performance is set out below.

The Board Charter and the Remuneration and Nomination Committee Charter, which outline the terms of reference under which the Committee operates, are available in the Corporate Governance Plan at www.aml3d.com/investors.

2. Directors and Key Management Personnel (KMP)

The directors and KMP of the Group during the year were:

	Period of Responsibility in FY23	Position
Non-executives		
Noel Cornish	From 5 October 2022	Independent Non-executive Chairman
Leonard Piro	To 23 November 2022	Independent Non-executive Director
Sean Ebert	To 15 June 2023	Independent Non-executive Director
Executives		
Sean Ebert	From 15 June 2023	Interim Chief Executive Officer (CEO)
Andrew Sales	To 26 September 2022	Managing Director, Chief Executive Officer (CEO)
	From 26 September 2022	Chief Technology Officer (CTO)
Ryan Millar	From 26 September 2022 to 15 June 2023	Chief Executive Officer (CEO)
Hamish McEwin	Full year	Chief Financial Officer (CFO)

3. Remuneration Policy

The Company's remuneration framework for Directors and senior executives has been designed to remunerate fairly and responsibly, balancing the need to attract and retain key personnel with a prudent approach to management of costs.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

Non-Executive Director Remuneration

The Board aims to remunerate each Non-executive Director (NED) for their time, commitment and responsibilities at market rates for comparable companies. The Board determines and reviews the level of fees payable to Non-executive Directors annually, based on market practice, duties and accountability and subject to the maximum aggregate amount per annum as approved by shareholders. Fees for Non-executive Directors are not linked to the performance of the Group, other than participation in share options (refer to section 8 for share option plans).

The Board approves a letter of appointment setting

out the key terms and conditions of appointment for each Non-executive Director. Non-executive Directors receive statutory superannuation guarantee payments and do not receive any other retirement benefits.

Executive Remuneration

The Board reviews the executive structure and framework on an annual basis to ensure that the remuneration framework remains aligned to business needs. The Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent; and
- Aligned to the Company's strategic and business objectives and the creation of shareholder value.

4. Remuneration Components

Non-Executive Directors

Non-executive Directors receive a fixed fee for their participation on the Board. No additional fee is paid for service on Board sub-committees. Directors do not receive performance-based incentives but they are eligible, subject to shareholder approval, for the grant of options that do not include performance-based vesting criteria.

Non-Executive Director fees are determined by the Board within an aggregate fee pool limit as approved by shareholders. The current aggregate fee pool, as set out in the Constitution in Rule 14.8 detailing initial fees to Directors, is \$400,000.

In addition, Directors are eligible to participate in the Concessional Incentive Option Plan and the Performance Rights and Option Plan, subject to approval by shareholders.

Executives

Executive remuneration comprises fixed remuneration (salary) and may include short-term and long-term incentive plan components. These are set with reference to the Company's performance and the market. Fixed remuneration, which reflects the individual's role and responsibility as well as their experience and skills, includes base pay and statutory superannuation. Remuneration at risk may be provided through short-term and long-term incentive plan components, linked to performance measured against operational and financial targets set by the Company, designed to achieve operational and strategic targets for the sustainable growth of the Company and long-term shareholder value. Short-term or long-term incentive elements for KMP's are detailed in section 7 of this report. The Board will continue to review the remuneration framework during the coming year.

5. Relationship between Remuneration and Group Performance

The Board aims to align executive remuneration to the Company’s strategic and business objectives and the creation of shareholder wealth. The table below sets out key metrics in respect of the Group’s performance over the past five years. The remuneration framework is designed to take account of a suitable level for the

fixed remuneration in the context of balancing the requirements of a rapidly growing and newly ASX-listed company and focussing on strategic and business objectives to ensure shareholder value. There are currently no short-term or long-term incentives on foot.

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Cash and cash equivalents	4,533,957	2,933,482	7,200,707	8,227,986	1,158,109
Net assets/equity	6,925,158	6,631,120	11,528,148	9,712,920	(113,666)
Revenue	634,422	2,014,828	644,486	288,516	36,057
EBITDA	(4,793,053)	(4,158,702)	(5,108,666)	(3,008,192)	(595,966)
Loss from ordinary activities after income tax expense	(5,436,253)	(4,897,029)	(5,515,272)	(3,094,021)	(680,836)
No of issued shares	235,553,713	150,458,386	150,458,386	132,366,163	12,320,250
Basic earnings per share (cents) ²	(2.3)	(3.3)	(3.8)	(3.8)	(1.3)
Diluted earnings per share (cents) ²	(2.3)	(3.3)	(3.8)	(3.8)	(1.3)
Share price at start of year (cents) ¹	0.052	0.205	0.155	0.20	N/A
Share price at end of year (cents)	0.048	0.052	0.205	0.155	N/A
Market capitalisation (Undiluted)	11,306,578	7,823,836	30,843,969	20,516,755	N/A
Interim and final dividend (cents)	N/A	N/A	N/A	N/A	N/A

1. The Company was incorporated in 2014 as a proprietary company and was changed to an unlisted public company on 5 December 2019. Share price at start of FY20 is shown as at commencement of ASX quotation on 20 April 2020 following admission to the official list of ASX on 16 April 2020, based on the value of shares taken up pursuant to the prospectus.
2. Basic earnings per share and diluted earnings per share have been retrospectively restated to account for a capital restructure of shares. A capital reconstruction was undertaken on 29 July 2019 and 4.2348 shares were issued for every 1 share. The number of shares issued in the previous financial periods have been multiplied by 4.2348 for the purpose of EPS calculation.

6. Directors’ and KMP Remuneration

Remuneration for the financial year ended 30 June 2023

	Short-term employee benefits				Post-employment	Share-based payments						
	Salary & Fees	Short-term incentive	Annual leave	Long Service Leave	Super-annuation	Shares	Options or Rights	Total share-based payments	Termination	Other long-term benefits	Total	Total 'at risk'
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive Directors												
Noel Cornish ¹	75,000	-	-	-	7,875	-	58,000	58,000	-	-	140,875	-
Leonard Piro ²	20,000	-	-	-	2,100	-	-	-	-	-	22,100	-
Subtotal	95,000	-	-	-	9,975	-	58,000	58,000	-	-	162,975	-
Executives												
Sean Ebert ³	77,000	-	-	-	8,085	-	-	-	-	-	85,085	-
Andrew Sales	236,154	-	14,942	14,300	24,796	-	-	-	-	-	290,192	-
Ryan Millar ⁴	339,484	25,500	-	-	31,314	14,433	7,658	22,091	79,290	-	497,678	-
Hamish McEwin	228,311	-	7,441	-	23,973	-	-	-	-	-	259,724	-
Subtotal	880,948	25,500	22,383	14,300	88,167	14,433	7,658	22,091	79,290	-	1,132,679	-
TOTAL	975,948	25,500	22,383	14,300	98,142	14,433	65,658	80,091	79,290	-	1,295,654	-

1. Appointed as Chairman 5 October 2022.
2. Resigned 23 November 2022.
3. Appointed as Interim CEO 15 June 2023
4. Appointed as CEO 26 September 2022. Resigned 15 June 2023. Prior to his appointment as CEO, Mr Millar received \$99,000 for consulting services during the months of July, August and September 2022.



Remuneration for the financial year ended 30 June 2022

	Short-term employee benefits				Post-employment	Share-based payments						
	Salary & Fees	Short-term incentive	Annual leave	Long Service Leave	Super-annuation	Shares	Options or Rights	Total share-based payments	Termination	Other long-term benefits	Total	Total 'at risk'
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive Directors												
Sean Ebert ¹	51,667	-	-	-	5,167	-	-	-	-	-	56,834	-
Leonard Piro	40,000	-	-	-	4,000	-	-	-	-	-	44,000	-
Stephen Gerlach ²	25,000	-	-	-	2,500	-	-	-	-	-	27,500	-
Kevin Reid ³	16,667	-	-	-	1,667	-	-	-	-	-	18,334	-
Subtotal	133,334	-	-	-	13,334	-	-	-	-	-	146,668	-
Executives												
Andrew Sales	220,042	-	(7,714)	24,739	21,900	-	-	-	-	-	258,967	-
Hamish McEwin	228,311	-	7,465	-	22,831	-	-	-	-	-	258,607	-
Subtotal	448,353	-	(249)	24,739	44,731	-	-	-	-	-	517,574	-
TOTAL	581,687	-	(249)	24,739	58,065	-	-	-	-	-	664,242	-

1. Appointed as Chairman 18 November 2021.

2. Resigned 18 November 2021.

3. Resigned 18 November 2021

7. Key Terms of Employment Contracts

Non-Executive Directors

The Company has entered into Non-Executive Director letters of appointment with each of Noel Cornish, Leonard Piro and Sean Ebert (Letters of Appointment). Each of the Letters of Appointment provide that amongst other things, in consideration for their services, the Company will pay the following fees, exclusive of statutory superannuation:

Chairman:	\$100,000 per annum
Non-Executive Directors:	\$60,000 per annum

Each Non-Executive Director is also entitled to be reimbursed reasonable expenses incurred in performing their duties.

The appointment of the Non-Executive Directors is subject to the provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors. The appointment of a Non-Executive Director will automatically cease at the end of any meeting at which the relevant Director is not re-elected as a Director by shareholders. A Director may terminate their directorship at any time by advising the Board in writing.

The Letters of Appointment otherwise contain terms and conditions that are considered standard for agreements of this nature and are in accordance with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (4th Ed).

Executives

Interim Chief Executive Officer

Up to 15 June 2015, Sean Ebert was engaged as a Non-Executive Director. The Company entered into an executive services agreement with Mr Ebert 15 June 2015, whereby he was engaged as the Interim Chief Executive Officer (CEO) of the Company. Mr Ebert receives a base salary of \$400,000 per annum (exclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse Mr Ebert for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. There is no short-term or long-term incentive component to his remuneration.

The termination provisions in the executive services agreement are on standard commercial terms and generally require a minimum period of notice prior to termination. In the event that the Company elects to terminate the executive services agreement without reason, it must pay the Mr Ebert the salary payable over a one-month period.

Chief Technology Officer

The Company has entered into an executive services agreement with Andrew Sales, whereby he was engaged as the Chief Technology Officer (CTO) of the Company. Mr Sales receives a base salary of \$240,000 per annum (exclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse Mr Sales for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. There is no short-term or long-term incentive component to his remuneration.

The termination provisions in the executive services agreement are on standard commercial terms and generally require a minimum period of notice prior to termination. In the event that the Company elects to terminate the executive services agreement without reason, it must pay Mr Sales the salary payable over a six-month period.

Chief Financial Officer

The Company has entered into an executive services agreement with Hamish McEwin, whereby he was engaged as the Chief Financial Officer (CFO) of the Company. Mr McEwin receives a base salary of \$250,000 per annum (exclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse Mr McEwin for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. There is no short-term or long-term incentive component to his remuneration.

The termination provisions in the executive services agreement are on standard commercial terms and generally require a minimum period of notice prior to termination. In the event that the Company elects to terminate the executive services agreement without reason, it must pay Mr McEwin the salary payable over a three-month period.

8. Terms and Conditions of
Share-based Payment Arrangements

The following share-based payments were made during the current financial year (2022: Nil):

- 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.
- iii. On 26 June 2023 the Company issued 268,067 fully paid ordinary shares to the former Chief Executive Officer, Mr Ryan Millar, following the conversion of vested performance rights. The share price on the date of issue of \$0.054 was used to determine a fair value of \$14,433 which has been expensed as a share-based payment.

Concessional Incentive Option Plan

The key terms of the Concessional Incentive Option Plan are as follows:

Eligibility	Employees, contractors or directors (Participants)
Offers	The Board may in its absolute discretion make a written offer to any Participant to apply for options upon the terms set out in the Concessional Incentive Option Plan and upon such additional terms and conditions as the Board determines.
Vesting Conditions	Options may be made subject to vesting conditions. Options will only vest while the Participant remains employed, engaged or is an officer of the Company. Where a Participant becomes a: • Good Leaver, unless the Board in its sole and absolute discretion determines otherwise, unvested options will lapse and vested options that have not been exercised will remain exercisable for a period of three months; • Bad Leaver, unvested options will lapse and subject to the discretion of the Board, vested options that have not been exercised will lapse on the date of cessation of employment, engagement or office of the Participant.
Disposal	Disposal restrictions apply, including either three years after the date of issue of the option or when the option holder ceases to be a Participant.

Details of the Concessional Incentive Option Plan were included in the Company’s Prospectus and a copy of the Plan was released to the ASX market announcements platform on 16 April 2020. A copy of the Concessional Incentive Option Plan is available on the Company’s website at www.aml3d.com/investors.

Performance Rights and Option Plan

A Performance Rights and Option Plan is also in place to accommodate future long-term remuneration incentives but as at the date of this report no grants of performance rights or options have been made pursuant to this plan. Details of the Performance Rights and Option Plan were included in the Company’s Prospectus and a copy of the Plan was released to the ASX market announcements platform on 16 April 2020. A copy of the Performance Rights and Option Plan is available on the Company’s website at www.aml3d.com/investors.



Left to Right: AML3D Interim CEO, Sean Ebert, Hon. Nick Champion MP
– Minister for Trade and Investment Government of South Australia, AML3D VP of Global Sales, Kerrye Owen.



AML3D hosting BAE Maritime Systems Australia at the Edinburgh Technology Facility.

9. Directors' and KMP Equity Holdings

Details of the number of ordinary shares held by Directors and KMP in the Company are set out below. This includes shares held directly, indirectly or beneficially by Directors and KMP, including related party holdings.

	Balance at 1 Jul 2022	Purchased	Sold	Other Changes	Balance at 30 June 2023
Non-executive Directors					
Noel Cornish	-	700,280	-	-	700,280
Leonard Piro¹	850,000	-	-	(850,000)	-
Executives					
Sean Ebert	1,024,999	-	-	62,500	1,087,499
Andrew Sales	40,311,250	550,000	(5,301,400)	-	35,559,850
Ryan Millar²	-	268,067	-	(268,067)	-
TOTAL	42,186,249	1,518,347	(5,301,400)	(1,118,067)	37,347,629

1. Resigned 23 November 2022 2. Appointed 26 September 2022. Resigned 15 June 2023

Details of the number of options held by Directors and KMP in the Company are set out below. This includes options held directly, indirectly or beneficially by Directors and KMP, including their related parties.

	Balance at 1 July 2022	Granted	Purchased	Options Exercised	Expired/ Lapsed	Other Changes	Balance at 30 June 2023	Vested	Unvested
Non-executive Directors									
Noel Cornish	-	2,000,000	-	-	-	-	2,000,000	2,000,000	-
Leonard Piro¹	2,000,000	-	-	-	-	(2,000,000)	-	-	-
Executives									
Sean Ebert	2,000,000	-	-	-	-	-	2,000,000	2,000,000	-
TOTAL	4,000,000	2,000,000	-	-	-	(2,000,000)	4,000,000	4,000,000	-

1. Resigned 23 November 2022

Terms of the options granted to Directors are provided in section 8 of this report, above.

Details of the number of performance rights held by Directors and KMP in the Company are set out below. This includes performance rights held directly, indirectly or beneficially by Directors and KMP, including their related parties.

	Balance at 1 July 2022	Granted	Purchased	Rights Exercised	Expired/ Lapsed	Other Changes	Balance at 30 June 2023	Vested	Unvested
Executives									
Ryan Millar¹	-	1,700,000	-	268,067	1,431,933	-	-	-	-
TOTAL	-	1,700,000	-	268,067	1,431,933	-	-	-	-

1. Appointed 26 September 2022. Resigned 15 June 2023

10. Other Transactions with Directors and KMP

There have been no transactions with Directors and KMP other than those described in this Remuneration Report.

Related Party Transactions

Details of transactions with related parties including KMP are provided at Note 26 to the financial statements.

-- End of Remuneration Report --

Options and Performance Rights

Holders of options and performance rights do not have any rights to participate in any issue of shares or other interests of the Company or any other entity.

During the financial year ended 30 June 2023, 2,000,000 options were issued (2022: nil). No shares were issued on the exercise of options during the financial year ended 30 June 2023 (2022: Nil).

1,700,000 performance rights were issued during the financial year ended 30 June 2023 (2022: Nil). 1,431,933 of these rights lapsed as the conditions had not been, or became incapable of being satisfied. 268,067 fully paid ordinary shares were issued on the conversion of the remaining vested performance rights.

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

Grant date	Expiry Date	Exercise Price	Number of Options
4 December 2019	4 December 2024	\$0.30	7,500,000*
23 November 2022	22 December 2027	\$0.30	2,000,000
Total			9,500,000

* Comprises 2,000,000 options issued to Directors, 5,000,000 options issued to former Directors and 500,000 options issued to the former Company Secretary

There have been no options or share rights granted over unissued shares or interests of the controlled entities within the Group during or since the reporting period.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

Indemnification and Insurance of Officers or Auditor

During the financial year, in accordance with the provisions of the Company’s Constitution, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive Officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001 (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

In accordance with the Constitution, the Company has entered into Deeds of Indemnity in favour of each of the current Directors and Company Secretary. The indemnities operate to the full extent permitted by law. The Company is not aware of any liability having arisen, and no claims have been made during or since the financial year ending 30 June 2023 under the Deeds of Indemnity.

The Company’s subsidiaries, AML Technologies (Asia) Pte Limited and AML3D USA Inc has provided letters of indemnity to its Company Secretary.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-Audit Services

The Board is satisfied that the provision of non-audit services by its auditor, William Buck, during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the non-audit services provided by the auditors during the year did not compromise the external auditor’s independence. The fees paid or payable to William Buck for non-audit services are set out in Note 11 of the financial report. The non-audit services provided were tax compliance services.

Auditor’s Independence Declaration

The Auditor’s Independence Declaration is included on page 23, of this annual report.

This Directors’ Report is signed in accordance with a resolution of Directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors



Noel Cornish
Chairman

23 August 2023



Auditor Independence Declaration

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 year ended 30 June 2023 there have been:

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



William Buck (SA)
ABN: 38 280 203 274



M.D. King
Partner

Dated this 23rd day of August, 2023 in Adelaide, South Australia.

AML3D Limited

Independent auditor’s report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AML3D Limited (the Company) and its subsidiary (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

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

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) 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 Group 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 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	
Research and development expenditure - existence and valuation. Refer also to notes 3(i) and 12.	How our audit addressed it
The Group incurs significant amounts of research and development costs each year. In 2023 these costs amounted to \$729,518. Each year the Group makes an assessment as to the amount it expects to claim from the Australian Government by the way of a Research & Development Tax Offset Refund. At 30 June 2023 the amount disclosed as a current trade and other receivable in relation to the refund is \$171,204. Overall due to the high level of judgement involved, and the significant carrying amount involved, we have determined that this is a key audit matter area that our audit concentrated on.	Our audit procedures included: – A detailed evaluation of the Group’s research and development strategy; – Testing the costs incurred; – Engaging our own taxation specialists to consider the appropriateness of the Group’s substantiation for the claim; – Reviewing the historical accuracy by comparing actual Tax offset refunds with the original estimations. We assessed the adequacy of the Group’s disclosures in respect of the transactions.
KEY AUDIT MATTER	
Revenue recognition. Refer also to notes 2(j) and 6.	How our audit addressed it
The Group derives income from the following: - Sale of the ARCEMY 3D printing module - Contract manufacturing for customers using owned ARCEMY 3D printing modules - Contract service or technical support for customers using owned ARCEMY 3D printing modules Each revenue stream requires a bespoke revenue recognition model to ensure that — The performance obligations for each revenue contract are identified; — The correct determination of whether performance obligations are satisfied over time or at a point in time; and — Revenue is only recognised when a performance obligation is satisfied. The application of <i>AASB 15 Revenue from Contracts with Customers</i> can require judgement, thus we considered this area to be a key audit matter.	Our audit procedures included: — determining whether revenue recognised is in accordance with the Group’s accounting policies; — Identifying and verifying the achievement of performance milestones and recognition of revenue relative to that achievement; — Examining the existence of revenue by testing both the contract and subsequent receipt of invoicing of the revenue to the customer; — Substantively testing revenue cut-off and the income in advance balance to ensure revenue has been recognised in the correct period. We also assessed the appropriateness of disclosures attached to revenues as required by Accounting Standard <i>AASB 15 Revenue from Contracts with Customers</i>.

KEY AUDIT MATTER	
Liquidity and capital management Refer also to note 2(r).	How our audit addressed it
To support the basis of preparation of the financial statements, the Group has prepared a forecast of its cash flows, which includes a number of significant assumptions about sales and production and estimates of cash outflows. The Group has incurred significant losses in the current and prior financial year. As a result, our assessment of liquidity and capital management as it relates to the basis of preparation of the financial statements is considered a key audit matter.	We assessed the main assumptions in the Group's cash flow forecast for at least 12 months from the date of signing the auditor's report, by performing the following procedures, amongst others: — Evaluating the assumptions used in management's cash flow forecasts including an analysis of committed customer orders; — Compared actual revenue and cost outcomes for the prior period and the current year to date to Group forecasts; — Ensuring that all committed capital purchases and future capital raising initiatives are taken into consideration. — Evaluating management's ability to reduce expenditure if necessary. We also considered the appropriateness of the liquidity risk disclosures included within the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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* and for 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 ability of the Group 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 Group or to cease operations, or has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 21 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of AML3D Limited, for the year ended 30 June 2023, 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.

William Buck
William Buck (SA)
ABN: 38 280 203 274
M.D. King

Partner

Dated this 23rd day of August, 2023 in Adelaide, South Australia.

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Consolidated Statement of Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	6	634,422	2,014,828
Cost of goods sold		(329,686)	(1,478,626)
Gross profit		304,736	536,202
R&D Tax Offset		178,422	565,425
Government grants		-	24,096
Gain on disposal of property, plant and equipment		5,589	37,865
Interest received		64,902	6,972
Depreciation and amortisation	7	(688,594)	(721,119)
Director and employee benefits		(2,372,876)	(1,792,048)
Interest expense		(19,508)	(24,179)
Marketing expenses		(40,306)	(148,176)
Occupancy costs		(113,808)	(126,884)
Professional fees expense		(953,818)	(873,541)
Research and development		(729,518)	(1,559,617)
Workshop expenses		(273,525)	(207,882)
Equity settled share based payments	10	(80,091)	-
Other expenses		(717,858)	(614,142)
Loss before income tax expense	7	(5,436,253)	(4,897,028)
Income tax	8	-	-
Loss after tax attributable to the owners of the Company		(5,436,253)	(4,897,028)
Other comprehensive (loss) net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the Company		(5,436,253)	(4,897,028)
Basic and diluted loss per share (cents)	25	(2.7)	(3.3)

The Consolidated Statement of Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	30(a)	4,533,957	2,933,482
Trade and other receivables	12	580,829	771,534
Inventory	13	1,031,404	905,985
Other financial assets	14	56,000	56,000
Other assets	15	222,550	221,404
TOTAL CURRENT ASSETS		6,424,740	4,888,405
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,221,916	2,575,201
Right of use assets	17	158,116	347,836
Intangible assets	18	32,113	47,479
TOTAL NON-CURRENT ASSETS		2,412,145	2,970,516
TOTAL ASSETS		8,836,885	7,858,921
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	469,901	510,239
Contract liabilities	20	867,700	5,624
Borrowings	35	178,608	189,062
Lease liabilities	21	169,507	175,025
Employee benefits	22	167,409	128,907
TOTAL CURRENT LIABILITIES		1,853,125	1,008,857
NON-CURRENT LIABILITIES			
Lease Liabilities	21	-	185,818
Employee benefits	22	58,602	33,126
TOTAL NON-CURRENT LIABILITIES		58,602	218,994
TOTAL LIABILITIES		1,911,727	1,227,801
NET ASSETS		6,925,158	6,631,120
EQUITY			
Issued capital	23(a)	26,305,905	20,641,272
Accumulated losses	24	(20,119,370)	(14,683,117)
Reserves	23(d)	738,623	672,965
TOTAL EQUITY		6,925,158	6,631,120

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	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 year	-	-	(4,897,028)	(4,897,029)
Shares issued during the year, net of transaction costs	-	-	-	-
Options exercised during the year	-	-	-	-
Balance at 30 June 2022	20,641,272	672,965	(14,683,117)	6,631,120
Balance at 1 July 2022	20,641,272	672,965	(14,683,117)	6,631,120
Loss after income tax expense for the year	-	-	(5,436,253)	(5,436,253)
Shares issued during the year, net of transaction costs	5,664,633	-	-	5,664,633
Options and performance rights issued during the year	-	65,658	-	65,658
Balance at 30 June 2023	26,305,905	738,623	(20,119,370)	6,925,158

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,409,143	1,453,591
Receipts from Government grants		-	29,049
Receipts from R&D tax incentive		469,592	512,850
Payments to suppliers and employees		(5,563,286)	(5,779,930)
Interest received		61,173	6,117
Finance costs		(19,508)	(24,179)
Net cash (used in) operating activities	30(b)	(3,642,885)	(3,802,503)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment		102,399	58,500
Payments for intangible assets		(10,605)	(9,315)
Purchase of plant and equipment		(70,935)	(321,207)
Net cash provided by (used in) investing activities		20,859	(272,022)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issues of shares, net of costs		5,650,201	10,000
Repayment of borrowings		(236,364)	(23,633)
Repayment of lease liabilities		(191,336)	(179,067)
Net cash provided by (used in) financing activities		5,222,501	(192,700)
Net increase (decrease) in cash and cash equivalents held		1,600,475	(4,267,225)
Cash and cash equivalents at the beginning of year		2,933,482	7,200,707
Cash and cash equivalents at end of financial year	30(a)	4,533,957	2,933,482

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

Notes to the Financial Statements

For the year ended 30 June 2023

1. General Information

AML3D Limited (AML3D or the Company) is a limited liability company incorporated in Australia, whose shares are listed on the ASX.

The financial statements were authorised for issue by the directors on 23 August 2023. The Directors have the power to amend and reissue the financial statements.

The financial statements comprise the consolidated financial statements of the Company and its controlled entity (the Group). The principle accounting policies adopted in the preparation of these consolidated financial statements are set out below or included in the accompanying notes. Unless otherwise stated, these policies have been consistently applied to all the years presented.

2. Statement of Significant Accounting Policies

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). The Company is a for profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of AML3D comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on an accruals basis, except for cashflow information and are based on historical costs, except for the circumstances where the fair value method has been applied as detailed in these accounting policies.

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Comparatives are consistent with prior years, unless otherwise stated.

b. Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Subsidiaries

Subsidiaries are entities controlled by the Group. A list of subsidiaries is provided in Note 5.

ii. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c. Taxation

i. Income Tax

The income tax expense/(income) of the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense/(income) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liabilities during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future tax amounts will be available to utilise those temporary differences and losses.

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

ii. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred

is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows included in cash inflows from operations or payments to suppliers and employees.

d. Plant and Equipment

i. Recognition and Measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not more than the recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

ii. Subsequent Costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

iii. Depreciation

Depreciation is charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the asset’s useful life to the Group commencing from the time the asset is held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness. The straight-line depreciation rates used

for the current period are as follows:

Class of fixed asset	Depreciation rate (%)
Office and Computer equipment	20 - 33
Plant and Equipment	10 - 20
Motor Vehicles	22.5
Leasehold improvements	Over the term of the lease

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within “other income” in the Statement of Profit or Loss and Other Comprehensive Income.

e. Impairment of Non-Financial Assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets (see accounting policy 2(c)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and asset groups. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated to the other assets in the unit on a prorata basis.

The recoverable amount of an asset or cash generating unit is the greater of its 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. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

f. Financial Instruments

i. Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price. Trade receivables do not contain a significant financing component.

ii. Classification and Subsequent Measurement
Financial Liabilities

A financial liability is measured at fair value through profit and loss if the financial liability is:

- A contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- Held for trading; or
- Initially designated as “at fair value through profit or loss”.

All other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer’s credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability is derecognised when it is extinguished (i.e. when the obligation in the contact is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of new

financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss, and other comprehensive income.

Other Financial Assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- The financial asset is managed solely to collect contractual cash flows; and
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified; and
- The business model for managing the financial assets comprises both contractual cash flows’ collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

Trade and Other Receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

iii. Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- Financial assets measured at amortised cost
- Debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Impairment of trade receivables is determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected losses.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

iv. Finance Income and Expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

g. Employee Benefits

i. Short-term Employee Benefits

Provision for employee benefits for wages, salaries, annual leave and long service leave that are expected to be settled wholly within 12 months of the reporting date represent obligations resulting from the employee's services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related payroll on-costs, such as worker's compensation insurance and payroll tax.

ii. Other Long-Term Employee Benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value. The discount rate applied is determined by reference to market yields on high quality corporate bonds at the reporting date that have maturity dates approximating the terms of the Group's obligations.

iii. Retirement benefit Obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

iv. Equity-settled Compensation

The Group operates an employee share option plan. The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

h. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amount required to settle the obligation at the end of the reporting period.

i. Leases

The Group as Lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short term leases (i.e. a lease with a remaining lease term of 12-months or less) and leases of low value assets are recognised as an operating expense on a straight line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right of use assets are recognised at an amount equal to the lease liability at the initial date of application, adjusted for previously recognised prepaid or accrued lease payments. The subsequent measurement of the right of use asset is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of an underlying asset or the cost of the right of use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

j. Revenue and Other Income

i. Revenue from Contracts with Customers

The core principle of AASB 15: Revenue from Contracts with Customers is that revenue is recognised on a basis that reflects the transfer of promised goods or service to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step process outlined in ASSB 15 which is as follows:

- Step 1:** Identify the contract with a customer;
- Step 2:** Identify the performance obligations in the contract and determine at what point they are satisfied;
- Step 3:** Determine the transaction price;
- Step 4:** Allocate the transaction price to the performance obligations;
- Step 5:** Recognise revenue as the performance obligations are satisfied.

Following the adoption of AASB 15 the Group's revenue recognition accounting policy is that:

The Group derives revenue from the sale of 3D printed metal structures and the sale or right to use 3D metal printing machines. Revenue from the sale of manufactured metal structures and sale of 3D metal printing machines is recognised upon delivery to the customer. Revenue from right to use 3D metal printing machines is recognised once performance obligations in the contract are satisfied. Broadly, these obligations relate to the delivery of software, training and the machine itself.

ii. Service or Technical Support Contracts

For service or technical support contracts where the services provided are substantially the same, for example maintenance and technical support, which are transferred with the same pattern of consumption over time and whose consideration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the Group provides them, the revenue recognition model is based on the time elapsed output method. Under this method, revenue is recognised on a straight-line basis over the term of the contract.

iii. Grant Revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of GST.

k. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. Currently, the Group comprises one operating segment. Further details of the segment reporting are disclosed in Note 28.

l. Intangible Assets

i. Patents and Trademarks

Costs incurred for patents and trademarks are capitalised and amortised over the life of the patent or trademark. The residual value and useful life are reviewed at each balance date and adjusted if appropriate. Amortisation is calculated on a straight-line basis over periods ranging from one to five years.

ii. Software and Website Development Costs

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and or cost reduction are capitalised. Amortisation is calculated on a straight-line basis over periods ranging from one to three years.

m. Foreign Currency Translation

i. Functional and Presentation Currency

Items included in the financial statement of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Australian dollars, which is AML3D’s functional and presentation currency.

ii. Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement or deferred in equity if the gain or loss relates to a qualifying cash flow hedge.

iii. Foreign Operations

The results and financial position of all the foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b. Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c. All resulting exchange differences are recognised in other comprehensive income.

n. Inventory

Inventories consists of finished goods, work in progress and raw materials which are measured at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure.

o. Earnings per Share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the parent company as the numerator, i.e. no adjustments to loss were

necessary in respect of the reported figures, which is divided by the weighted average number or ordinary shares outstanding during the year.

p. Share-based Payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair values of employees’ services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and earnings per share growth targets and performance conditions).

q. Research and Development Expenditure

Research and development costs are expensed in the period in which they are incurred. Development costs are not capitalised as there is uncertainty on whether the costs will provide a future economic benefit to the consolidated group.

r. Going Concern

As at 30 June 2023, the Group had a net asset position of \$6,925,158 (2022: \$6,631,120) and cash and cash equivalents of \$4,533,957 (2022: \$2,933,482).

The Group expects that cash and cash equivalents, supported by \$6m in work in progress and orders recived to the date of this report, in conjunction with stringent controls over the net cash outflows from operating activities will be sufficient to cover ongoing operations for at least 12 months from the date of this report.

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.

3. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions in preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions differing to actual outcomes. The areas involving significant estimates and assumptions are:

i. Key Estimate – R&D Tax Incentive

Where the Group expects to receive the Australian Government’s Research and Development Tax Incentive, the Group accounts for the amount refundable on an accruals basis. In determining the amount of the R&D Tax Offset Incentive at year end, there is an estimation process to determine what expenditure will qualify for the incentive. External advice is sought to provide assurance that the estimates are reasonable.

ii. Key Estimate – Lease Term

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease where the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make. The Group determines the likelihood to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to the future strategy of the entity.

iii. Key Estimate – Share-based Payments

The Group operates equity-settled share-based payment and option schemes. The fair value of the equity to which option holders become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black-Scholes pricing model, which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimates of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to prior period estimate are recognised in profit or loss and equity.

Any changes to the estimation are adjusted in the subsequent financial year.

Fair value of options issued for services from suppliers is determined with reference to the supplier’s invoice value.

iv. Key Judgements – Performance obligations relating to revenue recognition under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods and services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

4. New, Revised or Amended Accounting Standards

The Group has adopted all the new, revised or amended Accounting Standards issued by the Australian Accounting Standards Board (AASB) which are effective for the current reporting period with no material impact to the financial statements.

5. Interest in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of incorporation	Percentage Owned	
		2023	2022
AML Technologies (Asia) Pte Ltd	Singapore	100%	100%
AML3D USA Inc	United States	100%	-

6. Revenue

	2023 \$	2022 \$
Revenue from contracts with customers	634,422	2,014,828
Timing of revenue recognition:		
- At a point in time	579,133	1,964,828
- Over time	55,289	50,000
	634,422	2,014,828

7. Expenses

Loss before income tax has been arrived at after charging the following losses and expenses from continuing operations:

	2023 \$	2022 \$
Depreciation of non-current assets	473,867	507,412
Amortisation of intangible assets	25,007	23,987
Depreciation of right of use assets	189,720	189,720
	688,594	721,119

8. Income Tax

a. Income Tax Expense

	2023 \$	2022 \$
Current tax expense	-	-
Deferred tax expense	-	-
Total tax benefit	-	-

b. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Prima facie tax payable on (loss) from ordinary activities before income tax at 25% (2022: 25%)	(1,401,434)	(1,394,021)
Add tax effect of:		
Permanent Differences	68,429	124,426
Less tax effect of:		
Temporary Differences	194,852	(45,423)
Add: Tax losses not recognised	1,138,154	1,315,017
Income Tax Expense/(Benefit)	-	-

Tax Losses and Unrecognised Temporary Differences

Due to inherent uncertainty surrounding forward forecasts, and therefore the Group's ability to fully utilise tax losses in the future, a deferred tax asset for tax losses and deferred tax assets for temporary differences have only been recognised to the extent that they offset deferred tax liabilities. The tax losses and temporary differences for which no deferred tax assets have been recognised are as follows:

	2023 \$	2022 \$
Available tax losses for which no deferred tax asset is recognised	14,948,176	10,495,245
Potential tax benefit at 25% (2022: 25%)	3,737,044	2,623,811
Net deductible temporary differences for which no deferred tax asset has been recognised	1,684,631	817,919
Potential tax benefit at 25% (2022: 25%)	421,158	204,480
Income Tax Expense/(Benefit)	-	-

The taxation benefits of utilised tax losses and temporary difference not brought to account will only be obtained if:

- The Group derives assessable income of a nature and an amount sufficient for tax losses and future deductions to be offset against;
- The Group continues to comply with the condition for utilisation of tax loses imposed by law; and
- No change in tax legislation affecting the availability of utilisation losses.

9. Key Management Personnel Disclosures

a. Details of Key Management Personnel (KMP's)

The directors and KMP's of AML3D Limited during the financial year were:

Names	Appointed	Resigned
Directors		
Noel Cornish (Chairman)	5 October 2022	-
Sean Ebert (Executive Director)	30 August 2019	-
Andrew Sales (Executive Director)	14 November 2014	-
Leonard Piro	30 August 2019	23 November 2022
Key Management Personnel		
Ryan Millar (Chief Executive Officer)	26 September 2022	15 June 2023
Hamish McEwin (Chief Financial Officer)	1 March 2021	-

b. Key Management Personnel Compensation

The aggregate compensation made to Key Management Personnel of the company is set out below:

	2023 \$	2022 \$
Short-term employee benefits	1,038,131	606,177
Post-employment benefits	98,142	58,065
Share-based payments	80,091	-
Termination benefits	79,290	-
Total	1,295,654	664,242

The compensation of each member of the Key Management Personnel of the Company is set out in the Remuneration Report.

10.Equity Settled Share-based Payments

During the 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.

iii. On 15 June 2023, 1,431,933 performance rights issued to Mr Ryan Millar lapsed as the conditions had not been, or became incapable of being satisfied.

iv. On 26 June 2023 the Company issued 268,067 fully paid ordinary shares to the former Chief Executive Officer, Mr Ryan Millar, following the conversion of vested performance rights. The share price on the date of issue of \$0.054 was used to determine a fair value of \$14,433 which has been expensed as a share-based payment.

11. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity and non-related audit firms:

	2023 \$	2022 \$
a. William Buck Adelaide		
i. Audit and other assurance services		
Audit and review of the financial report	34,550	42,850
ii. Taxation services		
Tax compliance and advisory services	25,745	32,275

b. Fiducia LLP audit fees

Audit and review of subsidiary financial report	3,210	3,168
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12.Trade and Other Receivables

	2023 \$	2022 \$
Trade receivables	444,391	316,675
Less: Allowance for expected credit loss	(40,000)	(9,020)
Sub Total	404,391	307,655
R&D Tax Offset Refund Due	171,204	462,374
Other receivables	5,234	1,505
Total	580,829	771,534

Trade receivables are non-interest bearing and generally on terms of 14-45 days. The receivables at reporting date have been reviewed to determine whether there are any expected credit losses. An allowance for credit loss is included for any receivable where the entire balance is not considered collectible.

Additional information in relation to financial risks concerning or with a potential impact on financial assets and liabilities is disclosed in Note 31 – Financial Risk Management.

13.Inventory

	2023 \$	2022 \$
Finished goods	405,250	741,888
Work in progress	572,430	28,421
Raw materials	53,724	135,676
Total	1,031,404	905,985

14.Other Financial Assets

	2023 \$	2022 \$
Term deposit (current)	56,000	56,000
Total	56,000	56,000

15. Other Assets

	2023 \$	2022 \$
Prepayments	222,550	221,404
Total	222,550	221,404

16. Plant and Equipment

Cost	Office and Computer Equipment \$	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance 1 July 2021	163,823	2,668,520	120,571	211,441	3,164,355
Additions	79,532	541,473	57,254	6,225	684,484
Disposals	-	(331,587)	(40,923)	-	(372,510)
Balance 1 July 2022	243,355	2,878,406	136,902	217,666	3,476,329
Additions	8,280	228,133	-	-	236,413
Disposals	(10,600)	(23,271)	(114,429)	-	(148,300)
Net transfers to Inventory	-	(4,497)	-	-	(4,497)
Balance at 30 June 2023	241,035	3,078,771	22,473	217,666	3,559,945

Accumulated depreciation and impairment	Office and Computer Equipment \$	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance 1 July 2021	31,725	332,681	24,538	4,772	393,716
Depreciation expense	49,256	423,848	5,156	29,152	507,412
Balance 1 July 2022	80,981	756,529	29,694	33,924	901,128
Depreciation expense	68,641	366,052	7,507	31,667	473,867
Depreciation written back on disposal	(4,402)	(7,448)	(25,116)	-	(36,966)
Balance at 30 June 2023	145,220	1,115,133	12,085	65,591	1,338,029

Net book value					
At 30 June 2022	162,374	2,121,877	107,208	183,742	2,575,201
At 30 June 2023	95,815	1,963,638	10,388	152,075	2,221,916

17. Right of Use Assets

The Group's lease portfolio comprises a single leased building. The lease has an remaining term of ten 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	2023 \$	2022 \$
Leased buildings	584,986	584,986
Accumulated depreciation	(426,870)	(237,150)
Net carrying amount	158,116	347,836

Movement in carrying amounts		
Leased buildings:		
Opening balance	347,836	537,556
Depreciation expense for the year ended	(189,720)	(189,720)
Net carrying amount	158,116	347,836



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

	2023 \$	2022 \$
Depreciation charge related to right of use assets	189,720	189,720
Interest expense on lease liabilities	13,696	22,929

18. Intangible Assets

	2023 \$	2022 \$
Patents and Trademarks – at cost	34,550	34,550
– accumulated amortisation	(28,154)	(21,225)
Net carrying value	6,395	13,325
Software – at cost	134,694	134,694
– accumulated amortisation	(118,617)	(100,540)
Net carrying value	16,077	34,154
Website – at cost	26,210	16,569
– accumulated amortisation	(16,569)	(16,569)
Net carrying value	9,641	-
Total intangibles	32,113	47,479

Reconciliation of movements in Intangible Assets:	2023 \$	2022 \$
Balance at the beginning of the year	47,479	62,151
Additions to intangible assets	9,641	9,315
Amortisation charged to intangible assets	(25,007)	(23,987)
Balance at the end of the year	32,113	47,479

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit and loss and other comprehensive income.

At each reporting date the directors review intangible assets for impairment. No impairment was assessed as necessary in the 2023 financial year (2022: Nil).

19. Trade and Other Payables

	2023 \$	2022 \$
Trade payables	231,249	187,025
Other payables and accrued expenses	238,652	323,214
Total	469,901	510,239

Trade and other payables are unsecured, non-interest bearing and normally settled within 30 days.

20. Contract Liabilities

	2023 \$	2022 \$
Customer deposits	867,700	5,624
Total	867,700	5,624

Contract liabilities represent non-interest bearing customers deposits for which not all contractual performance obligations have been met.

Reconciliation of movements in Contract Liabilities:	2023 \$	2022 \$
Balance at the beginning of the year	5,624	451,028
Payments received in advance	1,232,428	390,599
Transfer to revenue - performance obligations satisfied	(370,352)	(836,003)
Balance at the end of the year	867,700	5,624

21. Lease Liabilities

	2023 \$	2022 \$
Lease liability (current)	169,507	175,025
Lease liability (non-current)	-	185,818
Total	169,507	360,843

22. Employee Benefits

Current	2023 \$	2022 \$
Annual Leave	146,135	120,680
RDO Accrual	21,274	8,227
Total	167,409	128,907

Non-current	2023 \$	2022 \$
Long Service Leave	58,602	33,126
Total	58,602	33,126

23.Equity

a. Issued Capital

	2023 \$	2022 \$
235,553,713 fully paid ordinary shares (2022: 150,458,386)	26,305,905	20,641,272

Ordinary shares participate in dividends and the proceeds on winding of the Company in proportion to the number of shares held.

On a show of hands, every holder of ordinary shares present at a meeting or by proxy is entitled to one vote, and on a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

b. Movement in Ordinary Shares:

	2023	
	Number	\$
Balance at beginning of financial year	150,458,386	20,641,272
Shares issued during the year	84,827,260	6,085,000
Performance Rights exercised during the year	268,067	14,433
Total shares issued	85,095,327	6,099,433
Costs of the shares issued		(434,800)
Balance at end of financial year	235,553,713	26,305,905

	2022	
	Number	\$
Balance at beginning of financial year	132,366,163	13,310,772
Shares issued during the year	15,555,557	7,000,001
Options exercised during the year	2,536,666	761,000
Total shares issued	18,092,223	7,761,001
Costs of the shares issued		(430,501)
Balance at end of financial year	150,458,386	20,641,272

- 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.
- ii. The Company issued 41,666,667 shares on 13 February 2023 via a private placement at an issue price of \$0.072 per share for a total consideration of \$3,000,000.
- iii. On 12 April 2023, the Company issued 5,555,555 ordinary shares at \$0.072 per share via a share purchase plan for a total consideration of \$400,000.
- iv. On 26 June 2023, the company issued 268,067 ordinary shares for nil consideration on the exercise of performance rights.

c. Capital Management

Management controls the capital of the Company in order to generate long-term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company is subject to externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the issue of the prospectus.

d. Reserves

The Group’s reserves comprise a share-based payments reserve. A summary of the movements in the reserve is as follows:

Current	2023 \$	2022 \$
Balance at beginning of financial year	672,965	672,965
Share-based payment expense - Options issued	58,000	-
Share-based payment expense - Performance Rights issued	7,658	-
Balance end of financial year	738,623	672,965

The reserve records the value of share-based payments provided.

The following table details the tranches of options outstanding as at 30 June 2023.

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 issued during the year ended 30 June 2023.

Number of Performance Rights	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

The Binomal valuation method was applied to determine the fair value of the performance rights. The value was being expensed as a share-based payment proportionally from grant date to expiry.

As at 30 June 2023 there were no outstanding performance rights. 1,431,933 of the performance rights issued during the year lapsed as the conditions had not been, or became incapable of being satisfied. The remaining 268,067 vested with an equivalent number of fully paid ordinary shares issued.

Movement in Options on Issue

	2023 Number of Options	2022 Number of Options
Balance at beginning of financial year	9,500,000	9,500,000
Options issued	2,000,000	-
Balance at end of financial year	11,500,000	9,500,000

24.Accumulated Losses

	2023 \$	2022 \$
Balance at beginning of financial year	(14,683,117)	(9,786,089)
Loss attributable to members of the entity	(5,436,253)	(4,897,028)
Balance at end of financial year	(20,119,370)	(14,683,117)

25.Loss per Share

	2023 \$	2022 \$
Basic (loss) per share (cents):	(2.7)	(3.3)
Loss used in calculating basic earnings per share	(5,436,253)	(4,897,028)

	2023 No.	2022 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	202,950,544	150,458,386

The rights of options are non-dilutive as the Company has incurred a loss for the year.

26.Related Party Disclosures

The following paragraphs provide details of transactions and balances with related parties.

a. Compensation of Key Management Personnel

Details of Key Management Personnel compensation are recorded in Note 9(b).

b. Other transactions with Key Management Personnel

i. Mr Andrew Sales

During the financial year, the Company engaged the services of a company controlled by Mr Sales’ sister to provide IT services. These services were conducted on standard commercial terms. The value of the services for the financial year was \$1,728 (2022: \$7,733).

ii. Mr Sean Ebert

Venture Corporate Advisory Pty Ltd (VCA) acted as Corporate Adviser for the Placement of shares 20 July 2022. Mr Sean Ebert is a director and part-owner of VCA. These services were conducted on standard commercial terms. The value of these services totalled \$164,250 (2022: Nil).

There were no outstanding related party balances as at 30 June 2023.

c. Controlled Entities

During the financial year, the Company provided loan funds to its Singaporean and United States subsidiaries, AML Technologies (Asia) Pte Ltd and AML3D USA Inc, to enable its subsidiaries to meet start-up expenses. The transactions were conducted on commercial terms and conditions.

With the change in the Company’s focus to US markets, the decision has been made to service South East Asia through Australian operations. As a result, the Singaporean subsidiary will be wound up during the coming financial year. Accordingly the loan from the Parent entity of \$555,648 has been forgiven as at 30 June 2023.

27.Contingencies

In the opinion of the Directors, besides the guarantees disclosed in Note 33, the Group did not have any contingent liabilities or assets as 30 June 2023.

28.Segment Reporting

i. Operating segments

The Company operates in the additive manufacturing sector in Australia, United States 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:

	2023 \$	2022 \$
Australia	195,455	1,552,661
United States	347,795	78,669
Singapore	91,173	383,498
Total Revenue	634,422	2,014,828

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:

	2023 %	2022 %
1 Customer	55%	-
4 Customers	-	83%

29.Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except for:

- i.

On 20 July 2023, AML3D announced the sale of an industrial-scale ARCEMY® ‘X-Edition 6700’ Wire-arc Additive Manufacturing metal 3D printing system for 1.1 million to be located at the US Navy’s Additive Manufacturing Center of Excellence in Danville, Virginia.
- ii.

In mid August 2023, AML3D announced the signing of \$2.4 million in additional contracts for the continuation of alloy testing and validation of metal 3D printed components for the US Navy.

30.Notes to the Statements of Cashflows

a. Reconciliation of Cash and Cash Equivalents

	2023 \$	2022 \$
Cash and cash at bank	4,533,957	2,933,482

b. Reconciliation of loss for the year to net cash flows used in operating activities

	2023 \$	2022 \$
(Loss) for the year after income tax	(5,436,253)	(4,897,028)
Non-cash items		
Depreciation and amortisation of non-current assets	688,594	721,119
Expected credit losses	30,980	-
Share based payments	80,091	-
Gain on disposal of property, plant and equipment	(5,589)	(37,865)
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	163,954	(165,609)
Decrease in prepayments and other assets	199,280	5,013
Decrease / (increase) in inventories	(269,917)	1,108,270
(Decrease) in trade and other payables	(41,834)	(261,101)
Increase / (decrease) in contract liabilities	883,831	(540,404)
Increase in financial liabilities	-	212,695
Increase in employee benefits	63,978	52,407
Net cash (used) in operating activities	(3,642,885)	(3,802,503)

31. Financial Risk Management

The Group’s financial risk management is predominantly controlled by the Managing Director and Chief Financial Officer with the oversight of the Board and the Audit and Risk Committee.

a. Financial Risk Management

The Group enters into financial instruments which consist of deposits with banks, accounts receivable and payables. The totals for each category of financial instrument is shown in this Note. The Group has not entered into any derivative financial instruments.

b. Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

c. Interest Rate Risk Management

The Group is exposed to interest rate risk as it places funds at floating interest rates. In the current low interest environment, the Group is exposed to minimal interest rate risk.

d. Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties (where such information is available) and obtaining sufficient collateral (such as up front deposits before commencing work), as a means of mitigating the risk of financial loss from defaults. The Group’s exposure is constantly monitored.

Except for one customer, the Group does not have any significant credit risk exposure to any one single counterparty or any group of counterparties having similar characteristics. Sales to that customer are denominated in Singapore dollars and the Group has not hedged the receivable.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The quality of debtors is monitored by the ageing of open invoices in accounts receivable. Trade receivables are analysed as follows:

	2023 \$	2022 \$
Not impaired		
- Within trade terms	269,792	199,923
- Past due but not impaired	131,600	107,632
Impaired		
- Past due and impaired	40,000	9,020
Total trade receivables	441,392	316,675

Receivables that are past due but not impaired comprise customers which do not have any objective evidence that the receivable may be impaired. The Company knows why certain customers are past due and expects that they will be paid.

An allowance for expected credit losses has however been recognised at 30 June 2023 for balances past due.

Analysis of trade receivables:

Per aged debtors report	Not past Due \$	60-90 days \$	>90 days \$	Total \$
2023				
Trade receivables	269,791	-	171,600	441,391
Total	269,791	-	171,600	441,391
2022				
Trade receivables	199,923	80,861	35,891	316,675
Total	199,923	80,861	35,891	316,675

For the year ended 30 June 2023, an expense has been recognised during the financial year then ended for the allowance for expected credit losses of \$30,980 (2022: Nil).

Maturity profile of financial instruments					
	Weighted average interest rate (%)	Expected Maturity dates			
		Interest Bearing			
		Less than 1 year \$	1 - 5 years \$	Non interest bearing \$	Total \$
2023					
Financial Assets					
Other financial assets	4%	56,000	-	-	56,000
Cash and cash equivalents	2%	4,533,957	-	-	4,533,957
Trade and other receivables		-	-	580,839	580,839
Total		4,589,957	-	580,839	5,170,796
Financial Liabilities					
Trade and other payables		-	-	469,901	469,901
Contract liabilities		-	-	867,700	867,700
Borrowings	5%	178,608	-	-	178,608
Lease liabilities	5%	169,507	-	-	169,507
Total		348,115	-	1,337,601	1,685,716
2022					
Financial Assets					
Other financial assets	1%	56,000	-	-	56,000
Cash and cash equivalents	1%	2,933,482	-	-	2,933,482
Trade and other receivables		-	-	771,534	771,534
Total		2,989,482	-	771,534	3,761,016
Financial Liabilities					
Trade and other payables		-	-	415,239	415,239
Contract Liabilities		-	-	5,624	5,624
Borrowings	4%	189,062	-	-	189,062
Lease liabilities	5%	175,025	185,818	-	360,843
Total		364,087	185,818	420,863	970,768

The amounts listed above equate to fair value. The cashflows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

e. Liquidity Risk Management

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by maintaining adequate cash reserves and monitoring its actual and forecast cashflows and financial obligations. The Group endeavours to pay its creditors within agreed trade terms.

f. Currency Risk

The Group operates in international markets, however, products and services are invoiced in Australian dollars where possible, in order to eliminate the risk of exposure to foreign currency rate risks.

32.Information relating to AML3D Limited (the Parent)

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position		
	2023 \$	2022 \$
Assets		
Current assets	6,410,291	5,427,220
Non-current assets	2,468,145	2,970,516
Total assets	8,878,436	8,397,736
Liabilities		
Current liabilities	1,853,087	1,005,945
Non-current liabilities	58,602	218,994
Total liabilities	1,911,689	1,224,939
Net assets	6,966,747	7,172,797
Equity		
Issued capital	26,305,906	20,641,272
Reserves	738,623	672,965
Accumulated losses	(20,077,782)	(14,141,440)
Total equity	6,966,747	7,172,797

Statement of Profit or Loss and Other Comprehensive Income		
	2023 \$	2022 \$
Total loss for the year	5,936,342	4,652,918
Total comprehensive loss for the year	5,936,342	4,652,918

The parent entity has entered into two bank guarantees represented by term deposits, the first for \$36,000 in respect of the leased premises at Edinburgh, Adelaide, and the second for \$20,000 in respect of a corporate credit card facility provided by the Group's banker Commonwealth Bank of Australia. Other than these guarantees, the parent entity had no contingent liabilities at 30 June 2023.

33.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.
- 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.

34.Capital Commitments

At 30 June 2023, AML3D had no commitments for capital equipment ordered but not yet received (2022: Nil).

35.Borrowings

	2023 \$	2022 \$
Insurance premium funding	178,608	189,062
Total borrowings	178,608	189,062
Reconciliation of movements in borrowings		
Balance at the beginning of the year	189,062	-
Additional borrowings	225,910	212,695
Repayment of borrowings	(236,364)	(23,633)
Balance at the end of the year	178,608	189,062

Directors' Declaration

Directors' Declaration

In accordance with a resolution of the Directors of AML3D Limited (Company), the Directors of the Company declare that:

- In the opinion of the Directors, the financial statements and notes for the year ended 30 June 2023 are in accordance with the Corporations Act 2001 and:
 - Comply with Accounting Standards, which, as stated in basis of preparation Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - Give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and its performance for the year ended on that date;
- In the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.



Noel Cornish AM
Chairman

Dated this 23rd day of August 2023

Additional Shareholder Information

The following information is current as at 21 August 2023:

Shareholding

Following are details of fully paid ordinary shares on issue:

Fully Paid Ordinary Shares on Issue	Number of holders	Number of shares
Quoted on ASX	3,040	235,553,713

There are 6 holders of 9,500,000 unquoted options each of which converts to 1 share upon exercise.

Distribution of Shareholders

Range of Units	Number of Holders	Percentage of total securities
1 – 1,000	100	0.03%
1,001 – 5,000	926	1.17%
5,001 – 10,000	555	1.86%
10,001 – 100,000	1,155	17.48%
100,001 and over	304	79.46%
Total	3,040	100.00%

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 1,204.

Substantial Shareholders

Substantial shareholders as disclosed by notices received by the Company as at 21 August 2023 are:

Shareholder	Number of ordinary shares
Andrew Michael Clayton Sales	36,199,850

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member at a meeting or by proxy has one vote on a show of hands.

Other:

- Options do not confer upon the holder an entitlement to vote on any resolutions proposed by the Company except as required by law.

Stock Exchange Listing

Admitted to the Official List of ASX on 16 April 2020; quotation commenced on 20 April 2020.

ASX:AL3

20 Largest Shareholders – Ordinary Shares

	Name	Number of Shares held	%
1	MR ANDREW MICHAEL CLAYTON SALES	34,949,850	14.84
2	KYLIE MARIE COLLUM <COLLUM INVESTMENT A/C>	7,002,801	2.97
2	DEOR CAPITAL AND INVESTMENTS PTY LTD <DEOR CAPITAL A/C>	7,002,801	2.97
4	GLOBAL ASSET SOLUTIONS\C	6,987,420	2.97
5	MR KENNETH JOSEPH HALL <HALL PARK A/C>	6,534,516	2.77
6	TOBIAS LEE KLINE <KLINE FAMILY NO 2 A/C>	3,501,400	1.49
6	RICKY JAMES LEGG <SQUIRCLE INVESTMENT A/C>	3,501,400	1.49
8	CITICORP NOMINEES PTY LIMITED	3,212,082	1.36
9	FLODOR PTY LTD <TENNYSON SUPER FUND A/C>	3,123,365	1.33
10	MEWTWO GLOBAL INVESTMENTS	3,000,000	1.27
11	ARETZIS COMMERCIAL PTY LTD <THE ARETZIS SUPER FUND A/C>	2,801,120	1.19
12	SCINTILLA STRATEGIC INVESTMENTS LIMITED	2,800,000	1.19
13	INSTANT EXPERT PTY LIMITED <P JURKOVIC FAMILY A/C>	2,777,777	1.18
14	MR BENJAMIN FEGAN	2,192,250	0.93
15	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	2,158,612	0.92
16	TOBIAS LEE KLINE + PRUE LOUISE KLINE <KLINE SUPERANNUATION A/C>	2,100,840	0.89
16	TRIHOLM INVESTMENTS PTY LTD	2,100,840	0.89
18	AV&RV PTY LTD <VEDIG SUPER A/C>	1,740,000	0.74
19	MR DANIEL FISHER	1,500,000	0.64
19	HACKETT CP NOMINEES PTY LTD <THE HACKETT FAMILY A/C>	1,500,000	0.64
Total		100,487,074	42.66

Corporate Directory

AML3D Limited

ABN 55 602 857 983

Directors

Noel Cornish	Non-Executive Chairman
Sean Ebert	Executive Director
Andrew Sales	Executive Director

Company Secretary

Kaitlin Smith

Registered Office and Principal Place of Business

35 Woomera Avenue
Edinburgh SA 5111

Ph: +61 8 8258 2658

Share Register

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Australian Patent	2019251514
Japan Patent	7225501
European Patent	3781344

