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

Annual Report 2024

AML3D

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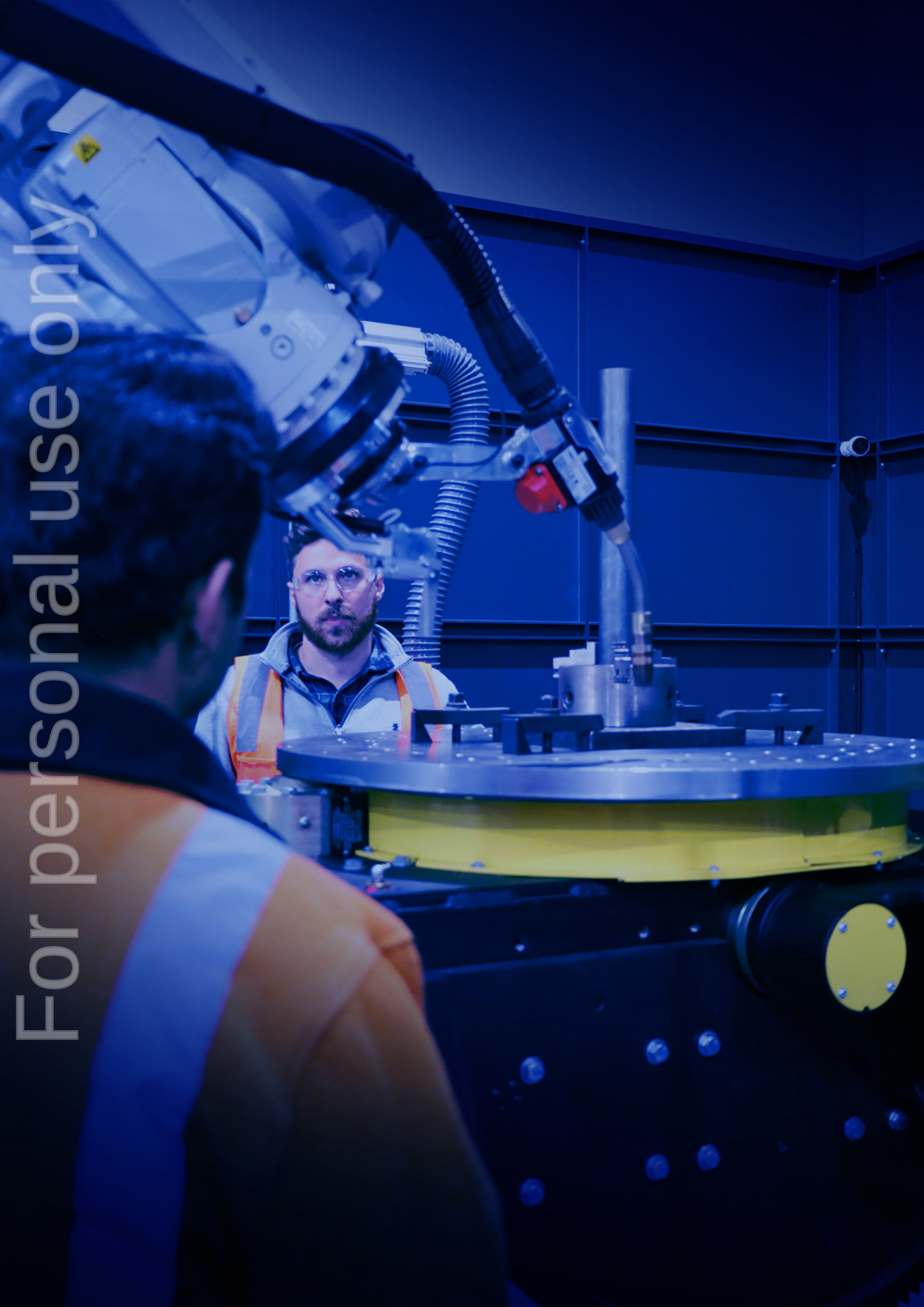

Chairman's & Managing Director's Report

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 2024.

AML3D's primary focus during the year was continued delivery of the Company's successful "US Scale-up" strategy. The "US Scale-up" strategy is focused on supplying the AML3D's proprietary ARCEMY® metal 3D printing systems and contract manufacturing services to industrial manufacturers in and supporting the US Defence, marine and aerospace industries. The "US Scale-up" strategy underpinned a more than ten-fold increase in AML3D's revenues during the financial year, when compared to the prior year.

Some significant achievements during the year include:

- The appointment of Peter Goumas as President AML3D USA Inc.
- Establishing a US headquarters and manufacturing hub to reduce lead and delivery times and support access to US Defence contracts.
- An order for a large scale, ARCEMY® 'X – Edition 6700' system for use at the US Navy's Centre of Excellence in Danville, Virginia.
- The lease of an ARCEMY® system to US Navy submarine component partner, Laser Welding Solutions, was subsequently converted into a sale.
- An order for a large scale, ARCEMY® 'X – Edition 6700' system to allow US Defence contractor Cogitic Corporation to supply metal 3D printed components to the US Navy Submarine program.
- An order for the largest, custom built ARCEMY® system ever built for Austal USA's Advanced manufacturing centre in Charlottesville Virginia.
- A contract manufacturing order to solve a US Navy supply chain challenge by developing and 3D metal printing a high demand, non-safety critical, replacement component no longer available from the OEM.
- A Nickle-Aluminium-Bronze component order to supply a 1 tonne prototype part to support the US Navy's Submarine program.
- An extension of an alloy testing contract to demonstrate AML3D's ability to metal 3D print Nickel-Aluminium-Bronze alloys that meet the standards needed to support the US Navy's Submarine Industrial Base.
- A Copper-Nickel alloy testing contract for US Department of Defence applications and a subsequent expanded Copper Nickel alloy testing program for the US Navy's submarine qualification program.
- A part manufacturing and testing contract to supply BAE Systems Maritime Australia with a prototype component in support of the Royal Australian Navy's new Hunter class frigate program.
- Contracts to support Aerospace and Marine applications of advanced metal 3D printing for the Australian Government Defence Science and Technology Group.

Through the "US Scale-up" strategy AML3D is realising significant value from the Company's proven, proprietary, metal 3D-printing technology and delivered its most successful year on record in FY24. 95% of AML3D's revenues in the year were derived from US sales. The Company is expanding its sales of ARCEMY® industrial scale, advanced Wire-arc Additive Manufacturing (WAM®) systems, with a total of 4 systems commissioned in FY24. A further 4 systems have been constructed, including 2 additional systems that have been leased with an option to buy by US Navy supplier Laser Welding Solutions. Post year end, the option to purchase the initial ARCEMY® system leased to Laser Welding Solutions was exercised, which includes a one-year service and maintenance contract.

Alongside ARCEMY® system sales to the US Defence sector, AML3D continues to win contract manufacturing orders that demonstrate how the Company's technology advantage can solve supply change challenges. AML3D used its proprietary software to reverse engineer and 3D metal print a high demand, non-safety critical US Navy Submarine component that was no longer being supplied by the original equipment manufacturer. AML3D also demonstrated additional applications for its advanced manufacturing technology within the US Defence sector through alloy testing and prototyping contracts.

During the year, AML3D announced the establishment of a US headquarters and manufacturing hub. This US hub is expected to be fully operational in the first half of the 2025 Financial Year and allow AML3D to significantly reduce production lead and delivery times and to be better positioned to compete for lucrative US Defence contracts restricted to US based manufacturers and access opportunities in the wider US Defence, Aerospace, Marine and Oil & Gas sectors.

AML3D also made significant progress in its strategy to access significant global Defence, Aerospace, Marine and Oil & Gas markets outside of the US. The Company signed contracts to supply BAE Systems Maritime Australia with a prototype part to support the Royal Australian Navy's Hunter class frigate program, and to supply a complex rocket nose cone assembly and marine test parts to the Australian Government Defence Science and Technology Group. AML3D is also in the early stages of building a sales pipeline to meet demand for the Company's advanced manufacturing technology from the UK Defence sector.

AML3D believes our technology advantage will transform metal manufacturing and help to rebuild sovereign manufacturing capabilities in the markets we serve. AML3D's ARCEMY® systems can be deployed at the point of need to deliver large-scale, custom-built components with significantly shorter lead times. Our technology has met some of the most rigorous civil and military accreditation standards, including the award, in FY24, of the AS9100D:2016 Aerospace Quality Systems Accreditation. The ability to manufacture high quality metal components faster than traditional casting and forging processes, with lower waste, reduced emissions and lower electricity consumption means AML3D can also be price competitive and address customers sustainability requirements.

Financial Results

Revenue for the 2024 financial year was $7.32 million, compared to $0.60 million in the prior year, which represents a 1,055% increase. At $4.44 million, more than half, 61%, of AML3D's FY24 revenues were derived from ARCEMY® system sales in the US. A further 36%, or $2.66 million, of revenue was generated from component manufacturing and alloy characterization and testing contracts with the remaining 3% of revenue from recurring license and lease fees. The EBITDA loss for FY24 of $3.31 million is 31% lower than in the prior comparable period. The net loss after tax for FY24 of $4.17 million, down 23% on the prior comparable period.

AML3D's position at the leading edge of advanced manufacturing technology is a key competitive advantage and one the Company has invested in FY24 with an expansion of its software development team and capabilities. AML3D is also investing to establish a manufacturing hub in the US to maximise the growth opportunities in that market. Overhead expenses of $8.09 million were $2.81 million higher than in FY23, largely attributable to the investment in the "US Scale-up" strategy and software development team.

Immediate term value drivers – US Market

The US market remains AML3D's most important growth market, with the US Defence sector a primary driver of demand for ARCEMY® system sales and contract manufacturing orders. The Company signed a 64-month lease, in May 2024, on a modern, purpose-built US manufacturing facility. This ready to use facility is in Stow, Ohio, the manufacturing heartland of the US, is expected to be fully operational in the first half of Financial Year 2025 and act as AML3D's US corporate, sales and manufacturing hub. AML3D's US operations are led by President, Pete Goumas, who is actively building AML3D's US teams. The US manufacturing hub will allow AML3D to be more responsive to US customers needs and also support access to lucrative International Traffic in Arms Regulated (ITAR) Defence contracts that are limited to US based manufacturers.

During the year, AML3D received orders for ARCEMY® metal 3D printing systems to be deployed to the US Navy's Centre of Excellence in Danville, Virginia; US Navy supplier, Laser Welding Solutions, manufacturing base in Houston Texas; US Defence contractor Cogitic Corporation's Colorado Springs facility and Austal USA's Advanced Technologies facility in Charlottesville Virginia.

Commissioning of the large scale ARCEMY® X 6700 system at US Navy's Centre of Excellence was completed in April 2024, and commissioning of the Cogitic ARCEMY® X 6700 system was completed in August 2024. An operational, small industrial scale ARCEMY® 2600 system was air freighted to Laser Welding Solutions from AML3D's Adelaide, Australia base, in September 2023. The Laser Welding Solutions ARCEMY® 2600 system was operating under a lease agreement that was converted to sale in July 2024. Two additional ARCEMY® 2600 systems have, subsequently, been leased with an option to buy for use by Laser Welding Solutions. Commissioning of the largest ever custom ARCEMY® system ordered by Austal USA for its purpose-built Advanced Technologies facility is expected in the first half of FY25. Austal's investment in future manufacturing capabilities and AML3D's ARCEMY® system is to allow Austal to support shipbuilding maintenance and the US Navy,

The acceleration of ARCEMY® system sales to support the US Defence sector and in particular the US Navy's Submarine industrial base was complemented by several contract manufacturing orders. In August 2023, AML3D received an order to 3D metal print a complex, non-safety critical, replacement component used in US Navy submarines. The replacement component was no longer being produced by the original manufacturer and could not be sourced from traditional manufacturers. AML3D solved this supply chain issue by using its proprietary software to reverse engineer the components design and then ARCEMY® 3D metal print the part. This was followed, In September 2023, by an order to produce a 1 tonne prototype part for the US submarine program.

In addition to fulfilling US Navy component orders, AML3D continued to progress its US Navy alloy testing programs. In August 2023 the contract to test AML3D's Nickel-Aluminium-Bronze alloys and demonstrate they meet US Defence Additive Manufacturing qualification thresholds was expanded to include additional applications. This contract was followed in September 2023 by a US submarine program Copper-Nickel alloy testing program that was expanded in May 2024 with the signing of an additional purchased order to increase the funding and scope of Copper-Nickel testing.

The US market is the largest additive manufacturing market in the world. AML3D deployed 7 ARCEMY® systems to the US in FY24, continues to experience strong demand for its technology and is confident ARCEMY® sales momentum will continue.

Medium term value drivers – additional significant global markets.

While AML3D's primary focus is on maximizing growth opportunities in the US market the Company's growth strategy includes accessing additional significant global Defence, Marine, Aerospace and Oil & Gas markets. In December 2023, a prototype part manufacture and testing contract was signed with BAE Systems Maritime Australia in support for the Royal Australian Navy's Hunter class frigate program. This contract follows feasibility and commercial validation testing programs that demonstrated the AML3D's Advanced Wire-arc Manufacturing ("WAM®") meets the Royal Australian Navy's standards.

The Company also signed a contract in April 2024 to provide Nickel-Aluminium-Bronze and high strength duplex steel components to the Australian Government Defence Science and Technology Group for testing in marine applications. A second contract in support of the Australian Government Defence Science and Technology Group was signed with Toolcraft Australia in May 2024. This contract involved 3D metal printing a multi-stage nozzle assembly for an aerospace Defence project. The multi-stage nozzle assembly contract followed the success of a previous contract to 3D print a 4-stage nozzle assembly in November 2021, that delivered superior operational performance during testing.

AML3D has also identified demand for large-scale, Advanced Wire-arc Manufacturing technology from the UK Defence sector and has already begun the process of developing and early-stage sales pipeline in the UK.

The establishment by AML3D of the US manufacturing hub, once operational, is expected to free up capacity at AML3D's Adelaide manufacturing facility to support an ongoing expansion into the Australian and UK Defence, Marine, Aerospace and Oil & Gas markets.

Medium and longer-term value drivers – Technology Leadership

AML3D's success in securing ARCEMY® system sales and contract manufacturing orders are predicated on the Company's technology leadership. Maintaining this technology advantage is essential to driving AML3D's continued growth over the medium to longer term. To ensure AML3D remains at the leading edge of advanced manufacturing technology the Company has invested in expanding its software development capabilities and the next generation of its metal 3D printing technology. In June 2024, the Company announced a $2.24 million investment to accelerate its next generation ARCEMY® Increase Deposition Rates project. This new investment will be funded by a $1.12 million grant from South Australia's Economic Recovery Fund, matched by contributions totalling the same value by AML3D.

In March 2024, AML3D announced it received the Aerospace Quality Management System, AS9100D:2016 Accreditation for its technology. This accreditation demonstrates the Company operates to highest levels of quality, safety and reliability, as set out by the Aerospace industry. AML3D is now one of only two wire additive manufacturing companies in the world to have the competitive advantage of AS9100D accreditation. This accreditation is expected to strengthen AML3D's existing relationship with existing, Tier 1, global aerospace customers such as Boeing and the Company's ability to access new Aerospace markets and opportunities.

In addition to building AML3D's technology leadership, the Company continues to take steps to protect its technology. Early in FY2024, AML3D secured a European patent for its WAM® process, that is aligned with the Australian patent granted in June 2021 and provides coverage over AML3D's method and apparatus for manufacturing 3D metal parts. European patent protection for AML3D's WAM® process strengthens the Company's competitive advantage as it begins to develop its presence in key European Defence markets such as the UK.

Capital Management

The Company's balance sheet remains strong following a successful $6.9 million (before costs) capital raise in May 2024. As at 30 June 2024, the Company had $7.79 million in cash and cash equivalents on hand.

Proceeds from the capital raise are being used to:

- Establish AML3D's US manufacturing hub and build the US corporate, sales, and maintenance teams;
- Invest in research and development to maintain AML3D's technology advantage;
- Increase its strategic position in the US Defence sector.

Events subsequent to FY24

The momentum within AML3D's Us "Scale-up" strategy continued post year end with the sale of an ARCEMY® 2600 Edition system for $1.1 million to Laser Welding Solutions. Laser Welding Solutions had been operating the ARCEMY® system under a lease agreement since September 2023.

AML3D also advanced its broader growth strategy to access additional significant global markets with an order to upgrade a robotic, point to point, welding system to ARCEMY® specification for Century Engineering based in Adelaide Australia. Century Engineering manufactures equipment & components for the Australian Defence, Mining, Power and Water industries.

Board and Governance

In September 2023, the Board announced the appointment of Mr. Sean Ebert to the role of Managing Director and CEO. Mr. Ebert joined the Board of AML3D in 2019 and filled the role of interim CEO from June 2023.

In January 2024, the Board announced the appointment of Mr. Peter Siebels as a Non-Executive Director and Chair of the Audit and Risk Committee. Mr. Siebels is a chartered accountant and former partner at KPMG with extensive local and international experience across property and construction, mergers and acquisitions and as a director of specialist advisory firm 4D Advisory Pty Ltd.

The appointments of Mr. Ebert and Mr. Siebels ensure the composition of AML3D's Board has the appropriate mix and depth of skills and experience to achieve its strategy and growth ambitions.

Outlook

Through AML3D's US "Scale-up" strategy the Company is well positioned as a supplier of ARCEMY® industrial scale, advanced Wire-arc Additive Manufacturing (WAM®) metal 3D printing systems in the US, the world's largest additive manufacturing market. As a result of this strategy, AML3D has achieved its most successful year on record.

The US "Scale-up" strategy is designed to underpin a sustainable business with reliable, predictable and expanding revenue, and can rapidly grow to meet the strong demand in the US market and enter additional globally significant markets, such as Australia and the UK. AML3D also plans to generate additional revenues by accessing aligned R&D and contract manufacturing opportunities.

The establishment of a US manufacturing hub is expected to support strong growth in the US and create additional capacity across AML3D's manufacturing footprint to support access to additional global markets.

AML3D is confident the demand from the US Defence market will remain strong and convert into continued US ARCEMY® sales and contract manufacturing orders during FY25 and are pleased to have already recorded the sale of an ARCEMY® 2600 Edition system to US Defence supplier Laser Welding Solutions in July 2024.

The Company is also continuing to invest in its advanced Wire-arc Additive Manufacturing technology to maintain its competitive advantage in the Defence sector and across the Oil & Gas, Marine and Aerospace industries.

AML3D's contract wins in support of Australian Government Defence Science and Technology Group in the fourth quarter of FY24 demonstrate momentum in the Australian market, which the Company expects to carry into the FY25. The Company is also in the early stage of building a UK sales pipeline and is looking forward to converting these sales leads into orders over the course of FY25. 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.

The Board would like to thank the capable AML3D team that has delivered the success the Company has enjoyed to date and we also welcome new team members at our new US manufacturing hub who have the opportunity to contribute greatly to the next phase in AML3D's growth and success. At AML3D we operate as one team, dedicated to an overarching goal of becoming a leading diversified large-scale metal fabrication company globally.

Finally, to our shareholders, thank you for your continuing support. Your Board and management team are committed to building a profitable and sustainable company for the benefit of all stakeholders. AML3D is entering a significant phase of growth in the US, balanced by opportunities to leverage your established Australian operations across additional and significant global markets.

Noel Cornish AM
Chairman

Sean Ebert
Managing Director & CEO

Board

Noel Cornish AM //
B.Sc, M.Eng.Sc., FAICD, FUOW
Chairman
Chairman of the Remuneration Committee
Member 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 member of the University of Newcastle Council.

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 //
B.Eng Hons(Electrical), MAICD
Executive Director
Appointed as Director 30 August 2019
Appointed as Managing Director and CEO 18 September 2023

Sean has over 25 years of executive experience in both public and private sectors across high growth companies within the engineering, technology and consumer goods sectors in Australia, US, China and Europe. Sean is currently a Non-Executive Director of FCT International, as well as Non-Executive Director on a range of other privately owned Australian growth companies. Sean was previously the Chief Executive Officer (CEO) of Beston Asset Management, Global Director M&A of Worley, CEO of Camms Pty Ltd and CEO of Profit Impact Pty Ltd. Sean is a former director of Mighty Craft (ASX: MCL, resigned 20 July 2024).

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 //
M.Eng, M.Sc, C.Eng, CMatP
Executive Director
Member of the Remuneration Committee
Appointed as Director 14 November 2014
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, now known as AML3D, in 2014.

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

Peter Siebels //
B.Ec, FCA, FAICD
Non-Executive Director
Chairman of the Audit & Risk Committee
Member of the Remuneration Committee
Appointed as Director 15 January 2024

Following a thirty year career with KPMG including roles on the Australian National Board and National Executive Committee, Peter has pursued a career in Governance and Advisory, since 2015. Governance positions include Chair roles with the RAA, RAA Insurance, Electricity Industry Superannuation Scheme, Hood Sweeney, Robern Menz and also non-executive director roles with ECH, Adelaide University and GCF Investments Pty Ltd . Through these roles, Peter has Chaired many Board Committees, including Investment, Finance and Audit, Governance and Nominations and Risk.

The Board considers that Mr Siebels is 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 2024.

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
Sean Ebert	Executive Director
Andrew Sales	Executive Director
Peter Siebels	Non-executive Director Appointed 15 January 2024

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 lease 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.

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.

Through this strategy, AML3D has achieved its most successful year on record with revenue of $7,324,869, 95% of which was obtained through key target markets in the United States of America.

Four ARCEMY® units were commissioned during the year, including one leased unit converted to a sales after year end. A further four units have been constructed, including two additional leased units for Laser Welding Solutions, with installation and final commissioning of these units expected during the first half of FY25.

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.

The establishment of the US facility is well underway. Once complete it will provide capacity similar to that of the Australian operations, focused on servicing the US markets with the construction of ARCEMY® units and printing of qualification parts. The Ohio facility will significantly reduce production lead and delivery times, and alleviate issues with the handling of sensitive US defence related information.

Financial Results and Position

Revenue for the year was $7,324,869, up $6,690,447 on the prior corresponding period (PCP). 61% of revenue was generated through the sale of ARCEMY® units, 36% from print revenue, and the remainder from recurring licence and lease fees.

Gross profit margin improved to 63% (PCP: 52%) assisted by the stronger US dollar.

EBITDA was a loss of $3,309,606 (PCP: $4,793,053) for the full year, with a small loss of $246,690 for H2FY24. Overhead expenses of $8,091,958 were $2,810,158 higher on PCP, $2,356,988 in director and employee benefits largely attributable to the “US Scale-up” and expansion of the dedicated software development team.

The net loss after tax for the year was $4,169,846 (PCP: $5,436,253) with potential carried forward tax benefits not brought to account of $5,354,603.

Having completed a further capital raise in May 2024, at the end of the financial year the Company had $7,790,323 in cash and cash equivalents on hand. During the year $1,750,089 of cash was used in operating activities, down $1,892,796 on cash consumed during the PCP.

Business Strategies and Prospects

The Company plans to build on the successes achieved in FY24 with a continued focus on:

- Pursuing global business opportunities, focusing initially on creating customer and industry partnerships in high margin sectors such as defence, oil and gas, and marine;
- Building ARCEMY® modules for customers looking to establish in-house 3D printing capability;
- Growing recurring revenue through annual software licensing, service and maintenance agreements;
- Continuing 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
- Building 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

Although the Company’s client base is expected to diversify as a result of the expansion of the Company’s revenue streams, the Company is 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. The Company issued 33,767,789 shares on 16 May 2024 via a rights issue to existing shareholders at an issue price of $0.05 per share for a total consideration of $1,688,389.

ii. 44,749,084 shares were issued on 23 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $2,237,454.

iii. 51,250,916 shares were issued on 23 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $2,562,546.

iv. 7,000,000 shares were issued on 27 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $350,000.

v. 4,777,530 shares were issued on 26 June 2024 to S3 Consortium Pty Ltd at an issue price of $0.06956 based on the 5 day VWAP prior to issue for a total valuation of $332,325. The shares were issue as consideration for investor relations services for the period June 2024 to June 2026, and are subject to a 24 months escrow.

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 2 July 2024, AML3D announced the sale of a 2600 Edition ARCEMY® system for $1.1 million to Laser Welding Solutions ("LWS"). LWS had been operating the ARCEMY® system under a lease agreement since September 2023.

ii. On 18 July 2024, 2,000,000 Director Options were issued to Mr Peter Siebels for nil consideration. The options have an exercise price of $0.16 and an expiry date of 18 July 2029.

iii. On 18 July 2024, 11,981,973 Advisor Options were issued to Joint Lead Managers of the May 2024 capital raise for nil consideration. The options have an exercise price of $0.10 and an expiry date of 30 June 2026.

iv. On 26 July 2024, 15,723,215 Advisor Options were issued for services provided for nil consideration. The options have an exercise price of $0.10 and an expiry date of 30 June 2026.

v. On 6 August 2024, 2,000,000 shares were issued to Mr Peter Siebels at $0.05 per shares in accordance with the Director Placement Shares as approved at the Company's EGM on 17 July 2024.

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, 15 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 & Nomination Committee Meetings	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Noel Cornish	11	11	3	3	1	1
Sean Ebert	11	11	3	3	1	1
Andrew Sales	11	11	-	-	1	1
Peter Siebels	4	4	2	2	1	1

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	Performance Rights
Noel Cornish	700,280	4,000,000	-
Sean Ebert	1,087,499	4,000,000	2,285,714
Andrew Sales	33,207,707	2,000,000	-
Peter Siebels	2,000,000	2,000,000	-

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 2024. 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 2024 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 FY24	Position
Non-executives		
Noel Cornish	Full year	Independent Non-executive Chairman
Peter Siebels	From 15 January 2024	Independent Non-executive Director
Executives		
Sean Ebert	Full year	Managing Director, Chief Executive Officer (CEO)
Andrew Sales	Full year	Chief Technology Officer (CTO)
Hamish McEwin	Full year	Chief Financial Officer (CFO)
Pete Goumas	From 18 September 2023	President AML3D USA Inc.

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.

	2024 $	2023 $	2022 $	2021 $	2020 $
Cash and cash equivalents	7,790,323	4,533,957	2,933,482	7,200,707	8,227,986
Net assets/equity	9,993,008	6,925,158	6,631,120	11,528,148	9,712,920
Revenue	7,324,869	634,422	2,014,828	644,486	288,516
EBITDA	(3,309,607)	(4,793,053)	(4,158,702)	(5,108,666)	(3,008,192)
Loss from ordinary activities after income tax expense	(4,169,846)	(5,436,253)	(4,897,029)	(5,515,272)	(3,094,021)
No of issued shares	377,099,032	235,553,713	150,458,386	150,458,386	132,366,163
Basic earnings per share (cents)[2]	(1.7)	(2.7)	(3.3)	(3.8)	(3.8)
Diluted earnings per share (cents)[2]	(1.7)	(2.7)	(3.3)	(3.8)	(3.8)
Share price at start of year (cents)[1]	0.048	0.052	0.205	0.155	0.20
Share price at end of year (cents)	0.095	0.048	0.052	0.205	0.155
Market capitalisation (Undiluted)	35,824,408	11,306,578	7,823,836	30,843,969	20,516,755
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 2024

	Short-term employee benefits				Post-employment	Share-based payments						
	Salary & Fees	Short-term incentive	Annual Leave	Long Service Leave	Super-annuation / 401(k) Plan	Shares	Options or Rights	Total share-based payments	Termination	Other long-term benefits	Total	Total 'at risk'
	$	$	$	$	$	$	$	$	$	$	$	%
Non-executive Directors												
Noel Cornish	100,000	-	-	-	11,000	-	100,000	100,000	-	-	211,000	-
Peter Siebels[1]	30,000	-	-	-	3,300	-	-	-	-	-	33,300	-
Subtotal	**130,000**	**-**	**-**	**-**	**14,300**	**-**	**100,000**	**100,000**	**-**	**-**	**244,300**	
Executives												
Sean Ebert	385,692	120,000[3]	22,168	-	42,427	-	130,755	130,755	-	-	701,042	22%
Andrew Sales	242,539	-	14,663	2,961	31,341	-	100,000	100,000	-	-	391,504	-
Hamish McEwin	249,583	-	12,595	-	27,454	-	26,134	26,134	-	-	315,766	5%
Pete Goumas[2]	289,853	-	-	-	13,730	-	183,241	183,241	-	-	486,824	7%
Subtotal	**1,167,667**	**120,000**	**49,426**	**2,961**	**114,952**	**-**	**440,130**	**440,130**	**-**	**-**	**1,895,136**	
TOTAL	**1,297,667**	**120,000**	**49,426**	**2,961**	**129,252**	**-**	**540,130**	**540,130**	**-**	**-**	**2,139,436**	

1. Appointed as Director 15 January 2024.
2. Appointed as President AML3D USA Inc. 18 September 2023.
3. Short-term Incentive granted in full 18 July 2024 on successful delivery of KPIs including budgeted EBITDA, cashflow, sales, and establishment of US facility.

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

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

Chief Executive Officer

The Company entered into an executive services agreement with Sean Ebert effective 18 September 2023, whereby he was engaged as the Chief Executive Officer (CEO) of the Company. Mr Ebert receives a base salary of $410,000 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.

Mr Ebert's remuneration includes "at risk" components in the form of short-term and long-term incentive:

STI - up to 30% of base salary payable annually in cash on achievement of agreed KPI's.

LTI - up to 40% of base salary payable in performance rights on achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45% over a vesting period of three years.

The executive service agreement has a maximum term of three years which may be extended by written agreement between Mr Ebert and the Company. 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 three-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 $252,000 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 $300,000 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.

Mr McEwin's remuneration includes "at risk" components in the form of short-term and long-term incentive:

STI - up to 30% of base salary payable annually in cash on achievement of agreed KPI's.

LTI - up to 40% of base salary payable in performance rights on achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45% over a vesting period of three years.

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.

President AML3D USA Inc.

The Company has entered into an executive services agreement with Pete Goumas, whereby he was engaged as the President of the wholly owned subsidiary AML3D USA Inc. Mr Goumas receives a base salary of US$300,000 per annum (exclusive of superannuation) for services rendered under the executive services agreement. The Company will also, subject to certain conditions, reimburse Mr Goumas 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.

Mr Goumas' remuneration includes "at risk" components in the form of short-term and long-term incentive:


ARCE

STI - up to 40% of base salary payable annually in cash on achievement of agreed KPI's.

LTI - up to 40% of base salary payable in performance rights on achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45% over a vesting period of three years.

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 Goumas 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 (2023: $80,091):

i. On 13 September 2023 the Company issued 1,664,285 unvested performance rights to key members of staff under an employee incentive scheme, including 1,428,571 to the Chief Financial Officer, Mr Hamish McEwin. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $114,669 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 13 September 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting performance.

ii. On 8 November 2023 the Company issued 8,942,165 fully vested options to the following Directors and Key Management Personnel:

- Non-executive Chairman, Mr Noel Cornish; 2,000,000.
- Executive Director, Mr Sean Ebert; 2,000,000.
- Executive Director, Mr Andrew Sales; 2,000,000.
- President US Operation, Mr Pete Goumas; 2,942,165.

The options are exercisable at $0.16 each on or before five years from the date of issue. The Black-Scholes valuation method determined a fair value of $447,108 which has been immediately expensed as a share-based payment.

iii. On 8 November 2023 the Company issued 2,285,714 unvested performance rights to the Chief Executive Officer, Mr Sean Ebert. The number of performance rights granted to Mr Ebert was determined using the 'face value' methodology, that is, by dividing an amount equivalent to 40% of Mr Ebert's total fixed remuneration at that date of $400,000 by a share price of $0.07 for the base Long-term Incentive award. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $162,057 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 8 November 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting performance.

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

iv. On 8 November 2023 the Company issued 2,685,394 unvested performance rights to the President of US Operations, Mr Pete Goumas. The number of performance rights granted to Mr Goumas was determined using the 'face value' methodology, that is, by dividing an amount equivalent to 40% of Mr Goumas' current total fixed remuneration of US$300,000 by a share price of $0.07 for the base Long-term Incentive award. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $190,394 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 8 November 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting period.

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

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.

AML3D attended Sea Air Space 2024, Washington DC with Australian Industries Team Defence Australia.

AML3D's Adelaide Technology Facility.

Performance Rights and Option Plan

A Performance Rights and Option Plan is also in place to accommodate future long-term remuneration incentives. Details of the grants of performance rights or options are included in Note 10 of Notes to the Financial Statements. 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.

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 July 2023	Purchased	Sold	Other Changes	Balance at 30 June 2024
Non-executive Directors					
Noel Cornish	700,280	-	-	-	700,280
Executives					
Sean Ebert	1,087,499	-	-	-	1,087,499
Andrew Sales	35,559,850	707,857	(3,000,000)	(60,000)	33,207,707
Pete Goumas[1]	-	3,000,000	-	-	3,000,000
TOTAL	**37,347,629**	**3,707,857**	**(3,000,000)**	**(60,000)**	**37,995,486**

1. Appointed 18 September 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 2023	Granted	Purchased	Options Exercised	Expired/ Lapsed	Other Changes	Balance at 30 June 2024	Vested	Unvested
Non-executive Directors									
Noel Cornish	2,000,000	2,000,000	-	-	-	-	4,000,000	4,000,000	-
Executives									
Sean Ebert	2,000,000	2,000,000	-	-	-	-	4,000,000	4,000,000	-
Andrew Sales	-	2,000,000	-	-	-	-	2,000,000	2,000,000	-
Pete Goumas	-	2,942,165	-	-	-	-	2,942,165	2,942,165	-
TOTAL	**4,000,000**	**8,942,165**	**-**	**-**	**-**	**-**	**12,942,165**	**12,942,165**	**-**

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 2023	Granted	Purchased	Rights Exercised	Expired/ Lapsed	Other Changes	Balance at 30 June 2024	Vested	Unvested
Executives									
Sean Ebert	-	2,285,714	-	-	-	-	2,285,714	-	2,285,714
Hamish McEwin	-	1,428,571	-	-	-	-	1,428,571	-	1,428,571
Pete Goumas	-	2,685,394	-	-	-	-	2,685,394	-	2,685,394
TOTAL	**-**	**6,399,679**	**-**	**-**	**-**	**-**	**6,399,679**	**-**	**6,399,679**

9. 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 2024, 8,942,165 options were issued (2023: 2,000,000). Subsequent to year end a further 13,981,973 options were issued. No shares were issued on the exercise of options during the financial year ended 30 June 2024 (2023: Nil) or to the date of this report.

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*
22 December 2022	22 December 2027	$0.30	2,000,000
8 November 2023	8 November 2028	$0.16	8,942,165
17 July 2024	17 July 2029	$0.16	2,000,000
17 July 2024	30 June 2026	$0.10	11,981,973
26 July 2024	30 June 2026	$0.10	15,723,215
Total			48,147,353

**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.*

6,635,393 performance rights were issued during the financial year ended 30 June 2024 (2023: 1,700,000). No shares were issued on the exercise of performance rights during the financial year ended 30 June 2024 (2023: 268,067).

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 2024 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 indemnity 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 directors are of the opinion that the services as disclosed in note 11 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

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

26 August 2024

William Buck
ACCOUNTANTS & ADVISORS

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, the only contravention during the year ended 30 June 2024:

— of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— of any applicable code of professional conduct in relation to the audit,

is the contravention set out below.

A breach of the auditor rotation obligations contained in sections 324DA(1) and 324DB of the Corporations Act 2001 (Cth) and rule 540 of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) due to the previous lead engagement partner proceeding on the understanding that time served before AML3D Limited was listed on the ASX did not count in determining the timing of rotation. This matter was rectified by appointing another eligible engagement partner on 18 July 2024 to complete the full year audit for the financial year ending 30 June 2024.

William Buck

William Buck (SA)
ABN: 38 280 203 274

Grant Martinella
Partner

Dated this 26th day of August, 2024 in Adelaide, South Australia.

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William Buck
ACCOUNTANTS & ADVISORS

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 2024, 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 2024 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.

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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 2024 these costs amounted to $578,943. 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 2024 the amount disclosed as a current trade and other receivable in relation to the refund is $354,907. 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 *AASB 15 Revenue from Contracts with Customers* 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 *AASB 15 Revenue from Contracts with Customers*.

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, 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 2024, 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 22 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of AML3D Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

WilliamBuck
ACCOUNTANTS & ADVISORS

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

Grant Martinella
Partner

Dated this 26th day of August, 2024 in Adelaide, South Australia.

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Financial Statements

Consolidated Statement of Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue	6	7,324,869	634,422
Cost of goods sold		(2,736,462)	(329,686)
Gross profit		**4,588,407**	**304,736**
R&D Tax Offset		183,703	178,422
Gain on disposal of property, plant and equipment		10,203	5,589
Interest received		49,501	64,902
Depreciation and amortisation	7	(822,951)	(688,594)
Director and employee benefits		(4,729,864)	(2,372,876)
Interest expense		(86,789)	(19,508)
Insurance expense		(212,971)	(230,097)
Occupancy costs		(144,731)	(113,808)
Professional fees expense		(1,182,628)	(953,818)
Research and development		(578,943)	(729,518)
Workshop expenses		(73,391)	(273,525)
Equity settled share based payments	10	(544,443)	(80,091)
Other expenses		(624,949)	(528,067)
Loss before income tax expense	7	**(4,169,846)**	**(5,436,253)**
Income tax	8	-	-
Loss after tax attributable to the owners of the Company		**(4,169,846)**	**(5,436,253)**
Other comprehensive (loss) net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the Company		**(4,169,846)**	**(5,436,253)**
Basic and diluted loss per share (cents)	25	(1.7)	(2.7)

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 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	30(a)	7,790,323	4,533,957
Trade and other receivables	12	2,795,197	580,829
Inventory	13	1,667,511	1,031,404
Other financial assets	14	79,840	56,000
Other assets	15	625,816	222,550
TOTAL CURRENT ASSETS		**12,958,687**	**6,424,740**
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,493,005	2,221,916
Right of use assets	17	1,847,729	158,116
Intangible assets	18	50,431	32,113
TOTAL NON-CURRENT ASSETS		**4,391,165**	**2,412,145**
TOTAL ASSETS		**17,349,852**	**8,836,885**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	1,252,748	469,901
Contract liabilities	20	3,585,265	867,700
Borrowings	35	219,003	178,608
Derivative financial instrument	36	16,366	-
Lease liabilities	21	165,122	169,507
Employee benefits	22	267,289	167,409
TOTAL CURRENT LIABILITIES		**5,505,793**	**1,853,125**
NON-CURRENT LIABILITIES			
Lease Liabilities	21	1,789,485	-
Employee benefits	22	61,566	58,602
TOTAL NON-CURRENT LIABILITIES		**1,851,051**	**58,602**
TOTAL LIABILITIES		**7,356,844**	**1,911,727**
NET ASSETS		**9,993,008**	**6,925,158**
EQUITY			
Issued capital	23(a)	32,999,158	26,305,905
Accumulated losses	24	(24,289,216)	(20,119,370)
Reserves	23(d)	1,283,066	738,623
TOTAL EQUITY		**9,993,008**	**6,925,158**

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 2024

	Issued Capital $	Share Options Reserve $	Accumulated Losses $	Total Equity $
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**
Balance at 1 July 2023	**26,305,905**	**738,623**	**(20,119,370)**	**6,925,158**
Loss after income tax expense for the year	-	-	(4,169,846)	(4,169,846)
Shares issued during the year, net of transaction costs	6,693,253	-	-	6,693,253
Options and performance rights issued during the year	-	544,443	-	544,443
Balance at 30 June 2024	**32,999,158**	**1,283,066**	**(24,289,216)**	**9,993,008**

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 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,303,459	1,409,143
Receipts from R&D tax incentive		-	469,592
Payments to suppliers and employees		(10,032,505)	(5,563,286)
Interest received		46,698	61,173
Finance costs		(67,740)	(19,508)
Net cash (used in) operating activities	30(b)	**(1,750,089)**	**(3,642,885)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment		12,350	102,399
Proceeds from investments		36,000	-
Payments for investments		(59,840)	-
Payments for intangible assets		(30,114)	(10,605)
Purchase of plant and equipment		(857,730)	(70,935)
Net cash provided by (used in) investing activities		**(899,334)**	**20,859**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issues of shares, net of costs		6,360,927	5,650,201
Repayment of borrowings		(233,344)	(236,364)
Repayment of lease liabilities		(221,794)	(191,336)
Net cash provided by (used in) financing activities		**5,905,789**	**5,222,501**
Net increase (decrease) in cash and cash equivalents held		3,256,366	1,600.475
Cash and cash equivalents at the beginning of the year		4,533,957	2,933,482
Cash and cash equivalents at end of financial year	30(a)	**7,790,323**	**4,533,957**

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 2024

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 26 August 2024. 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. Material Accounting Policy Information

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.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash Flow Hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit and loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or roll-over, or if the hedge becomes ineffective and is no longer a designated hedge, the amount previously recognised in equity remains in equity until the forecast transaction occurs.

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 2024, the Group had a net asset position of $9,993,008 (2023: $6,925,158) and cash and cash equivalents of $7,790,323 (2023: $4,533,957).

The Group expects that cash and cash equivalents, supported by work in progress and orders received 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 pro actively 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.

Option

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.

Performance Rights

The fair value of performance rights 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 is ascertained using the Trinomal Barrier Option valuation method, which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the performance rights 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 performance rights expected to vest. At the end of each reporting period, the Group revises its estimates of the number of performance rights 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.

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

To identify a performance obligation under AASB 15, the promise must be distinct to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is distinct 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 / Tax Jurisdiction	Percentage Owned	
		2024	2023
AML Technologies (Asia) Pte Ltd	Singapore	100%	100%
AML3D USA Inc.	United States	100%	100%

6. Revenue

	2024 $	2023 $
Revenue from contracts with customers	**7,324,869**	**634,422**
Timing of revenue recognition:		
- At a point in time	7,119,175	579,133
- Over time	205,694	55,289
	7,324,869	**634,422**

7. Expenses

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

	2024 $	2023 $
Depreciation of non-current assets	498,933	473,867
Amortisation of intangible assets	25,786	25,007
Depreciation of right of use assets	298,232	189,720
	822,951	**688,594**

8. Income Tax

a. Income Tax Expense

	2024 $	2023 $
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:

	2024 $	2023 $
Prima facie tax payable on (loss) from ordinary activities before income tax at 25% (2023: 25%)	(1,723,232)	(1,401,434)
Add tax effect of:		
Permanent Differences	197,115	68,429
Less tax effect of:		
Temporary Differences	636,562	194,852
Add: Tax losses not recognised	889,555	1,138,154
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:

	2024 $	2023 $
Available tax losses for which no deferred tax asset is recognised	15,772,662	14,948,176
Potential tax benefit at 25% (2023: 25%)	3,943,165	3,737,044
Net deductible temporary differences for which no deferred tax asset has been recognised	5,645,752	1,684,631
Potential tax benefit at 25% (2023: 25%)	1,411,438	421,158
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 (Managing Director)	30 August 2019	-
Andrew Sales (Executive Director)	14 November 2014	-
Peter Siebels	15 January 2024	-
Key Management Personnel		
Hamish McEwin (Chief Financial Officer)	1 March 2021	-
Pete Goumas (President US Operations)	18 September 2023	-

b. Key Management Personnel Compensation

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

	2024 $	2023 $
Short-term employee benefits	1,470,054	1,038,131
Post-employment benefits	129,252	98,142
Share-based payments	540,130	80,091
Termination benefits	-	79,290
Total	**2,139,436**	**1,295,654**

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 13 September 2023 the Company issued 1,664,285 unvested performance rights to key members of staff under an employee incentive scheme, including 1,428,571 to the Chief Financial Officer, Mr Hamish McEwin. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $114,669 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 13 September 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting performance.

ii. On 8 November 2023 the Company issued 8,942,165 fully vested options to the following Directors and Key Management Personnel:

- Non-executive Chairman, Mr Noel Cornish; 2,000,000.
- Executive Director, Mr Sean Ebert; 2,000,000.
- Executive Director, Mr Andrew Sales; 2,000,000.
- President AML3D USA Inc, Mr Pete Goumas; 2,942,165.

The options are exercisable at $0.16 each on or before five years from the date of issue. The Black-Scholes valuation method determined a fair value of $447,108 which has been immediately expensed as a share-based payment.

iii. On 8 November 2023 the Company issued 2,285,714 unvested performance rights to the Chief Executive Officer, Mr Sean Ebert. The number of performance rights granted to Mr Ebert was determined using the 'face value' methodology, that is, by dividing an amount equivalent to 40% of Mr Ebert's total fixed remuneration at that date of $400,000 by a share price of $0.07 for the base Long-term Incentive award. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $162,057 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 8 November 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting performance.

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

iv. On 8 November 2023 the Company issued 2,685,394 unvested performance rights to the President of AML3D USA Inc, Mr Pete Goumas. The number of performance rights granted to Mr Goumas was determined using the 'face value' methodology, that is, by dividing an amount equivalent to 40% of Mr Goumas' current total fixed remuneration of US$300,000 by a share price of $0.07 for the base Long-term Incentive award. The Trinomial Barrier Option valuation method has been applied to determine a fair value of $190,394 which is being expensed as a share-based payment proportionally from grant date to expected vesting date. The performance rights have an ending date of 8 November 2026 with vesting conditions as follows:

- Achievement of a Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) of 45%.
- Continuity of employment during the vesting period.

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

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:

	2024 $	2023 $
a. William Buck Adelaide		
i. Audit and other assurance services		
Audit and review of the financial report	40,450	34,550
ii. Taxation services		
Tax compliance and advisory services	1,390	25,745
b. Fiducia LLP Audit Fees		
Audit and review of subsidiary financial report	3,601	3,210

12. Trade and Other Receivables

	2024 $	2023 $
Trade receivables	2,425,166	444,391
Less: Allowance for expected credit loss	(40,000)	(40,000)
Sub Total	2,385,166	404,391
R&D Tax Offset Refund Due	354,907	171,204
Other receivables	55,124	5,234
Total	**2,795,197**	**580,829**

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

	2024 $	2023 $
Finished goods	380,066	405,250
Work in progress	1,119,588	572,430
Raw materials	167,857	53,724
Total	**1,667,511**	**1,031,404**

14. Other Financial Assets

	2024 $	2023 $
Term deposit (current)	79,840	56,000
Total	**79,840**	**56,000**

15. Other Assets

	2024 $	2023 $
Prepayments	625,816	222,550
Total	**625,816**	**222,550**

16. Plant and Equipment

Cost	Office and Computer Equipment $	Plant and Equipment $	Plant and Equipment Held for Lease $	Motor Vehicles $	Leasehold Improvements $	Total $
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)
Transfers between asset categories	-	(4,497)	-	-	-	(4,497)
Balance at 30 June 2023	241,035	3,078,771	-	22,473	217,666	3,559,945
Additions	179,416	129,474	193,217	-	299,724	801,831
Disposals	-	(21,222)	-	-	-	(21,222)
Transfers between asset categories	-	(193,050)	154,297	-	-	(38,753)
Balance at 30 June 2024	**420,451**	**2,993,974**	**347,514**	**22,473**	**517,390**	**4,301,802**

Accumulated Depreciation and Impairment	Office and Computer Equipment $	Plant and Equipment $	Plant and Equipment Held for Lease $	Motor Vehicles $	Leasehold Improvements $	Total $
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 30 June 2023	145,220	1,115,133	-	12,085	65,591	1,338,029
Depreciation expense	72,264	342,478	29,539	5,576	49,075	498,933
Depreciation written back on disposal	-	(20,425)	-	-	-	(20,425)
Transfers between asset categories	-	(59,858)	52,119	-	-	(7,740)
Balance at 30 June 2024	**217,484**	**1,377,327**	**81,658**	**17,661**	**114,666**	**1,808,797**

Net book value						
At 30 June 2023	**95,815**	**1,963,638**	**-**	**10,388**	**152,075**	**2,221,916**
At 30 June 2024	**202,967**	**1,616,647**	**265,856**	**4,812**	**402,723**	**2,493,005**

17. Right of Use Assets

The Group's lease portfolio comprises two leased buildings:

Units 3&4, 136 Mooringe Avenue, North Plympton, South Australia

The lease has an remaining term of four years and four 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.

1000 Campus Drive, Suite 300, Stow, Ohio

The lease has an remaining term of four years and eleven 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 would not be exercised, have not 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	2024 $	2023 $
Leased buildings	1,987,861	584,986
Accumulated depreciation	(140,132)	(426,870)
Net carrying amount	**1,847,729**	**158,116**

Movement in Carrying Amounts		
Leased buildings:		
Opening balance	158,116	347,836
Recognition of new lease agreements	1,987,845	-
Depreciation expense for the year ended	(298,232)	(189,720)
Net carrying amount	**1,847,729**	**158,116**

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

	2024 $	2023 $
Depreciation charge related to right of use assets	**298,232**	**189,720**
Interest expense on lease liabilities	**70,387**	**13,696**

18. Intangible Assets

	2024 $	2023 $
Patents and Trademarks – at cost	34,550	34,550
– accumulated amortisation	(34,550)	(28,154)
Net carrying value	**-**	**6,395**
Software – at cost	169,842	134,694
– accumulated amortisation	(137,992)	(118,617)
Net carrying value	**31,850**	**16,077**
Website – at cost	35,166	26,210
– accumulated amortisation	(16,585)	(16,569)
Net carrying value	**8,581**	**9,641**
Total intangibles	**50,431**	**32,113**

Reconciliation of Movements in Intangible Assets:	2024 $	2023 $
Balance at the beginning of the year	32,113	47,479
Additions to intangible assets	44,104	9,641
Amortisation charged to intangible assets	(25,786)	(25,007)
Balance at the end of the year	**50,431**	**32,113**

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 2024 financial year (2023: Nil).

19. Trade and Other Payables

	2024 $	2023 $
Trade payables	822,683	231,249
Other payables and accrued expenses	430,065	238,652
Total	**1,252,748**	**469,901**

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

20. Contract Liabilities

	2024 $	2023 $
Customer deposits	3,585,265	867,700
Total	**3,585,265**	**867,700**

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

Reconciliation of Movements in Customer Deposits:	2024 $	2023 $
Balance at the beginning of the year	867,700	5,624
Payments received in advance	6,611,658	1,232,428
Transfer to revenue - performance obligations satisfied	(3,894,093)	(370,352)
Balance at the end of the year	**3,585,265**	**867,700**

21. Lease Liabilities

	2024 $	2023 $
Lease liability (current)	165,122	169,507
Lease liability (non-current)	1,789,485	-
Total	**1,954,607**	**169,507**

22. Employee Benefits

Current	2024 $	2023 $
Annual Leave	253,211	146,135
RDO Accrual	14,078	21,274
Total	**267,289**	**167,409**

Non-current	2024 $	2023 $
Long Service Leave	61,566	58,602
Total	**61,566**	**58,602**

23. Equity

a. Issued Capital

	2024 $	2023 $
377,099,023 fully paid ordinary shares (2023: 235,553,713)	**32,999,158**	**26,305,905**

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:

	2024	
	Number	$
Balance at beginning of financial year	235,553,713	26,305,905
Shares issued during the year	141,545,310	7,170,714
Total shares issued	**141,545,310**	**7,170,714**
Costs of the shares issued		(477,461)
Balance at end of financial year	**377,099,023**	**32,999,158**

	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**

i. The Company issued 33,767,789 shares on 16 May 2024 via a rights issue to existing shareholders at an issue price of $0.05 per share for a total consideration of $1,688,389.

ii. 44,749,084 shares were issued on 23 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $2,237,454.

iii. 51,250,916 shares were issued on 23 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $2,562,546.

iv. 7,000,000 shares were issued on 27 May 2024 via a private placement at an issue price of $0.05 for a total consideration of $350,000.

v. 4,777,530 shares were issued on 26 June 2024 to S3

Consortium Pty Ltd at an issue price of $0.06956 based on the 5 day VWAP prior to issue for a total valuation of $332,325. The shares were issue as consideration for investor relations services for the period June 2024 to June 2026, and are subject to a 24 months escrow.

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 not 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	2024 $	2023 $
Balance at beginning of financial year	738,623	672,965
Share-based payment expense - Options issued	447,108	58,000
Share-based payment expense - Performance Rights issued	97,335	7,658
Balance end of financial year	**1,283,066**	**738,623**

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

The following table details the tranches of options outstanding as at 30 June 2024.

Number of Options	Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Fair value at Grant Date	Value $
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
8,942,165	8 November 2023	8 November 2028	$0.079	$0.16	$0.05	447,108
18,442,165						**956,516**

All options are currently exercisable. The Black-Scholes valuation method was applied to determine the fair value of the options. For options issued during the year, key inputs included; share price volatility of 94.17%, and implied interest rate of 3.75%.

The following table details the tranches of performance rights issued during the year ended 30 June 2024.

Number of Performance Rights	Grant Date	Expiry Date	Share Price at Grant Date	Fair Value at Grant Date	Value $
1,664,285	13 September 2023	13 September 2026	$0.077	$0.069	114,669
4,971,108	8 November 2023	8 November 2026	$0.079	$0.071	352,452
6,635,393					**467,121**

The Trinomal Barrier Option valuation method was applied to determine the fair value of the performance rights. The value is being expensed as a share-based payment proportionally from grant date to expected vesting date. An expense of $97,335 has been recognised during the financial year (2023: $7,658).

Movement in Options on Issue

	2024 Number of Options	2023 Number of Options
Balance at beginning of financial year	11,500,000	9,500,000
Options issued	8,942,165	2,000,000
Option expired	(2,000,000)	-
Balance at end of financial year	**18,442,165**	**11,500,000**

24. Accumulated Losses

	2024 $	2023 $
Balance at beginning of financial year	(20,119,370)	(14,683,117)
Loss attributable to members of the entity	(4,169,846)	(5,436,253)
Balance at end of financial year	**(24,289,216)**	**(20,119,370)**

25. Loss per Share

	2024 $	2023 $
Basic (loss) per share (cents):	**(1.7)**	**(2.7)**
Loss used in calculating basic earnings per share	**(4,169,846)**	**(5,436,253)**

	2024 No.	2023 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	**250,451,693**	**202,950,544**

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

There were no related party transactions during the financial year ended 30 June 2024 (2023: $165,978). There were no outstanding related party balances as at 30 June 2024.

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 is in the process of being wound up. Accordingly the loan from the Parent entity of $27,445 (2023: $555,648) has been forgiven as at 30 June 2024.

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 2024 (2023: Nil).

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:

	2024 $	2023 $
Australia	331,190	195,455
United States	6,978,679	347,795
Singapore	15,000	91,173
Total Revenue	**7,324,869**	**634,422**

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:

	2024 %	2023 %
3 Customer	**92%**	**-**
1 Customers	**-**	**55%**

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 2 July 2024, AML3D announced the sale of a 2600 Edition ARCEMY® system for $1.1 million to Laser Welding

Solutions ("LWS"). LWS had been operating the ARCEMY® system under a lease agreement since September 2023.

ii. On 18 July 2024, 2,000,000 Director Options were issued to Mr Peter Siebels for nil consideration. The options have an exercise price of $0.16 and an expiry date of 18 July 2029.

iii. On 18 July 2024, 11,981,973 Advisor Options were issued to Joint Lead Managers of the May 2024 capital raise for nil consideration. The options have an exercise price of $0.10 and an expiry date of 30 June 2026.

iv. On 26 July 2024, 15,723,215 Advisor Options were issued for services provided for nil consideration. The options have an exercise price of $0.10 and an expiry date of 30 June 2026.

v. On 6 August 2024, 2,000,000 shares were issued to Mr Peter Siebels at $0.05 per shares in accordance with the Director Placement Shares as approved at the Company's EGM on 17 July 2024.

30. Notes to the Statements of Cashflows

a. Reconciliation of Cash and Cash Equivalents

	2024 $	2023 $
Cash and cash at bank	**7,790,323**	**4,533,957**

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

	2024 $	2023 $
(Loss) for the year after income tax	(4,169,846)	(5,436,253)
Non-cash items		
Depreciation and amortisation of non-current assets	822,951	688,594
Expected credit losses	-	30,980
Share based payments	544,443	80,091
Unrealised foreign currency loss	16,366	-
Gain on disposal of property, plant and equipment	(10,203)	(5,589)
Changes in assets and liabilities		
(Increase) / decrease in trade and other receivables	(2,164,978)	163,954
(Increase) / decrease in prepayments and other assets	(267,765)	199,280
(Increase) / decrease in inventories	(636,107)	(269,917)
Increase / (decrease) in trade and other payables	895,999	(41,834)
Increase in contract liabilities	2,873,420	883,831
Increase in financial liabilities	292,788	-
Increase in employee benefits	102,844	63,978
Net cash (used) in operating activities	**(1,750,089)**	**(3,642,885)**

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 uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative 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.

The Group has significant credit risk exposure to an number of counterparties having similar characteristics. Sales to these customer are denominated in US dollars and the Group has hedged approximately 50% of the receivables.

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:

	2024 $	2023 $
Not impaired		
- Within trade terms	2,231,816	272,791
- Past due but not impaired	153,350	131,600
Impaired		
- Past due and impaired	40,000	40,000
Total trade receivables	**2,425,166**	**444,391**

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 2024 for balances past due.

Analysis of trade receivables:

Per aged debtors report	Not past Due $	60-90 days $	>90 days $	Total $
2024				
Trade receivables	2,231,816	21,750	171,600	2,425,166
Total	**2,231,816**	**21.750**	**171,600**	**2,425,166**
2023				
Trade receivables	272,791	-	171,600	444,391
Total	**272,791**	**-**	**171,600**	**444,391**

For the year ended 30 June 2024, no expense has been recognised during the financial year then ended for the allowance for expected credit losses (2023: $30,980).

Maturity profile of financial instruments					
	Weighted average interest rate (%)	Expected Maturity dates			
		Interest Bearing			
		Less than 1 year $	1 - 10 years $	Non interest bearing $	Total $
2024					
Financial Assets					
Other financial assets	4%	79,840	-	-	79,840
Cash and cash equivalents	2%	7,790,323	-	-	7,790,323
Trade and other receivables		-	-	2,795,197	2,795,197
Total		**7,870,163**	**-**	**2,795,197**	**10,665,360**
Financial Liabilities					
Trade and other payables		-	-	1,252,748	1,252,748
Contract liabilities		-	-	3,585,265	3,585,265
Derivative financial instruments		-	-	16,366	16,366
Borrowings	5%	219,003	-	-	219,003
Lease liabilities	9%	165,122	1,789,485	-	1,954,607
Total		**384,125**	**1,789,485**	**4,854,379**	**7,027,989**
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		-	-	580,829	580,829
Total		**4,589,957**	**-**	**580,829**	**5,170,786**
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**

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

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the Group has entered into a forward foreign exchange contract. This contract is hedging probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge 50% of anticipated foreign currency transactions for the subsequent 3 months.

The maturity, settlement amounts and the average contractual exchange rate of the Group's outstanding forward foreign exchange contract at reporting date is as follows:

	Sell US dollars	Average exchange rate
	2024 $	2024
Buy Australian dollars		
Maturity: 0 - 3 months	16,366	0.6715

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	2024 $	2023 $
Assets		
Current assets	12,805,365	6,410,291
Non-current assets	5,052,712	2,468,145
Total assets	**17,858,076**	**8,878,436**
Liabilities		
Current liabilities	5,438,480	1,853,087
Non-current liabilities	1,494,821	58,602
Total liabilities	**6,933,301**	**1,911,689**
Net assets	**10,924,776**	**6,966,747**
Equity		
Issued capital	32,999,158	26,305,906
Reserves	1,283,066	738,623
Accumulated losses	(23,357,448)	(20,077,782)
Total equity	**10,924,776**	**6,966,747**

Statement of Profit or Loss and Other Comprehensive Income	2024 $	2023 $
Total loss for the year	3,279,666	5,936,342
Total comprehensive loss for the year	**3,279,666**	**5,936,342**

The parent entity has entered into two bank guarantees represented by term deposits, the first for $59,840 in respect of the leased premises at North Plympton, 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 2024.

33.Guarantees

AML3D has the following guarantee in place:

- A guarantee secured by a bank term deposit of $59,840 for the lease of its premises at units 3&4, 136 Mooringe Avenue, North Plympton SA 5037.
- 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 2024, AML3D had no commitments for capital equipment ordered but not yet received (2023: Nil).

35.Borrowings

	2024 $	2023 $
Insurance premium funding	219,003	178,608
Total borrowings	**219,003**	**178,608**
Reconciliation of movements in borrowings		
Balance at the beginning of the year	178,608	189,062
Additional borrowings	273,739	225,910
Repayment of borrowings	(233,344)	(236,364)
Balance at the end of the year	**219,003**	**178,608**

36.Derivative Financial Instruments

	2024 $	2023 $
Forward foreign exchange contracts - cash flow hedges	16,366	-
Total derivative financial instruments	**16,366**	**-**

Refer to note 31 for further information on financial instruments.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

Name of entity	Entity Type	Body Corporation		Tax Residency	
		Country of incorporation	Percentage of Share Capital Held	Australian or Foreign	Foreign Jurisdiction
AML3D Limited	Body Corporate	Australia	N/A	Australian	N/A
AML Technologies (Asia) Pte Ltd	Body Corporate	Singapore	100%	Foreign	Singapore
AML3D USA Inc.	Body Corporate	United States	100%	Foreign	United States

Directors' Declaration

Directors' Declaration

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

1. In the opinion of the Directors, the financial statements and notes for the year ended 30 June 2024 are in accordance with the Corporations Act 2001 and:
    a. 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
    b. 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;
2. 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
3. In the opinion of the Directors, the Consolidated Entity Disclosure Statement required by subsection (3A) is true and correct; and
4. 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 26th day of August 2024

Additional Shareholder Information

The following information is current as at 21 August 2024:

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	**4,855**	**379,099,032**

There are 14 holders of 48,147,353 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	109	0.02%
1,001 – 5,000	1,294	1.09%
5,001 – 10,000	1,019	2.10%
10,001 – 20,000	746	3.03%
20,001 – 50,000	787	7.15%
50,001 and over	900	86.61%
Total	**4,855**	**100.00%**

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 1,025.

Substantial Shareholders

Substantial shareholders as disclosed by notices received by the Company as at 21 August 2024 are:

Shareholder	Number of ordinary shares
Andrew Michael Clayton Sales	**33,207,707**

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	32,657,707	8.61
2	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	31,320,986	8.26
3	MR GAVIN PAUL MARTIN	9,358,016	2.47
4	HUNT PROSPERITY PTY LTD <INVESTIUS PB MICRO CAP A/C>	8,000,000	2.97
5	GLOBAL ASSET SOLUTIONS\C	6,987,420	2.77
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,552,815	1.49
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>NT A/C>	5,601,413	1.48
8	S3 CONSORTIUM PTY LTD	4,777,530	1.26
9	CITICORP NOMINEES PTY LIMITED	4,491,104	1.18
10	INSTANT EXPERT PTY LIMITED <P JURKOVIC FAMILY A/C>	3,703,702	0.98
11	CERTANE CT PTY LTD <BIPETA>	3,500,000	0.92
11	CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	3,500,000	0.92
13	KAV BUILDING SERVICES PTY LTD	3,337,901	0.88
14	MR PETER JAMES GOUMAS + MRS JENNIFER SUE GOUMAS	3,000,000	0.79
14	KLI PTY LTD <THE T TEH'S FAMILY A/C>	3,000,000	0.79
14	MEWTWO GLOBAL INVESTMENTS	3,000,000	0.79
17	BOND STREET CUSTODIANS LIMITED <JASPE1 - D93275 A/C>	2,900,000	0.76
18	ARETZIS COMMERCIAL PTY LTD <THE ARETZIS SUPER FUND A/C>	2,801,120	0.74
19	MR BENJAMIN FEGAN	2,519,250	0.66
20	RATHVALE PTY LIMITED	2,293,750	0.61
Total		**143,302,714**	**37.80**

Corporate Directory

AML3D Limited

ABN 55 602 857 983

Directors

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

Company Secretary

Kaitlin Smith

Registered Office and Principal Place of Business

Unit 4, 136 Mooringe Avenue,
North Plympton SA 5037 Australia

Ph: +61 8 8258 2658

Share Register

Computershare Investor Services – Australia

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Ph: (08) 8236 2300 / 1300 850 505
Website: www.computershare.com.au

Auditor

William Buck (SA)

Level 6, 211 Victoria Square
Adelaide SA 5000

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North Plympton SA 5037

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1000 Campus Drive, Suite 300,
Stow, OH 44224

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Australian Patent	2019251514
Japan Patent	7225501
European Patent	3781344

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