

3D METALFORGE RESTRUCTURES FINANCING WITH DEBT CONVERSION, OPERATIONAL EFFICIENCY PROGRAM AND NEW PROPOSED FUND-RAISING ROUND

Highlights:

- *3MF has restructured its financing to support the growth of current opportunities, such as its 4-year contract with Woodside Energy as well as new opportunities to drive long term growth.*
- *Early core shareholders and investors have agreed to convert A\$800k of debt into equity as part of fundamental restructuring of balance sheet.*
- *3MF continues its operational efficiency program with headcount reduction of 30% and expects net cash used for operating activities to reduce by over 25% at Q4 2022; paving the way for increased runway and allowing time for key contracts such as Woodside to mature and develop.*
- *Company launches new equity fund raising round to raise up to \$2.1M.*

23 SEPTEMBER 2022: 3D Metalforge Limited (ASX: 3MF) ('3D Metalforge' or the 'Company'), is pleased to announce it has restructured its financing to support the growth of current opportunities, such as its 4-year contract with Woodside Energy as well as new opportunities to drive long term growth. The restructured financing has 3 elements:

Firstly, debt to equity conversion with key early and core investors in 3D Metalforge agreeing to convert \$800k of debt (principle and interest) held into shares, thereby strengthening the Company's balance sheet. The debt shall be converted at the same price of the new proposed equity raise at \$0.011 per share, at the close of the equity raise detailed below. The conversion into shares will be subject to shareholder approval which the Company will seek at its earliest opportunity. The Company will issue 72,727,273 shares to settle the debt if approved by shareholders.

Secondly, continued cost reduction through the Company's operational efficiency program. The Company has continued to focus on the operational efficiency program launched at the beginning of 2022, in particular by reducing monthly manpower cost by approximately 30% from August 2022 onwards, cutting administration, corporate, and travel costs as well as by optimising current capital equipment by cancelling the next 6 months capital equipment expenditure. The quarterly net cash used in operating activities is expected to decrease from \$1.6m at Q4 2021 by over 25% at Q4 2022.

Thirdly, through the launch of a bookbuild to issue new equity of up to A\$2.1M – with a minimum raise of \$1.5M - under a proposed offer priced at \$0.011 per share through the issue of up to 190,909,090 new fully paid ordinary shares with one free attaching unlisted option for every share subscribed for. It is proposed that the attaching options will have an exercise price of \$0.02 each and an expiry date of 3 years from the date of issue (“Offer”).

The Company proposes to issue shares under the Offer in two tranches, with tranche 1 comprising up to 31,363,636 shares using the Company’s available placement capacity under Listing Rule 7.1 (available capacity of up to 31,382,025) for a total of approximately \$345,000. The issue of the balance of the shares under the Offer of up to 159,545,454 shares and the free attaching options to these shares (of up to 190,909,090 options) (Tranche 2) will be subject to obtaining shareholder approval.

Potential investors under the Offer will likely include new and existing sophisticated and professional investors and other exempt investors and shareholders introduced by existing contacts and advisors of the Company. The Company is leading the raise and has reserved the right to issue up to 48,000,000 unlisted options with an exercise price of \$0.02 and an expiry date of 3 years from the date of issue to advisers and brokers who introduce investments to the Company. The issue of any of the adviser and broker options will be subject to shareholder approval. In addition, the Company has also set aside up to 6% of the amount of funds raised by any advisers or broker who introduce investments to the Company under the Offer.

It is also proposed that Mr Waterhouse, CEO and Chairman, will participate in the Offer, subject to obtaining relevant shareholder approvals under Listing Rule 10.11. This also includes shareholder approval for any other party identified in Listing Rule 10.11 who might participate in the proposed offer.

The offer price represents a discount of 15.3% relative to the last closing price \$0.013 prior to the Company’s current suspension, and 29.0% relative to the 15-day VWAP up to the last trade date prior to that date.

The Company will seek to issue the shares under a disclosure document given its recent suspension and will advise the market of the result of the bookbuild in the near future along with the proposed date of the general meeting to seek relevant shareholder approvals for the above proposed debt conversion and share issue transactions.

The Company is also exploring further operational efficiency steps and financing options to support the Company’s growth and runway to provide sufficient headroom moving forward.

These new restructured finances will support the Company growing and developing existing multi-year contracts with Woodside, Par Pacific and PSA as well as supporting the development of new growth opportunities with current and new customers and to support ongoing working capital requirements.

Matthew Waterhouse, 3D Metalforge's Chairman & CEO, commented: "We are very pleased to have the support of core shareholders, Board and Management to help restructure our finances. These changes will set the Company up for growing, securing and developing a strong range of opportunities as we continue our aim of supporting the World's leading companies to capture the benefits of additive manufacturing – producing parts faster, more cost effectively and more sustainably."

- ENDS -

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

For more information please contact:

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ABOUT 3D METALFORGE

3D Metalforge Limited (ASX: 3MF) is a leading 3D Printing services company that supports a growing multinational blue-chip client base through their advanced proprietary 3D printing systems. The Company offers the full range of 3D printing services, including design and engineering, material advisory, diagnostics and testing, production printing and post-production certification. All services are compliant with the latest industry and, optionally to, API standards. The approach to industrial production, using proprietary processes and eco-friendly technology, produce high-demand parts faster, more cost-effectively and with less environmental impact and greater sustainability than conventional manufacturing.