

ASX Announcement

CORPORATE DIRECTORY

Chairman
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Non-Executive Director
MEL ASHTON

Non-Executive Director
TERRY STINSON

Non-Executive Director
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CEO
REBEKAH LETHEBY

Aurora Labs Quarterly Report and Appendix 4C, Quarter Ending March 31st, 2024

Highlights:

- **Completion of the initial test phase of the A3D printed gas turbine for Defence and energy generation applications**
- **Continued engagement with Defence partners for industrial printing services and printed products**
- **Extensive progress in the AL250 detailed build phase**
- **MCP technology investigations**

Aurora Labs Limited (“A3D” or “the Company”) (ASX:A3D), is pleased to provide its quarterly report to shareholders and appendix 4C for Q3 FY2024.

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Commenting on activities, CEO Rebekah Letheby said:

“The team has been energetic in working towards the completion of several important goals including furthering the micro gas turbine project and the AL250 machine build. These headline projects place A3D in robust place to open further commercial opportunities for the Company to grow their product line in the pursuit of Defence and further industry engagement.”

There is considerable room for the Company to develop and supply many exciting 3D metal printed products and utilise our 3D printing machine expertise to generate cutting edge technologies within allied markets, the micro gas turbine is just one such instance. ”

ASX CODE: A3D
ACN: 601 164 505

Micro Gas Turbine

The micro gas turbine project has completed its first phase of bench testing over the quarter. A3D has provided results to select customers detailing fuel efficiency, mass air flow, thrust, and temperature measurements in advancing its position towards commercialising the Company’s 3D metal printed product. The current results have been remarkable in that we have quickly identified that the 200-class micro turbine is fit for purpose in current customer intended applications, such as unmanned aerial vehicles (UAVs).

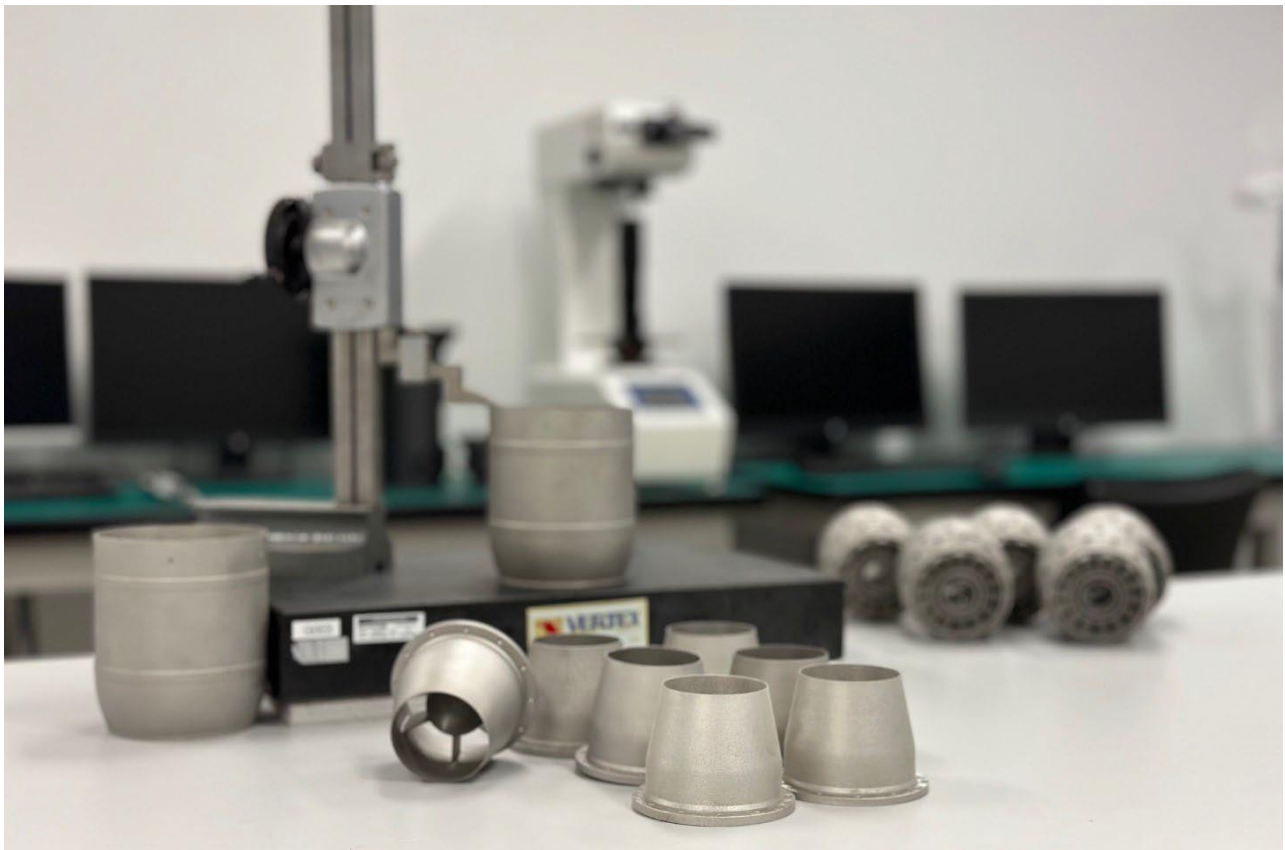
This turbine data, when compared to similar sized and class micro turbines, places A3D as the only potential sovereign 3D printed choice in the Australian marketplace.

The progress to place the turbine into field testing has also commenced. An airframe is now on order to perform necessary flight, altitude, and performance tests and will be arriving in May for fit-out.



These flight tests are an important next phase to round out data on the ability for the turbine to perform for the required operational flight hours and to confirm the turbine range capabilities dependent on fuel efficiencies while operating in variable weather and altitude conditions.

Air Frame for test flights



Turbine Printed Parts Awaiting Quality and Measurement Checks

The turbine development team has also identified key areas for refinement to improve on engine performance, which is best achieved through the efficient metal 3D printing production method. A3D sees that this key know-how for micro turbine applications, developed through a deep understanding of the 3D metal printing process, can improve the efficiency of turbine performance, potentially placing A3D in a position to outperform current market leaders. By applying A3D's understanding of 3D printing, material and metallurgical science, we look to lead others in improving micro turbine technology and bring improved products to commercial markets.

In parallel to field testing, a new test room will be designed and built to house further engine test cells. This will ensure that testing and production can be ramped up in line with the expectation that facilities will meet the safety and quality standards that the product commercialisation demands.

AL250 Commercial Printer Design and Build

Aurora was pleased to announce that the comprehensive design phase of the AL250 printer was finalised and moved to the build phase. This significant step marks a highly anticipated milestone in our journey and allows select customers who have expressed interest in the need for laser powder bed fusion machines to see the assembly of the AL250 in advance of a sale.

Customers will also be able to see the quality of prints which the AL250 will produce when visiting our production facilities which target the 3D printing and production benefits that were important to be refined in the commercial ready AL250 printing systems. Namely high-quality printed parts for industry. Our best-in-class optics, lasers, optimised powder handling system, and MCP continuous printing are integral parts of the AL250. Supported by the careful development of material parameters for metal materials.



Close-up detail of the AL250 printing chamber in assembly

As the first built machine will be fully deployed within our industrial print services business to support our ongoing services expansion, the superalloy Inconel 625 has now been selected as the preferred choice of materials for the initial phase of machine start-up. Parts such as micro turbine combustion chambers will be printed. Material selection is vital in targeting customers within our print services business, with a need to be served by suitable availability of versatile printing materials, supporting defence, aerospace and oil & gas/resources applications.

Print Services Business

Late last year, the Board and Management team strengthened our business model by focusing on building revenues from our print services business - printing parts using our existing printers at our Canning Vale facility for our customers

within the defence, resources, and oil and gas services industries. This quarter in a further move to advance our foothold within the defence sector, we have begun to prepare for ISO certification ISO9100D, which targets specifically quality and manufacture certification for aerospace and defence industries. The 9100D certification will position the Company strongly for future 3D metal printing work which requires precision quality requirements particularly tailored for production of parts which enter this highly exacting supply chain with a need for quality and safety as its cornerstones.

Through this certification initiative, we are buoyant that with the growth of our print services business, we will have cause to expand our offerings in this area, enabling improvement in print capability by adding additional print capacity. In step with this projection, a need to see 4 machines in operation with stainless steel 316, titanium alloys, aluminium alloys and Inconel 625 as the preferred alloys in use, are potential targets for the coming year, which will underscore our versatility to customers.

Continued work with Alcoa, producing a nozzle for washdown facilities in quantity, prints for defence customers such as Sovereign Propulsion Services aligned to UAVs, ongoing discussion and design work with defence customers, demonstrate this growing print services business.

Testing commenced in a current second rapid round of work for customer, Chiron Global Tech, an Australian technology company providing advanced training and operational protective equipment to defence and law enforcement customers. A3D is working with Chiron's engineering team to provide potential printed components that will be integrated into the Chiron-X1 advanced composites, high impact combative training suit.

Production efficiency, the weight of armour components, and mechanical strength are key areas of A3D's testing focus. These two items are intrinsically embedded in A3D's additive manufacturing process by optimising parts which can be light-weighted through design or material selection, but which ensure performance of the required mechanical properties. This will allow the wearer of printed components to withstand the impact force and avoid carrying extra weight, this is an excellent demonstration of where 3D printing can excel.



A3D is printing some of the hardware components for the Chiron-X1 suit (pictured) for testing as a potential solution for Chiron Global Tech.

Technology Development - Multiple Layer Concurrent Printing (MCP)

Market Evaluation

A3D holds patents for MCP in key jurisdictions such as Europe, Asia, Australia and the United States. MCP is a pre-commercial technology which when combined with print techniques has the potential to significantly improve the print efficiency of 3D printers by maximizing laser utilisation when printing multiple layers of powder at any one time, in large scale production systems.



Interest from large global manufacturers is continually and actively pursued by the Company. A3D continues to seek to develop and implement a joint works program to advance the MCP technology.

A3D's research and technology development team believe that coupling MCP into the AL250 printer through the availability of the continuous MCP printing algorithm, establishes an important step in proving out the commerciality of the product.

Improved print production times and outcomes which couple with large print areas and therefore more amenable to production line type systems is the next step in taking concept designs into scaled prototypes to see that benefits are indeed proved out at scale. A drive to document concept design has been now completed.

The stages required to progress MCP's commercialisation include demonstration of a larger prototype to demonstrate achievable large-scale performance, that would then lead to scale-up to full-scale, bespoke assembly line printer for specific manufacturer's application. This development work will include scaling up known system components from our current design / prototypes and engineering new system components for much larger scale systems. These may be in the form of different types of build enclosures or rotating build tables inside of the 3D printing habitat. The research and technology team continues to develop these concepts to begin work on these scaled prototypes.

During the quarter, a supporting MCP patent in Japan was granted, underscoring our commitment to technological advancement in the additive manufacturing arena.

Corporate, Finance and Cash Position

During the quarter, there were no related party payments for the period other than the director fees paid from the approved pool of fees as approved by shareholders of approximately \$60K.

A3D received a drawdown loan on its R&D tax incentive refund of \$234,000.

As at 31 March 2024, the Company's cash at bank and on deposit was approximately \$320,000.

Subsequent to the end of the quarter (22 April 2024), the Company announced a share placement at an issue price of \$0.03 per share to new investors and existing shareholders to raise \$2,040,000 before costs ("Placement"). Each share issued under the placement will receive a 1:2 free unlisted Attaching Option exercisable at \$0.045 each on or before 22 December 2025.

Proceeds from the Placement will primarily be applied towards further testing of the defence and aerospace focused gas turbine, delivery of the AL250 Printer, construction of the Company's first Multi-Layer Concurrent Printing MCPTM Prototype, working capital and costs of the offer.

Directors will participate in the placement to the extent of \$85,000, subject to shareholder approval.

Ends

Approved for release by the Company's Board of Directors.

For further information, please contact: Rebekah Letheby, Chief Executive Officer

+61 (0)8 9434 1934 or by email enquiries@auroralabs3d.com



ABOUT AURORA LABS

Aurora Labs Limited (“the Company”), an industrial technology and innovation company that specialises in the development of 3D metal printers, powders, digital parts and their associated intellectual property.

Aurora Labs is listed on the Australian Securities Exchange (ASX: A3D)

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as ‘intends’, ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’ or ‘expects’. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events.

These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside Aurora’s control.

Accordingly, Aurora and the directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur. For further information, please contact: enquiries@auroralabs3D.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Aurora Labs Limited (ASX: A3D)

ABN

44 601 164 505

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	59	220
1.2 Payments for		
(a) research and development	(95)	(221)
(b) product manufacturing and operating costs	(8)	(45)
(c) advertising and marketing	-	(19)
(d) leased assets	(29)	(86)
(e) staff costs	(411)	(1,595)
(f) administration and corporate costs	(158)	(683)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(12)	(14)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	589
1.8 Other		
1.9 Net cash from / (used in) operating activities	(654)	(1,854)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(4)
(d) investments		
(e) intellectual property		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	-	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) (See Note 1 below)	-	942
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(32)
3.5	Proceeds from borrowings	252	872
3.6	Repayment of borrowings	(25)	(561)
3.7	Transaction costs related to loans and borrowings	(3)	(30)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	224	1,191

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	750	987
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(654)	(1,854)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	224	1,191
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	320	320

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	320	750
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	320	750

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(45)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements (credit cards)		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(654)
8.2 Cash and cash equivalents at quarter end (item 4.6)	320
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	320
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.49 quarters
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. The Company anticipates that it will continue to experience negative cashflows as operational and R&D expenditures continue to outstrip revenues from production activities for the foreseeable future.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: On 22 April 2024, the Company announced a share placement to raise \$2.04 million with completion of the capital raising scheduled for 30 April 2024. Participation by directors (\$85,000) will be subject to shareholder approval scheduled for late May 2024.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company believes it will continue to operate on a going concern basis by using existing funds and proceeds from fundraising initiatives including the current share placement.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2024

Authorised by: .The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.