



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
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ASX CODE: A3D
ACN: 601 164 505

AM Solutions

During the quarter, Aurora continued to progress its AM Solutions business, leveraging its machine design capabilities and proximity to the energy, mineral processing and defence industries.

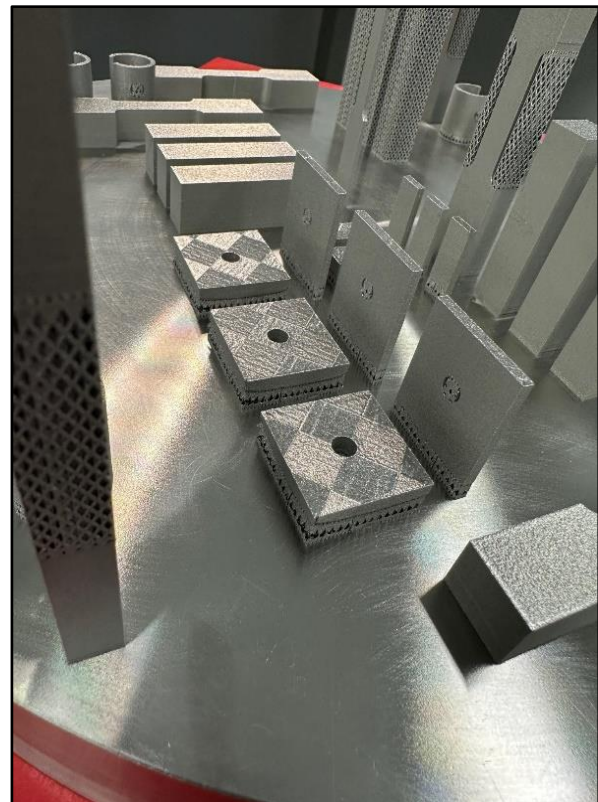
Over the quarter, Aurora received the test results for its qualification print for Woodside, the award of which was announced in January 2023. The print was for a variety of Stainless Steel 316L artifacts and test samples produced on Aurora's Beta machine and produced according to Woodside's Engineering Standards for Additive Manufacturing. These samples were then tested by a NATA certified lab and included mechanical and corrosion tests, as well as visual analysis using optical and scanning electron microscope (SEM) microscopy.

Aurora Labs Quarterly Report and Appendix 4C for Q4 FY23

Highlights:

- MOU signed with Aramco, one of the world's leading integrated energy and chemicals companies.
- Results from our qualification print for Woodside were received, with mechanical and corrosion test results aligned with client expectations.
- ISO 9001 certification process was completed, with the final audit held post quarter end.

Aurora Labs Limited ("Aurora" or "the Company") (ASX: A3D), wishes to provide its quarterly report to shareholders and Appendix 4C for Q4 FY2023.



Aurora's qualification print after de-powdering

The results of the testing showed that Aurora can print SS 316L consistent with the material properties required.



Metallographic samples at 200 x magnification following etching with electrolytic 10% Oxalic acid



In June, Aurora announced ⁱⁱ it had signed a non-binding Memorandum of Understanding (MOU) with Aramco, which outlined potential cooperation areas, including the exchange of information regarding Aurora's upcoming AL250 metal 3D printer, its high-power printing capabilities and its patented MCP[™] technology. The MoU also outlines exchange of information regarding Saudi Arabia and Gulf Cooperation Council (GCC) markets, and potential joint development of opportunities in the 3D printing business.



Aramco MOU site visit.



Subsequent to the quarter end, Aurora Labs underwent its final ISO 9001 certification audit, a key enabler to provide advanced manufacture of components to Tier 1 companies in its target industries of energy, resources and defence. Aurora announced receipt of ISO Certification on the 27th July ⁱⁱⁱ 2023.

Aurora continued to grow its AM Solutions offering, with an approx. \$500K sales pipeline for its services business covering engineering, design and printing. This pipeline is expected to be confirmed and delivered over the coming 2 quarters and consists of new enquiries as well as work through Aurora's Print Services contract with Alcoa.

Aurora also continues to engage with the defence sector, exploring opportunities across Aurora's AM Solutions offering as well as its printer technology.

AL250 Commercialisation

During the quarter, Aurora progressed its detailed design and initiated procurement activities for the production of the first units of the AL250 machine. The baseline configuration of the machine has been finalised, with the main features outlined below.

AL250 MACHINE HIGHLIGHTS

- Efficient build volume: 250 x 250 x 300 mm
- Single or dual 1500W fiber lasers (dual laser system with full overlap)
- Continuous bi-directional printing, powered by MCPTM
- 4D optics with 75-150µm spot size
- Process monitoring using thermal and optical cameras
- Open software for material parameter development
- Continuous printing during filter exchange
- Designed for ease of usability with fast material changes and easy maintenance.

Business Development activities are progressing well for the machine, with units also expected to be needed to support Aurora's AM Solutions offering. The AL-250 will include key differentiation elements, all aimed to improve the productivity and research potential of Additive Manufacture. These features include the ability to print continuously using Aurora's MCPTM technology, high power laser printing, unconventional feedstock usage and quick and easy powder changeover.

Whilst MCPTM development partnership negotiations have slowed over the quarter, A3D has continued to progress local research and industrial development options, as announced ^{iv} with the kick-off of the Innovations Connections funded joint research project with Curtin University. The research project will support A3D's ongoing development of high-power high productivity printing, including its patented MCPTM technology.



Corporate, Finance and Cash Position

Subsequent to the end of the quarter, Aurora has secured a \$500,000 loan that will be repaid when the R&D tax refund is received. Payments received, payments due and open purchase orders for Print Services activity contributed approximately \$100,000 in additional cash.

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 \$82,000.

At 30 June 2023, the Company's cash at bank and on deposit was approximately \$987,000. As mentioned above, this figure has increased post quarter end as a result of the drawdown of the R&D tax refund loan arrangement.

Aurora CEO, Peter Snowsill commented:

We are pleased with the progression of our AM Solutions offering during the quarter, as demonstrated through the Aramco engagement, successful qualification prints with Woodside and increased design and print work delivered, and in the pipeline. The combination of good design progress for Aurora's AL250 commercial printer and meaningful engagement with potential printer customers provides us with a positive outlook."

Ends.

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

For further information, please contact: Peter Snowsill, 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

ⁱ Refer A3D ASX Announcement 12 January 2023 "Qualification Print Order"

ⁱⁱ Refer A3D ASX Announcement 2 June 2023 "Aurora Labs signs MOU with Aramco"

ⁱⁱⁱ Refer A3D ASX Announcement 27 July 2023 "A3D Achieves ISO 9001 Certification"

^{iv} Refer A3D ASX Announcement 24 May 2023 "A3D Joins Innovation Connection Project"

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")
30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	52	119
1.2 Payments for		
(a) research and development	(41)	(161)
(b) product manufacturing and operating costs	(22)	(42)
(c) advertising and marketing	(11)	(38)
(d) leased assets	(29)	(111)
(e) staff costs	(552)	(2,326)
(f) administration and corporate costs	(163)	(858)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	737
1.8 Other		
1.9 Net cash from / (used in) operating activities	(767)	(2,685)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(19)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	(2)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) (See Note 1 below)		1,850
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		(102)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		1,748

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,757	1,947
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(767)	(2,685)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(19)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,748
4.5	Effect of movement in exchange rates on cash held	(1)	(4)
4.6	Cash and cash equivalents at end of period	987	987

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	987	1,747
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)	987	1,747

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	(80)
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>		

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)	(767)
8.2 Cash and cash equivalents at quarter end (item 4.6)	987
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	987
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.29 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: Subsequent to the end of the quarter, the Company secured R&D Tax financing of \$500,000 secured against its 2023 R&D tax claim. This amount has been fully drawn down. In addition, the Company remains capable of undertaking a capital raising via equity issues or debt funding to fund the existing business operations as and when required. It is confident that any such capital will be undertaken in the context of the prevailing market conditions and will be successful.	
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.	
<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: 31 July 2023

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.