



ASX Announcement

CORPORATE DIRECTORY

Chairman
GRANT MOONEY

Non-Executive Director
MEL ASHTON

Non-Executive Director
TERRY STINSON

Non-Executive Director
ASHLEY ZIMPEL

CEO
PETER SNOWSILL

CONTACT DETAILS

41-43 Wittenberg Drive
Canning Vale, WA
AUSTRALIA 6155

enquiries@auroralabs3d.com
t. +61 (0)8 9434 1934
auroralabs3d.com

ASX CODE: A3D
ACN: 601 164 505

Aurora Labs Quarterly Report and Appendix 4C for Q3 FY23

Highlights:

- **Continued interest in Aurora Labs' patented MCP™ technology, with a proposal sent to a large automotive manufacturer to assess the technology.**
- **Intensive engagement with the Defence and Energy sectors, opening new leads for Aurora's sovereign Additive Manufacturing solutions.**
- **AL250 preliminary design was completed, with BD commencing targeting domestic end users in the energy, educational and defence sectors.**

Aurora Labs Limited ("A3D" or "the Company") (ASX:A3D), wishes to provide its quarterly report to shareholders and appendix 4C for Q3 FY2023.

MCP and Technology Development

During the quarter, Aurora continued to engage with potential partners regarding the commercialisation of its patented MCP™ technology. A funding proposal was submitted to a large automotive manufacturer with an interest in high-speed metal printing solutions within their Smart Factory collaborative project, and negotiations have progressed favourably since the end of the last quarter.

In parallel, negotiations are continuing with a US-based technology multinational to define a joint development project to demonstrate the application of MCP™ in a bespoke production system that would be much larger than current laser bed fusion printers. The Company anticipates successful progress in at least one of these negotiations in the coming quarter that will result in detailed scope definition and test program work being initiated in the coming period.

Subsequent to the period end, Aurora is pleased to confirm that the patent for MCP™ was granted in the US and rounds out patent coverage for the Company's core technology in major global jurisdictions.

Defence Industry Engagement

Throughout the quarter, Aurora has engaged with the Office of Defence Industry Support (ODIS) who have supported Aurora's entry into the defence sector. Aurora has engaged with prime contractors, subcontractors, and directly with elements of the Australian Defence Force.

For personal use only



The Company attended the ODIS Forum Perth and the inaugural ADM WA Defence Forum and have established and followed up on a range of prospective contacts. Opportunities that have been identified include potential provision of printed parts for Naval sustainment programs and Australian-based printer commercialisation including provision of printers, printer operator and maintenance training, provision of local service support and exploration of customisation of printer design for field-deployment.

Funding opportunities and engagement models will be shaped by the Defence Strategic Review (DSR) that has been released by the Federal Government this week. A3D will continue active engagement in this sector to identify specific project and funding pathways to contribute to Australia's sovereign industrial capability.

AL250 Commercialisation

During the quarter, preliminary commercial design activities for A3D's first high-power high productivity commercial printer, the AL250, have progressed in line with project schedule, with preliminary design being completed after the end of the quarter, and the detailed commercial design phase being launched in Q4.

The completion of the preliminary design of the AL250 will enable the ramp-up of marketing activity for the sale of AL250. Commercialisation efforts for the AL250 will be focused on 3 key areas; Defence, Research and Energy and Resources sectors.

The Company's BD and marketing activities include the development of optimal business models across these target sectors, to leverage Aurora's unique geographical and local capability advantage. A3D is seeking to offer tailored machine and print service packages to meet the requirements of parts identified for printing, offer operators appropriate certification for printed parts and print processes, and develop AM capability to accelerate its adoption across these sectors. This approach correlates to evolving AM market trends and continues to move A3D towards the provision of a comprehensive AM solution offering.

Other AM Solution Activities

During Q3, Aurora progressed numerous projects related to its AM Services, namely:

- SpiroPak printed components were sent overseas for site testing by the end user. Parallel commercialisation opportunities using SpiroPak are also being explored.
- Woodside qualification prints were completed, samples machined and sent out to a NATA laboratory for testing.
- Alcoa Print Services contract was novated to A3D from AdditiveNow and a 3-year contract extension was put in place¹.
- Negotiations are underway for a long-term Print Services contract with a Tier 1 resource multinational, which is expected to result in a need to expand printer capacity.
- ISO 9001 stage 1 pre-certification audit has been completed, with certification audit expected to be undertaken in July 2023.
- Exhibition at AOG conference in Perth, with several leads already converted to PO's for print work.

For personal use only



Commenting on Q3 activities, CEO Peter Snowsill said:

“This quarter has been busy for A3D, actively progressing our machine development, integrated AM solutions offering and engagement with potential MCP™ development partners. We are thankful for the ongoing support of our shareholders to fund our commercialisation activities, and based on the depth and quality of engagement with each of our target market sectors in this period, we anticipate favourable outcomes in the coming period.”

Corporate, Finance and Cash Position

During the quarter Aurora successfully raised \$1.35 Million in its Capital Raiseⁱⁱ, with an additional \$499.5K received through the SPPⁱⁱⁱ. In addition, it is expected Aurora will receive approx. \$600K in R&D tax refunds in the September quarter.

Print Services Revenue is forecast to continue to increase based on current opportunities, the completion of ISO accreditation, vendor print qualification completion and a new AM Services contract award. Non-dilutive finance options are being explored for the AL250 manufacture to accelerate printer availability to meet customer and increased print demands.

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 31st March 2023, the Company’s cash at bank and on deposit was approximately \$1,747,000.

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 28 February 2023 “Aurora Labs Print Services boosted by 3-year Contract Extension”

ⁱⁱ Refer A3D ASX Announcement 14 February 2023 “Capital Raising”

ⁱⁱⁱ Refer A3D ASX Announcement 10 March 2023 “SPP Closes – Additional Funding to Support Commercialisation Strategy”

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 2023

| 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 | 55 | 68 |
| 1.2 Payments for | | |
| (a) research and development | (40) | (120) |
| (b) product manufacturing and operating costs | (6) | (20) |
| (c) advertising and marketing | (20) | (27) |
| (d) leased assets | (27) | (82) |
| (e) staff costs | (634) | (1,774) |
| (f) administration and corporate costs | (200) | (695) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | | |
| 1.5 Interest and other costs of finance paid | (2) | (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 | (874) | (1,918) |

| | | |
|--|-----|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | (4) | (18) |
| (d) investments | | |
| (e) intellectual property | | |
| (f) other non-current assets | | |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 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 | (4) | (18) |

| | | |
|--|--------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) (See Note 1 below) | 1,850 | 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) | (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 | 1,748 |

For personal use only

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 888 | 1,947 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (874) | (1,918) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (4) | (18) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,748 | 1,748 |
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (2) |
| 4.6 | Cash and cash equivalents at end of period | 1,757 | 1,757 |

| | | | |
|------------|---|------------------------------------|-------------------------------------|
| 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 | 1,747 | 888 |
| 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) | 1,747 | 888 |

| | | |
|--|---|------------------------------------|
| 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 | (82) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <p><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></p> | | |

For personal use only

| 7. Financing facilities <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> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 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) | (874) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 1,757 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 1,757 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 2.01 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: | |
| 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: | |
| 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: | |
| <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> | |

For personal use only

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: 28 April 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.

For personal use only