



ASX Announcement

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CEO
PETER SNOWSILL

Aurora Labs Limited Quarterly Report and Appendix 4C for Q3 FY2021

Highlights:

- Continued progress with Technology Development Pathway resulting in fume extraction milestone successfully delivered
- Increased industry engagement following Additive in Focus open day
- Successful completion of Powder Metallurgy Project with Gränges
- Cost savings delivered in line with targeted plan, leading to move to new premises

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Aurora Labs Limited ("A3D" or "the Company") (ASX:A3D), wishes to provide its quarterly report to shareholders and Appendix 4C for Q3 FY2021.

Chief Executive Officer, Peter Snowsill, said;

"Aurora has made progress during the quarter both with the Technology Development Pathway and with our strategic and industry partners."

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"We've been actively engaged with industry players who have given us specific feedback as to what they require, which is quality printed parts with complex internal features that demonstrate the benefits of 3D printing. Our goal is to offer them what they are looking for."

Aside from our technology advancements, as part of our cost saving strategy, we have delivered over \$6m in annualised savings since April last year. As a refreshed Board and Executive team, this is an important milestone which we had set to achieve.

Together with the whole team we will continue to work towards our goal of providing high power, high productivity and high quality 3D metal printed parts for our partners and customers."

Technology Pathway Update

A3D has advanced its Technology Development Pathway with its 'Lily Pad' approach and completed key technical milestones. During the period, the Company announced the successful delivery of its Fume Extraction Milestone¹, with the upgraded system fully installed, integrated, and commissioned. Post-upgrade results showed an up to 4x production rate increase.

Reaching this second milestone has allowed A3D to commence work on Phase Two Print Parameter Testing, encompassing ongoing development of suitable parameters for high power, high quality, high production printing, and printing of customer sample parts. This work will include the completion of data sheets, following ongoing test work, that describe print quality and features for specific materials and laser power settings.

The plan at the end of the Technology Development Pathway is to commercialise A3D's printing technology in conjunction with technology partners and A3D is continuing engagement with potential partners. Separate discussions continue with end-users, directly and via AdditiveNow, who are expressing interest in A3D printing parts now, and may subsequently benefit from A3D's continuing technology developments in the future.

Strategic and Industry Partners

AdditiveNow – Additive In Focus Open Day²

End-users and OEMs have expressed their growing interest in quality printed parts that reduce replacement lead times, inventory levels and potentially improve performance during the 'Additive in Focus' open day in March 2021. The event was a significant effort from the A3D team with a range of printed parts showcased and well received, including valve trims, pump impellers and heat exchangers. The day provided A3D with direct exposure to potential customers, and since then, the Company and AdditiveNow have had on-going engagement with end-users, OEMs and industry players in the Oil & Gas and resources sector, interested in printed parts.



Figure 1: Peter Snowsill presenting at Additive In Focus Open Day



Figure 2: A3D printed stainless steel valve trim

Gränges – Powder Metallurgy Research Project successfully completed³

Strategic partnership developments continued during the period with positive results reached from A3D's first non-recurring engineering research project "NRE-1". The results were from initial tests conducted to assess the material properties of sample parts printed with specialist aluminium powders supplied by research project collaborator, Gränges Powder Metallurgy.



These tests have delivered a sufficiently favourable outcome for Gränges to pursue its investigations that are aimed at using aluminium alloy powders to print specific parts for their customers.

Continued Cost Saving Measures and Change of Premises

During this timeframe, A3D has kept tight control over its operating costs, resulting in over \$6m in annualised savings since the restructure in April last year. As part of the cost saving program, the Company made the decision during the quarter to move to a smaller, fit for purpose premises in Canning Vale⁴ that will provide longer term cost saving benefits in the range of \$240K per year.

Additional costs were incurred in March associated with the business relocation. The Company has spent substantial time and energy on the move which has had a short-term impact on productivity in the order of 8 weeks. This is a short term trade off compared to the longer term cost structure benefit going forward.

During the 8-week relocation timeframe, A3D suspended printing and machine development while moving the printers, installing infrastructure into the new premises, and reinstalling the printers ready for recommissioning in May. This is a sequential process that requires care with highly sensitive equipment.

Despite the disruption, the Company has remained heavily engaged with potential customers conducting print assessments and preparing for resumption of parameter development and printing of customer parts.

Intellectual Property Update

Intellectual Property is a central component of A3D's strategy and during the period the Company was granted a patent in Australia for a key part of the Multi-Layer Concurrent Printing (MCP) technology⁵. This is part of the Company's strategy to protect the technology through its Intellectual Property Project, aimed at formalising the identification, capture, categorisation, preliminary valuation, protection and commercialisation potential of individual elements associated with its unique suite of technologies.

CTO Retirement⁶

During the Quarter, the resignation of Chief Technology Officer, David Budge, was announced. Future requirements for the CTO position are being assessed, while the Company remains adequately covered in the interim period by its technical team leaders to progress forward with the Technology Development Pathway.

Finance and Cash Position

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 \$68,000.

As at 31 March 2021, the Company's cash at bank and on deposit was approximately \$2.1M.

Covid-19 Update

A3D has adapted to business during the pandemic and its business continuity measures remain in place with adherence to Government health advice. The Company is monitoring international trade and shipping lead times, and all staff domestic and international travel remains on hold until further notice.



Footnotes:

¹Refer ASX Announcement 5 February 2021 "A3D Delivers Fume Extraction Milestone"

²Refer ASX Announcement 19 March 2021 "Additive In Focus Industry Presentation"

³Refer ASX Announcement 4 March 2021 "Gränges Powder Metallurgy Project Successfully Completed"

⁴Refer ASX Announcement 13 April 2021 "Details of Company Address"

⁵Refer ASX Announcement 26 February 2021 "MCP Patent granted for Australia"

⁶Refer ASX Announcement 15 March 2021 "Retirement of Chief Technical Officer"

Ends

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

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ABOUT AURORA LABS

Aurora Labs Limited (A3D), is an Australian industrial technology and innovation company that specialises in the development of 3D metal printing technology and its 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