ASX Announcement

Quarterly Report and Appendix 4C, Quarter Ending 30 September 2025

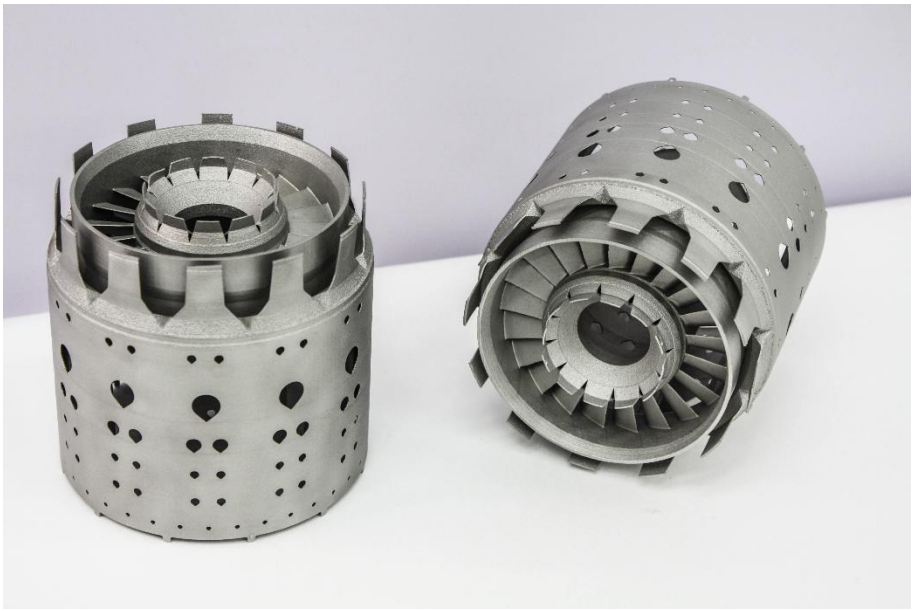
- **Durability testing phase commenced for AU4 engines, supported by newly upgraded instrumentation and analytics on the Company's propulsion test bench.**
- **Design milestone achieved with the novel engine development contract for the Australian Defence Force (ADF contract) with second phase $450,000 contract awarded.**
- **Pilot production batch of 25 micro turbine engines launched to validate designs, support durability testing and seed early sales.**
- **Facility and production upgrades advancing at Canning Vale facilities to support propulsion assembly and AS9100D preparation work.**
- **$544,333 Defence Industry Development Grant secured, funding new CNC equipment for vertical integration of the propulsion production line.**
- **A "Joint Integration, Testing, Development and Distribution Agreement" was signed with Sovereign Propulsion Systems to fast-track integration of Aurora's engines into advanced drone platforms.**
- **Exhibitor at DSEI 2025 (London) on the Team Defence Australia stand – showcasing propulsion systems to global Defence primes.**

Propulsion Development Programs

Aurora Labs micro gas turbines entered a defining phase of its Micro Gas Turbine (MGT) program as it transitioned from development to pre-production. During the quarter, the AU4 engine underwent deep instrumentation and validation setup ahead of long-duration durability testing — a critical milestone on the path to certification under Military Standards (MIL-STD).

Engines prepared for durability test work

This testing campaign is focused on proving thermal management and fuel efficiency under defined conditions, a key requirement for loitering munition and attritable UAV applications. Demonstrating stable performance in these environments is critical for customers such as Defence Primes and UAV integrators, who need assurance that the engines can operate safely and predictably under demanding mission profiles. It helps to reduce technical and operational risk, showing that Aurora's propulsion systems have been validated to withstand the same stresses they would encounter in service.



Combustion chamber printing

From a product development standpoint, this effort represents an important part of building confidence in Aurora's technology. Each stage of testing provides data that supports design refinement and long-term reliability, while also meeting the evidence requirements expected by customers during qualification and procurement. The result is a more robust, traceable, and dependable engine platform that aligns with Defence and aerospace performance expectations.

The Defence contract for a next-generation propulsion system has reached design freeze status for its initial protype, and the hardware entered the build phase using additive manufacturing for several critical components. Prototype assembly and first bench testing commenced in the weeks following quarter-end, signaling Aurora's move toward fully sovereign, 3D-printed propulsion solutions for Defence.

The advancement to Phase 2 of the Australian Department of Defence (ADF) contract, represents the next major step in Aurora's propulsion program. Following the successful completion of the Phase 1 design and engineering phase, which validated the efficiency and performance potential of Aurora's novel propulsion concept, Phase 2 will move the project into refinement of the design gained through initial bench testing of the Phase 1 concept.

This novel propulsion system extends Aurora's capability to address a broader range of Defence and drone system applications. Importantly, the agreement allows the Commonwealth to evaluate the prototype while Aurora continues to retain global commercialisation rights, ensuring the company can capture downstream opportunities across domestic and export markets.

Business Development Activities and Defence Engagement

Aurora's participation at DSEI 2025 in London marked a significant milestone in raising international awareness of its sovereign propulsion capability. Attendance on the Team Defence Australia stand provided direct exposure of the micro gas turbine engines to global Defence primes, UAV platform integrators, and procurement officials. This engagement is expected to generate tangible sales opportunities by opening discussions for platform integration, co-development, and supply-chain partnerships. Participation in these major international showcases is a critical element of Aurora's growth strategy, strengthening its position as a credible Australian supplier in the global Defence ecosystem and building investor confidence in the Company's expanding commercial pipeline.

The Western Australian attendees gather at the Team Defence Australia exhibition stand during Defence, Security Equipment International, London September 2025, with the Hon. Mr Paul Papalia, Minister for Defence Issues, Western Australia

The Defence Industry Development Grant funding allowed Aurora to procure CNC equipment for domestic manufacturing of engine components, reducing supply-chain exposure and strengthening alignment with AUKUS sovereign capability priorities. Workshop re-layout and AS9100D process integration continued at the Canning Vale facility to accommodate these new CNC capabilities. The grant awarded under the Defence Industries, Sovereign Industrial Priorities Stream is another important validation and support from industry, recognising the increased strengthening of our sovereign-built production supply chain.

Printing, Research and Development Advancements

Achieving AS9100D certification is a vital step in Aurora's evolution from development to qualified aerospace manufacturing. The process demands extensive documentation, quality control mapping, and procedural alignment across printing, engineering and production. This preparation ensures every printed and machined component can be traced, verified, and reproduced to the highest aerospace standards—an essential requirement for Defence and aviation customers. Importantly, it also delivers a clear framework for risk reduction, assuring major Defence Primes that Aurora's engine products are developed and produced under rigorous, repeatable, and fully auditable systems.

Although time-intensive, the return on this investment is substantial. AS9100D certification positions Aurora to supply directly into Defence and tier-one global supply chains, giving its propulsion systems and printed components recognised export credibility. It builds customer confidence in product safety, reliability, and quality, while strengthening Aurora's ability to deliver sovereign propulsion systems that meet internationally certified manufacturing standards.

Within the printing division, Aurora has begun concentrated work aligning production processes and documentation to the AS9100D aerospace quality standard. This work includes formalising build procedures, implementing upgraded build calibration processes, and introducing inspection checkpoints for critical propulsion parts. By embedding these quality systems early in the production phase, Aurora is positioning its metal printing operations to meet the stringent Defence and aerospace compliance requirements expected. Over time, this alignment will enable Aurora's printed propulsion components to move seamlessly from prototype status into certified, production- grade manufacture, strengthening customer confidence and accelerating qualification for inclusion in Defence supply chains.

Corporate, Finance and Cash Position

The Company's cash balance at the end of the quarter stood at $447,000 showing strong fiscal discretion even as we continue to invest in critical production initiatives. In August, the Company received its 2025 R&D tax refund of $924,000 which was used to fund operations and repay R&D tax loan funding facilities of $500,000. During the quarter, related party payments were approximately $73,000, including director and company secretary fees paid from the approved pool of fees as approved by shareholders.

The Board reaffirmed that the Company expects to meet all operational and development commitments from existing resources while continuing to pursue commercial partnerships and government support mechanisms.

Subsequent to the end of the Quarter, the Company announced a $5.5 million Share Placement to accelerate the commercialisation of its defence propulsion programs. The raise comprises the issue of approximately 105.8 million new shares at $0.052 per share, representing a 26.8 percent discount to the last closing price. The placement was split into two tranches: Tranche 1 raised $3.1 million under existing placement capacity, while Tranche 2, worth $2.4 million, is subject to shareholder approval at the November 2025 AGM.

The capital raise attracted strong institutional and strategic support, including participation from Sovereign Propulsion Systems (SPS), which also entered a collaboration agreement with Aurora for aerial

testing and commercialisation of its additive-manufactured propulsion systems. The partnership reinforces Aurora's position in the sovereign defence supply chain and provides a route to testing and export opportunities across AUKUS markets.

Proceeds from the placement will be used to advance development and validation of Aurora's small-scale turbine propulsion technology for unmanned aerial systems and guided munitions, expand manufacturing capability at its Canning Vale facility, and support working capital requirements. This successful raise strengthens Aurora's balance sheet and underpins the Company's transition from advanced additive manufacturing into a full-scale propulsion systems manufacturer.

Annual General Meeting

The Company's Annual General Meeting will be held on Monday, 17 November 2025, at 10:00 am at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia. The meeting will provide shareholders with an opportunity to receive an update on the company's progress, including developments in its propulsion systems program and future strategic direction.

Aurora Labs looks forward to welcoming shareholders, investors, and partners to the AGM and encourages their participation as the Company continues to build momentum in advancing its sovereign additive manufacturing and propulsion capabilities.

Looking Ahead

The focus for the October quarter through to early January:

- Commencing AU4 durability testing and ongoing verification runs
- Ongoing engineering design development for novel engine project Phase 2
- First AS9100 D audit to be performed by external auditors this coming December
- Advancing AS9100D documentation and implementation across manufacturing lines.
- Finalising CNC installation and operator training.
- Showcasing propulsion systems to customers, working closely with Sovereign Propulsion Systems
- IndoPac Defence Conference will be attended by the team, Sydney November 4-6th
- Annual General Meeting on 17th November 2025

-ENDS-

This announcement has been approved for release by the Company's Board of Directors

ABOUT AURORA LABS

Aurora Labs Limited ("the Company"), an industrial technology and innovation company that specialises provision of 3D metal printed parts for Defence, Oil and Gas and Resources applications, the development of 3D metal printers, powders, and associated intellectual property. The Company is developing advanced propulsions systems for Unmanned Aerial Systems (UAS) for the Defence sector.

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	**Quarter ended ("current quarter")**
44 601 164 505	**30 September 2025**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	142	142
1.2	Payments for		
	(a) research and development	(111)	(111)
	(b) product manufacturing and operating costs	(14)	(14)
	(c) advertising and marketing	(2)	(2)
	(d) leased assets		
	(e) staff costs	(640)	(640)
	(f) administration and corporate costs	(378)	(378)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	924	924
1.8	Other		
1.9	**Net cash from / (used in) operating activities**	**(79)**	**(79)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(127)	(127)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(127)**	**(127)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) (See Note 1 below)		
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		
3.5	Proceeds from borrowings	62	62
3.6	Repayment of borrowings	(500)	(500)
3.7	Transaction costs related to loans and borrowings	(21)	(21)
3.8	Dividends paid		
3.9	Other (repayment of leases)	(42)	(42)
3.10	**Net cash from / (used in) financing activities**	**(501)**	**(501)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,156	1,156
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(79)	(79)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(127)	(127)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(501)	(501)
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**447**	**447**

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	447	1,156
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)**	**447**	**1,156**

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	(73)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

7.	**Financing facilities** *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.*	**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)	(79)
8.2	Cash and cash equivalents at quarter end (item 4.6)	447
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	447
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.66 quarters

Note 1: R&D Tax Refunds of $924K received during the quarter are not recurring and have resulted in lower than normal net outflows. Following the end of the Quarter, the Company announced 14 October 2025 a $5.5 million share placement with $3.1 million (Tranche 1) received subsequent to the end of the Quarter and the remaining $2.4 million (Tranche 2) due in late November 2025.

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.

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?

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

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.

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: 30 October 2025

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.