



ASX Announcement

CORPORATE DIRECTORY

Chairman
PAUL KRISTENSEN

Founder, Managing Director
DAVID BUDGE

Business Development
and Marketing Director
NATHAN HENRY

Non-Executive Director
MEL ASHTON

Non-Executive Director
and Company Secretary
MATHEW WHYTE

Aurora Labs Limited Quarterly Report and Appendix 4C for Q2 FY2020

Highlights:

- **Agreement signed for first commercial supply of RMP-1 Beta Printer to AdditiveNow**
- **Execution of Research Project contract with Gränges AB**
- **Engagement to produce sample parts for global manufacturers**
- **Successful placement to raise \$4 Million from institutional and sophisticated investors**

CONTACT DETAILS

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Aurora Labs Limited ("Aurora" or "the Company") (ASX:A3D), is pleased to present its quarterly report to shareholders and Appendix 4C for Q2 FY2020 .

During the quarter Aurora delivered significant progress in marketing and sales activities, and strong developments in the technology that underpins its industry-leading 3D metal printers.

ASX CODE: A3D
ACN: 601 164 505

The Company has extended an invitation to its Shareholders to a Technology Open Day during February 2020. The Open Day will allow investors to view Aurora's latest developments in person at the Company's Bibra Lake facility.

Managing Director, David Budge said;

"Throughout the industry and as a result of the efforts of our sales and marketing team there is growing recognition that we are delivering on key speed and accuracy performance indicators at commercially relevant thresholds that are unobtainable with traditional 3d printing technology. As a result, this is leading to close collaboration and meaningful projects with a number of significant potential clients. We are excited by the level and maturity of engagement we are having with manufacturers who now understand the potential of our metal printing technology. This is part of our ongoing work to develop a clear sales pipeline through pre-sales with conversion of interest in our technology into results we can inform the market about.

"We look forward to updating investors with progress as we move through what we believe will be a very exciting year ahead for Aurora Labs."



First commercial supply of RMP-1 Beta

Aurora entered an agreement in October 2019¹ to supply its RMP-1 (Beta) metal printer to AdditiveNow Pty Ltd ("AdditiveNow"). The commercial supply of the Beta is a major milestone for the Company as it will deliver the first cashflow from its Rapid Manufacturing printers. Income to Aurora from AdditiveNow will be modest during the initial phase of the business as it expands and grows to meet demand.

The RMP1- Beta machine will service demand for printing from AdditiveNow's growing list of tier one resource clients in Australia.

Execution of Research Project contract with Gränges AB

Following the Memorandum of Understanding executed with Gränges AB in July 2019², the Company announced in December that it had entered into a service contract with Gränges to deliver a research project exploring the material properties the parties can develop using their combined expertise in aluminium alloys and additive manufacturing. The project is focused on alloys for the automotive sector, for which Gränges is a major global supplier, and is expected to run for up to nine months. The Company looks forward to exploring the many opportunities that may arise from studying and successfully printing with Gränges' unique alloys.

Industry Partner Program

In addition to progress with AdditiveNow and Gränges AB, Aurora continues to work alongside its Industry Partners on various projects;

DNV-GL: As announced on 30 January Aurora has executed a Certification Services Framework Agreement with DNV GL. The framework Agreement sets out a general scope of certification and audit services that A3D can now request from DNV GL, and the terms and conditions of delivery of these services.

VEEM: The size of parts required by VEEM means practical use of the RMP technology for production will need a larger printer. Special materials required for the project have been sourced. Preliminary testing of material will begin in 2020.

UWA/RPH: Agreement has now been executed. The S-Titanium Pro Printer has been optimised, personnel trained, and the project is underway. Project completion is anticipated in 3-6 months.

FMG: The previous term sheet has expired and discussions are continuing as to whether changes may be required to meet the client's future needs

Engagement to produce sample parts for global manufacturers

During the quarter, Aurora Labs entered into discussions with a number of leading global manufacturers across a range of sectors to produce sample parts for evaluation. Subject to successful evaluation and testing, these manufacturers have indicated an interest in purchasing Aurora's RMP-1 metal 3D printer. Sample parts production will be undertaken on commercial terms.



Research projects and sample part production agreements are key deliverables in our sales and marketing strategy. These agreements create the opportunity for us to continue to evolve and develop our printer's capability, and to demonstrate its commercial and technical viability to potential customers.

Strong customer interest at FormNext global additive manufacturing exhibition and conference

FormNext is the world's leading additive manufacturing (3d printing) conference and exhibition. The Company's presence at this event generates significant market awareness about Aurora's product and how it compares to global competitors.

Managing Director, David Budge said;

"Following news of the increases in speed that we reported for the RMP-1, there was renewed interest in our product this year. At the same time, we are experiencing a shift in the discussions we are having with potential customers, from an interest in working with us to taking clear action around moving forward. This is demonstrated in the discussions we are having with global manufacturers to produce sample parts for evaluation. The discussions have given us clear data that the targets we are aiming to achieve for these clients are within the bounds of the technology we have created, giving us a strong confidence of converting interest in the technology into pre-sales".

US Facility

During the quarter the Company advanced its plans to open a Corporate sales and support office in Dallas, Texas. Aurora has now signed the lease for the property and is expecting to occupy in May after fit-out is complete.

The Company now has a number of S-Titanium Pro printers installed in North America. The US is also a huge metal manufacturing market and has been the source of significant interest in the RMP-1 machine.

Our US office will provide product service, support, and manage sales to the North American market. We have established a wholly owned subsidiary, Aurora Labs 3D US LLC, and initial staff have been hired with the appointment of a Senior Vice President of US Operations.

Dallas is centrally located with great access to the manufacturing and oil and gas centres of the US in addition to being near the offices of several organisations we are already in contact with. Aurora intends to use the Dallas facility as its US showroom. We believe the real world demonstration of the speed parts can be manufactured in will be one of the most effective ways to show the cost benefit our 3D metal printing ecosystem represents.

Finance and Cash Position

Successful Placement to raise \$4 million

On 30 October 2019³ the successful completion of a capital raising of \$4 million (before costs of the issue) by way of placement to new institutional and sophisticated investors. A total of 15,384,616 Shares were issued at \$0.26 per Share. Funds from the placement are primarily being applied to accelerate



commercialisation of Rapid Manufacturing Technology (RMP-1) and large format machines), powder development and working capital purposes.

As at 31 December 2019, the Company's cash at bank and on deposit was approximately \$2.56 million.

Please refer to the Appendix 4C quarterly commitments report for the period ended 31 December 2019 for further information.

¹ Refer to ASX Announcement 1st October 2019 "Aurora Supplies first RMP-1 Beta"

² Refer to ASX Announcement 3rd July 2019 "Aurora Executes Memorandum of Understanding with Granges AB"

³ Refer to ASX Announcement 30 October 2019 "Aurora Completes \$4 million Placement"

ABOUT ADDITIVENOW

AdditiveNow™ is an incorporated joint venture between A3D Holdings Pty Ltd (a member of the Aurora Labs group of companies) and WorleyParsons Services Pty Ltd (a member of the WorleyParsons group of companies).

For more information on AdditiveNow please refer to <https://additivenow.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 report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Aurora Labs Limited (ASX: A3D)

ABN

44 601 164 505

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	274	387
1.2 Payments for		
(a) research and development ¹ (Medium and Large Format Printer (MFP and LFP)) Powder production unit (PPU)	(287)	(464)
(b) product manufacturing and operating costs (Small Format Printer (SFP))	(134)	(300)
(c) advertising and marketing	(133)	(170)
(d) leased assets	-	-
(e) staff costs	(1,355)	(2,542)
(f) administration and corporate costs	(1,095)	(1,891)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	12
1.5 Interest and other costs of finance paid	(63)	(63)
1.6 Income taxes paid	-	-
1.7 R & D grants received	1,972	1,972
1.8 Other (Net GST)	21	29
1.9 Net cash from / (used in) operating activities	(797)	(3,030)

^{1.} Research and development is not inclusive of allocation for staff, administration and corporate costs.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(139)	(289)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(120)	(166)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(259)	(455)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,000	4,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(248)	(248)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings*	(1,350)	(1,350)
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	2,402	2,402

* On 14 October 2019 Aurora repaid its secured loan advance on FY2019 R & D receivable to Radium Capital Pty Ltd.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,166	3,604
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(797)	(3,030)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(259)	(455)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,402	2,402
4.5 Effect of movement in exchange rates on cash held	(5)	(14)
4.6 Cash and cash equivalents at end of quarter	2,507	2,507

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	1,007	1,166
5.2 Call deposits	1,500	-
5.3 Bank overdrafts	-	-
5.4 Other (Cash on Hand)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,507	1,166

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	308
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes salaries and director's fees paid to directors.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities *	-	-
8.2	Credit standby arrangements (Credit Card)	(10)	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(351)
9.2	Product manufacturing and operating costs	(53)
9.3	Advertising and marketing	(134)
9.4	Staff costs	(1,254)
9.5	Administration and corporate costs	(513)
9.6	Property, plant and equipment & Intellectual property	(45)
9.7	Total estimated cash outflows	(2,350)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:



 Company Secretary
 (For and on behalf of Board)

Date: 31 January 2020

Print name: Mathew Whyte

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.