



ASX Announcement

CORPORATE DIRECTORY

Non-Executive Chairman
GRANT MOONEY

Non-Executive Director
MEL ASHTON

Non-Executive Director
TERRY STINSON

Non-Executive Director
ASHLEY ZIMPEL

Interim CEO
PETER SNOWSILL

Founder & CTO
DAVID BUDGE

Company Secretary
STEVEN WOOD

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ASX CODE: A3D

ACN: 601 164 505

Aurora effects cost saving program targeted to deliver over \$6m in annualised savings

- **Aurora's goal is to reduce monthly cash burn to \$250k compared to recent historical monthly rate of \$750k**
 - this includes Executive and salary cuts; and
 - up to 65% reduction in staffing numbers
- **Cost cutting and restructure measures to address impacts from COVID-19**
- **Targeting annualised savings of approximately \$6 million over previous year**
- **Tightened controls and measures ensure Aurora efficient use of funds**
- **Ensure continued development and optimisation of RMP-1 Beta printing technology**

Aurora Labs Limited ("Aurora" or "the Company") (ASX: A3D), wishes to provide an update in relation to a review of the business operations conducted by the new Board in light of the COVID-19 global pandemic and the effective use of the Company's funds going forward.

Based on the review, the Board advises that to sustain, prioritise, and focus business activities and adequate cash levels, Aurora will implement a cost saving program effective 1 May 2020. The Company aims to target a monthly cash burn rate of \$250k reduced from the recent monthly run rate of \$750k.

As part of these measures, Executive pay cuts will take effect, including Aurora's Interim CEO, Peter Snowsill, and Aurora's Founder and CTO, David Budge who have respectively taken a 25% and 35% reduction in their fixed remuneration. Executive pay cuts are effective immediately¹. The Board will review pay and spending at all levels within the Company in ninety days.

Regrettably, these measures will include a substantial reduction to Aurora's staffing levels by 65% and staff costs of up to 70%. The Board and management have also undertaken wider cost cutting measures with third-party service providers across the business.

Annualised savings from the organisation restructure are envisaged to be approximately \$6 million (\$500k per month).

In light of COVID-19 there has been a pause in tradeshow activity which was one of Aurora's principal commercialisation lead development initiatives. This and other COVID 19 related issues have resulted in a current standby in active sales pursuits and production ready engineering design activities for the RMP-1 printer. The Company will take the opportunity to further focus on A3D general technology development, and RMP-1 and Beta printer technological developments to improve performance, including parameter development and testing, whilst also continuing to work with existing and potential clients. Aurora will continue to focus on delivering the agreed outcomes with its joint venture partner Additive Now and research partner Granges.



Commenting on the cost saving program, Non-Executive Chairman, Grant Mooney, said: “These are challenging times due to the global impact from COVID-19, and the Board and senior management have spent a considerable amount of time in the last few weeks to review every aspect of the business. Regrettably, we’ve had to take some unfortunate cost-cutting measures, including a significant reduction to Aurora’s staff. The reduction in staff was taken heavy-heartedly and we will do our best to help our outgoing workforce during this period.”

“These measures are necessary to ensure Aurora remains in a stable financial position with low levels of cash burn and for the Company’s longer term position in the market. These measures are also taken to ensure that the Company efficiently uses the funds entrusted to us by shareholders.”

“This doesn’t mean that Aurora will stay still during this period, on the contrary, a heavy push will be placed on the development of the RMP-1 Beta printer and optimising its technology, whilst as a Board we will continue to review the Company’s go-to-market strategy.”

Ends.

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

¹ Refer to ASX Announcement “Aurora Board and Executive Changes to Strengthen Commercialisation Capability” 25 March 2020

For further information, please contact the Company on +61 (0)8 943 1934 or by email enquiries@auroralabs3d.com

ABOUT AURORA LABS

Aurora Labs Limited (“the Company”) ([ASX:A3D](#)), 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](#)).

To learn more about Aurora Labs please visit: www.auroralabs3d.com

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:

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