



ASX Announcement

CORPORATE DIRECTORY

Chairman
GRANT MOONEY

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Non-Executive Director
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ACN: 601 164 505

Aurora Labs Quarterly Report and Appendix 4C for Q2 FY22

Highlights:

- Commercial readiness achieved with Milestone 4 achievement and completion of Technology Development Pathway
- Independent validation of high-power printing core technology by respected additive manufacturing experts The Barnes Global Advisors
- Go-to-Market phase launched with the focus on a technology partnership model
- \$3.6 million raised through successful placement and share purchase plan
- Tendering continues for 3D print manufacture of parts to Resources Sector

Aurora Labs Limited ("A3D" or "the Company") (ASX:A3D), wishes to provide its quarterly report to shareholders and appendix 4C for Q2 FY2022.

Commercial Ready Technology

Completion of the Company's Technology Development Pathway was announced in Novemberⁱ, with its high-power printing technology satisfying the pathway's commercial readiness indicators, being; Customer Printing, Third Party Validation and Assessment, Intellectual Property (IP) Management and Engagement with Technology Partners.

Independent AM consulting firm The Barnes Global Advisors (TBGA) conducted a critical assessment of each subsystem of the Beta prototype machine and concluded that A3D's offering demonstrates best-in-class optics, controlling 4 x 1500W lasers for high productivity printing. All the sub-systems necessary for producing parts were rated between Technology Readiness Level (TRL) 6 to 7ⁱⁱ, which is aligned with the pre-commercial range of the scale.

"TBGA sees A3D's technology contributing to a highly productive, affordable solution to the multi-laser market."



Go-To-Market Strategy

During the November 11 Annual General Meeting, CEO Peter Snowsill delivered a presentation outlining the Company's commercialisation strategy (available on company website). With a strong focus on seeking appropriate technology partners, the Company has undertaken several initiatives to launch the commercialisation phase. A commercial printer design project is at the forefront of A3D's Go-to-Market activities, supported by the development of contract printing capabilities and ongoing research and development.

Actions are in progress in key areas of the strategy:

- Development of the Company's International Standardisation (ISO) qualification process and a Quality Management System for print services is well underway, with completion expected during Q1 FY23.
- Engagement with The Barnes Global Advisors (TBGA) has been extended to support the planning and execution of a reliability campaign using the Beta prototype. The campaign will commence in Q3 FY22 and is expected to take no longer than 3 months, with the outputs enabling Aurora to verify information to partners and expedite the due diligence process.
- Discussions have commenced with contract manufacturers for Non-recurring Engineering (NRE) and manufacture of pre-commercial printer models.
- Marketing and Business development activities have increased, with work commencing on an updated website, strategies to increase engagement across stakeholder groups and the creation of supporting marketing collateral.
- Tendering and quotations for manufacture of printed parts is ongoing to various resource sector customers.

Appointment of Consultants

The Company has engaged the services of two regional consultants during the Quarter, to accelerate commercialisation initiatives and facilitate A3D's engagement strategies. Based in the United States and Perth, the consultants will collaborate to strengthen and advance relationships with new and existing partners and clients. The Australian consultant is driving A3D's Go-to-Market and Business Development activities locally, with regular interaction with the A3D team and Board of Directors.

CEO, Peter Snowsill said;

"We've hit the ground running with our Go-to-Market initiatives during the quarter. The team has shifted gear to the commercialisation mindset, and our business development consultants are at work holding conversations with potential clients and collaborators for our high-power multi-laser technology. We continue to engage with TBGA to increase our exposure to the wider AM community, commencing with a reliability campaign as a practical means of generating data prospective partners will want to access, and further honing of our technology partnership strategy."

Customer Printing

During the quarter A3D completed AdditiveNow customer prints and print investigations, continued engagement with BAE Systems Maritime Australia (BAESMA), and prepared quotations and submitted tenders for ongoing print jobs and print services through AdditiveNow and directly with potential customers.



Intellectual Property Management

Ongoing IP management for growing and defending new and existing A3D technology has continued through the progression of 7 key "patent" families including print process techniques to provide future enhancement to the current multi-laser, high power technology.

Capital Raising + SPP

Throughout November, A3D successfully launched and completed a bookbuild for a placement of 26,086,957 shares at an issue price of \$0.115 per share to professional and sophisticated investors to raise \$3 million before costs ("Placement").ⁱⁱⁱ Blue Ocean Equities acted as Lead Manager to the placement. Following this, the Company also announced it successfully raised an additional \$595k before costs through a Share Purchase Plan at \$0.115 per share (SPP).^{iv}

Annual General Meeting

The Company held its Annual General Meeting (AGM) of Shareholders^v on Thursday, 11th November at Canning Vale, Western Australia, and all resolutions put to shareholders were passed.

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 \$67k.

As at 30 Dec 2021, the Company's cash at bank and on deposit was approximately \$3.9 million.

Ends

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

For further information, please contact: Grant Mooney, Company Secretary
+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 1 Nov 2021 "A3D Completes Milestone 4 – Commercial Ready"

ⁱⁱ Refer to Australian Government Department of Defence TRL definition:

https://www.dst.defence.gov.au/sites/default/files/basic_pages/documents/TRL%20Explanations_1.pdf

ⁱⁱⁱ Refer A3D ASX Announcement 8 Nov 2021 "A3D Launches \$4M Capital Raising"

^{iv} Refer A3D ASX Announcement 30 Nov 2021 "SPP Closure"

^v Refer A3D ASX Announcement 11 Nov 2021 "Results of Meeting"

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 December 2021

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	44	83
1.2 Payments for		
(a) research and development	(33)	(39)
(b) product manufacturing and operating costs		
(c) advertising and marketing	-	(5)
(d) leased assets	(27)	(67)
(e) staff costs	(514)	(1,048)
(f) administration and corporate costs	(191)	(422)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (R&D refund)	-	746
1.9 Net cash from / (used in) operating activities	(728)	(759)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(42)	(48)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets		
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	(42)	(48)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities) (See Note 1 below)	3,595	3,595
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	(231)	(231)
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	3,364	3,364

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,336	1,373
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(728)	(759)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(48)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,364	3,364
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,930	3,930

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	3,930	1,336
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)	3,930	1,336

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	(67)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(728)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,930
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	3,930
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.4 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>	

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: 31 January 2022

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.