14 October 2025

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ASX Announcement

Aurora Labs successfully completes $5.5 million Placement to advance drone propulsion development with a strategic investment from Sovereign Propulsion Systems

- **Aurora Labs has successfully completed a $5.5 million Two Tranche Placement ("Placement") with strong support from existing and new institutional and sophisticated investors**
- **Sovereign Propulsion Systems ("SPS") joins as a strategic cornerstone investor**
- **Aurora Labs signs agreement with new strategic investor, Sovereign Propulsion Systems for aerial testing of next-generation propulsion system under development with the Australian Defence Force (ADF)**
- **Placement proceeds will advance A3D's drone propulsion business for Unmanned Aerial Systems (UAS) and guided munitions, expand manufacturing capacity and provide working capital**

Aurora Labs Limited ("Aurora" or "the Company") (ASX: A3D) is pleased to announce that it has received firm commitments for a Placement of 105.8 million shares (**Placement Shares**) at an issue price of $0.052 per share to raise ~$5.5m before costs ("**Placement**"). The capital raising was upsized following strong demand from new and existing institutional and sophisticated investors, reflecting confidence in Aurora's next-generation propulsion technology and commercialisation strategy.

The Placement includes a cornerstone investment from SPS. In conjunction with its investment, Aurora has entered into a Collaborative Agreement with SPS for the aerial testing of its next-generation propulsion systems.

A3D CEO Rebekah Letheby said: *"The success of this Placement, supported by SPS alongside high quality institutional and sophisticated investors is a strong endorsement of Aurora's technology and strategy. The collaboration with SPS delivers immediate capability to validate our propulsion systems in aerial environments, representing a critical milestone as we move towards commercialisation. Combined with our strengthened leadership team, Aurora is now well-positioned to accelerate development and capture opportunities in the rapidly growing UAS market"*

Placement details

The Company has accepted firm commitments for a Placement of fully paid ordinary shares in the Company at $0.052 to raise ~$5.5 million (before costs). The Placement will comprise the following components:

- Tranche One: will raise $3.1 million (before costs) through the issuance of 59.6 million fully paid ordinary shares at an issue price of $0.052 per share (**Placement Shares**) to sophisticated and professional investors. All Placement Shares will be issued pursuant to the Company's placement capacity under Listing Rules 7.1 and 7.1A. Accordingly no shareholder approval will be required for the issue of shares under Tranche One of the Placement. The Placement Shares will rank equally with the existing shares as at the date of their issue. Settlement of Tranche One is expected to occur on Monday, 20 October 2025, with allotment to occur on Tuesday, 21 October 2025.
- Tranche Two: will raise a total of $2.4 million (before costs) through the issuance of 46.2 million fully paid ordinary shares at an issue price of $0.052 per share (**Placement Shares**) to sophisticated and professional investors. Tranche two is subject to obtaining shareholder approval at the Company's Annual General Meeting to be held on or around Monday, 17 November 2025.

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The issue price of $0.052 represents a:

- 26.8% discount to the last traded share price; and
- 5.5% discount to the 5-day volume weighted average share price; and
- 1.2% premium to the 15-day volume weighted average share price.

Strategic Collaboration with Sovereign Propulsion Systems

SPS, a veteran co-owned company based in Adelaide, South Australia, was established in 2022 and specialises in innovative and cost-effective UAV and robotic systems. With in-house design, engineering, rapid prototyping, flight testing and local manufacturing, SPS collaborates with multiple ADF programs to deliver agile, effects-based solutions that are 100% Australian made.

Under the agreement, SPS will conduct rigorous testing program of the propulsion system at its South Australian test facility, including both bench and aerial trails throughout 2026. Funding for the testing will be provided by SPS, in return for exclusive distribution rights to Aurora's propulsion system across AUKUS partner countries for a fixed three-year term. This partnership marks a significant milestone in Aurora's pathway to validating its propulsion technology in live flight environments, further strengthening the Company's position within Australia's sovereign defence supply chain.

Proceeds from the Placement will primarily be applied towards advancing development of the Company's portfolio of propulsion systems for Unmanned Aerial Systems (UAS) particularly guided munitions, increasing the Company's printing capability at the Canning Vale facility in Western Australia, working capital and costs of the offer.

Bell Potter Securities Limited acted as Sole Lead Manager and Bookrunner to the Offer. Bell Potter to be issued 6.1 million unlisted broker options exercisable at $0.078 with a 2-year expiry.

-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