



Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4D – Half Year Report for six months ended 31 December 2020

1. Details of reporting periods:

Current reporting period : Six (6) months to 31 December 2020

Previous corresponding period : Six (6) months to 31 December 2019

2. Results for announcement to the market:

	Six Months 31 December 2020 \$	Six Months 31 December 2019 \$	% Change
Revenues	2,282	327,840	DOWN 99.3%
Loss after tax	(1,876,877)	(5,331,218)	DOWN 64.8%
Loss after tax attributable to members.	(1,876,877)	(5,331,218)	DOWN 64.8%

Commentary on the above figures is included in the attached Interim Financial Report for the half year ended 31 December 2020.

3. Statement of comprehensive income

Refer to attached Interim Financial Report for the half year ended 31 December 2020.

4. Statement of financial position

Refer to attached Interim Financial Report for the half year ended 31 December 2020.

5. Statement of cash flows

Refer to attached Interim Financial Report for the half year ended 31 December 2020.

6. Statement of changes in equity

Refer to attached Interim Financial Report for the half year ended 31 December 2020.

7. Dividend payments

Not applicable.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets per security

	31 December 2020 Cents
Net tangible assets per ordinary security	2.6

10. Gain or loss of control over entities

Not applicable.

11. Associates and joint ventures

Not applicable.

12. Other significant information

Not applicable.

13. Foreign entities

Not applicable.

14. Status of audit

The Interim Financial Report for the half year ended 31 December 2020 has been audit reviewed and is not subject to dispute or qualification.



Aurora Labs Limited

ABN 44 601 164 505

**Interim Financial Report
For the Half-Year 31 December 2020**

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CORPORATE DIRECTORY

ABN 44 601 164 505

Directors

Grant Mooney

Terry Stinson

Ashley Zimpel

Mel Ashton

Company secretary

Grant Mooney

Registered Address and Principal

Place of business

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Patent Attorneys

Lord & Company

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West Perth WA 6005

Bankers

ANZ Bank

Riseley Centre

1/35 Riseley Street

Booragoon WA 6154

Auditors

HLB Mann Judd (WA Partnership)

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Perth WA 6000

Share Registry

Automic Group

Level 5, 126 Phillip Street,

Sydney NSW 2000

Securities Exchange

Australian Securities Exchange Limited

ASX Code

A3D

DIRECTORS' REPORT

The Directors present their report together with the financial statements for Aurora Labs Limited (the "Company" or "Aurora") and its subsidiaries (the "Group") for the half year ended 31 December 2020.

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are as follows.

Grant Mooney	Non-Executive Chairman Company Secretary
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Terry Stinson	Non-Executive Director
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Ashley Zimpel	Non-Executive Director
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Mel Ashton	Non-Executive Director
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Unless otherwise disclosed, all directors held their office from 1 July 2020 until the date of this report.

Principal Activities

The principal activities of the Group during the period include the design and development of proprietary 3D metal printers, metal powders, digital parts and their associated intellectual property.

Review of Operating Results and Financial Conditions for the period

The comprehensive loss of the Group for the financial period, after providing for income tax amounted to \$1,876,877 (December 2019: \$5,331,218). The Group had \$3,039,089 in cash assets on 31 December 2020.

During the period, the Company experienced a drop in revenue from \$327,840 for the six months ended 31 December 2019 to \$2,282 for the current period, due to the Company turning its focus to technology development on the RMP-1 printer rather than printing of parts for sale to third parties.

Review of Operations

Aurora Labs Limited (A3D), is an Australian industrial technology and innovation company that specialises in the development of 3D metal printers and their associated intellectual property. A3D's suite of technologies is being developed to move 3D printing into high volume manufacturing and is at the forefront of 3D metal printing technology.

A3D is developing industrial grade, high productivity, high accuracy 3D metal printers to compete with traditional metal manufacturing on a cost-effective basis. A3D fosters a robust discovery culture in its highly skilled team of specialists and is enthusiastic about the future of Additive Manufacturing in the wider industrial technology community.

Highlights during and since the end of the period are as follows:

- Rigorous cost saving program implemented and meeting targets
- \$3M capital raised via placement to institutional and sophisticated investors and oversubscribed Share Purchase Plan
- Company remains on track for Technology Development Pathway plan with two milestones completed successfully and the remaining milestones underway
- Patents granted in Japan and China for MCP and internal Intellectual Property Project launched
- Projects advancing and customer engagement in progress with strategic and industry partners

DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

Technology Development Pathway

Coinciding with the beginning of the period, the Company announced its 12-month Technology Development Pathway plan. The plan is designed to bring A3D's suite of Rapid Manufacturing Technologies to commercial readiness in the RMP-1 Beta printer. Since then, the plan's first two milestones have been achieved and a further two milestones remain on track for success.

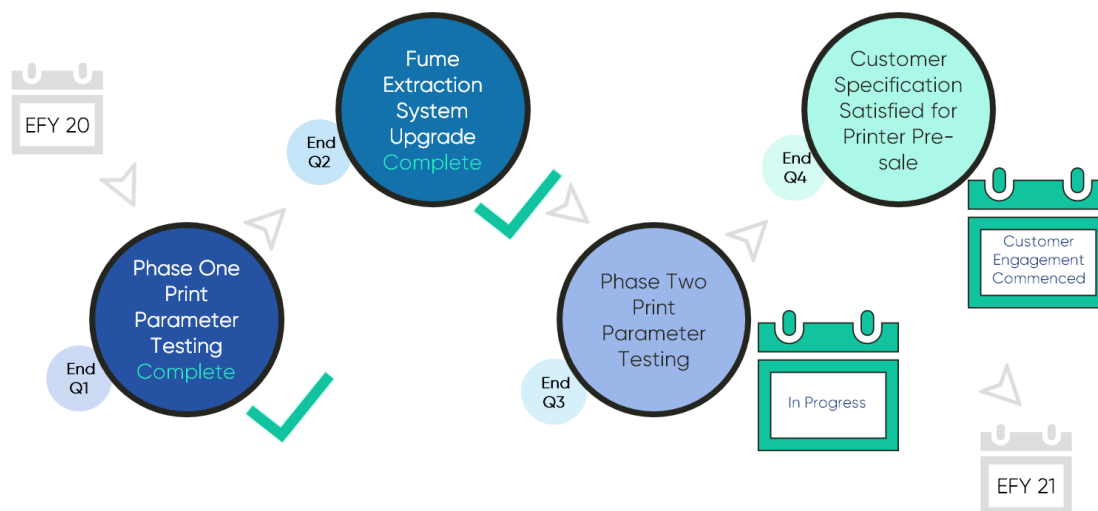


Fig 1: A3D's Technology Development Pathway

Phase One Print Parameter Testing

In October 2020, the Company announced the completion of its Phase One Print Parameter Testing, with prints produced consistently with a density of greater than 99% across full laser power range. Prints showed material properties compliant with ASTM standard requirements.

Fume Extraction Upgrade

The Company's second milestone was announced as successfully completed in February 2021. The milestone comprised an upgrade to the printer's fume extraction system. Post -upgrade high-power printing has indicated strong potential for improved production rate outcomes from the enhanced extraction system with no detriment to print quality.

Combining the initial results from the two milestones reinforces confidence in the competitive edge for A3D's Rapid Manufacturing Technology (RMT). The success of these projects facilitates ongoing parameter development & customer parts printing to progress in Q3.

Intellectual Property

In September and October of 2020, Multi-Layer Concurrent Printing (MCP) patents were granted to the Company in China and Japan. The latter is a key jurisdiction due to the prominence of its major manufacturing sector and adoption of Additive Manufacturing.

Additionally, the Company has launched an internal Intellectual Property Project aimed at formalising the identification, capture, categorisation, preliminary valuation, protection and commercialisation potential of individual elements of IP associated with the suite of technologies A3D is developing and implementing in its RMT.

The project includes ongoing management of existing patent filing processes which protect core elements of our novel technology in key global jurisdictions. A3D's commitment to this project signals the importance of effectively protecting and demonstrating its IP as part of achieving commercial readiness.

DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

Strategic & Industry Partners

Gränges

The Company is pleased to report A3D's technical team has completed the first phase of the Gränges AB Research Project (NRE-1) during the period, investigating "as-printed" material properties of their specialist Aluminium alloys. A comprehensive and confidential report along with print coupons for material quality testing and simple printed parts, have been provided to Gränges for review, testing and assessment.

AdditiveNow

A3D has continued to evaluate printing projects for AdditiveNow clients during the quarter and is actively managing these print requirements within the Technology Pathway to contribute to the RMP-1 commercial readiness goal. Parts assessments for confidential customers determining printing suitability of inventory assets are ongoing with the goal of printing parts to meet required standards and creating cases studies to promote printing application.

HP

During the period, A3D has been evaluating the HP Universal Build Manager software package, including the Dyndrite™ Accelerated Geometry Engine, to assess compatibility with the RMP-1 printer software and potential to optimise print speeds. This evaluation is ongoing.

Management continues to interface with organisations in which potential partnerships may develop at the completion of the technology pathway, such that those organisations are suitably familiar with the Company's technology status.

Finance and Cash Position

Successful Placement + SPP to raise \$3M

In September 2020, A3D successfully launched and completed a bookbuild for a placement of 23,529,412 shares at an issue price of \$0.085 per share to professional and sophisticated investors to raise \$2 million before costs (placement). Blue Ocean Equities acted as Lead Manager to the placement. Post the September quarter, the Company also announced it successfully raised an additional \$1.027 million before costs through an oversubscribed Share Purchase Plan at \$0.085 per share (SPP).

As at 31 December 2020, the Company's cash at bank and on deposit was approximately \$3.04 million.

Significant events after the balance date

On 5 February 2021, the Company's second technology pathway milestone was announced as successfully completed. The milestone comprised an upgrade to the printer's fume extraction system. Post -upgrade high-power printing has indicated strong potential for improved production rate outcomes from the enhanced extraction system with no detriment to print quality.

On 18 February 2021, the Company signed a Heads of Agreement to lease new office premises from 1 March 2021, for a period of 2 years with a further 1 year option.

Other than this, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Auditor Independence

A copy of the auditor's independence declaration is on page 8 and forms part of this report.

Signed in accordance with a resolution of the directors.



Grant Mooney

Chairman

Dated this 24th February 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Aurora Labs Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
24 February 2021

B G McVeigh
Partner

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND THER COMPRENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	Consolidated 31 Dec 20 \$	Consolidated 31 Dec 19 \$
Continuing operations			
Revenue	6	2,282	327,840
Cost of goods sold		(13,613)	(138,428)
Gross profit/(loss)		(11,331)	189,412
Other income		147,897	(53,822)
Advertising		(7,675)	(241,693)
Research and development expenses		(243,278)	(539,842)
Rent		(55,670)	(31,967)
Corporate expenses		(89,255)	(848,533)
Depreciation		(188,946)	(181,521)
Employee benefits		(1,013,043)	(2,470,756)
Employee share based payments (non-cash)		(111,976)	(251,780)
Finance expenses		(51,786)	(81,465)
Other expenses		(251,814)	(819,412)
Loss before income tax benefit		(1,876,877)	(5,331,379)
Income tax (expense) / benefit		-	161
Loss for the period		(1,876,877)	(5,331,218)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,876,877)	(5,331,218)
Basic (loss) per share (cents per share)		(1.39)	(5.84)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

		Consolidated	Consolidated
	Note	31 Dec 20	30 Jun 20
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		3,309,089	1,323,766
Trade and other receivables	8	330,356	1,762,590
Inventories		479,167	458,103
Total Current Assets		3,848,612	3,544,459
Non-Current Assets			
Property, plant and equipment		645,278	720,916
Right-of-use leased assets	4	83,759	242,013
Intangible assets		517,090	533,436
Total Current Assets		1,246,127	1,496,365
Total Assets		5,094,739	5,040,824
Current Liabilities			
Trade and other payables		392,114	440,075
Lease liabilities	5	163,072	269,238
Borrowings	9	-	724,167
Other liabilities	13	44,905	44,905
Accrued annual leave		14,352	172,211
Total Liabilities		614,443	1,650,596
Net Assets		4,480,296	3,390,228
Equity			
Issued capital	10	29,995,029	27,218,305
Reserves	11	2,459,661	2,269,440
Accumulated losses		(27,974,394)	(26,097,517)
Net Equity		4,480,296	3,390,228

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

Half-Year to December 2020	Issued Capital	Option and Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	27,218,305	2,269,440	(26,097,517)	3,390,228
Equity issued during the period (net of share issue costs)	2,776,724	190,211	-	2,995,526
Comprehensive loss for the period	-	-	(1,876,877)	(1,876,877)
Total comprehensive loss for the period	-	-	(1,876,877)	(1,876,877)
Balance at 31 December 2020	29,995,029	2,459,661	(27,974,394)	4,480,296

Half-Year to December 2019	Issued Capital	Option and Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2019	21,793,469	1,884,185	(17,941,658)	5,735,996
Equity issued during the period (net of share issue costs)	3,667,834	334,006	-	4,001,840
Comprehensive loss for the period	-	-	(5,331,218)	(5,331,218)
Total comprehensive loss for the period	-	-	(5,331,218)	(5,331,218)
Balance at 31 December 2019	25,461,303	2,218,191	(23,272,876)	4,406,618

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Consolidated 31 Dec 20 \$	Consolidated 31 Dec 19 \$
Cash flows from activities		
Payments to suppliers and employees	(1,678,046)	(5,242,969)
Proceeds from sale of printers	-	442,383
Refund to customers	-	(55,797)
Other receipts	49,657	40,000
Receipt of Government grant	192,500	-
Interest Paid	-	(21,913)
Interest received	522	11,500
Income tax benefit received	1,243,273	1,971,827
Net cash (used in) operating activities	(192,094)	(2,854,969)
Cash flows from investing activities		
Payments for intangible assets	(87,925)	(165,875)
Payments for property, plant and equipment	(2,465)	(289,451)
Receipts from sale of property, plant and equipment	8,705	-
Net cash (used in) investing activities	(81,685)	(455,326)
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	2,776,724	3,751,983
Repayment of lease liabilities	(11,695)	(126,167)
Repayment of borrowings	9 (724,167)	(1,350,000)
Interest on borrowings	(51,786)	(62,948)
Net cash provided by financing activities	1,989,102	2,212,868
Net increase/(decrease) in cash held	1,715,323	(1,097,427)
Cash and cash equivalents at the beginning of the period	1,323,766	3,604,293
Cash and cash equivalents at the end of the half-year	3,039,089	2,506,866

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

The financial statements comprise the consolidated condensed interim financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis except for the value of Employee performance rights which were valued using a barrier up and in option pricing model and the options which were valued using the Black-Scholes method. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting policies and methods of computation

Accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2020. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgements and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

Standards and Interpretations applicable to 31 December 2020

In the half-year ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2020

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2: GOING CONCERN

The financial report has been prepared on a going concern basis which is based on the realisation of the future potential of the Company's assets and discharge of its liabilities in the normal course of business.

As disclosed in the financial statements, the Group has incurred a net loss after tax for the half year ended 31 December 2020 of \$1,876,877 (December 2019: \$5,331,218) and had net cash outflows from operating activities of \$192,092 (December 2019: \$2,854,969). As at 31 December 2020, the Company has a net current asset position of \$3,234,169 (June 2020: \$1,893,863).

The net current asset position as at 31 December 2020 includes the following:

- cash at bank of \$3,309,089 (June 2020: \$1,323,766);
- Income tax benefit receivable \$Nil (June 2020: \$1,243,273);
- inventories of \$479,167 (June 2020: \$458,103)
- short term borrowings of \$Nil (June 2020: \$724,167)

The Directors consider that the Group is a going concern however current cash flow forecasts indicate that the Company will need to generate sufficient revenue from its operations or other sources, including equity capital, to continue as a going concern. As the Group is in the formative stages of its business model there exists circumstances that give rise to a material uncertainty in relation to going concern.

Should the Group be unsuccessful in generating sufficient revenue from operations or additional sources of funding, there is a material uncertainty that may cast significant doubt as to whether the company will be able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses; and
- The Directors and the business have a successful track record of capital raising and have the option of seeking further funding to support working capital and the R& D activities of the Group by way of equity capital.

The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the company not continue as a going concern.

NOTE 3: DIVIDENDS

There was no dividend declared in respect of the current or prior reporting periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 4: RIGHT-OF-USE LEASED ASSETS

Carrying Value

	Consolidated 31 Dec 2020	Consolidated 30 June 2020
Cost	481,612	510,533
Accumulated depreciation	(397,853)	(268,520)
Net Carrying value	83,759	242,013
Reconciliation		
Opening Balance/ Balance on adoption of AASB 16	242,013	510,533
Adjustment to value due to rent waiver	(28,921)	-
Depreciation expense	(129,333)	(268,520)
Carrying Value as at end of period	83,759	242,013

NOTE 5: LEASE LIABILITIES

	Consolidated 31 Dec 2020	Consolidated 30 June 2020
Current liabilities	163,072	269,238
Non-current liabilities	-	-
Total	163,072	269,238
Reconciliation		
Opening Balance/ Balance on adoption of AASB 16	269,238	508,350
Rent waiver	(40,458)	-
Principal payments	(65,708)	(202,282)
Interest	-	(36,830)
Carrying Value as at end of period	163,072	269,238

NOTE 6: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives its revenue from the sale of goods and the provision of services at a point in time to customers directly or through distributors.

	Consolidated 31 Dec 2020	Consolidated 31 Dec 2019
Sales at a point in time		
Directly to customers	2,282	327,840
Through distributors	-	-
Total	2,282	327,840

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 7: SEGMENT REPORTING

The Company operated in one segment, being metal 3D printers, in Australia.

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated 31 Dec 2020	Consolidated 30 Jun 2020
Bank Guarantee	92,959	92,959
Accounts receivable	136,623	121,214
Net GST receivable	-	21,647
Interest receivable	2	16
Other receivables	97,073	273,775
Income tax receivable	-	1,243,273
Prepayments	3,699	9,706
	330,356	1,762,590

NOTE 9: BORROWINGS

	Consolidated 31 Dec 2020	Consolidated 30 June 2020
Current liabilities - secured ⁽¹⁾	-	724,167
Total	-	724,167

- (1) On 1 May 2020 the Company borrowed \$724,167 secured against the R&D claim for the year ended 30 June 2020. The term of the loan was up to 31 October 2020 with an annual interest rate of 14%, but was delayed due to an Australian Tax Office delay. The loan was repaid with the receipt of the R&D income tax claim in November 2020.

NOTE 10: ISSUED CAPITAL

	Consolidated 31 Dec 2020	Consolidated 31 Dec 2020	Consolidated 30 June 2020	Consolidated 30 June 2020
	Number	\$	Number	\$
Ordinary shares on issue				
Balance at beginning of the year	117,279,707	27,218,305	88,635,091	21,793,469
Placement	23,529,412	2,000,000	28,074,616	28,074,616
Advisor shares	-	-	570,000	117,0000
Share placement plan	12,087,351	1,027,351	-	-
Less share issue costs	-	(250,627)	-	(431,564)
Balance at the end of the year	152,896,490	29,995,029	117,279,707	27,218,305

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On the show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 11: RESERVES	Consolidated 31 Dec 2020	Consolidated 30 Jun 2020
Balance at the beginning of the period	2,269,440	1,884,185
Option reserve	190,211	136,794
Performance rights reserve	-	248,461
Total	2,459,661	2,269,440

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration.

Movements in options on issue	Consolidated 31 Dec 2020	Consolidated 31 Dec 2020	Consolidated 30 June 2020	Consolidated 30 June 2020
	Number	\$	Number	\$
Balance at beginning of period	8,429,107	1,756,431	6,556,107	1,619,637
Options issued	7,500,000	190,221	7,000,000	136,794
Options exercised	-	-	(5,137,000)	-
Options expired	(612,000)	-	-	-
	15,317,107	1,975,233	8,429,107	1,756,431

Movements in performance rights on issue	Consolidated 31 Dec 2020	Consolidated 31 Dec 2020	Consolidated 30 June 2020	Consolidated 30 June 2020
	Number	\$	Number	\$
Balance at beginning of period	970,737	513,009	755,826	264,548
Performance rights issued	-	-	1,160,634	379,527
Performance rights issued	-	-	-	126,906
Performance rights cancelled	-	-	(945,723)	(257,972)
	970,737	513,009	970,737	513,009

The following options were granted in the current half-year.

Option terms	Director Options	CEO Options	Advisor Options
Expected volatility (%)	100%	100%	100%
Risk-free interest rate (%)	0.11%	0.11%	0.26%
Expected life of option (years)	3	2	2
Exercise price (\$)	0.14	0.14	0.14
Grant date share price (\$)	0.43	0.0319	0.0313
Number of options	2,000,000	3,000,000	2,500,000

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 12: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 5 February 2021, the Company's second technology pathway milestone was announced as successfully completed. The milestone comprised an upgrade to the printer's fume extraction system. Post -upgrade high-power printing has indicated strong potential for improved production rate outcomes from the enhanced extraction system with no detriment to print quality.

On 18 February 2021, the Company signed a Heads of Agreement to lease new office premises from 1 March 2021, for a period of 2 years with a further 1 year option.

Other than this, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 13: COMMITMENTS

As at the balance date, the Group has a total of 6 (30 June 2020: 6) Small Format Printers that were either: pre-sold at discount rates to various non-related parties as part of a pre-sale campaign called "kickstarter"; or full price pre-sales. In total a liability of \$44,905 (30 June 2020: \$44,905) is recognised on the statement of financial position which corresponds to funds received from these pre-sales.

The Group has an obligation to either a) deliver a commercial version of the pre-sold Small Format Printer for each pre-sold machine or b) if the Group is unable to deliver commercial Small Format Printers to cover the pre-sold machines then the funds received will have to be returned to the customers.

During the period the Group did not extinguish any liability to the "kickstarter" participants.

NOTE 14: FINANCIAL INSTRUMENT

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amounts of current receivables and payables are considered to be a reasonable approximation of their fair values.

DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.
- (c) the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.



Grant Mooney
Chairman

Dated this 24th February 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aurora Labs Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Aurora Labs Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aurora Labs Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 February 2021

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

B G McVeigh
Partner

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