Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4E – Preliminary final report year ended 30 June 2021

1. Details of reporting periods:

Current reporting period	: Year ended 30 June 2021
Previous corresponding period	: Year ended 30 June 2020

2. Results for announcement to the market:

	Year ended 30 June 2021 $	Year ended 30 June 2020 $	$ change	% change
Revenues	171,618	414,860	(243,242)	DOWN 59%
Loss after tax	(4,422,697)	(8,115,859)	3,733,162	DOWN 46%
Loss after tax attributable to members.	(4,422,697)	(8,115,859)	3,733,162	DOWN 46%

Commentary on the above figures is included in the attached Annual Financial Report for the year ended 30 June 2021.

3. Statement of profit or lass and comprehensive income
Refer to attached Annual Financial Report and notes for the year ended 30 June 2021.

4. Statement of financial position
Refer to attached Annual Financial Report and notes for the year ended 30 June 2021.

5. Statement of cash flows
Refer to attached Annual Financial Report and notes for the year ended 30 June 2021.

6. Statement of changes in equity
Refer to attached Annual Financial Report and notes for the year ended 30 June 2021.

7. Dividend payments
Not Applicable. Refer to attached Annual Financial Report and notes for the year ended 30 June 2021.

8. Dividend reinvestment plans
Not applicable.

9. Net tangible assets per security

	30 June 2021 Cents	30 June 2020 Cents
Net tangible assets per ordinary security	1.44	2.44

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. Commentary on results for the period
Refer to attached Annual Financial Report for the year ended 30 June 2021, and in particular the "Review of results and operations" within the Directors' Report.

15. Status of audit
The Annual Financial Report for the year ended 30 June 2021 has been audited and is not subject to dispute or qualification.

AURORA LABS LIMITED

Aurora Labs Limited

ABN 44 601 164 505

Annual Financial Report

30 June 2021

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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

41-43 Wittenberg Drive
Canning Vale WA 6155
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

Solicitors

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Patent Attorneys

Lord & Company
4 Douro Place
West Perth WA 6005

Bankers

ANZ Bank
Riseley Centre
1/35 Riseley Street
Booragoon WA 6154

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry

Automic Group
Level 5, 126 Phillip Street,
Sydney NSW 2000

Securities Exchange

Listed on Australian Securities Exchange
The home exchange is Perth, Western Australia

ASX Code

A3D

CHAIRMAN'S REVIEW

Dear Shareholder,

I am pleased to be able to present to you the 2021 Annual Report.

2020-21 has seen A3D make the most significant steps towards achieving our goal of commercialisation of our 3D metal printing technology.

The Company has delivered on its stated objectives established at the end of the last financial year to meet milestones along the technology pathway. At the date of writing this report, A3D has successfully delivered on Milestones 1 to 3 and is in advanced stages of delivering the final milestone 4, on route to Commercial Readiness scheduled for second half 2021.

Our technology team has worked tirelessly and at times through trying conditions in the current COVID environment, to get us in the strongest position that the technology has been in, building a solid understanding of what our printer technology can do and how it can outperform already commercialised existing printers.

In October 2020, we announced that we had met Milestone 1 with parameter testing demonstrating +99% density of print jobs at full power to underpin speed and scale up capability of the RMP-1 Printer.

In February 2021, the team achieved success with the delivery of Milestone 2, the Fume Extraction Upgrade which has facilitated higher power printing and production rates with significantly less interference from resultant fumes.

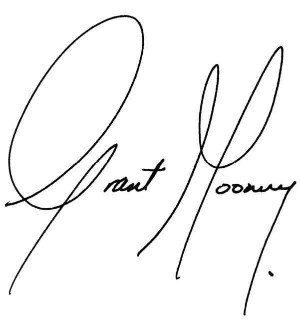
In July 2021, maybe our most significant milestone was announced, being the printing at 1.5 kilowatts of laser power on a consistent basis with high integrity and repeatability- an achievement not evident in known commercialised printers.

We now look forward with great optimism to the delivery of Milestone 4, being achievement of customer specification for print quality, functionality and production cost. This will involve us printing directly for customers such as our recently announced engagement to undertake prints for BAE Systems Maritime Australia's Hunter Class Frigate Program. In addition to this, we continue to work actively in the AdditiveNow Joint Venture with Worley to establish commercial printing contracts with participants in the Mining and Oil & Gas industries. We continue to collaborate with groups such as Gränges of Sweden to test and identify their materials suitable for powder bed fusion printing.

In 2020, our COO Peter Snowsill was formally appointed as our CEO and I would like to commend Peter for the excellent work he and his team have achieved in not only delivering the milestones but navigating the Company difficult COVID environment as well as relocating the entire business to our new facilities in Canning Vale, WA, leading to a significant reduction in corporate overheads.

With commercial readiness now clearly in sight, we have commenced the process of actively engaging with groups that may well present as potential partners for A3D into the future. We look forward to reporting developments in this regard as we move through 2022.

I would like to extend thanks to our loyal shareholders who continue to support our direction and belief in our technology team being able to deliver a 'best of class' rapid manufacturing printer technology . Thanks also to my fellow directors and our outstanding team.



Grant Mooney
Chairman
27 August 2021

DIRECTORS' REPORT

The Board of Directors of Aurora Labs Ltd ("Aurora", "A3D" or "the Company") and its subsidiaries (the "Group") present their report together with the financial report on the Company for the financial year ended 30 June 2021 (FY 2021) and the independent auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year included the design and development of 3D metal printers, digital parts and their associated intellectual property.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results and Financial Position

Aurora reported a statutory after tax loss for the year ended 30 June 2021 of $4,422,697 (2020: $8,155,859). At the end of the financial year the Company had net assets of $2,200,587 (2020: $3,390,228) and $1,372,450 in cash and cash equivalents (2020: $1,323,766).

Review of Operations

Aurora is an Australian-based industrial technology and innovation Company based in Perth that specialises in the development and commercialisation of 3D metal printers, digital parts and their associated intellectual property. During the year the Company made significant progress on the development of its proprietary 3D printers in pursuit of Aurora's aim to lead industrial innovation and disruption through additive manufacturing.

Operational Overview

In a year of positive transition, the Company has continued to progress the A3D technology and is working on the final phase of its Technology Development Pathway towards commercialisation.

A3D has relocated to a smaller, fit for purpose premises in Canning Vale, Western Australia that will provide long term cost saving benefits in the range of $240,000 per year.

The Company spent substantial time and energy on the move, suspending printing and machine development while moving the printers, installing infrastructure, and reinstalling the printers for recommissioning, which led to a short-term impact on productivity in the order of 8 weeks. This disruption was a manageable trade off compared to the longer-term benefits A3D will experience going forward.

Despite the small printing delay, the Company remained heavily engaged with potential customers, conducting print assessments, and discussing opportunities with local industry at the Additive in Focus March 2021 open day with AdditiveNow.

A3D resumed customer and development printing in June and went on to complete its third milestone, Phase Two Print Parameter Testing, post financial year end.

To showcase the progress made to date, in August 2021, the Company hosted a launch event with supporters, clients and industry guests, with a visit from The Honourable Kim Beazley AC, Governor of Western Australia, during which the team showcased A3D's local industry capability and innovation.

The year saw the Company effectively manage its Covid-19 response, while navigating the impact of various restrictions and working from home arrangements with minimal disruption.

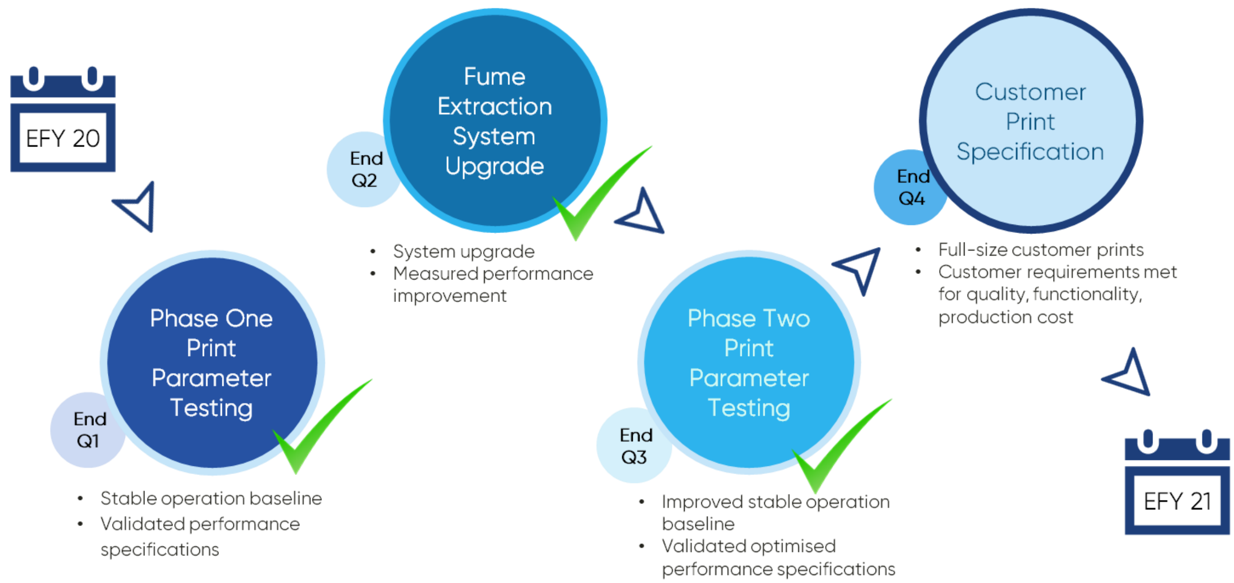
Technology Development Pathway

During the review period, A3D was tightly focused on its Technology Development Pathway plan with the goal of achieving commercial readiness for its unique suite of printing technologies. The Company successfully achieved Phase One Print Parameter Testing, followed by upgrades to the RMP-1 Beta prototype's fume extraction system. The system's effectiveness for soot removal was demonstrated, commissioned and performance tested to enable the next phase of print parameter testing.

Subsequently, A3D announced the achievement of Milestone 3, Phase 2 Print Parameter Testing. This series of parameter testing measured the capability of the RMP-1 Beta prototype printing in 316L stainless steel at high power. The team achieved reliable printing at 1.5kW laser power, which exceeds known competitor processing while maintaining part integrity against industry quality standards. The team was very encouraged by the results achieved in relation to high power, high quality and high build rate printing.

A3D's Technology Development Pathway is currently in its final phase to reach commercial readiness. This includes printing parts for customers to demonstrate the targeted differentiated offering of the suite of technologies under development. Build rate and cost of production benchmarking will be undertaken with independent, third-party validation as the Company progresses towards Milestone 4.

A3D Technology Development Pathway



Intellectual Property

At the beginning of the period, the Company launched an Intellectual Property Project (IP Project) to support commercial readiness. The project included 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. The project's key set-up work is complete, and activity will be ongoing through the commercialisation phase. The Company remains committed to ongoing maintenance for the protection of its intellectual property.

Patents for aspects of the Company's technology were granted throughout the year in Australia, Japan, Europe and China, strengthening the preservation of A3D's unique position in the technological landscape.

Strategic Partnerships

AdditiveNow™
During March 2021, A3D participated in the 'Additive in Focus' open day, held by its joint venture, AdditiveNow. End-users and OEMs have expressed their growing interest in quality printed parts that reduce replacement lead times, inventory levels and potentially improve performance, and the event reinforced this sentiment. A3D showcased a range of printed parts including valve trims, pump impellors and heat exchangers. Since then, the Company and AdditiveNow have had on-going engagement with end-users, OEMs and industry players in the Oil & Gas and resources sector, interested in printed parts.

Gränges AB
A3D achieved positive results from its first non-recurring engineering research project "NRE-1" with Gränges AB (Gränges). The results were from initial tests conducted to assess the material properties of sample parts printed with specialist aluminium powders supplied by research project collaborator, Gränges Powder Metallurgy of Sweden. The tests delivered

a sufficiently favourable outcome for Gränges to pursue investigations aimed at using aluminium alloy powders to print specific parts for its existing customers.

Finance and Cash Position

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 and raised $2 million before costs. Following this, the Company also announced it successfully raised an additional $1.03 million before costs through an oversubscribed Share Purchase Plan at $0.085 per share.

In the December quarter A3D received a payment of $0.1 million from the Export Market Development Grant.
The FY20 R&D tax rebate was received totalling $1.24 million.

It is anticipated that the Company will receive the FY21 R&D tax rebate payment during the September 2021 quarter.

As at 30 June 2021, the Company's cash at bank and on deposit was approximately $1.4 million.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The objective of the Company is to create long-term shareholder value through the design and development of metal 3D printers and associated products and services.

The activities outlined in the Review of Operations are inherently risky and the Board is unable to provide certainty of the expected timing and financial results of these activities, or that any or all of these likely developments will be achieved. All future activities are subject to various risks and there are no assurances that these targeted milestones will be reached or that the stated timeframes will be met.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

LOSS PER SHARE

	2021 cents	2020 cents
Basic loss per share	3.05	7.85

DIVIDENDS OR DISTRIBUTIONS

No dividends were paid during the financial year and the Directors do not recommend the payment of a dividend.

EMPLOYEES

The Company had 18 employees as at the 30 June 2021 (2020: 19).

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

There have been no matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

a) Group operations in future financial years; or
b) The results of those operations in future financial years; or
c) Group state of affairs in future financial years.

ENVIRONMENTAL LAWS AND REGULATIONS

Aurora Labs operations are subject to various environmental laws and regulations under the relevant government's legislation. The Company adheres to these laws and regulations. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

DIRECTORS' REPORT

INFORMATION ON THE DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows.

Grant Mooney	Non-Executive Chairman Company Secretary	Appointed 25 March 2020 Appointed 1 May 2020
Terry Stinson	Non-Executive Director	Appointed 26 February 2020
Ashley Zimpel	Non-Executive Director	Appointed 25 March 2020
Mel Ashton	Non-Executive Director	Appointed 22 January 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

CURRENT DIRECTORS AND OFFICERS

Grant Mooney

Independent Non-Executive Chairman

Qualifications: Bachelor of Business (Accounting) from Curtin University, Member of the Institute of Chartered Accountants Australia & New Zelaand.

Term of office: Since 25 March 2020

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies.

Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a Director to several ASX listed companies across a variety of industries including technology and resources including Carnegie Clean Energy Limited, Talga Group Limited, Gibb River Diamonds Limited, Accelerate Resources Limited and Riedel Resources Limited. Mr Mooney was previously a Director to Barra Resources until 19 August 2021.

Mr Mooney is also a member of the Chartered Accountants Australia and New Zealand.

Terry Stinson

Independent Non-Executive Director

Qualifications: Fellow of the Australian Institute of Company Directors

Term of office: Since 26 February 2020

Mr Stinson has over 35 years of international experience in engineering and technology commercialisation and management across the automotive, aerospace, defence, maritime, industrial products, mining and manufacturing sectors. Previous roles include Vice-President and General Manager Siemens VDO, former CEO and Board Member Synerject LLC and Vice-President Manufacturing for Outboard Marine.

Mr Stinson has a Bachelor of Business Administration, majoring in Operations Management from Marian University in Wisconsin, US and is a former National Young Manufacturing Engineer of the Year for the North American-based Society of Manufacturing Engineers. He is a Fellow of the Australian Institute of Company Directors and currently serves as Non-Executive Chairman of Talga Group Limited and Carnegie Clean Energy Ltd.

CURRENT DIRECTORS AND OFFICERS (CONTINUED)

Ashley Zimpel

Independent Non-Executive Director

Qualifications: Bachelor of Arts from the University of Western Australia

Term of office: Since 25 March 2020

Mr Zimpel is a Perth based investment banker with broad financial markets and corporate experience.

Mr Zimpel has a strong record of capital raising in both equity, debt and structured financial products for start-ups, SMEs, ASX listed public companies and government agencies both in Australia and internationally.

His extensive stockbroking and investment banking experience spans over 30 years across capital markets, corporate finance and public company businesses, including partner at stockbroker Hattersley Maxwell Noall, Executive Director at Australian Gilt Securities, Senior Banker at Bankers Trust and Macquarie Bank, co-founding partner of Rand Merchant Bank Australia, and Executive Chairman of Marine Produce Australia. Mr Zimpel has had no listed company directorships in the last three years.

Mel Ashton

Independent Non-Executive Director

Qualifications: Bachelor of Commerce from the University of Western Australia, Fellow of Chartered Accountants Australia and New Zealand.

Term of office: Since 22 January 2018

Mr Ashton has over 40 years' experience as a Chartered Accountant and leverages his strategic approach and business network in his role as a specialist in Corporate Restructuring and Finance and as a Professional Company Director

During the three- year period to the end of the financial year Mr Ashton in respect to ASX listed companies served as Chairman of the Board of Venture Minerals Ltd (May 2006 to Current), Credit Intelligence Ltd (May 2018 to May 2020), Donaco International Ltd (December 2019 to August 2020), and as Non-Executive Director of Orminex Ltd (June 2021 to current).

DIRECTORS' INTERESTS

As at the date of this report the relevant interests of each of the Directors, held either directly or indirectly through their associates, in the securities of Aurora are as follows:

Directors	Number of fully paid ordinary shares	Number of unquoted options over ordinary shares	Number of unquoted performance rights
Grant Mooney	-	2,000,000[3]	-
Terry Stinson	226,644	2,000,000[2]	-
Ashley Zimpel	100,000	2,000,000[3]	-
Mel Ashton	1,014,264	2,000,000[4]	50,000[1]
Total	**1,340,908**	**8,000,000**	**50,000**

[1] Unquoted performance rights Exp 31 January 2023 (Refer Note 6)

[2] Unquoted options: 2,000,000 Ex $0.14 / Exp 30 April 2023

[3] Unquoted options: 4,000,000 Ex $0.14 / Exp 25 March 2023

[4] Unquoted options: 2,000,000 Ex $0.14 / Exp 27 November 2023

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the year ended 30 June 2021 and the number of meetings attended by each Director. There was a total of 9 Directors' meetings for the financial year.

	Directors' meetings		Audit & Risk Committee meetings	
2021	Directors' meetings held while a director	Number attended	Audit & Risk meetings held	Audit & risk meetings attended
Grant Mooney	9	9	6	Not a member
Terry Stinson	9	9	6	Not a member
Ashley Zimpel	9	9	6	6
Mel Ashton	9	9	6	6

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Aurora for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

(a) Key Management Personnel

The remuneration report details the remuneration arrangements for key management personnel ("KMP") of the Company who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The KMP of the Company during or since the end of the financial year were as follows:

KMP	Position	Period of Employment
Grant Mooney	Non-Executive Chairman	25 March 2020 to current
Terry Stinson	Non-Executive Director	26 February 2020 to current
Ashley Zimpel	Non-Executive Director	25 March 2020 to current
Mel Ashton	Non-Executive Director	22 January 2018 to current
Peter Snowsill	Chief Executive Officer	1 July 2019 to current

(b) Remuneration Philosophy and Policy

The Board has adopted Remuneration and Nomination Policy dated May 2016 (Refer https://www.auroralabs3d.com/a3d/#/investors/corporate-compliance). The Company's remuneration policy for its KMP's is administered by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

During the year, the Company established a Remuneration Committee, with the Company's three non-executive directors being the initial members. Consequently, the independent non-executive members of the Board are responsible for determining and reviewing compensation arrangements for the Chief Executive Officer and the executive team.

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirements, especially with regard to related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

The Corporate Governance Statement provides further information on the Company's remuneration governance.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

(c) Non-Executive Director remuneration

On appointment to the Board, all Non-Executive Directors enter into service agreements with the Company in the form of a Non- Executive deed of Engagement. The Deed of Engagement summarises the Board policies and terms of engagement including remuneration relevant to the office of director.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors was set by shareholders at General Meeting held on 20 November 2020 at $350,000 per annum. Total Non–Executive remuneration fees paid during the year ended 30 June 2021 were $254,350 (including Superannuation contributions) (FY2020: $293,938).

The Board considers that the aggregate remuneration available for payment will provide the ability to attract and retain Directors of the highest calibre to meet the Company's growth in market capitalisation and complexity, at a cost that is acceptable to shareholders.

Within that maximum aggregate the Board seeks to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Fees may also be paid to Non-Executive Directors for additional consulting services provided to the Company.

Fees for Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors' remuneration may also include an incentive portion consisting of options or performance rights, subject to shareholder approval. Non-Executive Directors are considered Eligible Employees for the purposes of participation in the Company's Employee Incentive Plan.

(d) Chief Executive Officer Remuneration

In determining Chief Executive Officer remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's remuneration policy is to provide a fixed remuneration component and a short and long-term performance-based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, statutory superannuation contributions and other non-cash benefits. Fixed remuneration is reviewed annually by the Board in accordance with the Remuneration and Nomination Policy.

Performance Based Remuneration – Short Term Incentive

No Short-Term Incentives were paid or are payable in relation to FY 2021 or FY 2020.

The Board intends to implement a system where Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the operations of the Company, the Board may determine these KPI's, including measures such as successful commercialisation of the Company's products and services, production and sales levels, operational cash flows, corporate activities and business development activities.

Performance Based Remuneration – Long Term Incentive

The Board seeks to align the interests of its Directors and Employees with those of its shareholders and accordingly has adopted an Employee Incentive Share Plan ("Plan") which provides for the issue of Options or Performance Rights (Awards) as a key component of the Long-Term Incentive portion of remuneration. Awards under the Plan are based on the following three categories:

1. Package Awards – As part of their employment package with Aurora Labs to attract and retain quality Executives and Employees.
2. Performance Awards – As a reward for Executives and Employees exceeding Company deliverables.
3. Innovation Awards – As a reward for Executives and Employees who have come up with innovative ideas that are deemed to be beneficial to Aurora and its business operations, usually by reference to whether the idea is likely to be patented or otherwise, form the basis for potentially valuable proprietary technology of Aurora.

On 26 July 2018, the Company amended its Plan to provide that any Performance Rights issued under the Plan in the future will be exercisable Awards and will therefore only be converted into fully paid ordinary shares in the Company (Shares) upon receipt by the Company of a notice of exercise from the holder of the Performance Rights. Prior to these amendments, any Performance Rights issued under the Plan were required to be immediately converted into Shares by the Company upon vesting. The purpose of these amendments is to allow participants in the Plan to defer the taxing point applicable to the issue of Shares upon the conversion of performance rights, and therefore make the issue of Performance Rights to participants under the Plan more efficient.

A copy of the Plan is available on the Company's Website.

During the financial year ended 30 June 2021 the Company did not grant any Performance Rights (2020: 1,160,634).

(e) Relationship between Remuneration of KMP and the Company's Performance

Director's remuneration is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Directors are not currently linked to the performance of the Company. This policy may change once the Company's design, development and commercialisation phases of its business is complete and the Company is generating revenue and profits. The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its metal 3D printing and associated products and services activities. During the current and previous financial period the Company's remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders), however this will be reviewed on an annual basis.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

(f) Chief Executive Officer (CEO) Engagement Deed

Remuneration and other terms of employment for KMP are formalised in an Engagement Deed which specify the components of remuneration, benefits and notice period.

The material terms of both the Deed for the CEO are as follows:

(i) The employment of the CEO may be terminated without cause by the CEO or Aurora giving 3 months' notice. Aurora may otherwise terminate the CEO's employment immediately for cause (e.g. serious misconduct).

(ii) The CEO is subject to a post-employment restraint on engaging in a business of the same or substantially similar nature to Aurora or soliciting Aurora's employees, suppliers or clients within the Asia Pacific region for up to 6 months.

The Deeds otherwise contain terms and conditions considered standard for deeds of this nature.

(g) Additional disclosures

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

Financial year ended	2021 $	2020 $	2019 $	2018 $	2017 $
Sales revenue	171,618	414,860	841,620	329,970	237,995
EBITDA	(4,870,228)	(8,787,592)	(9,327,129)	(6,905,075)	(4,774,497)
EBIT	(5,163,553)	(9,175,064)	(9,503,253)	(7,063,974)	(4,802,916)
Loss after tax	(4,422,697)	(8,045,540)	(7,643,073)	(5,531,257)	(3,398,989)

The factors that are considered to affect total shareholder return ('TSR') are summarised below:

Financial year ended	2021	2020	2019	2018	2017
Share price at financial year end ($)	0.07	0.06	0.32	0.50	1.07
Total dividends declared (cents per share)	-	-	-	-	-
Basic Loss per share (cents per share)	3.05	7.85	10.02	9.13	6.30

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration of KMP

Details of the nature and amount of each element of the emoluments of each of the KMP of Aurora during the financial year were as follows:

FY 2021	Short-term benefits Salary & fees $	Post-employment benefits Superannuation $	Share-based payments Options[1] $	Total $	Percentage performance related %
Directors					
Grant Mooney[2]	99,600	-	36,760	136,360	-
Terry Stinson	50,000	4,750	63,341	118,091	-
Ashley Zimpel	50,000	-	36,760	86,760	-
Mel Ashton[1]	50,000	-	46,829	96,829	-
Other KMP					
Peter Snowsil[3]	243,750	23,156	51,984	318,890	1.5%
Total	**493,350**	**27,906**	**235,674**	**756,930**	**0.6%**

[1] Mel Ashton was granted 2,000,000 Options, as approved by shareholders at General Meeting held on 20 November 2020 which were value at $0.043 each. Vesting conditions are detailed in Note 6.
[2] Grant Mooney's fees comprised company secretarial services totalling: $48,000 and non-executive director's fee of $50,000.
[3] Peter Snowsill was granted 30,000 Performance Rights 11 July 2019. Peter was granted a further 3,000,000 options upon his appointment to CEO in August 2020.

For details on the valuation of the Performance Rights, including models and assumptions used, please refer to Note 6. There were no material alterations to the terms and conditions of Performance Rights granted as remuneration since their grant date.

FY 2020	Short-term benefits Salary & fees $	Post-employment benefits Superannuation $	Share-based payments Options[1] and Performance Rights[5] $	Total $	Percentage performance related %
Directors					
Grant Mooney[1&3]	21,306	-	17,633	38,939	-
Terry Stinson[2]	17,308	1,644	19,302	38,254	-
Ashley Zimpel[1]	12,500	-	17,633	30,133	-
David Budge	312,845	29,720	-	342,565	-
Nathan Henry	234,423	22,270	-	256,693	-
Mathew Whyte[4]	120,246	3,215	-	123,461	-
Paul Kristensen	57,488	-	-	57,488	-
Mel Ashton	154,633	-	-	154,633	-
Other KMP					
Peter Snowsil[5]	286,442	27,212	9,810	323,464	3%
Total	**1,217,191**	**84,061**	**64,378**	**1,365,630**	**0.7%**

[1] The KMP detailed above were granted 2,000,000 Options each, as approved by shareholders at General Meeting held on 13 December 2019 which were value at $0.03 each. Vesting conditions are detailed in Note 6.
[2] The KMP detailed above were granted 2,000,000 Options, as approved by shareholders at General Meeting held on 13 December 2019 which were value at $0.05 each. Vesting conditions are detailed in Note 6.
[3] Grant Mooney's fees comprised company secretarial services totalling: $8,000 and non-executive director's fee of $13,306.
[4] Mathew Whyte provided company secretarial services through his controlled entity WhyPro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2020 totalled: $86,400. Mr Whyte also received a non-executive fee of $33,846 (plus superannuation of $3,215).
[5] Peter Snowsill was granted 30,000 Performance Rights 11 July 2019.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Cash bonuses granted as compensation for the current financial year
No cash bonuses were granted during the year ended 2021 (2020: nil).

Performance Rights and Options

Details of Performance rights and Options granted as compensation pursuant to the Aurora Employee Incentive Plan for the current financial year

FY2021: No Performance Rights were issued.

FY 2020: Performance Rights were issued pursuant to the Employee Share Plan and with shareholder approval where required. The table below details all performance rights issued during FY 2020, noting some performance rights have been issued to employees or consultants During FY2020 30,000 Performance Rights were granted to Peter Snowsill, or the entities he controlled.
For details on the valuation of the Performance Rights, including models and assumptions used, please refer to Note 6. There were no material alterations to the terms and conditions of Performance Rights granted as remuneration since their grant date.

FY 2020 Date Performance Rights granted	Number Granted	Vesting Price $	Expiry date	Fair Value of Performance Right at grant date $
11 Jul 19	1,160,634	0.47	11 Jul 24	0.327
Total	**1,160,634**			

FY 2021: Unquoted Options were issued pursuant to the Employee Share Plan and with shareholder approval where required. The table below details all Unquoted Options issued during FY 2021.

FY 2021 Date options granted	Number of Options	Exercise price of option $	Expiry date of option	Fair Value of Options at grant date $
14 Aug 2020	3,000,000	0.14	14 Aug 2022	35,266
20 Nov 2020	2,000,000	0.14	27 Nov 2023	86,000
Total	5,000,000			

FY 2020: Unquoted Options were issued pursuant to the Employee Share Plan and with shareholder approval where required. The table below details all Unquoted Options issued during FY 2020.
For details on the valuation of the Unquoted Options, including models and assumptions used, please refer to Note 6. There were no material alterations to the terms and conditions of Unquoted Options granted as remuneration since their grant date.

REMUNERATION REPORT (AUDITED) (CONTINUED)

FY 2020 Date options granted	Number of Options	Exercise price of option $	Expiry date of option	Fair Value of Options at grant date $
25 Mar 2020	4,000,000	0.14	14 Aug 2022	107,400
23 Apr 2020	2,000,000	0.14	30 Apr 2023	19,302
Total	6,000,000			

Company Performance Rights and Options granted to KMP
During FY2021 no (2020: 30,000) Performance Rights were granted to KMP's, or the entities they controlled.

PERFORMANCE RIGHTS

FY 2020	Vesting price $	Expiry date	Number Granted during year	Total number of shares under Performance Rights at the end of the year
Directors				
Mel Ashton	0.47	11 Jul 24	50,000	50,000
Other KPMs				
Peter Snowsill	0.47	31 Jan 23	30,000	30,000

OPTIONS

FY 2021	Exercise price $	Expiry date	Number of options granted during year	Total number of shares under option at the end of the year
Directors				
Mel Ashton	0.14	27 Nov 2023	2,000,000	2,000,000
Other KPMs				
Peter Snowsill	0.14	14 Aug 2022	3,000,000	3,000,000

FY 2021 100,000 (FY2020: 0) performance rights lapsed (Refer Note 19 for grant date)

During the financial year 2020 the following Options were granted to the following KMP or the entities they controlled pursuant to the Employee Incentive Plan as part of their renumeration.

FY 2020	Exercise price $	Expiry date	Number of options granted during year	Total number of shares under option at the end of the year
Directors				
Grant Mooney	0.14	25 Mar 23	2,000,000	2,000,000
Ashley Zimpel	0.14	25 Mar 23	2,000,000	2,000,000
Terry Stinson	0.14	30 Apr 23	2,000,000	2,000,000
Total			6,000,000	6,000,000

There were no alterations to the terms and conditions of Performance Rights or Options granted as remuneration since their grant date, other than minor amendments to the term relating to transferability of the Options which was approved by shareholders at a general meeting on 13 June 2016.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Other than the above there were no shares issued during FY 2021 or FY 2020 as a result of the exercise of a Performance Rights or Options by KMP.

FY 2021 260,000 Options lapsed (Refer Note 19 for grant date)

FY 2020 5,137,000 Options lapsed (Refer Note 19 for grant date)

Shares and performance shares issued to KMP

During FY 2021 or FY 2020 no shares or performance shares were issued to KMP as part of their remuneration.

Loans to and from KMP

There were no loans made to or from KMP during FY 2021 or FY 2020 and there are no loans outstanding from KMP at the date of this report.

KMP equity holdings

Fully paid ordinary shares

FY 2021	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number[1]
Directors						
Grant Mooney	-	-	-	-	-	-
Terry Stinson	30,000	-	-	196,644	226,664	-
Ashley Zimpel	300,000	-	-	(200,000)	100,000	100,000
Mel Ashton	545,000	-	-	469,264	1,014,264	914,264
Other KMPs						
Peter Snowsill	-	-	-	-	-	-

[1] Shares held nominally by the Director are included in the Balance at the end of the year.

FY 2020	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number[1]
Directors						
Grant Mooney	-	-	-	-	-	-
Terry Stinson	-	-	-	30,000	30,000	-
Ashley Zimpel	-	-	-	300,000	300,000	300,000
David Budge	23,946,785	-	-	(8,000,000)	15,946,785[2]	-
Nathan Henry	1,975,485	-	-	(1,825,485)	150,000[2]	150,000
Paul Kristensen	70,000	-	-	-	260,000[2]	260,000
Mel Ashton	170,000	-	-	375,000	545,000	545,000
Mathew Whyte	-	-	-	-	-	-
Other KMPs						
Peter Snowsill	-	-	-	-	-	-

[1] Shares held nominally by the Director are included in the Balance at the end of the year.
[2] Balance held at date of resignation 25 March 2020.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Options

FY 2021	Balance at beginning of year Number	Granted as compensation Number	Exercised Lapsed	Net change other Number	Balance at end of year Number
Directors					
Grant Mooney	2,000,000	-	-	-	2,000,000
Terry Stinson	2,000,000	-	-	-	2,000,000
Ashley Zimpel	2,000,000	-	-	-	2,000,000
Mel Ashton	100,000	2,000,000[1]	(100,000)	-	2,000,000
Other KMPs					
Peter Snowsill	-	3,000,000[2]	-	-	3,000,000

[1] Options (Ex $0.14/ Exp 27 Nov 2023)
[2] Options (Ex $0.14/EXP 14 Aug 2022)

FY 2020	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Grant Mooney	-	2,000,000[1]	-	-	2,000,000
Terry Stinson	-	2,000,000[2]	-	-	2,000,000
Ashley Zimpel	-	2,000,000[1]	-	-	2,000,000
David Budge	295,000	-	-	280,000	15,000[3]
Nathan Henry	280,000	-	-	265,000	15,000[3]
Mathew Whyte	165,000	-	-	-	165,000[4]
Paul Kristensen	100,000	-	-	-	100,000
Mel Ashton	100,000	-	-	-	100,000

1 Options (Ex $0.14/ Exp 25 March 23)
2 Options (Ex $0.14/EXP 30 April 23)
3 Balance held at date of resignation 25 March 20
4 Balance held at date of resignation 29 February 20

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Rights

FY 2021	Balance at beginning of year Number	Granted as compensation Number	Exercised /Cancelled Number	Net change other Number	Balance at end of year Number
Directors					
Mel Ashton	50,000	-	-	-	50,000
Other KMP's					
Peter Snowsill	30,000	-	-	-	30,000

FY 2020	Balance at beginning of year Number	Granted as compensation Number	Exercised /Cancelled Number	Net change other Number	Balance at end of year Number
Directors					
David Budge	50,000	-	-	-	50,000[1]
Nathan Henry	50,000	-	-	-	50,000[1]
Mathew Whyte	50,000	-	50,000	-	-
Paul Kristensen	50,000	-	50,000	-	-
Mel Ashton	50,000	-	-	-	50,000
Other KMP's					
Peter Snowsill	-			30,000	30,000

[1] Balance held at date of resignation 25 March 2020.

END OF AUDITED REMUNERATION REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO OFFICERS AND AUDITORS

The Company has entered into Deeds of Indemnity, Insurance and Access with each Director.

Under these deeds, the Company has undertaken, subject to restrictions in the Corporations Act, to:

a) Indemnify each Director from certain liabilities incurred from acting in that position under specified circumstances;
b) Maintain directors' and officers' insurance cover (if available) in favour of each Director whilst that person maintains such office and for seven years after the Director has ceased to be a Director;
c) Provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of seven years after the Director has ceased to be a director.

During the year, the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all directors and the company secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be bought against the officers in their capacity as officers of the Company, and any payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.
Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against any liability as such by an officer or auditor.

NON-AUDIT SERVICES

DIRECTORS' REPORT

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 27 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 20 and forms part of this Directors' report for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.

Mr Grant Mooney
Chairman
Dated this 27 August 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Aurora Labs Limited for the year ended 30 June 2021, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 August 2021

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Continuing operations			
Revenue	3(a)	171,618	414,860
Cost of sales		(23,944)	(241,840)
Other income	3(c)	51,367	198,074
Advertising		6,819	(295,478)
Research and development expenses	3(d)	(451,448)	(1,255,816)
Impairment of patents & inventory costs	3(g)	(824,266)	-
Rent		(103,445)	(126,136)
Corporate expenses		(514,900)	(1,436,487)
Depreciation	3(f)	(350,262)	(387,472)
Employee benefits		(1,828,914)	(4,594,032)
Share based payments (non-cash)		(378,087)	(303,029)
Finance expenses		(56,937)	(113,910)
Other expenses	3(e)	(918,091)	(1,258,027)
Loss before income tax benefit		(5,220,490)	(9,399,293)
Income tax benefit	4	797,793	1,243,434
Loss for the year		(4,422,697)	(8,155,859)
Loss attributable to members of the Company		(4,422,697)	(8,155,859)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(4,422,697)	(8,155,859)

		cents	cents
Basic loss per share	5(d)	3.05	7.85
Diluted loss per share	5(d)	3.05	7.85

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANIAL POSITION
AS AT 30 JUNE 2021

	Notes	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Assets			
Current Assets			
Cash and cash equivalents	7	**1,372,450**	1,323,766
Trade and other receivables	8	**814,324**	1,762,590
Inventories	9	**-**	458,103
Total Current Assets		**2,186,774**	3,544,459
Non-Current Assets			
Investments accounted for using the equity method	10	**-**	-
Property, plant and equipment	11	**485,343**	720,916
Right-of-Use lease assets	12	**239,671**	242,013
Intangibles	13	**-**	533,436
Total Non-Current Assets		**725,014**	1,496,365
Total Assets		**2,911,788**	5,040,824
Liabilities			
Current Liabilities			
Trade and other payables	14	**350,187**	440,075
Lease liabilities	15	**94,501**	269,238
Borrowings	16	**-**	724,167
Other liabilities	14	**-**	44,905
Accrued annual leave	14	**109,012**	172,211
Total Current Liabilities		**553,700**	1,650,596
Non-Current Liabilities			
Lease liabilities	15	**157,501**	-
Total Non- Current Liabilities		**157,501**	-
Total Liabilities		**711,201**	1,650,596
Net Assets		**2,200,587**	3,390,228
Equity			
Issued capital	5(a)	**29,995,029**	27,218,305
Reserves	5(c)	**1,290,757**	2,269,440
Accumulated losses		**(29,085,199)**	(26,097,517)
Net Equity		**2,200,587**	3,390,228

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Issued Capital $	Option 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 year (net of share issue costs)	2,776,724	456,332	-	3,233,056
Write off expired options	-	(1,435,015)	1,435,015	-
Loss for the year	-	-	(4,422,697)	(4,422,697)
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,422,697)	(4,422,697)
Balance as at 30 June 2021	29,995,029	1,290,757	(29,085,199)	2,200,587

Consolidated	Issued Capital $	Option 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 year (net of share issue costs)	5,424,836	385,255	-	5,810,091
Loss for the year	-	-	(8,155,859)	(8,155,859)
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(8,155,859)	(8,155,859)
Balance as at 30 June 2020	27,218,305	2,269,440	(26,097,517)	3,390,228

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Cash flows from operating activities			
Receipts from customers		**121,618**	522,134
Payments to suppliers and employees		**(3,195,692)**	(8,936,969)
Interest received		**1,382**	17,371
Interest and other costs of finance paid		**(94,508)**	(63,712)
Receipts from export development grant		**-**	150,000
Income tax benefit		**1,294,852**	1,971,827
Receipts from cash flow boost & jobkeeper		**192,500**	50,000
Net cash (used in) operating activities	7	**(1,679,848)**	(6,289,349)
Cash flows from investing activities			
Payments for Property, plant and equipment		**(2,712)**	(368,259)
Receipts from sale of Property, plant and equipment		**9,576**	-
Payments for intangible assets		**-**	(226,355)
Net cash (used in)/provided by investing activities		**6,864**	(594,614)
Cash flows from financing activities			
Proceeds from borrowings		**-**	724,167
Repayment of lease liabilities		**(330,914)**	(263,468)
Repayment of borrowings		**(724,167)**	(1,350,000)
Proceeds from issue of shares (net of capital raising costs)		**2,776,749**	5,503,753
Net cash provided by financing activities		**1,721,668**	4,614,452
Net decrease in cash held		**48,684**	(2,269,511)
Cash and cash equivalents at the beginning of the year		**1,323,766**	3,604,293
Exchange rate adjustments		**-**	(11,016)
Cash and cash equivalents at the end of the year	7	**1,372,450**	1,323,766

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

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

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Aurora Labs Limited ("Aurora" or the "Company") and its subsidiaries (the "Group").

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

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

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. 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.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations issued but not yet adopted for the year ended 30 June 2021. 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.

(c) Statement of compliance

The financial report was authorised for issue in accordance with a resolution of the Directors on 27 August 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting estimates and judgements (continued)

Impairment

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(e) Segment reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aurora Labs Limited.

The Group operating segment disclosure has been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2021 and the year ended 30 June 2020.

The revenues and results of this segment are those of the Group as set out in the statement of comprehensive income and the assets and liabilities of the Group are set out in the statement of financial position.

(f) Foreign currency translation

Both the functional and presentation currency of Aurora Labs Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(g) Revenue from Contracts with Customers

Revenue arises mainly from the sale of 3D metal printers. The Group generates revenue largely in the USA, through distributors or directly with customers.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue from Contracts with Customers (continued)

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related statement of financial position items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.
For contracts with multiple components to be delivered such as 3D metal printers, powder and the installation of 3D metal printers management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Transaction price

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract.
The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied. For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long term contracts, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by contract type, which includes (i) Directly to customers and (ii) through distributers as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows.

Performance obligations

The nature of contracts or performance obligations categorised within this revenue type includes (i) delivery of printers and (ii) installation and training.

The service contracts in this category include contracts with either a single or multiple performance obligations.
The Group considers that the services provided meet the definition of a series of distinct goods and services as they are (i) substantially the same and (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g., monthly or annual services)) and therefore treats the series as one performance obligation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue from Contracts with Customers (continued)
Performance obligations (continued)

(i) Sale of printers
Revenues are recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods . This occurs upon pick up of printers by transport company from Aurora warehouse.
(ii) Training and Installation
Revenues are recognised as training and installation has been completed.

Contract assets and contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.
As a result of the contracts which the Group enters into with its customers, a number of different assets and liabilities are recognised on the Group's balance sheet. These include but are not limited to:

- Trade receivables*
- Accrued income*
- Deferred income*

* No change in the accounting policies for these assets as a result of the adoption of AASB 15

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(h) Leases

The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes classification, measurement and recognition leases. All leases where the Company is the lessee are recognised on the Condensed Statement of Financial Position and removes the former distinction between 'operating and 'finance leases'. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term, and low value leases. (Refer Note 19)

(i) Income tax
The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Impairment of tangible and intangible assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of tangible and intangible assets other than goodwill (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(n) Investments in Joint Ventures

Interests in joint arrangements – Joint Venture

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Recognition

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position and adjusted thereafter to recognise the Group's share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Investments in Joint Ventures (continued)

An investment in the joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in the joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of ASSB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in the joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gains or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.
When a Group entity transacts with a joint venture of the Group, profits and loss resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on diminishing value basis using the following notes:

- Plant and equipment 10% to 30%
- Leasehold Improvements Over the term of the lease

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Property, plant and equipment (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(q) Intangible assets
Intangible assets acquired separately
Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:
Patents 20 years from application following grant of patent

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(t) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Share-based payment transactions

Share-based payment transactions

Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).
The Group has the following plan in place:

- the Employee Incentive Plan (EIP), which provides benefits to Directors and senior executives and is governed by the Employee Incentive Plan Rules.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value for Options is determined by internal valuation using a Black-Scholes model. The fair value for Performance Rights is determined by using a barrier up and in option pricing model. Further details are given in Note 6.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Group (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.
If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 5.

Cash settled transactions:

The Group also provides benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Company.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, refer Note 20. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) 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 year ended 30 June 2021 of $4,422,697 (2020: $8,155,859) and had net cash outflows from operating activities of $1,679,848 (2020: $6,289,349). As at 30 June 2021, the Company has a net current asset position of $1,633,073 (2020: $1,893,863).

The net current asset position as at 30 June 2021 includes the following:
- cash at bank of $1,372,450 (2020: $1,323,766);
- Income tax benefit receivable $746,215 (2020: $1,243,273);

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2. SEGMENT REPORTING

The Company only operated in one segment, being design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2021 and the year ended 30 June 2020.

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Geographical segment		
Australia	171,618	40,000
Europe	-	31,790
Canada	-	112,455
South America	-	97,006
USA	-	124,853
East Asia	-	8,756
Total	171,618	841,620

NOTE 3. REVENUE AND EXPENSES

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
(a) Revenue from contracts with customers		
Sales at a point in time		
Directly to customers	171,618	414,860
Through distributors	-	-
Total	171,618	414,860
(b) Revenue by product line		
Printers	-	263,822
Powder	-	26,004
Printer installations	-	66,466
Other	171,618	58,568
Total	171,618	414,860
(c) Other Income		
Interest received	1,367	16,330
Loss from joint venture	-	(195,310)
Cash flow boost	100,000	100,000
Payroll tax rebate	-	17,500
Export marketing development grant	(50,000)	240,000
Other	-	19,554
Total	51,367	198,074
(d) Research and Development expenses*		
Consultancy fees	12,677	14,800
Consumables, design and engineering services (1)	438,770	1,241,016
Total	451,447	1,255,816

NOTE 3. REVENUE AND EXPENSES (CONTINUED)

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
(e) Other Expenses		
Freight and courier	44,504	143,251
Insurance	167,609	277,000
Software	48,010	93,449
Travel	2,488	258,296
Bad debts written off	-	6,412
Payroll Tax	52,417	165,670
Provision for Additive Now loan	129,978	-
Other	473,085	313,949
Total	918,091	1,258,027
(f) Depreciation		
Depreciation – Right-of-use- leased assets	240,024	118,952
Depreciation – Property, Plant and Equipment	110,238	268,520
Total	350,262	387,472
(g) Impairment of patents and inventory		
Depreciation – Right-of-use- leased assets	532,034	-
Depreciation – Property, Plant and Equipment	292,232	-
Total	824,266	-

* Research and Development expenses relate to direct expenses only. It should be noted that a significant portion of Employee Benefits, Other Costs are considered eligible expenses for R&D tax claim purposes, and includes write offs of previously capitalised amounts which is also considered ineligible expenses for R&D tax claim purposes.

NOTE 4. INCOME TAX

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
(a) Income tax benefit	797,793	1,243,434
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	(5,220,490)	(9,399,293)
Income tax using the Company's tax rate of 26% (2020 27.5%)	(1,357,327)	(2,584,806)
Current period (loss) for which no deferred tax asset was recognised	1,357,327	2,584,806
Income tax benefit relating to Research and Development claim	797,793	1,243,434
Income tax benefit attributable to entity	797,793	1,243,434

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Other timing difference	890,185	-
Losses available for offset against future taxable income	19,281,168	18,034,116
Total	20,171,353	18,034,116
Potential tax benefits of 26% (2020: 27.5%)	5,244,552	4,959,382

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5. ISSUED CAPITAL

a) Ordinary Shares

	Consolidated 30 June 21 Number	Consolidated 30 June 21 $	Consolidated 30 June 20 Number	Consolidated 30 June 20 $
Movements in 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	5,739,400
Share purchase plan	12,087,351	1,027,425	-	-
Advisor shares	-	-	570,000	117,000
Sub total	*35,616,763*	*3,027,425*	*117,279,707*	*27,649,869*
Less share issue costs		(250,701)	-	(431,564)
Balance at end of year	152,896,470	29,995,029	117,279,707	27,218,305

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

On a 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.

b) Performance Shares

2020	Class B Number	Class C Number	Total Number
Balance at beginning of year	-	7,612,500	7,612,500
Performance Shares redeemed and cancelled		(7,612,500)	(7,612,500)
Total at end of year to 30 June 2020	-	-	-

Performance Shares were all issued for nil consideration.

Performance Shares hold no rights over ordinary shares and do not receive any dividends, however were to convert to Ordinary Shares based on Company Milestones being achieved:

- A Class C Performance Share in the relevant class were to convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$7,250,000 before 30 June 2019. On 11 July 2019, 7,612,500 Class C Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2019. Refer Aurora's announcement to ASX dated 12 July 2019 ('Changes to Company Securities and Appendix 3Y').

c) Reserves

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Reserves		
Balance at beginning of year	2,269,440	1,884,185
Option reserve [1]	(973,778)	136,794

Performance rights reserve [1]	**(4,905)**	248,461
Balance at the end of the year	**1,290,757**	2,269,440

[1] These reserves are used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 6 for further details.

NOTE 5. ISSUED CAPITAL (CONTINUED)

d) Loss per share

	Consolidated 30 June 21	Consolidated 30 June 20
Total loss from continuing operations	**4,422,697**	8,155,859
Weighted number of average shares	**144,943,449**	103,890,135
	Cents	Cents
Loss per share	**3.05**	7.85

e) Dividends

There were no dividends declared or paid in the year to 30 June 2021 (2020: Nil).

NOTE 6. COMPANY OPTIONS AND PERFORMANCE RIGHTS

	Consolidated 30 June 21 Number	Consolidated 30 June 21 $	Consolidated 30 June 20 Number	Consolidated 30 June 20 $
Company Options				
Balance at the beginning of the year	8,429,107	1,810,295	6,566,107	1,619,637
Options issued	11,670,000	397,563	7,000,000	295,683
Options expired	(1,322,000)	(1,435,015)	(5,137,000)	-
Balance at the end of year	18,777,107	772,843	8,429,107	1,810,295

During FY2021 1,322,000 options expired (FY2020 5,137,000)

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price $	Outstanding at 1 July 20	(Lapsed)/ (Cancelled) or Issued	Outstanding at 30 June 21
29 Aug 17[1]	31 Aug 20	0.79	417,000	(417,000)	-
27 Sep 17[1]	30 Sep 20	0.72	50,000	(50,000)	-
29 Nov 17[3]	31 Aug 20	0.79	45,000	(45,000)	-
29 Nov 17[3]	31 Jul 20	0.95	100,000	(100,000)	-
17 Apr 18[4]	31 Jan 21	1.08	200,000	(200,000)	-
30 Aug 18[6]	31 Dec 20	0.50	250,000	(250,000)	-
14 Feb 19[7]	15 Feb 22	0.57	367,107	-	367,107
13 Dec 19[8]	13 Dec 22	0.39	1,000,000	-	1,000,000
25 Mar 20[9]	25 Mar 23	0.14	4,000,000	-	4,000,000
23 Apr 20[10]	30 Apr 23	0.14	2,000,000	-	2,000,000
27 Nov 20[11]	27 Nov 23	0.14	-	2,000,000	2,000,000
14 Aug 20[12]	14 Aug 22	0.14	-	3,000,000	3,000,000

27 Nov 20[13]	27 Nov 22	0.14	-	2,500,000	2,500,000
22 Apr 21[14]	21 Apr 23	0.17	-	4,170,000	4,170,000
22 June 21[14]	21 Apr 23	0.17	-	(260,000)	(260,000)
TOTAL			8,429,107	10,348,000	18,777,107

NOTE 6. COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

[1] Unquoted (ULO) Options issued to eligible non- related parties pursuant to Aurora Employee Incentive Plan.
[2] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 12 June 2017.
[3] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 29 Nov 2017.
[4] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 17 April 2018.
[5] Quoted Options issued pursuant to Placement and SPP for $0.01 per option.
[6] ULO issued to corporate Advisor and ratified by shareholders at AGM on 30 November 2018.
[7] ULO issued pursuant to Placement and ratified by shareholders at EGM on 17 June 2019.
[8] ULO issued pursuant to Placement and ratified by shareholders at AGM on 13 December 2019.
[9] ULO issued pursuant to its issuing capacity under Listing Rule 7.1 and ratified by shareholders at AGM on 23 April 2020.
[10] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at AGM on 23 April 2020.
[11] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at AGM on 23 April 2020.
[12] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan on appointment of CEO 14 Aug 2020.
[13] ULO issued to corporate Advisor and ratified by shareholders at AGM on 27 November 2020.
[14] ULO issued to eligible related parties pursuant to Aurora Employee Incentive Plan, some ULO subsequently lapsed 30 days after the resignation of an employee under the plan rules.

	Consolidated 30 June 21 Number	Consolidated 30 June 21 $	Consolidated 30 June 20 Number	Consolidated 30 June 20 $
Company Performance Rights				
Balance at the beginning of the year	970,737	513,009	755,826	264,548
Performance Rights Issued	-	-	1,160,634	379,527
Performance Rights Earnt	-	4,905	-	126,906
Performance Rights Cancelled	-	-	(945,723)	(257,972)
Balance at the end of year	970,737	517,914	970,737	513,009

The following options and performance rights were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date
Employee Incentive Plan	225,000	22 Nov 16	30 Nov 19	$2.23	$0.29	22 Nov 16
Employee Incentive Plan	641,000	14 Mar 17	31 Mar 20	$3.00	$1.17	14 Mar 17
Employee Incentive Plan	255,000	12 Jun 17	30 Nov 19	$2.23	$0.29	12 Jun 17

Employee Incentive Plan	290,000	12 Jun 17	31 Mar 20	$3.00	$0.28	12 Jun 17
Employee Incentive Plan	40,000	12 Jul 17	30 Jun 20	$1.17	$0.26	12 Jul 17
Employee Incentive Plan	432,000	29 Aug 17	31 Aug 20	$0.79	$0.30	29 Aug 17
Employee Incentive Plan	50,000	27 Sep 17	30 Sep 20	$0.72	$0.23	03 Oct 17
Employee Incentive Plan	100,000	29 Nov 17	31 Jul 20	$0.95	$0.48	29 Nov 17
Employee Incentive Plan	45,000	29 Nov 17	31 Aug 20	$0.79	$0.45	29 Nov 17
Employee Incentive Plan	200,000	17 Apr 18	31 Jan 21	$1.08	$0.24	17 Apr 18
Placement	500,000	17 Apr 18	17 Apr 20	$1.00	-	17 Apr 18

NOTE 6. COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date
Placement	3,686,000	17 Apr 18	17 Apr 20	$1.00	-	17 Apr 18
Options issued to corporate advisor	250,000	30 Aug 18	31 Dec 20	$0.50	$0.13	30 Aug 18
Placement	367,107	14 Feb 19	15 Feb 22	$0.57	$0.20	14 Feb 19
Performance Rights[1]	617,159	30 Aug 18	31 Jan 23	$0.90	$0.23	30 Aug 18
Performance Rights[1]	250,000	30 Nov 18	31 Jan 23	$0.90	$0.48	30 Nov 18
Performance Rights[1]	1,160,634	11 Jul 19	11 Jul 19	$0.47	$0.33	-
Placement	1,000,000	13 Dec 19	13 Dec 22	$0.39	$0.26	13 Dec 19
Placement	4,000,000	25 Mar 20	25 Mar 23	$0.14	$0.03	25 Mar 20
Employee Incentive Plan	2,000,000	30 Apr 20	30 Apr 23	$0.14	$0.05	30 Apr 20
Employee Incentive Plan	2,000,000	27 Nov 20	27 Nov 23	$0.14	$0.028	24 Apr 21
Employee Incentive Plan	3,910,000	22 Apr 21	21 Apr 23	$0.14	$0.053	22 Apr 23

[1] Performance Rights were issued under the Employee Incentive Plan. The fair value of the equity-settled performance rights granted is estimated as at the date of grant using a barrier up and in option pricing model taking into account the terms and conditions upon which the performance rights were granted.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Share options issued prior to listing on the ASX have not been valued using the Black Scholes model.

No options were exercised during FY2021.

During FY2021 No performance rights were cancelled (FY2020 945,723)

No performance rights were exercised during the 2021 year or FY2020.

The following share-based payment arrangements were entered into during the period:

Options	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
				$	$	
Director options Series 5	2,000,000	27 Nov 20	27 Nov 23	0.14	86,000	27 Nov 20
Director options Series 6	3,000,000	14 Aug 20	14 Aug 22	0.14	107,400	14 Aug 20
Advisor options Series 7	2,500,000	27 Nov 20	27 Nov 22	0.14	78,250	27 Nov 20
Employee Incentive plan Series 8	4,170,000	22 Apr 21	21 Apr 23	0.14	220,593	21 Apr 21
	11,670,000				492,243	

NOTE 6. COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

Series 5

One director received 2,000,000 options with the following vesting conditions:

500,000 Options will vest if the Director is in office for at least 6 months from date of grant;

500,000 Options will vest if the Director is in office for at least 12 months from date of grant; and

1,000,000 Options will vest if the Director is in office for at least 24 months from date of grant.

Equity series	5	6	7
Dividend yield (%)	-	-	-
Expected volatility (%)	100%	100%	100%
Risk-free interest rate (%)	0.11%	0.11%	0.11%
Expected life of option (years)	3	2	3
Exercise price (cents)	0.14	0.14	0.14
Grant date share price	0.083	0.081	0.105

The expected life of the options and performance shares is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options and performance rights granted were incorporated into the measurement of fair value.

NOTE 7. CASH AND CASH EQUIVALENTS

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Cash at hand and in bank	1,372,450	1,323,766
Term Deposits	-	-
Total	1,372,450	1,323,766

Cash at bank earns interest at floating rates based on daily deposit rates.

The Company did not engage in any non-cash financing activities for the year ended 30 June 2021.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Cash and cash equivalents	1,372,450	1,323,766
Total	1,372,450	1,323,766

NOTE 7. CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of loss after tax to net cash outflow from operating activities:

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Loss for the year	(4,422,697)	(8,155,859)
Adjustment for non-cash income and expense items		
Depreciation	350,262	387,472
Equity settled share-based payments	378,087	303,029
Patents impaired	533,436	492,799
Share of joint venture loss	-	195,310
Bad debt expenses	-	6,412
Assets written off	272,685	-
Change in assets and liabilities		
Decrease in trade and other receivables	948,268	565,080
Decrease in inventories	458,103	190,539
(Decrease) in annual leave accrual	(63,199)	(28,105)
(Decrease) in prepaid income	(44,905)	-
(Decrease) in trade and other payables	(89,888)	(246,026)
Net cash outflow from operating activities	(1,679,848)	(6,289,349)

Cash Flows from Financing activities

On 1 May 2020, Aurora borrowed $724,167 secured against the R&D claim for the year ended 30 June 2020. The term of the loan is up to 31 October 2020 with an annual interest rate of 14%. The loan was be repaid with the receipt of the R&D income tax claim. Refer note 4.

Changes in liabilities arising from financing activities

2021	Commercial Loan $	Lease Liability $	Total $
Opening balance	724,167	269,238	993,405
Repayment of R&D funding	(724,167)	-	(724,167)
Acquired lease liabilities	-	267,752	267,752
Other	-	45,926	45,926
Principal and interest repayments	-	(330,914)	(330,914)
Closing balance	-	252,002	252,002

2020	Commercial Loan $	Lease Liability $	Total $
Opening balance	1,350,000	-	1,350,000
Repayment of R&D funding	(1,350,000)	-	(1,350,000)
R&D funding received	724,167	-	724,167
Lease liabilities acquired	-	508,350	508,350
Other		24,356	24,356
Principal and interest repayments	-	(263,468)	(263,468)
Closing balance	724,167	269,238	993,405

NOTE 8. TRADE AND OTHER RECEIVABLES

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Bank guarantee	-	92,959
Security bond	38,592	-
Accounts Receivable	-	121,214
GST	-	21,647
Interest receivable	16	16
Other receivables	17,384	273,775
Income tax benefit receivable	746,215	1,243,273
Pre-paid expenses	12,117	9,706
Total	814,324	1,762,590

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.
In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2021 and 30 June 2020 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

There are no expected credit losses for trade receivables FY2021 or FY2020, except for the following: $129,978 in expected losses FY2021.

The receivable from the Additive Now JV has been fully provided for as it is not expected to be recovered due to losses in the JV.

NOTE 9. INVENTORIES

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Stock on Hand	-	168,505
Raw materials – Powders at cost	-	138,470
Work in progress – Small Format Printers at cost	-	151,128
Total	-	458,103

During the year the Company shifted focus away from small format printers . All inventory costs have been expensed to the P&L as they will be used in research and development.

NOTE 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Joint venture

Details of the Group's material joint venture at the end of the reporting period is as follows:

	Principal Activity	Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %	Published fair value 2021 $	Published fair value 2020 $

AdditiveNow Pty Ltd	Development of 3D print designs	Australia	50%	50%	-	-

NOTE 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Material Joint Venture

	30 June 2021 $	30 June 2020 $
Revenue	65,585	294,449
Profit (Loss) for the year		
- Continuing operations	(562,052)	(363,373)
Other comprehensive income for the year	-	-
Dividends received during the year	-	-

Statement of financial position

	30 June 2021 $	30 June 2020 $
Current Assets	842,729	598,958
Non-Current Assets	-	-
Current Liabilities	1,377,534	571,711
Non-Current Liabilities	-	-
Net Assets	(534,805)	27,247

Reconciliation of summarised financial information to the carrying amount of the interest in joint venture

	30 June 2021 $	30 June 2020 $
Net assets of the joint venture	(534,805)	27,247
Portion of the Group's ownership interest in the joint venture	50%	50%
		-
Carrying value of the Group's interest in the joint venture	-	195,310

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(i) Carrying value

2021	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total $
Cost	485,807	276,830	78,038	-	840,675
Accumulated depreciation and impairment	(135,282)	(185,814)	(34,236)	-	(355,332)
Carrying value as at 30 June 2021	**350,525**	**91,016**	**43,802**	-	**485,343**
2020					
Cost	430,339	307,632	254,657	213,100	1,205,728
Accumulated depreciation and impairment	(89,939)	(163,567)	(36,371)	(194,935)	(484,812)
Carrying value as at 30 June 2020	**340,400**	**144,065**	**218,286**	**18,165**	**720,916**

NOTE 11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(ii) Reconciliation

2020	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total
Carrying value as at 1 July 2019	278,267	136,529	57,837	-	472,633
Additions	98,390	62,606	178,832	27,407	367,235
Depreciation expense	(36,257)	(55,070)	(18,383)	(9,242)	(118,952)
Balance at 30 June 2020	**340,400**	**144,065**	**218,286**	**18,165**	**720,916**
Additions	33,822	-	-	-	33,822
Disposal cost	(5,762)	(30,803)	(176,581)	-	(213,146)
Transfer	18,165	-	-	(18,165)	-
Sales or disposals accumulated depreciation	977	17,334	35,678		53,989
Depreciation expense	(37,077)	(39,580)	(33,581)	-	(110,238)
Balance at 30 June 2021	**350,525**	**91,016**	**43,802**	-	**485,343**

NOTE 12. RIGHT-OF-USE LEASED ASSETS

Carrying Value

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Cost	**267,752**	510,533
Accumulated depreciation	**(28,081)**	(268,520)
Carrying value	**239,671**	**242,013**

Reconciliation

Opening Balance	**242,013**	-
Recognised on 1 Jul 2019 on adoption of AASB 16	-	510,533
Additions	**267,752**	-
Write offs	**(28,529)**	-
Depreciation expense	**(241,565)**	(268,520)
Carrying value	**239,671**	242,013

NOTE 13. INTANGIBLES

(i) Carrying amount

Costs consist of patents lodged by the Group	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Cost	**989,255**	989,255
Impairment (1)	**(989,255)**	(455,819)
Balance at end of year	-	533,436

(ii) Reconciliation

Balance at the beginning of the year	**533,436**	733,265
Capitalised payments for patent related costs	-	255,990
Less impairment (1)	**(533,436)**	(455,019)
Balance at end of year	-	533,436

(1) The Board has made an impairment assessment and written off the value of patents.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14. TRADE AND OTHER PAYABLES

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Trade and other payables		
Accounts Payable	60,499	47,729
Other payables	289,688	392,346
Sub Total	350,187	440,075
Deferred Revenue - Deposits / pre-payments for small format printers	-	44,905
Accrued annual leave	109,012	172,211
Total	459,199	657,191

NOTE 15. LEASE LIABILITIES

Fair Value

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Current liabilities	94,501	269,238
Non-current liabilities	157,501	-
Total liabilities	252,002	269,238

Reconciliation

Opening Balance	269,238	-
Recognised on 1 Jul 2019 on adoption of AASB 16	-	508,350
Additions	267,752	-
Less rent waivers	30,227	-
Less Principal repayments	(330,914)	(202,282)
Less Interest repayments	15,699	36,830
Carrying value	252,002	269,238

NOTE 16. BORROWINGS

Current	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Secured		
Other Loans	-	724,167
Sub Total	-	724,167

On 1 May 2020 Aurora Labs borrowed $724,167 secured against the R&D claim for the year ended 30 June 2020. The term of the loan is up to 31 October 2020 with an annual interest rate of 14%. The loan will was repaid with the receipt of the R&D income tax claim in November 2020. Refer note 4.

NOTE 17. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no matters or circumstances which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

a) Group operations in future financial years; or
b) The results of those operations in future financial years; or
c) Group state of affairs in future financial years.

NOTE 18. DIVIDENDS

The Directors of the Group have not declared any dividend for the year ended 30 June 2021 (2020: No dividends).

NOTE 19. FINANCIAL INSTRUMENTS

a) Overview

The Group principal financial instruments comprise receivables, payables and cash. The main risks arising from the Group financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Group exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group risk management policy. Key financial risks are identified and reviewed annually, and policies are revised as required. The overall objective of the Group risk management policy is to recognise and manage risks that affect the Group and to provide a stable financial platform to enable the Group to operate efficiently.

The Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group financial risks as summarised below.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group financial assets represents the maximum credit risk exposure, as represented below:

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Cash and cash equivalents	**1,372,450**	1,323,766
Trade and other receivables	**814,324**	1,762,590
Total	**2,186,774**	3,086,356

Trade and other receivables are comprised primarily of advances to suppliers, bank guarantee, prepayments, interest receivable and GST refunds due. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from cash and cash equivalents, the Group exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

NOTE 19. FINANCIAL INSTRUMENTS (continued)

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2021	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	350,187	-	-	-	350,187
Borrowings	-	-	-	-	-
Lease liabilities	47,250	47,250	157,502	-	252,002
Accrued annual leave	109,012	-	-	-	109,012
Total	506,449	47,250	157,502	-	711,201

2020	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	440,075	-	-	-	440,075
Deferred revenue	44,905	-	-	-	44,905
Borrowings	724,167	-	-	-	724,167
Lease liabilities	106,166	163,072	-	-	269,238
Accrued annual leave	172,211	-	-	-	172,211
Total	1,487,524	163,072	-	-	1,650,596

d) Interest Rate Risk

The Groups exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group interest-bearing financial instruments was:

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
Interest-bearing financial instruments		
Cash at bank and on hand	1,372,450	1,323,766
Borrowings	-	(724,167)
Total	1,372,450	599,599

The Group's cash at bank and on hand and short-term deposits had a weighted average floating interest rate at year end of 0.1% (2020: 0.26%).

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

The Group considers that a 1% movement in interest rates would result in an immaterial impact on equity and the profit and loss.

NOTE 19. FINANCIAL INSTRUMENTS (continued)

e) Foreign Exchange Risk

The Group has an exposure to foreign exchange rates given that the Group purchases parts as part of the manufacture process of the SFP from international suppliers. A fluctuation in foreign exchange rates may affect the cost base of the SFP. The Group is actively marketing the SFP to international customers in USD. If foreign exchange rates change this may make the SFP more or less price competitive with competitor's metal 3D printers. Given the Group is not yet in production it is too early to quantify the financial impact of foreign exchange risk.

f) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 20. CONTINGENT LIABILITIES / ASSETS

The Company had no contingent liabilities or assets as at the reporting date.

NOTE 21. KEY MANAGEMENT PERSONNEL

a) Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors	*Position*
KMP	Position
Grant Mooney	Non-Executive Chairman; and Company Secretary
Terry Stinson	Non-Executive Director
Ashley Zimpel	Non-Executive Director
Mel Ashton	Non-Executive Director
Peter Snowsill	Chief Executive Officer

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
b) Key Management Personnel Compensation		
Short-term employee benefits	**493,350**	1,217,191
Post- employment benefits	**27,906**	84,061
Share-based payments	**235,674**	64,378
Total compensation	**756,930**	1,365,630

c) Other Transactions

Grant Mooney has provided company secretarial services during the year which totalled: $49,600 (2020: $8,000)

Mathew Whyte provided company secretarial services through a controlled entity Whypro Corporate Services. Payments for company secretarial services during the year totalled: $0 (2020: $86,400).

These amounts are included in the table above.

These items have been recognised as expenses in the Statement of Profit or Loss and Other Comprehensive Income.

d) Key Management Personal Payables

There were no amounts payable to KMP's as at 30 June 2021.

NOTE 22. TRANSATIONS WITH SUBSIDIARIES

The consolidated financial statements include the financial statements of Aurora Labs Limited and its subsidiaries listed in the following table.

	Country of incorporation	Equity Interest	
		30 June 21 %	30 June 20 %
A3D Operations Pty Ltd	Australia	100	100
A3D Holdings Pty Ltd	Australia	100	100
Aurora Labs 3D (US) LLC	USA	100	100

Aurora Labs Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

NOTE 23. SHARE-BASED PAYMENTS

a) Recognised Share-based Payment Expense

From time to time, the Company provides incentive options and performance rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options and performance rights granted, and the terms of the options and performance rights granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

	Consolidated 30 June 21 Number	Consolidated 30 June 21 $	Consolidated 30 June 20 Number	Consolidated 30 June 20 $
Expense arising from equity-settled share-based payment transactions	**8,910,000**	**378,087**	7,160,634	303,029
Net share-based payment expense/(income) recognised in the profit or loss	**8,910,000**	**378,087**	7,160,634	303,029

During FY2021. 2,500,000 options were issued to settle share issue costs $78,250. (2020: 1,000,000 options were issued to settle share issue costs $82,226).

b) Remaining Contractual Life

All Incentive Options and Performance rights outstanding at 30 June 2021 are able to be exercised prior to 11 July 2024, so there is 3 years remaining contractual life on all options and Performance shares as at the balance date (2020: 4 years).

c) Range of Exercise Prices

The exercise price of Incentive Options outstanding at 30 June 2021 are detailed in Note 6.

d) Weighted Average Fair Value

The fair value of all options issued during the year was $0.01 per option.

e) Option Pricing Model

The fair value of the equity-settled Company Options granted is estimated as at the date of grant using an internal valuation methodology taking into account the terms and conditions upon which the options were granted. In conjunction to the internal valuation model, the Board gave consideration to the market price for options being issued at arm's length during and since the end of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

PARENT ENTITY

Statement of financial position

	30 June 21 $	30 June 20 $
Current assets	1,917,976	2,201,754
Non-current assets	239,671	2,137,944
Current liabilities	195,788	949,470
Non-current liabilities	157,501	-
Net assets	1,804,358	3,390,228
Equity		
Issued capital	29,995,029	27,218,305
Option reserve	1,290,757	2,269,439
Retained earnings	(29,481,428)	(26,097,516)
Total equity	1,804,358	3,390,228

Statement of profit or loss and other comprehensive income

	30 June 21 $	30 June 20 $
Loss for the year	3,383,912	8,095,858
Other comprehensive income	-	-
Total comprehensive loss	3,383,912	8,095,858

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As at 30 June 2021, Aurora Labs Limited has not entered into any deed of cross guarantee with its three of its wholly-owned subsidiaries, A3D Operations Pty Ltd, A3D Holdings Pty Ltd and Aurora Labs 3D (US) LLC.

Contingent liabilities of the parent entity

As at 30 June 2021 Aurora Labs Limited has no contingent liabilities (2020: $Nil)

NOTE 24. AUDITORS REMUNERATION

	Consolidated 30 June 21 $	Consolidated 30 June 20 $
AUDITORS' REMUNERATION Amounts received or due and receivable by HLB Mann Judd for:		
• an audit or review of the financial report of the entity	33,979	30,725
• other services – Export Marketing Development Grant preparation and lodgement	-	5,250
Total	33,979	35,975

DIRECTORS DECLARATION

1. In the opinion of the Directors of Aurora Labs Limited ("Aurora" or the "Group"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

____

Grant Mooney
Chairman
Dated this 27th August 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Aurora Labs Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aurora Labs Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (w) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going* we have determined the matters described below to be the key audit matters to be communicated in our report.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying Value of Intangible Assets Refer to Note 13	
The Group has impaired carrying value of intangible assets. We considered this to be a key audit matter as it is determined to be important to the users of the financial statements.	Our procedures included but were not limited to: - Ensuring compliance of patents costs for recognition and continued capitalisation under AASB 138 Intangible Assets; - Considered existence of any impairment indicators under AASB 136 Impairment of Assets; and - Determining the appropriateness of the impairment amount.
Share Based Payments Refer to Note 23	
During the financial year the Company issued unlisted options to Key Management Personnel, employees and advisors. We have considered this to be a key audit matter as accounting for the transactions required significant management judgement involving a degree of estimation. Furthermore, options included non-market based vesting conditions.	Our procedures included but were not limited to: - Ensured that the accounting treatment of the share-based payment arrangements by the Company were consistent with the requirements of AASB 2 Share-based payment; and - Testing the inputs used in the calculation of the value of options.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Aurora Labs Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
27 August 2021

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

COMPANY SECURITIES

The following information is based on share registry information processed up to 19 August 2021.

Quoted Securities

There is one class of quoted securities, being:

1. Fully paid ordinary shares (ASX: A3D);

1) Fully Paid Ordinary Shares

a) Distribution and spread of Ordinary shares

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	331	162,813
1,001 – 5,000	525	1,600,463
5,001 – 10,000	407	3,226,560
10,001 – 100,000	979	37,095,411
100,001 and over	223	110,811,223
Total	2,465	152,896,470

b) Marketable parcel

There are 38 shareholders with less than a marketable parcel (basis price $0.08).

c) Voting rights

All ordinary shares carry one vote per share without restriction. Options and Performance Shares do not carry any voting rights.

d) Substantial Shareholders

There are two substantial shareholders, being Bartheer Beheer BV, holding 15,588,235 fully paid ordinary shares, being 10.2% of the fully paid ordinary shares on issue and Mr Matthew James Rolfe <Budge Family A/C>, holding 10,059,782 fully paid ordinary shares, being 6.58% of the fully ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the Company's quoted shares.

ADDITIONAL INFORMATION

ASX ADDITIONAL INFORMATION (continued)

f) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	BARTHEN BEHEER BV	15,588,235	10.20%
2	MR MATTHEW JAMES ROLFE <BUDGE FAMILY A/C>	10,059,782	6.58%
3	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,946,403	3.24%
4	CITICORP NOMINEES PTY LIMITED	3,179,999	2.08%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,032,121	1.98%
6	TIMSTER PTY LIMITED <THE MCROD SUPER FUND A/C>	2,850,000	1.86%
7	MCROD INVESTMENTS PTY LIMITED	1,666,153	1.09%
8	GASMERE PTY LTD	1,583,009	1.04%
9	LEE MILLER INVESTMENTS PTY LTD <D M & L INVESTMENTS A/C>	1,545,019	1.01%
10	MR JOHN CLIFFORD GRANT & MRS TRACY LYNNE GRANT <J & T GRANT ESF A/C>	1,517,194	0.99%
11	ONMELL PTY LTD <ONM BPSF A/C>	1,513,169	0.99%
12	MRS JESSICA CATHERINE ELIZABETH SNELLING <SNELLING FAMILY A/C>	1,330,377	0.87%
13	MR JOHN NATHAN HENRY	1,325,485	0.87%
14	MR ANTHONY PELLEGROM	1,200,000	0.78%
15	MR TERRY STEPHEN ROMARO	1,150,000	0.75%
16	ZWECS PTY LTD <SE & C STAUGHTON EXEC SF A/C>	1,142,671	0.75%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,137,133	0.74%
18	MR CHRISTIAN MATTHEW KONCURAT	1,120,000	0.73%
19	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,041,160	0.68%
20	MARRAH CAPITAL INVESTMENT PTY LTD <GARDINER BROOKES SUPER A/C>	1,000,000	0.65%
	Total	**57,927,910**	**37.88%**

ADDITIONAL INFORMATION

ASX ADDITIONAL INFORMATION (continued)

Unquoted Securities – Company Options and Performance Shares

There are two classes of unquoted securities, being:

1. Company Options:
2. Company Performance Rights

Distribution & Spread of unquoted Options & Performance Rights holder numbers

1a) Company Options – Exercisable $0.39/ Expiry 13 January 2022

Category	Ordinary Options	
(Size of holding)	Holders	Number
100,001 and over	2	1,000,000
Total	2	1,000,000

1b) Company Options – Exercisable $0.57/ Expiry 15 February 2022

100,001 and over	1	367,107
Total	1	367,107

1c) Company Options – Exercisable $0.14/ Expiry 25 March 2023

100,001 and over	2	4,000,000
Total	2	4,000,000

1d) Company Options – Exercisable $0.14/ Expiry 30 April 2023

100,001 and over	1	2,000,000
Total	1	2,000,000

1e) Company Options – Exercisable $0.14/ Expiry 14 August 2022

100,001 and over	1	3,000,000
Total	1	3,000,000

1f) Company Options – Exercisable $0.14/ Expiry 27 November 2022

100,001 and over	2	2,500,000
Total	2	2,500,000

1g) Company Options – Exercisable $0.17/ Expiry 24 April 2023

10,001 – 100,000	1	50,000
100,001 and over	12	3,860,000
Total	13	3,910,000

1h) Company Options – Exercisable $0.14/ Expiry 27 November 2023

100,001 and over	1	2,000,000
Total	1	2,000,000

2a) Company Performance Rights – Exercisable $0.90/ Expiry 31 January 2023

5,001 – 10,000	2	17,500
10,001 – 100,000	12	401,055
Total	14	418,555

2b) Company Performance Rights – Exercisable $0.47/ Expiry 11 July 2024

10,001 – 100,000	17	552,182
Total	17	552,182

ADDITIONAL INFORMATION

OTHER ASX INFORMATION

1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2021 as approved by the Board can be viewed at https://www.auroralabs3d.com/a3d/#/investors/corporate-compliance

2. Company Secretary

The name of the Company Secretary is Grant Mooney.

3. Address and telephone details of the entity's registered administrative office and principle place of business:

41-43 Wittenberg Drive
Canning Vale WA 6155
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

4. Address and telephone details of the office at which a registry of securities is kept:

Automic Group
Level 5, 126 Phillip Street,
Sydney NSW 2000

Telephone: +61 2 8072 1400

5. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange under the code (ASX: A3D).

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Restricted Securities

The Company has no restricted securities as at the date of this report.