



Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4D – Half Year Report for six months ended 31 December 2021

1. Details of reporting periods:

Current reporting period : Six (6) months to 31 December 2021

Previous corresponding period : Six (6) months to 31 December 2020

2. Results for announcement to the market:

	Six Months 31 December 2021 \$	Six Months 31 December 2020 \$	% Change
Revenues	15,081	2,282	UP 561%%
Loss after tax	(1,781,074)	(1,876,877)	DOWN 5.1%
Loss after tax attributable to members.	(1,781,074)	(1,876,877)	DOWN 5.1%

Commentary on the above figures is included in the attached Interim Financial Report for the half year ended 31 December 2021.

3. Statement of comprehensive income

Refer to attached Interim Financial Report for the half year ended 31 December 2021.

4. Statement of financial position

Refer to attached Interim Financial Report for the half year ended 31 December 2021.

5. Statement of cash flows

Refer to attached Interim Financial Report for the half year ended 31 December 2021.

6. Statement of changes in equity

Refer to attached Interim Financial Report for the half year ended 31 December 2021.

7. Dividend payments

Not applicable.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets per security

	31 December 2021 Cents
Net tangible assets per ordinary security	2.6

10. Gain or loss of control over entities

Not applicable.

11. Associates and joint ventures

Not applicable.

12. Other significant information

Not applicable.

13. Foreign entities

Not applicable.

14. Status of audit

The Interim Financial Report for the half year ended 31 December 2021 has been audit reviewed and is not subject to dispute or qualification.



Aurora Labs Limited

ABN 44 601 164 505

**Interim Financial Report
For the Half-Year 31 December 2021**

Contents	Page
Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	9
Condensed Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Statement of Financial Position	11
Condensed Statement of Changes in Equity	12
Condensed Statement of Cash Flows	13
Notes to the Condensed Financial Statements	14
Directors' Declaration	19
Independent Auditor's Review Report	20

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.comWebsite: www.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

Australian Securities Exchange Limited

ASX Code

A3D

DIRECTORS' REPORT

The Directors present their report together with the financial statements for Aurora Labs Limited (the "Company" or ("Aurora") and its subsidiaries (the "Group") for the half year ended 31 December 2021.

Directors

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

Grant Mooney	Non-Executive Chairman
	Company Secretary

Terry Stinson	Non-Executive Director
---------------	------------------------

Ashley Zimpel	Non-Executive Director
---------------	------------------------

Mel Ashton	Non-Executive Director
------------	------------------------

Unless otherwise disclosed, all directors held their office from 1 July 2021 until the date of this report.

Principal Activities

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

Review of Operating Results and Financial Conditions for the period

The comprehensive loss of the Group for the financial period, after providing for income tax amounted to \$1,781,073 (December 2020: \$1,876,877). The Group had \$3,929,352 in cash assets on 31 December 2021 (31 December 2020: \$3,039,089).

Review of Operations

Aurora Labs Limited (A3D), is an Australian industrial technology and innovation company that specialises in the development of 3D metal printing technology and its associated intellectual property.

A3D is developing a suite of market leading technologies, with its flagship high-power, multi-laser printing package ready to commercialise in 2022. The package is primed to service the market for an affordable, industrial grade, high productivity, high accuracy 3D metal printer, competitive with traditional metal manufacturing on a cost-effective basis.

High productivity, on demand printing is a potential solution for local industry facing supply chain challenges in the current climate. A3D is actively engaging with potential technology partners locally and globally to achieve those goals.

A3D fosters a robust discovery culture in its highly skilled team of in-house specialists and is enthusiastic about the future of Additive Manufacturing in the wider industrial technology community.

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

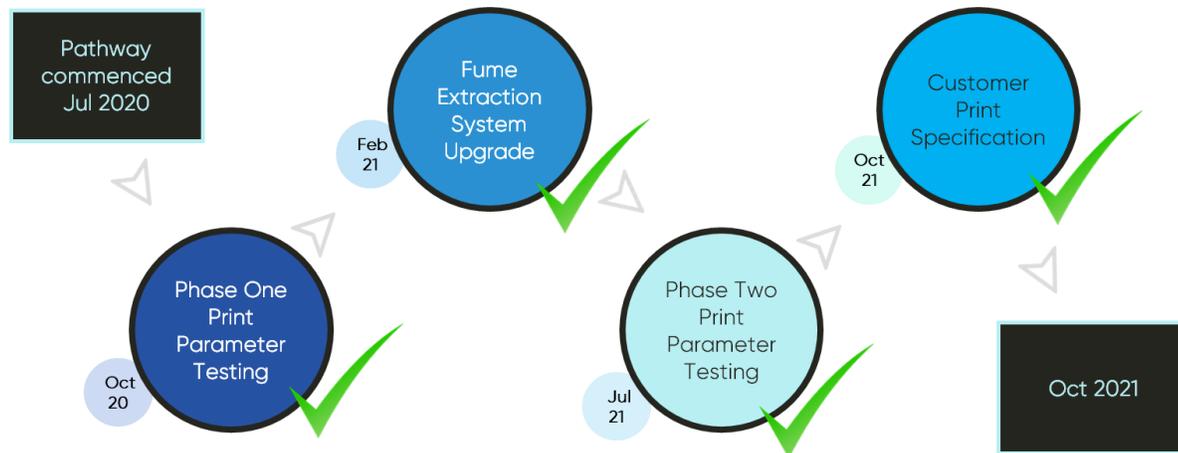
- Commercial readiness achieved with Milestone 4 achievement and completion of Technology Development Pathway
- \$3.6 million raised through successful share placement and share purchase plan
- Independent validation of high-power printing core technology by respected US additive manufacturing expert consultancy, The Barnes Global Advisors LLC
- Go-to-Market phase launched with the focus on a technology partnership model
- Successful Print Project delivered for BAE Systems Maritime Australia
- Tendering continues for 3D print manufacture of parts to ResourcesSector

DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

Commercial Ready: Technology Development Pathway

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



The Barnes Global Advisors LLC (TBGA)

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

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

Customer Printing

As part of the Technology Development Pathway, A3D continues to print parts for customers to demonstrate the targeted differentiated offering of the suite of technologies under development.

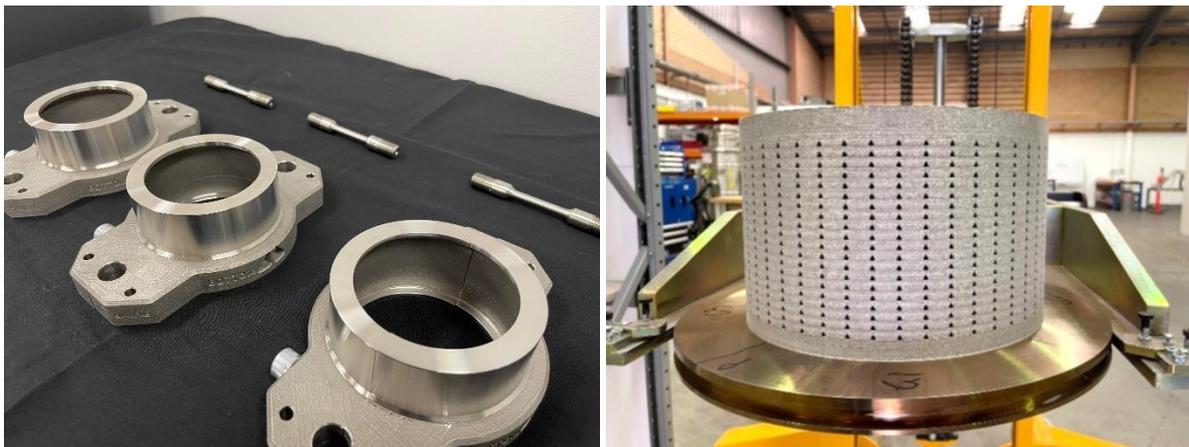
To this extent, the Company engaged with BAE Systems Maritime Australia (BAESMA) for a trial print project to print marine components for commercial evaluation for its Hunter Class Frigate Program (HCFP). The printed parts, which were manufactured using A3D's qualified, high-power printing parameters, and a comprehensive print report, were successfully delivered to BAESMA in September.

The project provided A3D with data useful to the overall progression of its technology, with the Company's internal evaluation and third-party testing of the parts showing positive results for quality, dimensional accuracy and build rate.

DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

Customer Printing (Continued)



Gland followers (L) and large valve trim (R) printed using 4-laser 1.5kW parameter sets on the RMP-1 Beta

A3D continued engagement with customers throughout the period, directly and via AdditiveNow, to identify broader print applications for its core technology offering, with a particular focus on industrial stainless steel parts including valves, pumps, impellers and heat exchangers. The Company is focussing on this material and part types due to their prevalence in local industries including mining and oil & gas.

Intellectual Property Management

As Intellectual Property (IP) protection is a central component of A3D's strategy, heavy emphasis continues on identifying and seeking patents for print process techniques with the potential to provide future enhancement to the current multi-laser, high-power technology.

Key target jurisdictions include Australia, Europe, the US, China and Japan for patent coverage, and encouraging advancements have been made during the period, with the Company granted print process patents in parts of Europe including Great Britain, Sweden, and Germany, and also in China.

Go-To-Market Strategy

A3D maintains a strong focus on seeking appropriate technology partners, the Company has undertaken several initiatives to launch the commercialisation phase post Technology Development Pathway completion. A commercial printer design project is at the forefront of A3D's Go-to-Market activities, supported by the development of contract printing capabilities and ongoing research and development.

DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

Go-To-Market Strategy (Continued)

Actions are in progress in key areas of the strategy:

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

Appointment of Consultants

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

Finance and Cash Position

During November, A3D successfully launched and completed a bookbuild for a placement of 26,086,957 shares at an issue price of \$0.115 per share to professional and sophisticated investors to raise \$3 million before costs ("Placement"). Blue Ocean Equities acted as Lead Manager to the placement. Following this, the Company also announced it successfully raised an additional \$595,000 before costs through a Share Purchase Plan at \$0.115 per share (SPP).

As at 31 Dec 2021, the Company's cash at bank and on deposit was approximately \$3.9 million.

Significant events after the balance date

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

DIRECTORS' REPORT (CONTINUED)**Auditor Independence**

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

Signed in accordance with a resolution of the directors.



Grant Mooney

Chairman

Dated this 24th February 2022

¹ Refer to Australian Government Department of Defence TRL definition:

https://www.dst.defence.gov.au/sites/default/files/basic_pages/documents/TRL%20Explanations_1.pdf ¹

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

¹ Refer A3D ASX Announcement 30 Nov 2021 "SPP Closure"



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Aurora Labs Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
24 February 2022

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Note	Consolidated 31 Dec 21 \$	Consolidated 31 Dec 20 \$
Continuing operations			
Revenue	4	15,081	2,282
Cost of goods sold		(4,939)	(13,613)
Gross profit/(loss)		10,142	(11,331)
Other income	4	56,412	147,897
Advertising		(4,462)	(7,675)
Research and development expenses		(124,770)	(243,278)
Rent		(19,271)	(55,670)
Corporate expenses		(265,251)	(89,255)
Depreciation		(81,811)	(188,946)
Employee benefits		(1,085,447)	(1,013,043)
Employee share-based payments (non-cash)		(127,055)	(111,976)
Finance expenses		(9,922)	(51,786)
Other expenses		(129,639)	(251,814)
Loss before income tax benefit		(1,781,073)	(1,876,877)
Income tax (expense) / benefit		-	-
Loss for the period		(1,781,073)	(1,876,877)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,781,073)	(1,876,877)
Basic (loss) per share (cents per share)		(1.11)	(1.39)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

		Consolidated	Consolidated
		31 Dec 21	30 Jun 21
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		3,929,352	1,372,450
Trade and other receivables	8	124,419	814,324
Total Current Assets		4,053,771	2,186,774
Non-Current Assets			
Property, plant and equipment		491,924	485,343
Right-of-use leased assets	5	195,056	239,671
Trade and other receivables		38,592	-
Total Current Assets		725,572	725,014
Total Assets		4,779,343	2,911,788
Current Liabilities			
Trade and other payables		472,464	350,187
Lease liabilities	6	94,501	94,501
Borrowings		53,837	-
Accrued annual leave		116,623	109,012
Total Current Liabilities		737,425	553,700
Non-Current Liabilities			
Lease liabilities	6	110,251	157,501
Total Non-Current Liabilities		110,251	157,501
Total Liabilities		847,676	711,201
Net Assets		3,931,667	2,200,587
Equity			
Issued capital	9	33,205,828	29,995,029
Reserves	10	1,592,111	1,290,757
Accumulated losses		(30,866,272)	(29,085,199)
Net Equity		3,931,667	2,200,587

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Half-Year to December 2021	Issued Capital	Option and Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	29,995,029	1,290,757	(29,085,199)	2,200,587
Equity issued during the period (net of share issue costs)	3,210,799	301,354	-	3,512,153
Loss for the period	-	-	(1,781,073)	(1,781,073)
Total comprehensive loss for the period	3,210,799	301,354	(1,781,073)	1,731,080
Balance at 31 December 2021	33,205,828	1,592,111	(30,866,272)	3,931,667

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

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Consolidated 31 Dec 21 \$	Consolidated 31 Dec 20 \$
Cash flows from activities		
Receipts from customers	71,199	-
Payments to suppliers and employees	(1,534,012)	(1,678,046)
Other receipts	-	49,657
Receipt of Government grant	-	192,500
Interest received	253	522
Income tax benefit received	746,215	1,243,273
Net cash (used in) operating activities	(716,345)	(192,094)
Cash flows from investing activities		
Payments for intangible assets	-	(87,925)
Payments for property, plant and equipment	(48,419)	(2,465)
Receipts from sale of property, plant and equipment	-	8,705
Net cash (used in) investing activities	(48,419)	(81,685)
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	3,385,099	2,776,724
Repayment of lease liabilities	(68,756)	(11,695)
Proceeds from borrowings	107,674	-
Repayment of borrowings	(53,837)	(724,167)
Payment of security bond	(38,592)	-
Interest on borrowings	(9,922)	(51,786)
Net cash provided by financing activities	3,321,666	1,989,102
Net increase/(decrease) in cash held	2,556,902	1,715,323
Cash and cash equivalents at the beginning of the period	1,372,450	1,323,766
Cash and cash equivalents at the end of the half-year	3,929,352	3,039,089

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

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

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

Basis of preparation

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

Accounting policies and methods of computation

Accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2021. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgements and key estimates

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

Significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2021.

Standards and Interpretations applicable to 31 December 2021

In the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue on the Group and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2021

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 2. GOING CONCERN

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

As disclosed in the financial statements, the Group has incurred a net loss after tax for the half year ended 31 December 2021 of \$1,781,073 (December 2020: \$1,876,877) and had net cash outflows from operating activities of \$716,345 (December 2020: \$192,094). As at 31 December 2021, the Company has a net current asset position of \$3,931,667 (June 2021: \$2,200,587).

The net current asset position as at 31 December 2021 includes the following:

- cash at bank of \$3,929,352 (June 2021: \$1,372,450);

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

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

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

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

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

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

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

NOTE 3. DIVIDENDS

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

NOTE 4. REVENUE & OTHER INCOME

	Consolidated 31 Dec 2021	Consolidated 31 Dec 2020
Print job income	15,081	2,282
Total Revenue	15,081	2,282
Recharge to JV	52,850	32,394
Interest income	294	798
Other income	3,268	14,705
Cashflow boost	-	100,000
Total Other Income	56,412	147,897

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 5. RIGHT-OF-USE LEASED ASSETS

Carrying Value

	Consolidated 31 Dec 2021	Consolidated 30 June 2021
Cost	267,752	267,752
Accumulated depreciation	(72,696)	(28,081)
Net Carrying value	195,056	239,671
Reconciliation		
Opening Balance	239,671	242,013
Additions	-	267,752
Write-offs	-	(28,529)
Depreciation expense	(44,615)	(241,565)
Carrying Value as at end of period	195,056	239,671

NOTE 6. LEASE LIABILITIES

	Consolidated 31 Dec 2021	Consolidated 30 June 2021
Current liabilities	94,501	94,501
Non-current liabilities	110,251	157,501
Total	204,752	252,002
Reconciliation		
Opening Balance	252,002	269,238
Additions	-	267,752
Rent waiver	-	30,227
Principal payments	(55,000)	(330,914)
Interest	7,750	15,699
Carrying Value as at end of period	204,752	252,002

NOTE 7. SEGMENT REPORTING

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

There were no customers greater than 10% of revenue.

NOTE 8. TRADE AND OTHER RECEIVABLES

	Consolidated 31 Dec 2021	Consolidated 30 Jun 2021
Accounts receivable	11,877	38,592
Interest receivable	42	16
Other receivables	-	17,384
Income tax receivable	-	746,215
Prepayments	112,500	12,117
	124,419	814,324

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 9. ISSUED CAPITAL

Ordinary shares on issue	Consolidated	Consolidated	Consolidated	Consolidated
	31 Dec 2021	31 Dec 2021	30 June 2021	30 June 2021
	Number	\$	Number	\$
Balance at beginning of the year	152,896,470	29,995,029	117,279,707	27,218,305
Placement	26,086,957	3,000,000	23,529,412	2,000,000
Share purchase plan	5,174,641	595,084	12,087,351	1,027,425
Less share issue costs	-	(384,285)	-	(250,701)
Balance at the end of the year	184,158,068	33,205,828	152,896,470	29,995,029

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

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

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

NOTE 10. RESERVES

	Consolidated 31 Dec 2021	Consolidated 30 Jun 2021
Balance at the beginning of the period	1,290,757	2,269,440
Option reserve	301,354	(973,778)
Performance rights reserve	-	(4,905)
Total	1,592,111	1,290,757

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

Movements in options on issue	Consolidated	Consolidated	Consolidated	Consolidated
	31 Dec 2021	31 Dec 2021	30 June 2021	30 June 2021
	Number	\$	Number	\$
Balance at beginning of period	18,777,107	16,527,107	8,429,107	1,810,295
Options issued	4,000,000	301,354	11,670,000	397,563
Options expired	-	-	(1,322,000)	(1,435,015)
	22,777,107	1,592,111	18,777,107	772,843

Movements in performance rights on issue	Consolidated	Consolidated	Consolidated	Consolidated
	31 Dec 2021	31 Dec 2021	30 June 2021	30 June 2021
	Number	\$	Number	\$
Balance at beginning of period	970,737	517,914	970,737	513,009
Performance rights issued	-	-	-	-
Performance rights earned	-	-	-	4,905
Performance rights cancelled	-	-	-	-
	970,737	517,914	970,737	517,914

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 11. SHARE BASED PAYMENTS

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

Option terms	Advisor Options	Consultant Options
Expected volatility (%)	75%	75%
Risk-free interest rate (%)	0.10%	0.10%
Expected life of option (years)	3	1
Exercise price (\$)	0.175	0.175
Grant date share price (\$)	0.135	0.125
Number of options	3,000,000	1,000,000

NOTE 12. SIGNIFICANT EVENTS AFTER THE BALANCEDATE

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

NOTE 13. FINANCIAL INSTRUMENT

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

DIRECTORS' DECLARATION

The directors declare that:

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

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



Grant Mooney

Chairman

Dated this 24th February 2022



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aurora Labs Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Aurora Labs Limited (“the company”) which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group’s financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to

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

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.



enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 February 2022

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

B G McVeigh
Partner

ⁱ Refer to Australian Government Department of Defence TRL definition:
https://www.dst.defence.gov.au/sites/default/files/basic_pages/documents/TRL%20Explanations_1.pdf