



Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4D – Half Year Report for six months ended 31 December 2022

1. Details of reporting periods:

Current reporting period : Six (6) months to 31 December 2022

Previous corresponding period : Six (6) months to 31 December 2021

2. Results for announcement to the market:

	Six Months 31 December 2022 \$	Six Months 31 December 2021 \$	% Change
Revenues	63,250	15,081	UP 319%
Loss after tax	(1,693,525)	(1,781,074)	DOWN 4.9%
Loss after tax attributable to members.	(1,693,525)	(1,781,074)	DOWN 4.9%

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 2022.

4. Statement of financial position

Refer to attached Interim Financial Report for the half year ended 31 December 2022.

5. Statement of cash flows

Refer to attached Interim Financial Report for the half year ended 31 December 2022.

6. Statement of changes in equity

Refer to attached Interim Financial Report for the half year ended 31 December 2022.

7. Dividend payments

Not applicable.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets per security

	31 December 2022 Cents
Net tangible assets per ordinary security	0.6

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 2022 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 2022**

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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
Website: 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 2022.

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 2022 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, provision of print services, and associated intellectual property development.

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 \$1,693,525 (December 2021: \$1,781,073). The Group had \$888,198 in cash assets on 31 December 2022 (31 December 2021: \$3,929,352).

Review of Operations

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

A3D is developing a suite of market leading technologies, with its flagship high laser power printing package ready to commercialise in 2023. 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 printed part end-users and potential technology partners locally and globally to achieve those goals.

A3D continues to protect the unique Multi-layer Concurrent Printing (MCP™) technology through global patent coverage as part of the longer-term commercialisation strategy. This is driven by the Additive Manufacturing (AM) industry's steady progression towards industrialisation that requires high productivity systems, strongly aligned to A3D's high-power and MCP™ technologies.

A3D fosters a robust discovery culture in its highly skilled team of in-house specialists, is active in engaging with AM research in Australia and is enthusiastic about the future of AM in the wider industrial technology community.

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

- Completed Print Demonstration Campaign to become first in the world to meet draft SAE International aerospace standards at 1500W laser power,
- Increased industrial print services traction demonstrated by approximately \$80,000 purchase orders,
- AdditiveNow JV review undertaken to improve cost efficiency and service delivery effectiveness,
- Global patent protection for MCP™ technology extended through acceptance of US patent application,
- Commercialisation partnership discussions continuing with global companies based in US, Asia and Australia,
- Renewed interest in the exploration of MCP™ for bespoke large-scale production systems,

DIRECTORS' REPORT (CONTINUED)

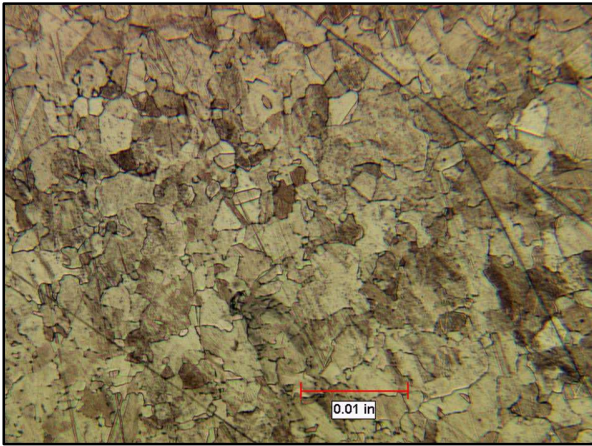
Review of Operations (Continued)

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

- Progression of commercial printer design and initial proposals submitted for single high power laser machines,
- A3D leadership team strengthened through addition of Technology Manager and Commercialisation and Corporate Development Manager, and
- \$737,000 R&D tax incentive refund received.

Print Demonstration Campaign

Aurora's print campaign is closely linked to the Company's commercialisation strategy and demonstrates A3D's ability to repeatedly produce printed material that meets draft SAE International aerospace standards. Upon completion of the campaign, A3D became the first globally to achieve this status at 1500W laser power.



The concluded analytical test work demonstrates the printed material exhibits the necessary material properties post heat treatment to meet draft AMS7036 Standards. This is an excellent result as material density, ductility and ultimate tensile strength exceeded the required values. X-ray analysis also reported that no indications exceeded standard limits, meeting the requirements of the standard.

Based on analysis of extensive logging data collected from the printer throughout the campaign, Dr Kevin Slattery from The Barnes Global Advisors stated, "Aurora's machine demonstrated a high degree of reliability, which shows that their design and technology will be able to deliver what the industry expects in terms of uptime."

Representative microscopy images of the produced material (x50 magnification)

Industrial Print Services

Aurora's print services have been expanded to incorporate Design for Additive Manufacturing (DfAM), 3D scanning, high temperature 3D plastic printing and active marketing of A3D's own 3D metal printing technology. Inquiries and purchase orders have increased due to the establishment of a business development team, resulting in approximately AU \$80,000 of orders in the December quarter, across Oil and Gas, Medical, Power Generation and Defence applications. Printing was completed for half of these orders by the end of the period, including the SpiroPak structured packing for the Curtin University project supported by the Federal Government's Accelerating Commercialisation program.

Engagement within the resources, energy and defence sectors, equipment OEM's and maintenance providers continues to grow, including completion of vendor registration processes, preparation of print quotations and investigation of the set-up of master service agreements for ongoing print service delivery across Oil & Gas and Maritime sectors, and fluid and flow control engineering OEMs. Immediate recent evidence of this progress has been seen post quarter, with the Woodside qualification print order.



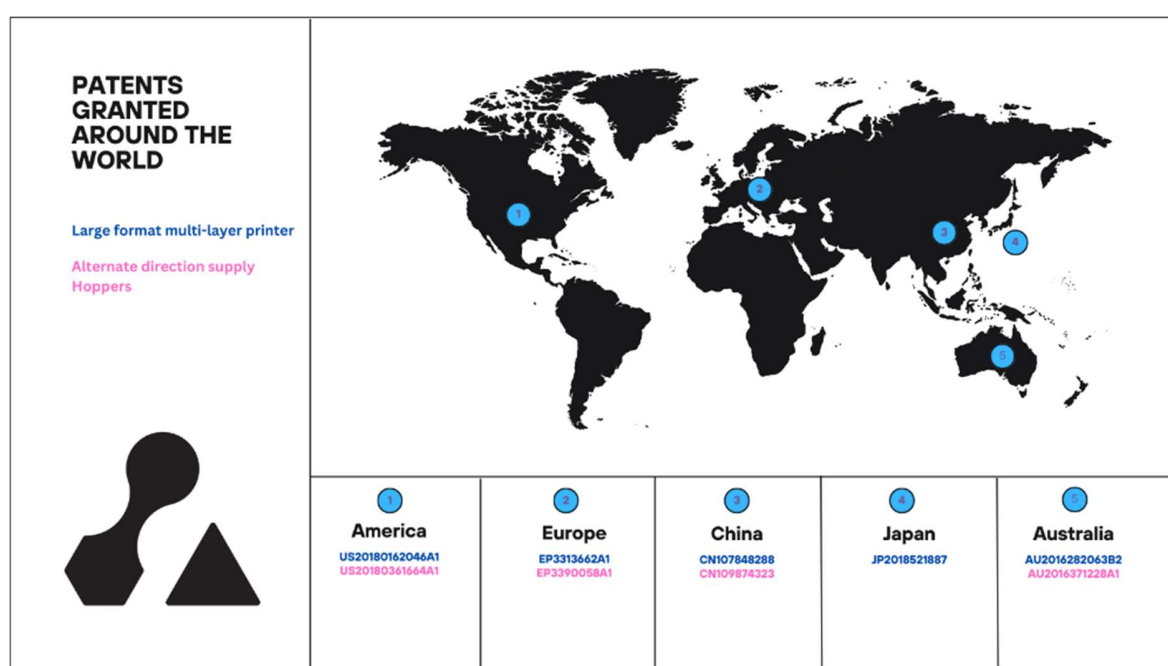
DIRECTORS' REPORT (CONTINUED)

Review of Operations (Continued)

This activity is foundational to the growth of the company's print services business and will lead to an increasing customer base delivering growing revenue in the near-term future and coincides with a review of the AdditiveNow Joint Venture to improve cost efficiency and service delivery effectiveness.

Intellectual Property Management

Aurora's ongoing IP management strategy, particularly the protection of MCP™ technology, is seen as an important component of its commercialisation strategy, and it is pleasing that the US patent application has been accepted, pending formal granting of the patent. This completes critical MCP™ patent coverage across major global jurisdictions including Australia, China, Japan, Germany, France and Great Britain.



The continued protection of MCP™ technology is an important component of Aurora's commercialisation strategy due to the alignment of Aurora's high-power printing and MCP™ technologies with the AM industry's steady progression towards industrialisation that requires high productivity systems.

Commercialisation Activities

The Company has continued to investigate partnership opportunities through a range of discussions with global companies based in the United States, Asia and Australia, including face-to-face meetings domestically and in Germany during Formnext (largest global AM tradeshow).

Key areas that have progressed include exploration of the application of Aurora's patented MCP™ technology for large-scale production systems, submission of proposals for single laser machines that utilise A3D's high power, high productivity printing technology, and further investigation of machine manufacturing options.

Commercial Printer Design

Design progression has continued guided by system learnings from the Print Campaign, leading to targeted design work of a single/dual laser platform suitable for advanced R&D applications and medium scale part production utilising A3D's high power, high productivity printing technology. Design activities continue to be guided by potential customer and partner discussions.

DIRECTORS' REPORT (CONTINUED)**Review of Operations (Continued)****Personnel**

Aurora has hired two additional personnel to strengthen the team and increase the rate of Aurora's commercialisation efforts. Dr. Ehsan Foroozmehr has been hired as Technology Manager to lead the engineering team as they liaise with prospective partners and progress the commercial machine design, and also lead ongoing targeted technology and material development initiatives. Ehsan has a long background in Additive Manufacturing, including PhD and post-doctoral AM research and design and development of commercial Laser Powder Bed Fusion printers. Matthew Lester has joined as Commercialisation and Corporate Development Manager. Matthew has been working with Aurora for the past 12 months as a consultant and has refined Aurora's commercialisation strategy, focusing on near term revenue through print services whilst prospective partners are sought. Alongside these additional managers, Rebekah Letheby continues in her existing role of Operations Manager, with responsibility for delivery of print services and parameter and material development, and Tamara Gray continues in her contract role as CFO.

Aurora's leadership team provides focused direction of the print services, commercial machine design and targeted technology development, and business development and partnership activities necessary to accelerate the Company's commercialisation progress.

Finance and Cash Position

During the period, the Company received \$737,000 R&D tax incentive refund.

As at 31 Dec 2022, the Company's cash at bank and on deposit was approximately \$888,000.

Significant events after the balance date

- On 14 February 2023, the Company announced at \$1.35 million share placement of 45 million shares at an issue price of \$0.03 per share to various sophisticated and professional investors. A total of 3,366,667 Fee Options will be issued in connection with the share placement, subject to shareholder approval. In conjunction with the placement, the Company announced a Share Purchase Plan enabling eligible shareholders at the record date of 13 February 2023 to acquire up to \$30,000 worth of shares at the issue price of \$0.03 per share. The Share Purchase Plan closes on 7 March 2023.
- On 15 February 2023, the Company announced that a review of the Additive Now Joint Venture by the partners concluded to restructure the Joint Venture relationship to enable services to be provided to customers directly by A3D as a contractor or via a subcontractor arrangement with Worley Services Pty Ltd ("Worley"). Certain existing AdditiveNow agreements will be novated to A3D.

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

Auditor Independence

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

Signed in accordance with a resolution of the directors.



Grant Mooney
Chairman

Dated this 22nd February 2023



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 2022, 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
22 February 2023

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 2022**

	Note	Consolidated 31 Dec 22 \$	Consolidated 31 Dec 21 \$
Continuing operations			
Revenue	4	63,250	15,081
Cost of goods sold		(29,290)	(4,939)
Gross profit/(loss)		33,960	10,142
Other income	4	329	56,412
Advertising		(3,449)	(4,462)
Research and development expenses		(91,019)	(124,770)
Rent		(15,699)	(19,271)
Corporate expenses		(204,245)	(265,251)
Depreciation		(80,549)	(81,811)
Employee benefits		(1,132,557)	(1,085,447)
Employee share-based payments (non-cash)		(23,546)	(127,055)
Finance expenses		(11,070)	(9,922)
Foreign exchange expenses		(1,340)	-
Other expenses		(164,339)	(129,639)
Loss before income tax benefit		(1,693,525)	(1,781,073)
Income tax (expense) / benefit		-	-
Loss for the period		(1,693,525)	(1,781,073)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,693,525)	(1,781,073)
Basic (loss) per share (cents per share)		(0.92)	(1.11)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	Consolidated 31 Dec 22 \$	Consolidated 30 Jun 22 \$
Assets			
Current Assets			
Cash and cash equivalents		888,198	1,946,892
Trade and other receivables	5	145,749	751,390
Total Current Assets		1,033,947	2,698,282
Non-Current Assets			
Property, plant and equipment		431,360	454,085
Right-of-use leased assets	6	107,200	153,143
Trade and other receivables		42,450	42,451
Total Non-Current Assets		581,010	649,679
Total Assets		1,614,957	3,347,961
Current Liabilities			
Trade and other payables	7	386,120	470,801
Lease liabilities	8	96,317	96,317
Borrowings		52,446	-
Other liabilities		7,174	2,869
Accrued annual leave		95,445	82,380
Total Current Liabilities		637,502	652,368
Non-Current Liabilities			
Lease liabilities	8	16,053	64,211
Total Non-Current Liabilities		16,053	64,211
Total Liabilities		653,554	716,579
Net Assets		961,403	2,631,382
Equity			
Issued capital	10	33,205,828	33,205,828
Reserves	11	1,213,161	1,579,690
Accumulated losses		(33,457,586)	(32,154,136)
Net Equity		961,403	2,631,382

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Half-Year to December 2022	Issued Capital	Option and Rights Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	33,205,828	1,579,690	(32,154,136)	2,631,382
Equity issued during the period (net of share issue costs)	-	23,546	-	23,546
Transfer expired options	-	(390,075)	390,075	-
Loss for the period	-	-	(1,693,525)	(1,693,525)
Total comprehensive loss for the period	-	-	(1,693,525)	(1,693,525)
Balance at 31 December 2022	33,205,828	1,213,161	(33,457,586)	961,403

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

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Consolidated 31 Dec 22 \$	Consolidated 31 Dec 21 \$
Cash flows from activities		
Receipts from customers	63,243	71,199
Payments to suppliers and employees	(1,824,120)	(1,534,012)
Interest received	334	253
Income tax benefit received	737,489	746,215
Net cash (used in) operating activities	(1,023,054)	(716,345)
Cash flows from investing activities		
Payments for property, plant and equipment	(13,069)	(48,419)
Receipts from sale of property, plant and equipment	-	-
Net cash (used in) investing activities	(13,069)	(48,419)
Cash flows from financing activities		
Proceeds from issue of shares (net of capital raising costs)	-	3,385,099
Repayment of lease liabilities	(68,756)	(68,756)
Proceeds from borrowings	131,114	107,674
Repayment of borrowings	(74,363)	(53,837)
Payment of security bond	-	(38,592)
Interest on borrowings	(10,566)	(9,922)
Net cash provided by (used in) financing activities	(22,571)	3,321,666
Net increase/(decrease) in cash held	(1,058,694)	2,556,902
Cash and cash equivalents at the beginning of the period	1,946,892	1,372,450
Cash and cash equivalents at the end of the half-year	888,198	3,929,352

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022. 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 2022.

Standards and Interpretations applicable to 31 December 2022

In the half-year ended 31 December 2022, 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 2022

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 2022. 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 2022

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 2022 of \$1,693,525 (December 2021: \$1,781,073) and had net cash outflows from operating activities of \$1,023,054 (December 2021: \$716,345). As at 31 December 2022, the Company has a net current asset position of \$396,445 (June 2022: \$2,045,914).

The net current asset position as at 31 December 2022 includes the following:

- cash at bank of \$888,198 (June 2021: \$1,946,892);

On 14 February 2023, the Company announced to ASX that it had received firm commitments to a \$1.35 million share placement of 45 million shares at an issue price of \$0.03 per share. In conjunction with the share placement, the Company has also announced a Share Purchase Plan to raise additional funds.

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 (refer paragraph above), to continue as a going concern. As the Group is in the formative stages of its business model there exists circumstances that give rise to a material uncertainty in relation to going concern.

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

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

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

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

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

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

NOTE 3. DIVIDENDS

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 4. REVENUE & OTHER INCOME

	Consolidated 31 Dec 2022	Consolidated 31 Dec 2021
Print job income	63,250	15,081
Total Revenue	63,250	15,081
Recharge to JV	-	52,850
Interest income	329	294
Other income	-	3,268
Total Other Income	329	56,412

NOTE 5. TRADE AND OTHER RECEIVABLES

	Consolidated 31 Dec 2022	Consolidated 30 Jun 2022
Accounts receivable	56,079	-
Interest receivable	1	1,580
Income tax receivable	-	737,489
Prepayments	89,669	12,321
	145,749	751,390

NOTE 6. RIGHT-OF-USE LEASED ASSETS Carrying Value

	Consolidated 31 Dec 2022	Consolidated 30 June 2022
Cost	271,343	271,343
Accumulated depreciation	(164,143)	(118,200)
Net Carrying value	107,200	153,143
Reconciliation		
Opening Balance	153,143	239,671
Additions	-	3,591
Depreciation expense	(45,943)	(90,119)
Carrying Value as at end of period	107,200	153,143

NOTE 7. TRADE AND OTHER PAYABLES

	Consolidated 31 Dec 2022	Consolidated 30 Jun 2022
Accounts payable	94,404	96,215
Payable to AdditiveNow	213,820	222,291
Other payables	77,896	152,295
	386,120	470,801

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 8. LEASE LIABILITIES

	Consolidated 31 Dec 2022	Consolidated 30 June 2022
Current liabilities	96,317	96,317
Non-current liabilities	16,053	64,211
Total	112,370	160,528
Reconciliation		
Opening Balance	160,528	252,002
Additions	-	3,590
Principal payments	(56,100)	(114,282)
Interest	7,942	19,218
Carrying Value as at end of period	112,370	160,528

NOTE 9. SEGMENT REPORTING

The Company operated in one segment, being the design, development and manufacture of metal 3D printers and associated products and services, in Australia.

NOTE 10. ISSUED CAPITAL

	Consolidated 31 Dec 2022	Consolidated 31 Dec 2022	Consolidated 30 June 2022	Consolidated 30 June 2022
Ordinary shares on issue	Number	\$	Number	\$
Balance at beginning of the year	184,158,068	33,205,825	152,896,470	29,995,029
Placement	-	-	26,086,957	3,000,000
Share purchase plan	-	-	5,174,641	595,088
Less share issue costs	-	-	-	(384,282)
Balance at the end of the year	184,158,068	33,205,825	184,158,068	33,205,825

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 11. RESERVES

	Consolidated 31 Dec 2022	Consolidated 30 Jun 2022
Balance at the beginning of the period	1,579,690	1,290,757
Option reserve movements	(366,529)	288,933
Performance rights reserve movements	-	-
Total	1,213,161	1,579,690

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 11. RESERVES (CONTINUED)

	Consolidated 31 Dec 2022 Number	Consolidated 31 Dec 2022 \$	Consolidated 30 June 2022 Number	Consolidated 30 June 2022 \$
Movements in options on issue				
Balance at beginning of period	22,150,000	1,061,776	18,777,107	772,843
Options issued	4,995,000	23,546	4,000,000	382,284
Options expired	(7,520,000)	(390,075)	(627,107)	(93,351)
	19,625,000	695,247	22,150,000	1,061,776
	Consolidated 31 Dec 2022 Number	Consolidated 31 Dec 2022 \$	Consolidated 30 June 2022 Number	Consolidated 30 June 2022 \$
Movements in performance rights on issue				
Balance at beginning of period	955,737	517,914	970,737	517,914
Performance rights earned	-	-	-	-
Performance rights cancelled	-	-	(15,000)	-
	955,737	517,914	955,737	517,914

NOTE 12. SHARE BASED PAYMENTS

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

Option terms	Staff Options	CEO Options	Management Options
Expected volatility (%)	75%	75%	75%
Risk-free interest rate (%)	0.285%	0.285%	0.310%
Expected life of option (years)	2	2	2
Exercise price (\$)	0.055	0.055	0.055
Grant date share price (\$)	0.34	0.34	0.27
Number of options	1,495,000	3,000,000	500,000
Fair Value (\$)	14,352	28,800	3,650

NOTE 13. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On 14 February 2023, the Company announced at \$1.35 million share placement of 45 million shares at an issue price of \$0.03 per share to various sophisticated and professional investors. A total of 3,366,667 Fee Options will be issued in connection with the share placement, subject to shareholder approval. In conjunction with the placement, the Company announced a Share Purchase Plan enabling eligible shareholders at the record date of 13 February 2023 to acquire up to \$30,000 worth of shares at the issue price of \$0.03 per share. The Share Purchase Plan closes on 7 March 2023.
- On 15 February 2023, the Company announced that a review of the Additive Now Joint Venture by the partners concluded to restructure the Joint Venture relationship to enable services to be provided to customers directly by A3D as a contractor or via a subcontractor arrangement with Worley Services Pty Ltd ("Worley"). Certain existing AdditiveNow agreements will be novated to A3D.

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 14. FINANCIAL INSTRUMENT

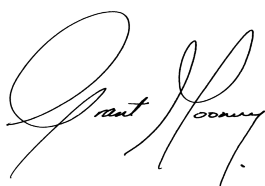
The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amounts of these financial instruments are considered to be a reasonable approximation of their fair values.

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 22nd February 2023



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 2022, 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 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Material uncertainty related to going concern

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

Responsibility of the directors for the financial report

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

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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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 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
22 February 2023

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

B G McVeigh
Partner