Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4E – Preliminary final report year ended 30 June 2020

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1. Details of reporting periods:

Current reporting period : Year ended 30 June 2020

Previous corresponding period : Year ended 30 June 2019

2. Results for announcement to the market:

	Year ended 30 June 2020 $	Year ended 30 June 2019 $	$ change	% change
Revenues	**414,860**	**841,620**	**426,760**	**DOWN 51%**
Loss after tax	**(8,115,859)**	**(7,643,073)**	**(472,786)**	**UP 6%**
Loss after tax attributable to members.	**(8,115,859)**	**(7,643,073)**	**(472,786)**	**UP 6%**

Commentary on the above figures is included in the attached Annual Financial Report for the year ended 30 June 2020.

3. Statement of profit or lass and comprehensive income

Refer to attached Annual Financial Report and notes for the year ended 30 June 2020.

4. Statement of financial position

Refer to attached Annual Financial Report and notes for the year ended 30 June 2020.

5. Statement of cash flows

Refer to attached Annual Financial Report and notes for the year ended 30 June 2020.

6. Statement of changes in equity

Refer to attached Annual Financial Report and notes for the year ended 30 June 2020.

7. Dividend payments

Not Applicable. Refer to attached Annual Financial Report and notes for the year ended 30 June 2020.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets per security

	30 June 2020 Cents	30 June 2019 Cents
Net tangible assets per ordinary security	**2.44**	**5.64**

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 2020, 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 2020 has been audited and is not subject to dispute or qualification.

By Authorisation of the Board of Directors

Grant Mooney

Grant Mooney
Company Secretary
AURORA LABS LIMITED

Aurora Labs™

Aurora Labs Limited

ABN 44 601 164 505

Annual Financial Report

30 June 2020

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CORPORATE DIRECTORY

ABN 44 601 164 505

Directors

Grant Mooney

Terry Stinson

Ashley Zimpel

Mel Ashton

Company secretary

Grant Mooney

Registered Address and Principal

Place of business

Unit 2, 79 Bushland Ridge
Bibra Lake WA 6163
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

Solicitors

Blackwall Legal LLP
Level 26, 140 St Georges Terrace
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 2020 Annual Report.

The past 12 months have covered a critical period in A3D's journey to commercialisation of its 3D metal printing technology. After 4 years of technology development, active business and product marketing and printing demands, your Company has taken the opportunity provided to us under the current COVID-19 crisis, to refocus our attention on getting our technology ready for commercialisation, without the distractions which are inevitably thrown at an emerging company with leading technology.

In March of this year, the then Board of Directors took the initiative of refreshing the Board with new directors and restructuring the management team. At Board level, Terry Stinson, Ashley Zimpel and myself replaced Paul Kristensen, David Budge and Nathan Henry, while management and staff were restructured and headcount reduced to align with the change in economic conditions. Changes such as this are often difficult to undertake and result in upsetting the equilibrium. However, these measures have had the positive impact of reducing overheads, resetting strategic objectives and bringing together a reduced and reinvigorated technical team ably led by our newly appointed and well credentialed CEO Peter Snowsill. This significant strategic realignment has one common goal; to advance the RMP-1 printer to be commercially ready over the coming 12 months. Once we have achieved our goal of delivering the RMP-1 Printer to commercial readiness, we will continue to further MCP Printing technology and its application in large format printing. This sequential process is essential, as the MCP Printing technology requires completion of activities necessary to achieve commercial readiness in order to progress it and places significantly higher demands on our time and resources, potentially compromising our ability to deliver the RMP-1 on time.

In order to deliver on this commercialisation readiness target, it has been necessary for the Board, management and team to reconstruct the technology development pathway into a cogent delivery schedule with well mapped out technology milestones. These milestones are now the sole focus of the technology team, where the main obstacles to commercialisation are identified as priority work packages in order to ensure that a continuous 'lily pad' approach of stepping from one milestone to the next is achieved. An example of one of these potential challenges is the fume extraction challenge, required to be resolved if a ramp up in speed and volume is going to be achieved. The team are currently advancing towards this milestone and we hope to achieve this in coming months.

Our technology collaborations and partnerships have been, and will continue to be, an important part of progressing the technology and establishing commercial opportunities as the technology matures. We enjoy a productive working relationship with Advisian (Worley Parsons Group member) under the AdditiveNow Joint Venture and we continue to produce test parts for a number of major mining and oil and gas players. Our proposed RMP-1 Printer lease agreement with AdditiveNow executed in 2019 was mutually terminated in April, allowing A3D to focus its attention on delivery of the technology over a more realistic timetable. In addition, we continue to work with Leading Aluminium Manufacturer, Gränges of Sweden, utilising their by-products to manufacture aluminium parts with our printers. This work has the potential to create a large value add for A3D in the metal powders sector of 3D printing.

Heading into FY21, the Board will continue to proactively manage the Company's capital requirements in order to progress these technology collaborations and partnerships. We are confident that expanding our 3rd party commercial opportunities in conjunction with lowering our cost base will forge a pathway for us to achieve commercial success.

On behalf of my fellow directors, I would like to thank the former Chairman Paul Kristensen and former directors and founder David Budge and Nathan Henry for their service as directors over recent years. While David continues as the Company's Chief Technology Officer, we wish Nathan well in his future endeavours. I would also like to take this opportunity to thank the staff that were made redundant earlier this year, enabling us to preserve funds and streamline the business. These decisions are never easy and we thank you for your excellent service, understanding and wish you every success.

In closing, I would like to thank our loyal shareholders who have stayed with us, in the belief we have a leading technology that is ripe for commercialisation. We will take every opportunity over the coming 12 months to deliver the outcomes that take us to the ultimate goal of commercial success.

Grant Mooney
Chairman

DIRECTORS' REPORT

The Board of Directors of Aurora Labs Ltd ("Aurora" 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 2020 (FY 2020) 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 2020 of $8,155,859 (2019: $7,643,073). At the end of the financial year the Company had net assets of $3,500,547 (2019: $5,735,996) and $1,323,766 in cash and cash equivalents (2019: $3,604,293).

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.

Highlights during and since the year in review were as follows:

- COVID-19 the catalyst for the implementation of a major cost control programme and personnel restructure with the Company on target to achieve $6 million in annualised savings
- Exhaustive revision of technologies and establishment of 12-month technology pathway under the guidance of a refreshed Board of Directors and newly appointed CEO (former COO Peter Snowsill)
- Strategic shift from 'manufacture and distribute' RMP-1 printers to 'partnership, license and royalty' business model. Ongoing engagement with global manufacturers including the execution of research project contract with Gränges AB, setting the tone for the Company's revised customer-centric and partnership focused commercial strategy.
- Major steps towards Multi-layer Concurrent Printing (MCP) printing process validation and ongoing development of the suite of technologies

The COVID-19 pandemic presented financial and logistical challenges during FY20 that Aurora proactively responded to, underpinned by swift and decisive cost reductions, as part of the implementation of a broader comprehensive review of the business.

The comprehensive review resulted in the creation of a revitalised long-term strategy that centres on a more operationally efficient and agile Aurora enhancing its focus on developing the flagship RMP-1 technology for commercial readiness and securing strategic partners for this technology.

As part of this long-term strategy, we have refreshed our Board and Executive team, who subsequently recalibrated the company to develop a more pragmatic pathway to progress our innovative technology to commercial readiness.

They are supported by newly appointed CEO Peter Snowsill and an experienced team of 3D printing experts to execute this technology pathway.

As a result, we now have targeted technology pathway with a customer-centric approach that is led by experienced and highly capable Board and Management team, which will drive long-term growth in shareholder value.

The Company's commercial strategy has been refined to a partnership, licence and royalty model. Aurora has cultivated and continues to develop partnerships and joint ventures with Original Equipment Manufacturers and industrial giants. This is demonstrated by the ongoing relationship and contract with Gränges AB and its significance to the customer-centric approach the technology pathway takes.

Printer development and customer printing is ongoing and aligned with the renewed technology pathway. Various client focused and test sample prints were completed on the RMP-1 Beta and Alpha-2 machines throughout the year. The mutually agreed termination of the Beta lease agreement with Aurora's 50% owned JV AdditiveNow has increased Aurora's access to the printer for parameter testing. In February, Aurora made a major step towards the MCP process validation, through third party metallurgical test demonstrating compliance with ASTM A479/276 and f1384-16.

During the period, Aurora completed a $4 million capital raising and a $1.8 million strategic placement to bolster its balance sheet and provide working capital.

COVID-19: Impact and Response

The Company undertook a review of business operations involving prudent cost reduction measures in light of COVID-19. Aurora's goal is on target to reduce monthly cash burn to $0.25 million. Measures implemented during the period include Executive salary cuts and up a 60% reduction in Aurora's staffing numbers.

Aurora's operations practices and business continuity measures have developed over the course of pandemic with adherence to Government health advice. The Company has implemented its cost-saving programme and continues to conduct customer, partner, and investor relations communications using video conferencing and other forms of communication. A3D is capable of reverting to lockdown status with minimal impact on its day to day business should it be required.

The Company is monitoring international trade and shipping lead times, however influence on program timing could be a consequence of unavoidable Covid-19 related delays.

A Revised Focus: 12-month Technology Pathway

At the end of the period, A3D announced it had completed a thorough technology review resulting in a focused 12-month plan to achieve commercial readiness and a broader renewed commercial strategy. The review included analysis of A3D's competitive advantages, the current status of the technology, obstacles impairing development, and the specific steps required to achieving a commercially proven RMP-1 printer.

The A3D Technology Pathway adopts a 'Lily Pad' approach, splitting the 12-month period into quarterly milestones, each milestone representing a key performance achievement or technical deliverable. The customer-centric approach is based on demonstrating performance on specific customer printing projects, primarily in stainless steel, with key benchmarks for success determined by achieving specified material quality, functional requirements and cost of production targets for industrial parts. The Company is deliberately focusing on difficult parts to print, with the goal of accelerating the development of A3D's unique offering in the metal 3D printing space.

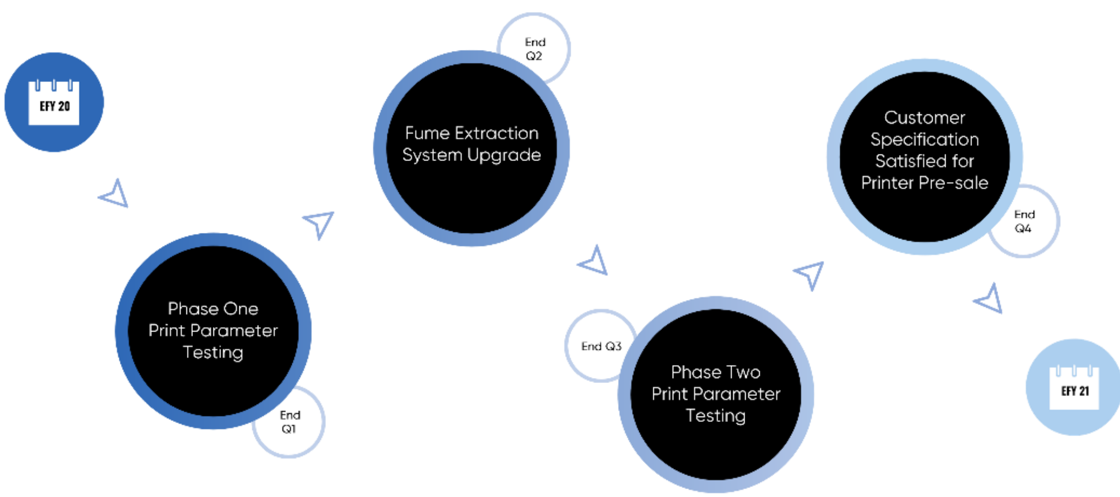

Diagram 1: A3D Technology Pathway Milestones

The review process included a shift of the Company's RMP-1 commercial strategy. Previously based on the manufacture and distribution of printers, the new model is strongly targeted at securing partnerships with Original Equipment Manufacturers and major industry players, licensing of technologies and the associated royalties. This avenue allows A3D to reduce a large part of its operational cost base and seeks to share those responsibilities with potential partners who are in the market, or interested in entering the market, through mutually beneficial, long-term, interlocking collaborations.

Board and Executive Refreshed and Peter Snowsill Appointed CEO

In March, Aurora announced the finalisation of its Board Refresh Strategy. The changes are aimed at enhancing the Company's capability to deliver the final stages of commercialisation of Aurora's 3D metal printing technology under the 12-month technology pathway plan and include a reduction and reorganisation of the Executive team in order to focus skills and strengthen current and new expertise toward successful commercialisation.

Summary of changes;

CHIEF EXECUTIVE OFFICER (CEO)
The Company has appointed Peter Snowsill as CEO. Foundational CEO David Budge has taken up the new role of Chief Technology Officer to focus his technical and innovation expertise on the continuing development of Aurora's unique 3D printing technology. Peter Snowsill, previously Chief Operating Officer (COO), is an experienced business manager with specific experience in technology and joint venture projects and engineering management.

RETIREMENTS
Non-Executive Chairman Paul Kristensen, Executive Directors David Budge and Nathan Henry and Non-Executive Director and Company Secretary Mathew Whyte agreed to retire from the Board to support the Board Refresh Strategy and ensure the appropriate Board makeup for a Company of Aurora's size and stage of development. The refreshed Aurora Board is non-executive in makeup and in keeping with best practice for ASX-listed companies. Mr Budge remains an Executive in the business focused on delivering on key technical initiatives and achievement of technical milestones. Mr Henry has accepted a redundancy and will serve out his 6-month notice period working closely with Peter Snowsill and the Board on special projects.

REFRESHED NON-EXECUTIVE BOARD
Three new non-executives joined the Board in February and March - Grant Mooney as Non-Executive Chairman, and Terry Stinson and Ashley Zimpel as Non-Executive Directors. Together with Non-Executive Director Mel Ashton, the refreshed Board comprises a variety of specialised skills in extensive global commercialisation, raising capital, corporate compliance administration, strategic planning, sales and marketing, technology development and international collaborations.

Mr Mooney assumed the role of Company Secretary, effective 1 May 2020.

Strategic and Industry Partners

AdditiveNow™
The Company and Additive Now mutually agreed to not proceed with the proposed lease agreement for RMP-1 Beta which enables the Company to fully utilise the RMP-1 Beta for printer development activities including internal testing and customer specified printing. The Company has continued to print parts for confidential AdditiveNow clients and is actively managing these print requirements within the Technology Pathway.

Gränges AB
A binding contract with Gränges AB for a Non-Recurring Engineering Research Project (NRE-1) was executed at the end of the second quarter. The research project explores the material properties the parties can develop using their combined expertise in Aluminium alloys and Additive Manufacturing, with a particular focus on alloys for the automotive sector. The project has a maximum value of USD $250,000. Aurora has received the machinery required for the NRE-1 project that been held up overseas due to the ongoing COVID-19. The arrival of the equipment will allow A3D's technical team to formally kickstart the NRE-1 project within the technology pathway plan.

MCP Process Validation
A series of independent tests were carried out on samples printed in Stainless Steel 316L, using Aurora's patented MCP™ technology. The tests delivered results exceeding ASTM Standard A479/276 and f3184-16 in Ultimate Tensile Strength and Yield Strength. This clearly demonstrates that the process meets or exceeds the relevant engineering standards.

Unlike traditional laser bed fusion printers, the MCP technology prints multiple layers in a single pass which increases the production speeds. The very positive test results play a critical role in highlighting to customers that the MCP technology is a viable method of metal 3D printing.

Our technology development pathway incorporates the development of our suite of technologies which will enable us to achieve commercial readiness of RMP-1 without the MCP feature and will form the foundation for ongoing development of MCP technology.

Finance and Cash Position

On 30 October 2019, Aurora announced that it has successfully completed a bookbuild for a placement of 15,384,616 shares at an issue price of $0.26 per share to professional and sophisticated investors to raise $4 million before costs.

In February 2020, the Company successfully completed a $1.82 million Placement through the issue of 13,000,000 shares at an issue price of $0.14 per share to a new unrelated cornerstone investor, Dutch entrepreneur Mr Tjeerd Barthen.

In May 2020, Aurora received an advance payment of $723,167 from Radium Capital (Radium) against future research and development (R&D) tax incentive funds. The advance from Radium representing up to 80% per cent of anticipated R&D Refund resulting from expenditure on R&D programs during the current financial year. The Company will repay the funds advanced once received from the Australian Government.

Prior to the end of the financial year, the Company made significant progress with its applications for both the R&D tax claim and Export Market Development Grant (EDMG). Claims have since been submitted and Aurora is expecting the first instalment of the EMDG during the month of September 2020.

Aurora continues to assess the market for any further grants it may be eligible for and will update the market should any financially material applications be successful.

As at 30 June 2020, cash at bank and on deposit was approximately $1.3 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

	2020 cents	2019 cents
Basic loss per share	**7.85**	**10.02**

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 19 employees as at the 30 June 2020 (2019: 40).

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

There have been no matters or circumstances which have arisen since 30 June 2020 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.

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
David Budge	Managing Director	Director since incorporation, resigned 25 March 2020
Nathan Henry	Executive Director	Appointed 23 November 2015, resigned 25 March 2020
Mathew Whyte	Non-Executive Director and Company Secretary	Appointed 26 July 2017, resigned 26 February 2020 Appointed 13 October 2016, resigned 11 March 2020
Paul Kristensen	Non-Executive Chairman	Appointed 22 January 2018, resigned 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.

Company Secretary

Steven Wood	Company Secretary	Appointed 11 March 2020, resigned 1 May 2020

CURRENT DIRECTORS AND OFFICERS

Grant Mooney

Independent Non-Executive Chairman

Qualifications: Member of the Institute of Chartered Accountants in Australia

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 Resources Limited, Barra Resources Limited, Gibb River Diamonds Limited, Accelerate Resources Limited and Riedel Resources Limited.

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 Resources Ltd and Carnegie Clean Energy Ltd.

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), and Donaco International Ltd (December 2019 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[5]
Grant Mooney	-	2,000,000[4]	-
Terry Stinson	166,644	2,000,000[3]	-
Ashley Zimpel	300,000	2,000,000[4]	-
Mel Ashton	736,323	100,000[1]	50,000[2]
Total	**1,202,967**	**6,100,000**	**50,000**

[1] Unquoted options 100,000 Ex $1.08/Exp 31 January 2021

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

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

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

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the year ended 30 June 2020 and the number of meetings attended by each Director. There was a total of 11 Directors' meetings for the financial year.

	Directors' meetings		Audit Committee meetings		Remuneration Committee meetings	
2020	Directors' meetings held while a director	Number attended	Audit meetings held	Audit meetings attended	Remuneration meetings held	Remuneration meetings attended
Grant Mooney	2	2	2	Not a member	1	Not a member
Terry Stinson	3	3	2	Not a member	1	Not a member
Ashley Zimpel	2	2	2	-	1	Not a member
David Budge	10	10	2	Not a member	1	Not a member
Nathan Henry	10	10	2	Not a member	1	Not a member
Mathew Whyte	7	7	2	2	1	1
Paul Kristensen	10	10	2	2	1	1
Mel Ashton	11	11	2	2	1	1

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 2020. 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
David Budge	Managing Director	1 November 2015 to 25 March 2020
Nathan Henry	Executive Director	23 November 2015 to 25 March 2020
Mathew Whyte	Company Secretary; and	13 October 2016 to 26 February 2020
	Non-Executive Director	26 July 2017 to 11 March 2020
Paul Kristensen	Non-Executive Chairman	22 January 2018 to 25 March 2020
Mel Ashton	Non-Executive Director	22 January 2018 to current
Peter Snowsil	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 http://auroralabs3d.com/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 Managing Director and the executive team.

Use of Remuneration Consultants:

Independent external advice is sought from remuneration consultants when required. During the year the Company engaged Guerdon Associates to provide a review of executive director remuneration and an executive remuneration framework.

As at the date of this report no recommendations received from Guerdons have been implemented. The Board is satisfied that the draft recommendations were made free from undue influence from any members of Key Management Personnel.

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 8 June 2016 at $250,000 per annum. Total Non–Executive remuneration fees paid during the year ended 30 June 2020 were $293,938 (including Superannuation contributions) (FY2019: $217,802). The Non-Executive remuneration fees has exceeded the amount set by shareholders at General Meeting held on 8 June 2016. The services rendered were mainly for services relating to A3D promotion to potential investors and customers domestically and internationally. They were approved by the board and will not be recurring for at least during Covid affected times.

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) Executive Director Remuneration

In determining Executive Director 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 2020 or FY 2019.

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 2020 the Company granted a total of 1,160,634 Performance Rights (2019: 867,159).

(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.

(f) Voting and comments made at the Company's 2019 Annual General Meeting

Aurora received 39.99% of "Yes" votes on its remuneration report for the 2020 financial year. The outcome constitutes a "first strike" under section 250U of the Corporations Act.

(g) Executive Director Engagement Deeds

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

<u>David Budge</u>

Mr Budge was remunerated to the date of resignation 25 March 2020 pursuant to the terms and conditions of his Engagement Deed dated 3 May 2016, as varied on 10 January 2017.

Mr Budge was paid an annual salary of $320,000 plus superannuation. Mr Budge is also paid (by way of reimbursement) a vehicle allowance comprising business fuel costs, reasonable servicing costs, comprehensive insurance premiums, registration and third-party insurance costs, and finance payments of $Nil.

<u>Nathan Henry</u>

Mr Henry was remunerated to the date of resignation 25 March 2020 pursuant to the terms and conditions of his Engagement Deed dated 4 May 2016, as varied on 15 March 2017.

Mr Henry was paid an annual salary of $230,000 plus superannuation.

The material terms of both the Deeds for the Executive Directors are as follows:

(i) The employment of each Director may be terminated without cause by the Director or Aurora giving 6 months' notice. Aurora may otherwise terminate a Director's employment immediately for cause (e.g. serious misconduct).

(ii) Each Director 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.

(h) Additional disclosures

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

Financial year ended	2020 $	2019 $	2018 $	2017 $	2016 $
Sales revenue	414,860	841,620	329,970	237,995	-
EBITDA	(8,787,592)	(9,327,129)	(6,905,075)	(4,774,497)	(1,203,037)
EBIT	(9,175,064)	(9,503,253)	(7,063,974)	(4,802,916)	(1,205,429)
Loss after tax	(8,045,540)	(7,643,073)	(5,531,257)	(3,398,989)	(1,118,866)

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

Financial year ended	2020	2019	2018	2017	2016
Share price at financial year end ($)	0.06	0.32	0.50	1.07	Not listed
Total dividends declared (cents per share)	-	-	-	-	-
Basic Loss per share (cents per share)	7.85	10.02	9.13	6.30	1.5

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:

	Short-term benefits		Post-employment benefits	Share-based payments		
FY 2020	Salary & fees $	Motor vehicle payments $	Superannuation $	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	-
Total	**1,217,191**	**-**	**84,061**	**64,378**	**1,365,630**	**-**

[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.

FY 2019: 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 2019, noting some performance rights have been issued to employees or consultants that are not KMPs.

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.

	Short-term benefits		Post- employment benefits	Share-based payments		
FY 2019	Salary & fees $	Motor vehicle payments	Superannuation $	Options $	Total $	Percentage performance related %
Directors						
David Budge[1]	250,000	3,000	23,750	24,150	300,900	-
Nathan Henry[1]	230,000	-	21,850	24,150	276,000	-
Mathew Whyte[1&2]	163,758	-	4,494	24,150	192,402	-
Paul Kristensen[1]	76,650	-	-	24,150	100,800	-
Mel Ashton[1]	88,100	-	-	24,150	112,250	-
Total	**808,508**	**3,000**	**50,094**	**120,750**	**982,352**	**-**

[1] All KMP detailed above were granted 50,000 Performance Rights each, as approved by shareholders at General Meeting held on 30 November 2018 which were value at $0.483 each.

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price. The terms and conditions including the service and performance criteria that must be met are as follows:

(a) Subject to the below paragraph (b) each Performance Right will only vest and become exercisable when the 10 day volume weighed average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $0.90 per Share (Vesting Condition).

(b) Maintain a minimum of 12 months continuous service with the Company.

(c) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.

[2] 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 2019 totalled: $115,000 (excluding superannuation). Mr Whyte also received a non-executive fee of $48,758 (plus superannuation of $4,494).

Cash bonuses granted as compensation for the current financial year
No cash bonuses were granted during the year ended 2020 (2019: 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

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 Snowsil, a KMP's, or the entities they 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 2019 Date Performance Rights granted	**Number Granted**	**Vesting Price $**	**Expiry date**	**Fair Value of Performance Right at grant date $**
30 Aug 18	617,159	0.90	31 Jan 23	0.233
30 Nov 18	250,000	0.90	31 Jan 23	0.483
Total	**867,159**			

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.

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 20	4,000,000	0.14	25 Mar 23	35,266
23 Apr 20	2,000,000	0.14	30 Apr 23	19,302
Total	**6,000,000**			

No Unquoted options were issued FY2019.

Company Performance Rights and Options granted to KMP
During FY2020 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
Other KPMs				
Peter Snowsill	0.47	31 Jan 23	30,000	30,000

PERFORMANCE RIGHTS

FY 2019	Vesting price $	Expiry date	Number Granted during year	Total number of shares under Performance Rights at the end of the year
Directors				
David Budge	0.90	31 Jan 23	50,000	50,000
Nathan Henry	0.90	31 Jan 23	50,000	50,000
Mathew Whyte	0.90	31 Jan 23	50,000	50,000
Paul Kristensen	0.90	31 Jan 23	50,000	50,000
Mel Ashton	0.90	31 Jan 23	50,000	50,000
Total			**250,000**	**250,000**

OPTIONS

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**

During the financial year 2019 no Options were granted to KMP's or the entities they controlled pursuant to the Employee Incentive Plan.

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.

On 24 December 2018 Options (Ex $0.20/EXP 31/12/2018) held by KMP were exercised for cash and 993,334 Shares were issued. (Refer ASX Appendix 3Y 24 December 2018)

Other than the above there were no shares issued during FY 2020 or FY 2019 as a result of the exercise of a Performance Rights or Options by KMP.

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

FY2019 5,000 Options expired. These Options were granted 10 May 2018.

Shares and performance shares issued to KMP

During FY 2020 or FY 2019 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 2020 or FY 2019 and there are no loans outstanding from KMP at the date of this report.

KMP equity holdings

Fully paid ordinary shares

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 Snowsil	-	-	-	-	-	-

[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.

Fully paid ordinary shares

FY 2019	Balance at beginning of period Number	Granted as compensation Number[3]	Received on exercise of options Number	Net change other Number[2]	Balance at end of year Number	Balance held nominally Number[1]
Directors						
David Budge	23,946,785	-	-	-	23,946,785	-
Nathan Henry	982,151	-	993,334	-	1,975,485	150,000
Paul Kristensen	-	-	-	70,000	70,000	70,000
Mel Ashton	-	-	-	170,000	170,000	170,000
Mathew Whyte	-	-	-	-	-	-

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

Options

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

Options

FY 2019	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number[2]	Balance at end of year Number
Directors					
David Budge	1,020,000	-	-	(725,000)[1]	295,000
Nathan Henry	1,973,334	-	(993,334)[2]	(700,000)[1]	280,000
Mathew Whyte	165,000	-	-	-	165,000
Paul Kristensen	100,000	-	-	-	100,000
Mel Ashton	100,000	-	-	-	100,000

[1] Options (Ex \$0.20/ Exp 31/12/2018) were transferred off- market @ \$0.30 per Option (Refer ASX Release Appendix 3Y 12/12/2018).
[2] Options (Ex \$0.20/EXP 31/12/2018) were exercised for cash on 24/12/2018 and 993,334 Shares were issued. (Refer ASX Appendix 3Y 24 December 2018)
All Company Options issued to KMP were made in accordance with the provisions of the Employee Incentive Plan. During the year, no options were exercised or sold. No amounts remain unpaid on the options during the financial year at year end.

Performance Rights

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 KPM,s					
Peter Snowsil	-			30,000	30,000

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

FY 2019	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
David Budge	-	50,000	-	-	50,000
Nathan Henry	-	50,000	-	-	50,000
Mathew Whyte	-	50,000	-	-	50,000
Paul Kristensen	-	50,000	-	-	50,000
Mel Ashton	-	50,000	-	-	50,000

Performance Shares Class B

FY 2019	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Redeemed and cancelled	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge[1]	4,973,945	-	-	4,973,945	-	-
Nathan Henry[1]	172,832	-	-	172,832	-	-
Mathew Whyte	-	-	-		-	-
Paul Kristensen	-	-	-		-	-
Mel Ashton	-	-	-		-	-

[1] On 12 July 2018 all Class B Performance shares were redeemed and cancelled.

Performance Shares Class C[1]

FY 2019	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge[1]	5,341,975	-	-	5,341,975	-
Nathan Henry[1]	185,624	-	-	185,624	-
Mathew Whyte	-	-	-	-	-
Paul Kristensen	-	-	-	-	-
Mel Ashton	-	-	-	-	-

[1] Subsequent to the end of the year, 11 July 2019 all Class C Performance shares were redeemed and cancelled.

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

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 22 and forms part of this Directors' report for the year ended 30 June 2020.

Signed in accordance with a resolution of the Directors.

Mr Grant Mooney
Chairman
Dated this 31 August 2020

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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia
31 August 2020

B G McVeigh
Partner

hlb.com.au

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Continuing operations			
Revenue	3(a)	**414,860**	841,620
Cost of sales		**(241,840)**	(340,326)
Other income	3(c)	**198,074**	145,917
Advertising		**(295,478)**	(483,268)
Research and development expenses	3(d)	**(1,255,816)**	(2,297,536)
Rent		**(126,136)**	(397,194)
Corporate expenses		**(1,436,487)**	(1,137,887)
Depreciation	3(f)	**(387,472)**	(176,124)
Employee benefits		**(4,594,032)**	(4,001,911)
Employee share based payments (non-cash)		**(303,029)**	(297,448)
Finance expenses		**(113,910)**	(2,813)
Other expenses	3(e)	**(1,258,027)**	(1,359,096)
Loss before income tax benefit		**(9,399,293)**	(9,506,066)
Income tax benefit	4	**1,243,434**	1,862,993
Loss for the year		**(8,155,859)**	(7,643,073)
Loss attributable to members of the Company		**(8,155,859)**	(7,643,073)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		**(8,155,859)**	(7,643,073)

		cents	cents
Basic loss per share	5(d)	7.85	10.02
Diluted loss per share	5(d)	7.85	10.02

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Assets			
Current Assets			
Cash and cash equivalents	7	**1,323,766**	3,604,293
Trade and other receivables	8	**1,762,590**	2,370,804
Inventories	9	**458,103**	648,642
Total Current Assets		**3,544,459**	6,623,739
Non-Current Assets			
Investments accounted for using the equity method	10	**-**	195,310
Property, plant and equipment	11	**720,916**	472,633
Right-of-Use lease assets	12	**242,013**	-
Intangible assets	13	**533,436**	733,265
Total Non-Current Assets		**1,496,365**	1,401,208
Total Assets		**5,040,824**	8,024,947
Liabilities			
Current Liabilities			
Trade and other payables	14	**440,075**	686,101
Lease liabilities	15	**269,238**	-
Borrowings	16	**724,167**	1,350,000
Other liabilities	14	**44,905**	52,534
Accrued annual leave	14	**172,211**	200,316
Total Liabilities		**1,650,596**	2,288,951
Net Assets		**3,390,228**	5,735,996
Equity			
Issued capital	5(a)	**27,218,305**	21,793,469
Reserves	5(c)	**2,269,440**	1,884,185
Accumulated losses		**(26,097,517)**	(17,941,658)
Net Equity		**3,390,228**	5,735,996

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

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**

Consolidated	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2018	15,232,021	1,513,206	(10,298,585)	6,446,642
Equity issued during the year (net of share issue costs)	6,561,448	370,979	-	6,932,427
Loss for the year	-	-	(7,643,073)	(7,643,073)
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,643,073)	(7,643,073)
Balance as at 30 June 2019	21,793,469	1,884,185	(17,941,658)	5,735,996

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Cash flows from operating activities			
Payments to suppliers and employees		**(8,936,969)**	(9,989,245)
Receipts from customers		**522,134**	731,017
Interest received		**17,371**	43,832
Interest and other costs of finance paid		**(63,712)**	-
Receipts from export development grant		**150,000**	67,057
Income tax benefit		**1,971,827**	1,384,270
Receipts from cash flow boost		**50,000**	-
Net cash (used in) operating activities	7	**(6,289,349)**	(7,763,069)
Cash flows from investing activities			
Property, plant and equipment		**(368,259)**	(163,906)
Payments for intangible assets		**(226,355)**	(257,326)
Net cash (used in) investing activities		**(594,614)**	(421,232)
Cash flows from financing activities			
Proceeds from borrowings		**724,167**	1,350,000
Repayment of lease liabilities		**(263,468)**	-
Repayment of borrowings		**(1,350,000)**	-
Proceeds from issue of shares (net of capital raising costs)		**5,503,753**	6,650,833
Net cash provided by financing activities		**4,614,452**	8,000,833
Net decrease in cash held		**(2,269,511)**	(183,468)
Cash and cash equivalents at the beginning of the year		**3,604,293**	3,790,081
Exchange rate adjustments		**(11,016)**	(2,320)
Cash and cash equivalents at the end of the year	7	**1,323,766**	3,604,293

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 2020

In the year ended 30 June 2020, 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.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases of finance leases-for the lessee – effectively treating all leases as finance leases.

The Group has applied AASB 16 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2019 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2019 has not been restated.

The impact on the financial performance and position of the Group from the adoption of this Accounting Standards is detailed in note 19.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material 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 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue in accordance with a resolution of the Directors on 31 August 2020.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The fair value is determined using internal valuation models in conjunction with the market price of the share-based payments.

(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 2019 and the year ended 30 June 2018.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 objective evidence 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)

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(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.

(s) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) 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.

(u) 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.

(v) 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).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(w) 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.

(x) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As disclosed in the financial statements, the Group has incurred a net loss after tax for the year ended 30 June 2020 of $8,155,859 (2019: $7,643,073) and had net cash outflows from operating activities of $6,289,349 (2019: $7,763,069). As at 30 June 2020, the Company has a net current asset position of $1,893,863 (2019: $4,334,788).

The net current asset position as at 30 June 2020 includes the following:
- cash at bank of $1,323,766 (2019: $3,604,293);
- Income tax benefit receivable $1,243,273 (2019: $1,862,993);
- inventories of $458,103 (2019: $648,642)
- short term borrowings of $724,167 (2019: $1,350,000)

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.

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 2020 and the year ended 30 June 2019.

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Geographical segment		
Australia	**40,000**	76,957
Europe	**31,790**	308,844
Canada	**112,455**	-
South America	**97,006**	-
USA	**124,853**	365,837
East Asia	**8,756**	89,982
Total	**414,860**	841,620

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: REVENUE AND EXPENSES

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
(a) Revenue from contracts with customers		
Sales at a point in time		
Directly to customers	**414,860**	638,381
Through distributors	**-**	203,239
Total	**414,860**	841,620
(b) Revenue by product line		
Printers	**263,822**	639,299
Powder	**26,004**	35,297
Printer installations	**66,466**	68,169
Other	**58,568**	98,855
Total	**414,860**	841,620
(c) Other Income		
Interest received	**16,330**	46,696
Profit / (Loss) from joint venture	**(195,310)**	5,310
Insurance claim	**-**	33,911
Cash flow boost	**100,000**	-
Payroll tax rebate	**17,500**	-
Export marketing development grant	**240,000**	60,000
Other	**19,554**	-
Total	**198,074**	145,917
(d) Research and Development expenses*		
Consultancy fees	**14,800**	111,922
Consumables, design and engineering services (1)	**1,241,016**	2,185,614
Total	**1,255,816**	2,297,536
(e) Other Expenses		
Freight and courier	**143,251**	254,465
Insurance	**277,000**	193,955
Software	**93,449**	85,388
Travel	**258,296**	363,477
Bad debts written off	**6,412**	-
Payroll Tax	**165,670**	189,771
Other	**313,949**	252,219
Total	**1,258,027**	1,359,096
(f) Depreciation		
Depreciation – Right-of-use- leased assets	**118,952**	-
Depreciation – Property, Plant and Equipment	**268,520**	176,124
Total	**387,472**	176,124

* Research and Development expenses relate to direct expenses only. It should be noted that a significant portion of Employee Benefits and Other Costs is considered eligible expenses for R&D tax claim purposes.

(1) Includes $455,819 of patents lapsed and written off.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
(a) Income tax benefit	1,243,434	1,862,993
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	**(9,399,293)**	(9,506,066)
Income tax using the Company's tax rate of 27.5% (27.5% 2019)	**(2,584,806)**	(2,614,168)
Current period (loss) for which no deferred tax asset was recognised	**2,584,806**	2,614,168
Income tax benefit relating to Research and Development claim	**1,243,434**	1,862,993
Income tax benefit attributable to entity	**1,243,434**	1,862,993

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Losses available for offset against future taxable income	**26,189,975**	18,034,116
Total	**26,189,975**	18,034,116
Potential tax benefits of 27.5% (27.5% 2019)	**7,202,243**	4,975,050

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.

Progressive changes to the company tax rate is likely to result in a tax rate of 26% for the year ended 30 June 2021.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: ISSUED CAPITAL

a) Ordinary Shares

	Consolidated 30 June 20 Number	Consolidated 30 June 20 $	Consolidated 30 June 19 Number	Consolidated 30 June 19 $
Movements in ordinary shares on issue				
Balance at beginning of the year	**88,635,091**	**21,793,469**	65,599,271	15,232,021
Placement	**28,074,616**	**5,739,400**	13,157,895	5,000,000
Advisor shares	**570,000**	**117,000**	25,000	9,375
Options exercised	**-**	**-**	9,852,925	1,970,585
Sub total	***117,279,707***	***27,649,869***	*88,635,091*	*22,211,981*
Less share issue costs	**-**	**(431,564)**	-	(418,512)
Balance at end of year	**117,279,707**	**27,218,305**	88,635,091	21,793,469

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
Movements in performance shares on issue			
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	-	-	-

2019	Class B Number	Class C Number	Total Number
Balance at beginning of year	7,087,500	7,612,500	14,700,000
Performance Shares redeemed and cancelled	(7,087,500)	-	(7,087,500)
Total at end of year to 30 June 2019	-	7,612,500	7,612,500

Performance Shares were all issued for nil consideration.

NOTE 5: ISSUED CAPITAL (continued)

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 20 $	Consolidated 30 June 19 $
Reserves		
Balance at beginning of year	**1,884,185**	1,513,206
Option reserve [1]	**136,794**	106,431
Performance rights reserve [1]	**248,461**	264,548
Balance at the end of the year	**2,269,440**	1,884,185

[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.

d) Loss per share

	Consolidated 30 June 20	Consolidated 30 June 19
Total loss from continuing operations	**8,155,859**	7,643,073
Weighted number of average shares	**103,890,135**	76,256,018
	Cents	Cents
Loss per share	**7.85**	10.02

e) Dividends

There were no dividends declared or paid in the year to 30 June 2020 or the period to 30 June 2019.

NOTE 6: COMPANY OPTIONS AND PERFORMANCE RIGHTS

	Consolidated 30 June 20 Number	Consolidated 30 June 20 $	Consolidated 30 June 19 Number	Consolidated 30 June 19 $
Company Options				
Balance at the beginning of the year	**6,566,107**	**1,619,637**	15,806,925	1,513,206
Options issued	**7,000,000**	**295,683**	617,107	106,431
Options expired	**(5,137,000)**	**-**	(5,000)	-
Options exercised	**-**	**-**	(9,852,925)	-
Balance at the end of year	**8,429,107**	**1,810,295**	6,566,107	1,619,637

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 19	Lapsed/ Cancelled or Exercised	Outstanding at 30 June 20
22 Nov 16[1]	30 Nov 19	2.23	225,000	(225,000)	-
14 Mar 17[1]	31 Mar 20	3.00	641,000	(641,000)	-
12 Jun 17[2]	30 Nov 19	2.23	255,000	(255,000)	-
12 Jun 17[2]	31 Mar 20	3.00	290,000	(290,000)	-
12 Jul 17[1]	30 Jun 20	1.17	40,000	(40,000)	-
17 Apr 18[5]	17 Apr 20	1.00	3,686,000	(3,686,000)	-
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
25 Mar 20[9]	25 Mar 23	0.14	-	-	4,000,000
23 Apr 20[10]	30 Apr 23	0.14	-	-	2,000,000
TOTAL			**6,566,107**	**(5,137,000)**	**8,429,107**

[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.

NOTE 6: COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

	Consolidated 30 June 20 Number	Consolidated 30 June 20 $	Consolidated 30 June 19 Number	Consolidated 30 June 19 $
Company Performance Rights				
Balance at the beginning of the year	**755,826**	**264,548**	-	-
Performance Rights Issued	**1,160,634**	**379,527**	867,159	264,548
Performance Rights Earnt	**-**	**126,906**	-	-
Performance Rights Cancelled	**(945,723)**	**(257,972)**	(111,333)	-
Balance at the end of year	**970,737**	**513,009**	755,826	264,548

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
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

NOTE 6: COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

[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 FY2020.

The following options were exercised during FY2019:

	30 June 19		
	Exercised Number	Exercise date	Share price at exercise date $
Employee options	50,000	29 Aug 18	$0.42
Employee options	278,000	28 Sep 18	$0.90
Employee options	1,830,500	8 Oct 18	$0.87
Employee options	660,000	29 Oct 18	$0.70
Employee options	220,000	31 Oct 18	$0.68
Employee options	283,333	27 Nov 18	$0.56
Employee options	45,000	3 Dec 18	$0.61
Options issued under IPO prospectus	5,000,000	12 Dec 18	$0.52
Employee options	474,167	27 Dec 18	$0.52
Employee options	369,500	28 Dec 18	$0.50
Employee options	142,425	31 Dec 18	$0.48
	9,852,925		

During FY2020 5,137,000 options expired (FY2019 5,000).

During FY2020 945,723 performance rights were cancelled (FY2019 111,333)

No performance rights were exercised during the year or FY2019.

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
Corporate advisory fees Series 1	1,000,000	13 Dec 19	13 Dec 22	0.39	82,226	13 Dec 19
Director options Series 4	4,000,000	25 Mar 20	25 Mar 23	0.14	35,266	25 Mar 20
Director options Series 3	2,000,000	23 Apr 20	30 Apr 23	0.14	19,302	30 Apr 23
	7,000,000				**136,794**	
Performance Rights						
Employee Incentive plan Series 2	1,160,634	11 Jul 19	11 Jul 24	0.47	379,527	-
	1,160,634				**379,527**	

NOTE 6: COMPANY OPTIONS AND PERFORMANCE RIGHTS (continued)

Performance Rights were issued free of charge. Each Performance Right entitles the holder to subscribe for one (1) fully paid ordinary share in the Company based on achieving vesting conditions at a nil exercise price. The terms and conditions including the service and performance criteria that must be met are as follows:

(d) Subject to the below paragraph (b) each Performance Right will only vest and become exercisable when the 10 day volume weighed average market price (as defined in the ASX Listing Rules) of the Company's quoted Shares first exceeds $0.47 per Share (Vesting Condition).

(e) in respect of 50% of the Awards, that you have been employed or engaged (as applicable) by the Company or any other of its related bodies corporate for continuous period of at least 12 months; and

(f) in respect of 50% of the Awards, that you continue to be employed or engaged (as applicable) by the Company or any other of its related bodies corporate for at least 12 months from the date that the Awards are granted or the satisfaction of the other Vesting Condition under (b) above, whichever is the later in time.

(g) These conditions must be satisfied in order for the Awards to vest, unless the Board waives such conditions (or either of them), at its absolute discretion.

(h) Each Performance Right will automatically be cancelled and will be redeemed by the Company for nil consideration if employment with the Company is terminated for any reason before the Vesting Condition is met.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

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.

Series 3 and 4

Three directors received 2,000,000 options each 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	**1**	**2**	**3**	**4**
Dividend yield (%)	-	-	-	-
Expected volatility (%)	71%	45%	100%	100%
Risk-free interest rate (%)	0.85%	1.01%	0.26%	0.32%
Expected life of option (years)	3	5	3	3
Exercise price (cents)	0.39	Nil	0.14	0.14
Grant date share price	0.29	0.365	0.096	0.070
VWAP barrier (cents)	-	0.47	-	-

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 20 $	Consolidated 30 June 19 $
Cash at hand and in bank	**1,323,766**	3,604,293
Term Deposits	-	-
Total	**1,323,766**	3,604,293

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 2020.

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 20 $	Consolidated 30 June 19 $
Cash and cash equivalents	**1,323,766**	3,604,293
Total	**1,323,766**	3,604,293

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

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Loss for the year	**(8,155,859)**	(7,643,073)
Adjustment for non-cash income and expense items		
Depreciation	**387,472**	176,124
Equity settled share-based payments	**303,029**	297,448
Lapsed patents	**492,799**	-
Share of joint venture loss	**195,310**	-
Bad debt expenses	**6,412**	-
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	**565,080**	(748,115)
Increase / (decrease) in annual leave accrual	**(28,105)**	15,835
(Increase) / decrease in inventories	**190,539**	7,795
Decrease in trade and other payables	**(246,026)**	130,917
Net cash outflow from operating activities	**(6,289,349)**	(7,763,069)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: CASH AND CASH EQUIVALENTS (Continued)

Cash Flows from Financing activities

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 be repaid with the receipt of the expected R&D income tax claim. Refer note 4.

On 25 June 19 Aurora Labs borrowed $1,350,000 secured against the R&D claim for the year ended 30 June 2019.
The term of the loan is up to 31 October 2019 with an annual interest rate of 15%. The loan will be repaid with the receipt of the expected R&D income tax claim. Refer note 4.

Changes in liabilities arising from financing activities

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	724,167	-	724,167
Lease liabilities		508,350	508,350
Principal and interest repayments		(239,112)	(239,112)
Closing balance	724,167	269,238	993,405

2019	Commercial Loan $	Lease Liability $	Total $
Opening balance	-	-	-
R&D funding	1,350,000	-	1,350,000
Closing balance	1,350,000	-	1,350,000

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Bank guarantee	92,959	92,959
Accounts Receivable	121,214	121,215
GST	21,647	30,737
Advances to suppliers	-	15,203
Interest receivable	16	1,058
Other receivables	273,775	62,016
Income tax benefit receivable	1,243,273	1,971,666
Pre-paid expenses	9,706	75,950
Total	1,762,590	2,370,804

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: TRADE AND OTHER RECEIVABLES (Continued)

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2020 and 30 June 2019 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 FY2020 or FY2019.

NOTE 9: INVENTORIES

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Stock on Hand	**168,505**	234,165
Raw materials – Powders at cost	**138,470**	167,278
Work in progress – Small Format Printers at cost	**151,128**	247,199
Total	**458,103**	648,642

Parts used in research and development were classified as research and development and expensed.

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 2020 %	Ownership interest 2019 %	Published fair value 2020 $	Published fair value 2019 $
AdditiveNow Pty Ltd	Sale of 3D printers	Australia	50%	50%	-	195,310

Material joint venture

Statement of Profit or Loss and other comprehensive income

	30 June 2020 $	30 June 2019 $
Revenue	**204,128**	185,138
Profit (Loss) for the year		
- Continuing operations	**(386,569)**	10,620
Other comprehensive income for the year	**-**	-
Dividends received during the year	**-**	-

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Statement of financial position

	30 June 2020 $	30 June 2019 $
Current Assets	**771,158**	565,138
Non-Current Assets	**-**	-
Current Liabilities	**767,106**	174,518
Non-Current Liabilities	**-**	-
Net Assets	**4,052**	390,620

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

	30 June 2020 $	30 June 2019 $
Net assets of the joint venture	**4,052**	390,620
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

	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total $
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**
Cost	331,923	245,021	75,821	185,692	838,457
Accumulated depreciation and impairment	(53,656)	(108,492)	(17,984)	(92,845)	(365,824)
Carrying value as at 30 June 2019	**278,267**	**136,529**	**57,837**	**-**	**472,633**

(ii)Reconciliation

	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 end of year	**340,400**	**144,065**	**218,286**	**18,165**	**720,916**
Carrying value as at 1 July 2018	179,985	141,742	60,588	92,847	475,162
Cost	125,802	42,328	5,465	-	173,595
Depreciation expense	(27,520)	(47,541)	(8,216)	(92,847)	(176,124)
Balance at end of year	**278,267**	**136,529**	**57,837**	**-**	**472,633**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: RIGHT-OF-USE LEASED ASSETS

	Carrying Value
	Consolidated
	30 June 20
	$
Cost	510,533
Accumulated depreciation	(268,520)
Carrying value as at 30 June 2020	**242,013**
Reconciliation	
Recognised on 1 Jul 2019 on adoption of AASB 16	510,533
Depreciation expense	(268,520)
Carrying value as at 30 June 2020	**242,013**

AASB 16 has been adopted during the period, refer note 19 for details.

NOTE 13: INTANGIBLES

(i) Carrying amount

Intangibles consist of patents lodged by the Group	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Cost	**989,255**	735,965
Impairment (for lapsed or forfeited patents) (1)	**(455,819)**	(2,700)
Balance at end of year	**533,436**	733,265

(ii) Reconciliation

Intangibles consist of patents lodged by the Group	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Balance at the beginning of the year	**733,265**	510,137
Capitalised payments for patent related costs	**255,990**	225,828
Less impairment (for lapsed or forfeited patents) (1)	**(455,019)**	(2,700)
Balance at end of year	**533,436**	733,265

(1)Patents that have lapsed or are forfeited and are not rolled into a new patents have been impaired and moved to an expense in the year the patents lapsed/expired.

NOTE 14: TRADE AND OTHER PAYABLES

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Trade and other payables		
Accounts Payable	**47,729**	218,122
Other payables	**392,346**	467,979
Sub Total	**440,075**	686,101
Deferred Revenue - Deposits / pre-payments for small format printers	**44,905**	52,534
Accrued annual leave	**172,211**	200,316
Total	**657,191**	938,951

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: LEASE LIABILITIES

Fair Value

	Consolidated
	30 June 20
	$
Current liabilities	269,238
Non-current liabilities	-
	269,238
Reconciliation	
Recognised on 1 Jul 2019 on adoption of AASB 16	508,350
Less Principal repayments	202,282
Less Interest repayments	36,830
Closing balance	**269,238**

AASB 16 has been adopted during the period, refer note 19 for details.

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

	<1 year	1-2 years	Total
	$	**$**	**$**
30 June 20			
Lease payments	282,567	-	282,567
Interest	(13,329)	-	(13,329)
Net present values	**269,238**	-	**269,238**

NOTE 16: BORROWINGS

Current	**Consolidated 30 June 20 $**	**Consolidated 30 June 19 $**
Secured		
Other Loans	**724,167**	1,350,000
Sub Total	**724,167**	1,350,000

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 be repaid with the receipt of the expected R&D income tax claim. Refer note 4.

NOTE 17: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no matters or circumstances which has arisen since 30 June 2020 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 2020 or the period ended 30 June 2019.

NOTE 19: NEW STANDARDS ADOPTED

AASB 16 Leases

Impact on operating leases

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes classification, measurement and recognition leases. The changes result in almost all leases where the Company is the lessee being 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.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. There is no initial Impact on retained earnings under this approach. The Group has not restated comparatives for the 2019 reporting period.

As at 30 June 2019, the Group had non-cancellable operating lease commitments of $565,404. Refer note 17.

The Group leases premises as at 30 June 2019 these leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Group recognised a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially recognised at the present value of the lease payments that are not paid at commencement date, discounted using an interest rate implicit in the lease, If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

A extension option is included in the property leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Impact on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The incremental borrowing rate applied to lease liabilities on 1 July 2019 was 10%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised ln the Statement of Financial Position as at 30 June 2019.

In the Condensed Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of right-of-use assets of $508,350 and lease liabilities of $508,350 in respect of all operating leases, other than short-term leases and leases of low-value assets.

NOTE 19: NEW STANDARDS ADOPTED (Continued)

The net impact on accumulated losses on 1 July 2019 was $nil.

	Consolidated 1 Jul 19 $
Operating lease commitments disclosed as at 30 June 2019	**565,404**
Discounted using the lessee's incremental borrowing rate at the date of initial application	(57,054)
Lease liability as at 1 July 2019	**508,350**

Right-of-use asset

The recognised right-of-use asset relate to the following types of assets:

	30 June 19 $
Property leases	508,350
	508,350

Lease liability

	30 June 19 $
Current lease liabilities	257,579
Non-current lease liabilities	250,771
	508,350

Impact

The change in accounting policy resulted in an increase of a right-of-use asset of $508,350 and a corresponding lease liability of $508,350 in respect of all these leases, other than short-term leases and leases of low-value assets.

The net impact on retained earnings on 1 July 2019 was $nil.

Practical expedients applied

In applying AASB 16 for the first time, the Aggregated Group has used the following practical expedients permitted by the standard:

The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases, with no right-of-use asset nor lease liability recognised; and

The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Impact on finance leases

Based on an analysis of the Aggregated Group's finance leases as at 30 June 2019 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed that the impact of this change will not have an impact on the amounts recognised in the Aggregated Group's interim financial statements.

Impact on lessor accounting

Based on an analysis of the Aggregated Group's leases as at 30 June 2019 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed that the impact of this change will not have an impact on the amounts recognised in the Aggregated Group's interim interim financial statements.

NOTE 20: COMMITMENTS

As at the balance date, the Group has a total of 6 Small Format Printers that were pre-sold at discount rates to various non-related parties as part of a crowd-funding initiative called "kickstarter". A liability of $44,905 is recognised on the statement of financial position which corresponds to funds received from these pre-sales.

The Group has an obligation to either a) deliver a commercial version of the pre-sold Small Format Printer for each pre-sold machine or b) if the Group is unable to deliver commercial Small Format Printers to cover the pre-sold machines then the funds received will have to be returned to the customers. This arrangement is now reflected under right of use asset in Note 12. There are no other lease commitments in the current year.

Lease Agreement

The Company leased a warehouse and office space at Unit 2, 79 Bushland Ridge Bibra Lake, Western Australia: The rental agreement commenced 1 June 2017 with an initial 24-month period. That period was extended for a further 24 months to 31 May 2021 of $24,583 per month plus standard outgoings.

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
Lease commitments		
Not longer than 1 year	-	294,994
Longer than 1 year and shorter than 5 years	-	270,410
Total	-	565,404

NOTE 21: 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.

NOTE 21: FINANCIAL INSTRUMENTS (continued)

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 20 $	Consolidated 30 June 19 $
Cash and cash equivalents	**1,323,766**	3,604,293
Trade and other receivables	**1,762,590**	2,370,804
Total	**3,086,356**	5,975,097

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.

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.

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
Accrued annual leave	172,211	-	-	-	172,211
Total	1,381,358		-	-	1,381,358

2019	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	686,101	-	-	-	686,101
Deferred revenue	52,534	-	-	-	52,534
Borrowings	1,350,000				1,350,000
Accrued annual leave	200,316	-	-	-	200,316
Total	2,288,951	-	-	-	2,288,951

NOTE 21: FINANCIAL INSTRUMENTS (continued)

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 20 $	Consolidated 30 June 19 $
Interest-bearing financial instruments		
Cash at bank and on hand	**1,323,766**	3,604,293
Term Deposits	**-**	-
Borrowings	**(724,167)**	(1,350,000)
Total	**599,599**	2,254,293

The Group's cash at bank and on hand and short-term deposits had a weighted average floating interest rate at year end of 0.26% (2019: 0.96%).

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.

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 22: CONTINGENT LIABILITIES / ASSETS

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

NOTE 23: 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
David Budge	Chief Technical Officer
Nathan Henry	Marketing Manager
Mathew Whyte	Company Secretary ; and Non-Executive Director
Paul Kristensen	Non-Executive Chairman
Mel Ashton	Non-Executive Director
Peter Snowsil	Chief Executive Officer

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
b) Key Management Personnel Compensation		
Short-term employee benefits	**1,217,191**	811,508
Post- employment benefits	**84,061**	50,094
Share-based payments	**64,378**	120,750
Total compensation	**1,365,630**	982,352

c) Other Transactions

Grant Mooney has provided company secretarial services during the year which totalled: $8,000 (2019: $Nil)

Mathew Whyte provided company secretarial services through a controlled entity Whypro Corporate Services. Payments for company secretarial services during the year totalled: $86,400 (2019: $115,200).

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 2020.

NOTE 24: 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 20 %	30 June 19 %
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 25: 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 20 Number	Consolidated 30 June 20 $	Consolidated 30 June 19 Number	Consolidated 30 June 19 $
Expense arising from equity-settled share-based payment transactions	**7,160,634**	**303,029**	1,117,159	297,448
Net share based payment expense/(income) recognised in the profit or loss	**7,160,634**	**303,029**	1,117,159	297,448

During FY2020. 1,000,000 options were issued to settle share issue costs $82,226. (2019: 367,107 options were issued to settle share issue costs $73,506).

b) Remaining Contractual Life

All Incentive Options and Performance rights outstanding at 30 June 2020 are able to be exercised prior to 11 July 2024, so there is 4.0 years remaining contractual life on all options and Performance shares as at the balance date (2019: 4.5 years).

c) Range of Exercise Prices

The exercise price of Incentive Options outstanding at 30 June 2020 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 CONDENSED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 26: Parent entity

Statement of financial position

	30 June 20 $	30 June 19 $
Current assets	**2,201,754**	5,153,260
Non-current assets	**2,137,944**	2,113,194
Current liabilities	**949,470**	1,530,458
Non-current liabilities	-	-
Net assets	**3,390,228**	5,735,996
Equity		
Issued capital	**27,218,305**	21,793,469
Option reserve	**2,269,439**	1,884,185
Retained earnings	**(26,097,516)**	(18,001,658)
Total equity	**3,390,228**	5,735,996

Statement of profit or loss and other comprehensive income

	30 June 20 $	30 June 19 $
Loss for the year	**8,095,858**	1,464,174
Other comprehensive income	**-**	-
Total comprehensive loss	**8,095,858**	1,464,174

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

As at 30 June 2020, 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 2020 Aurora Labs Limited has no contingent liabilities (2019: $Nil)

NOTE 27: AUDITORS REMUNERATION

	Consolidated 30 June 20 $	Consolidated 30 June 19 $
AUDITORS' REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
• an audit or review of the financial report of the entity	**30,725**	29,000
• other services – Export Marketing Development Grant preparation and lodgement	**5,250**	4,250
Total	**35,975**	33,250

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 2020 and of its performance for the year then ended; and

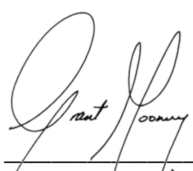
        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    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 2020.

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



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Grant Mooney
Chairman
Dated this 31 August 2020

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 2020, the consolidated statement of profit and 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 2020 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 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 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 concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Share Based Payments Refer to Note 21	
During the financial year the Company issued unlisted options to performance rights to Key Management Personnel and employees. 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, external valuer was engaged to undertake valuation of performance rights which included 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 and performance rights.
Intangible assets Refer to Note 13	
The Group has a significant intangible asset balance which relates to patents in relation to 3D printing technology. We considered this to be a key audit matter as it is determined to be important to the users of the financial statements and it required input from external consultants.	Our procedures included but were not limited to: - Obtaining external confirmation of patent status; - Agreeing expenditure incurred to supporting documentation; - Ensuring compliance of patents costs for recognition and continued capitalisation under AASB 138 Intangible Assets; and - Considered existence of any impairment indicators under AASB 136 Impairment of Assets.

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 financial report the year ended 30 June 2020, 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.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2020.

In our opinion, the Remuneration Report of Aurora Labs Limited for the year ended 30 June 2020 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
31 August 2020

ASX 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 21 August 2020.

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	361	187,337
1,001 – 5,000	552	1,590,292
5,001 – 10,000	360	2,890,508
10,001 – 100,000	769	27,891,834
100,001 and over	172	84,719,736
Total	2,214	117,279,707

b) Marketable parcel

There are 1,000 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 shareholder, being Mr David Budge, holding 15,946,785 fully paid ordinary shares, being 13.60% of the fully paid ordinary shares on issue and Bartheer Beheer BV, holding 13,000,000 fully paid ordinary shares, being 11.08% 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.

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	MR DAVID JAMES BUDGE <BUDGE FAMILY A/C>	15,946,78	13.60%
2	BARTHEN BEHEER BV	13,000,00	11.08%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,721,842	2.32%
4	CITICORP NOMINEES PTY LIMITED	2,263,855	1.93%
5	MR JOHN NATHAN HENRY	1,825,485	1.56%
6	MCROD INVESTMENTS PTY LIMITED	1,666,153	1.42%
7	GASMERE PTY LTD	1,583,009	1.35%
8	MRS JESSICA C E SNELLING <SNELLING FAMILY A/C>	1,330,377	1.13%
9	LEE MILLER INVESTMENTS PTY LTD <D M & L INVESTMENTS A/C>	1,327,500	1.13%
10	MR TERRY STEPHEN ROMARO	1,250,000	1.07%
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,236,280	1.05%
12	ZWECS PTY LTD <SE & C STAUGHTON EXEC SF A/C>	1,142,671	0.97%
13	MR ANTHONY PELLEGROM	1,050,000	0.90%
14	MR PETER WAYNE ROGERS	841,062	0.72%
15	MR RODNEY ALAN BRACK	775,096	0.66%
16	ONMELL PTY LTD <ONM BPSF A/C>	763,169	0.65%
17	MARRAHCAPITAL INVESTMENT PTY LTD <GARDINER BROOKES SUPER A/C>	750,000	0.64%
18	MR WAYNE JOHN HOGAN & MRS ANGELA PATRICE HOGAN <THE HOGAN FAMILY A/C>	700,000	0.60%
19	DR THEODORE LIONEL CHATZ	700,000	0.60%
20	MR JOHN CLIFFORD GRANT & MRS TRACY LYNNE GRANT <J & T GRANT ESF A/C>	600,800	0.51%
	Total	**52,035,40**	**44.37%**

ASX ADDITIONAL INFORMATION (continued)

Unquoted Securities – Company Options and Performance Shares

There are three classes of unquoted securities, being:

1. Company Options:
2. Company Performance Rights

1a) Company Options – Exercisable $0.79/ Expiry 31 August 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	7,000
10,001 – 100,000	22	455,000
100,001 and over	-	-
Total	23	462,000

1b) Company Options – Exercisable $0.72/ Expiry 30 September 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	50,000
100,001 and over	-	-
Total	1	50,000

1c) Company Options – Exercisable $0.95/ Expiry 31 September 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	100,000
100,001 and over	-	-
Total	1	100,000

ASX ADDITIONAL INFORMATION (continued)

1d) Company Options – Exercisable $0.50/ Expiry 31 December 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	250,000
Total	1	250,000

1e) Company Options – Exercisable $1.08/ Expiry 31 January 2021

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	2	200,000
100,001 and over	-	-
Total	2	200,000

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

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	367,107
Total	1	367,107

ASX ADDITIONAL INFORMATION (continued)

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

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	2	1,000,000
Total	2	1,000,000

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

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	2	4,000,000
Total	2	4,000,000

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

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	2,000,000
Total	1	2,000,000

ASX ADDITIONAL INFORMATION (continued)

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

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	3,000,000
Total	1	3,000,000

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

Distribution & Spread of unquoted Performance Rights holder numbers

Category	Performance Rights	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	2	17,500
10,001 – 100,000	12	401,055
100,001 and over	-	-
Total	14	418,555

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

Distribution & Spread of unquoted Performance Rights holder numbers

Category	Performance Rights	
(Size of holding)	Holders	Number
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	17	552,182
100,001 and over	-	-
Total	17	552,182

ASX ADDITIONAL INFORMATION (continued)

OTHER ASX INFORMATION

1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2020 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:

Unit 2/ 79 Bushland Ridge
Bibra Lake WA 6163
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.