Aurora | LABS™

CORPORATE UPDATE: NOVEMBER 2017

WHAT DO YOU WANT TO BUILD TODAY?

CUTTING EDGE TECHNOLOGY ENABLING OPPORTUNITY

AURORA IS AN INDUSTRIAL TECHNOLOGY AND INNOVATION COMPANY THAT SPECIALISES IN THE DEVELOPMENT OF 3D METAL PRINTERS, POWDERS AND DIGITAL PARTS AND THEIR ASSOCIATED TECHNOLOGY.

www.auroralabs3d.com

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CORPORATE SNAPSHOT

Market Capitalisation and Enterprise Value[1]

Quoted Ordinary Shares on issue	no.	26,000,804
Restricted Ordinary Shares on issue	no.	32,260,696
Total Ordinary Shares on issue	**no.**	**58,261,500**
Share price (9 Nov 17)	A$/share	1.195
Market Capitalisation	**A$m**	**69.6**
Debt (as at 30 Sep 17)	A$m	-
Cash (as at 30 Sep 17)[2]	A$m	4.2
Enterprise Value	**A$m**	**65.4**

Share Price / Volume History (A$; millions)

Top Shareholders (29 Sep 17)

Name	Share Held	% of Shares on Issue
David Budge	23,946,785	41.1%
Gasmere Pty Ltd	2,817,888	4.8%
William Crisp	1,463,415	2.5%
Jessica Snelling	1,330,377	2.3%
Top 20 Shareholders	**38,439,942**	**66.0%**
Held by Directors and Management	**26,667,425**	**45.8%**

Directors and Senior Management

Name	Position
David Budge	Managing Director & Interim Chairman
Nathan Henry	Executive Director, Director of Marketing and Business Development
Mathew Whyte	Non-Executive Director & Company Secretary
Steven Daw	General Manager

Notes:

1. Excludes options and performance shares outstanding.
2. Includes S1m from R&D tax incentive refund as announced on 1 November 2017.

Source: As at 9 November 2017, Company Announcements.

CORPORATE UPDATE

Aurora Labs (ASX: A3D) is an industrial technology company which specialises in the development of 3D metal printers, powders and digital 3D metal printed parts

Aurora has developed two core technologies:

Small Format Technology with its S-Titanium and S-Titanium Pro Small Format Printers ("SFP")

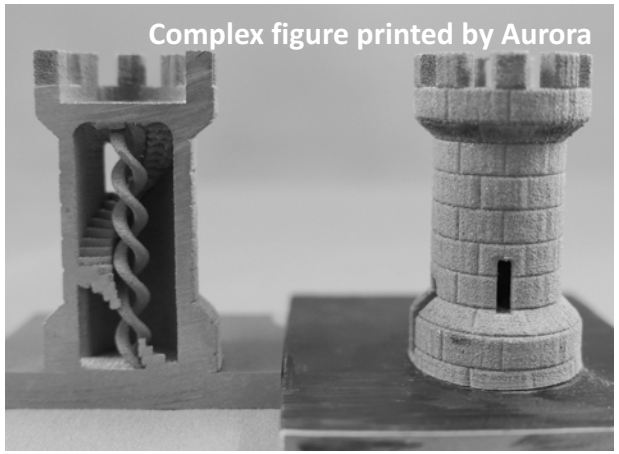
- In commercial production
- Now selling

Large Format Technology with its Medium and Large Format Printers ("MFP" and "LFP")

- Under development
- Targeting pre-production Beta testing in 2018
- Targeting capability to print parts up to 1 tonne in 24 hr

Aurora's aim is to transform how metal parts and products are manufactured


Rhom Ball printed by Aurora


Complex figure printed by Aurora

AURORA'S PRODUCT DEVELOPMENT SUITE

- Aurora is continuing to commercialise its SFP, with the cash received from sales used to assist with funding the development of the MFP and LFP
- Aurora believes there is a significant market opportunity with its MFP and LFP to potentially replace a number of traditional and large scale metal manufacturing machines and technology, with its printers targeted to have the ability to produce complex metal based 3D printed parts in an extremely rapid time
- LFP is targeted to have the capability to print approximately 100 times faster than existing 3D printers on the market
- MFP and LFP expected to be highly beneficial to a number of industries, including mining and oil & gas, subject to successful completion of development and testing

Aurora Product Development Suite	Units	Small Format	Medium Format	Large Format
Max Printing Speed	cm^3/hour	17	1,500	15,000
Build Chamber Size	cm^3	20,000	8,000	5,600,000

Source: Company Estimates.

SMALL FORMAT PRINTERS

S-Titanium Pro Small Format Printer

Aurora is focused on the sales of its S-Titanium and S-Titanium Pro SFPs

The SFP is well placed to compete in the small printer segment of the 3D metal printing market on specifications and price

- The machine prints in three modes: Selective Laser Sintering (SLS), Selective Laser Melting (SLM) and Directed Energy Deposition (DED)
- The print bed is one of the largest on the market at this price point

The Company has agreements in place with distributors to advance the marketing and commercialisation of existing SFPs:

- Distributors receive a portion of the sales revenue of the SFP list price and Aurora receives net revenue from the sale

The price per unit is currently US$49,999. Units sold through a distributor will receive less revenue for Aurora due to the distributor's share of revenue

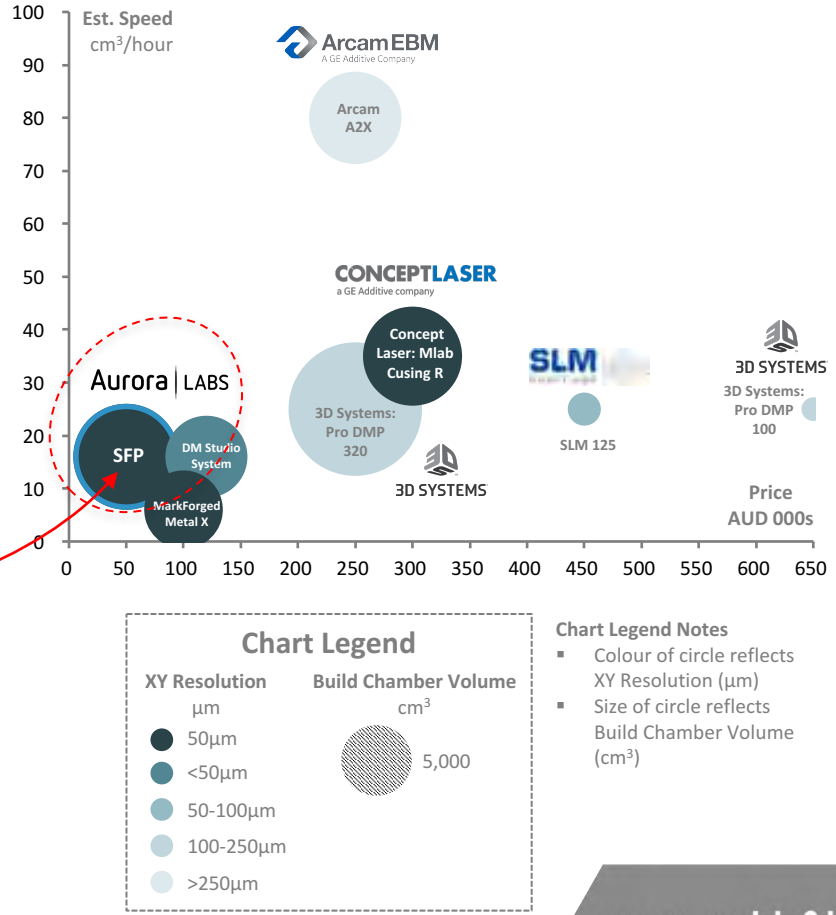
Five SFP sales to date (four direct sales and one via distributors)

RELATIVE MARKET POSITIONING – SFP / LOW SPEED PRINTERS

- Aurora's SFP continues to be well positioned in the global 3D printing market
- SFP remains competitive both on cost and specification compared to other existing comparable 3D printers on the market
- SFP currently retailing for US$49,999 compared to a large number of existing comparable 3D printers on the market which are priced >US$200,000 per unit
- Aurora is continuing to focus on sales of the SFP and presently has inventory that it is selling, predominately via distribution sales
- Sales of SFP expected to be used to assist with funding the development of the MFP and LFP

3D Printing Market (Low Speed Printers)[1]

Price, Speed, Build Volume and Resolution



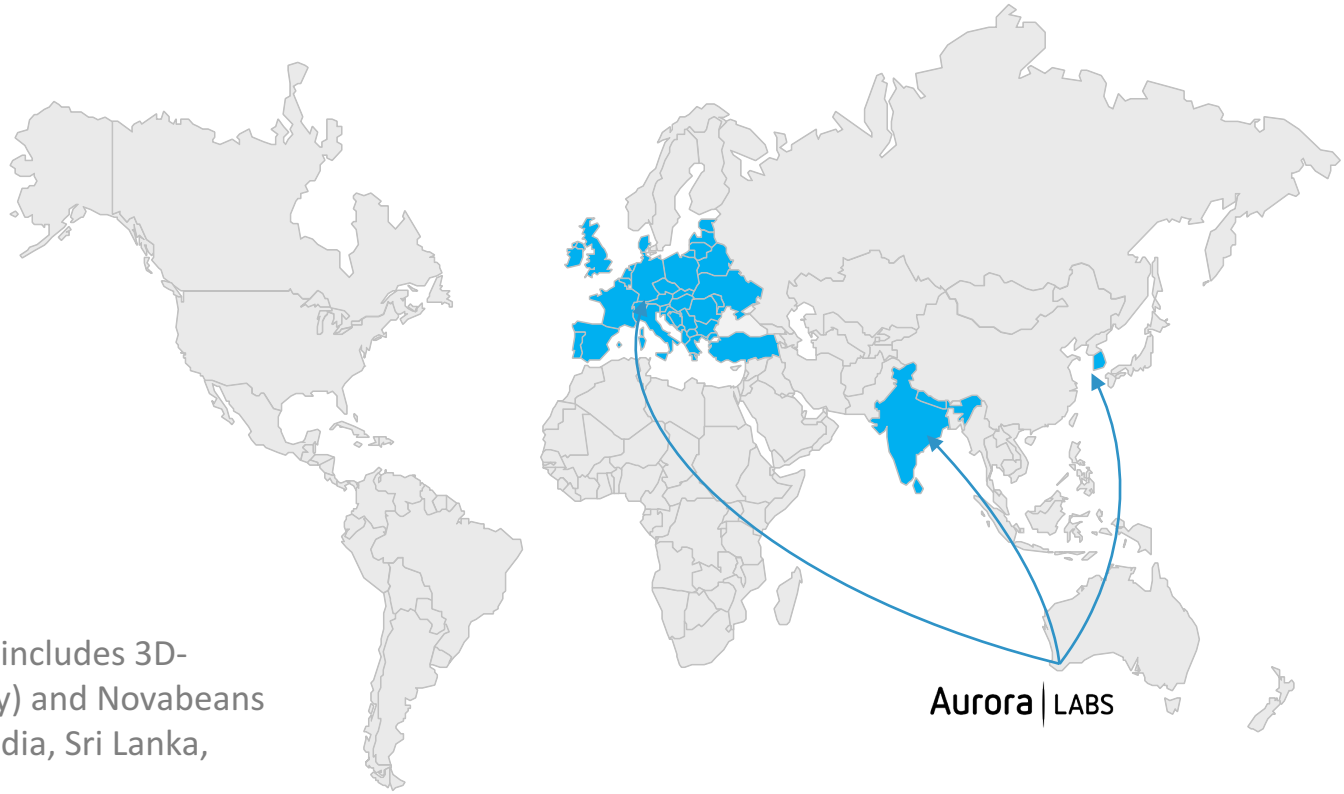
Notes:

1. A3D company research - illustrative only.

Source: Respective Company Estimates.

EXPANDING OUR SFP DISTRIBUTOR NETWORK

- Aurora has various global distributor agreements in place that will advance the marketing and commercialisation of the small format printer
- Recent distributor agreement signed with Partners Lab in September 2017, granting Partners Lab exclusive rights to sell, service and maintain Aurora's S-Titanium SFP in South Korea
- Other distributor agreement includes 3D-Mectronic (covering Germany) and Novabeans Prototyping Labs (covering India, Sri Lanka, Nepal and Bhutan)
- Aurora continues to work with a view to developing its overseas distributor network in order to generate indirect sales of its SFP



SFP PRE-SALE CAMPAIGN

- In 2014 Aurora launched a pre-sale campaign to raise funds for the R&D of its Small Format Printer
- The Company has orders from the pre-sale for a total of 27 SFP at discounted prices which reflected the Company's expectations of far more modest costs of production for a significantly simpler device
- In total, Aurora has a liability of A$192k (a range of up to A$9k per SFP) which corresponds to funds received from these pre-sales
- Aurora has since gained an extensive amount of knowledge in the production requirements of the SFP, CE Mark Certification and laser regulatory requirements, as well as the appropriate market pricing, since the pre-sale campaign which is reflected in the current list price of those printers of US$49,999
- Given the extensive disconnect between the pre-order price and the current list price, Aurora has made the commercial decision to offer to return the pre-order funds to the original pre-sales customers, pursuant to the terms of those arrangements. The Company believes it is not appropriate at this point in time to deliver the product at such a low price and negative margin. The product Aurora has now developed is also substantially different to the machine originally offered in 2014
- Aurora is committed to refund the relevant parties affected and regrets any disappointment caused to its customers
- Given the evolution of the pricing parameters for the SFP, and the potential revenue from full list price sales, the Company believes the decision taken is in shareholders' best interests

EVOLUTION OF THE TECHNOLOGY FOCUS

- Aurora will continue to effectively collaborate with its distributors and is confident that SFP sales will end the 2017 calendar year strongly

- Whilst Aurora considers that the SFP is a superior product to other devices targeting the same smaller scale build space, the truly significant commercial opportunity is within the large format technology and large scale manufacturing sector, both because of the higher price point and much larger markets

- Therefore, over time, the Company will focus more on its MFP and LFP given the remarkable opportunities available to Aurora in the large scale manufacturing space

SFP assembly at Aurora's new facility in Bibra Lake, Perth


Complex parts printed by Aurora

RELATIVE MARKET POSITIONING – LFP AND HIGHER SPEED PRINTERS

- Aurora's LFP is targeted to produce complex metal based 3D printed parts in an extremely rapid time
- Currently there is no global competitor that has a printer which combines the LFP's targeted print size with its targeted speed and precision
- Successful commercialisation of a high speed 3D metal printer has the potential to cause a major disruption to global metal manufacturing and the global flow of goods
- Aurora is currently prototyping its LFP (and MFP) with the aim of getting an operational pre-production LFP to print complex parts at rapid speeds during 2018
- The LFP technology is completely different from the SFP technology

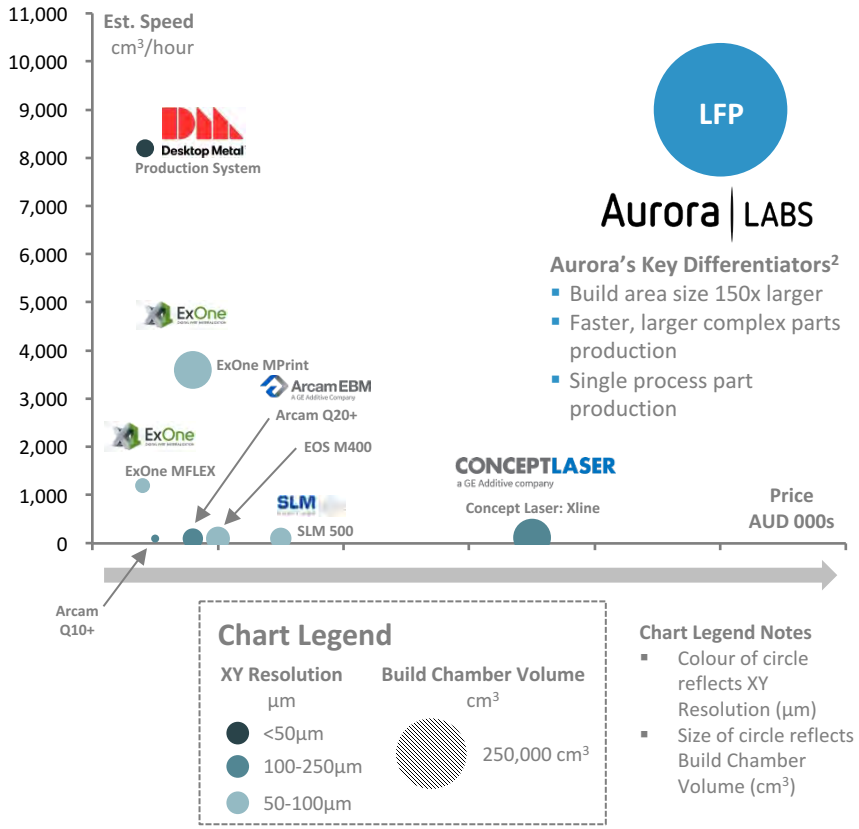
Bloomberg

"How 3-D Printers could erase a quarter of global trade by 2060"

Bloomberg[3] (4 Oct 2017)

3D Printing Market (Higher Speed Printers)[1]

Price, Speed, Build Volume and Resolution



Notes:

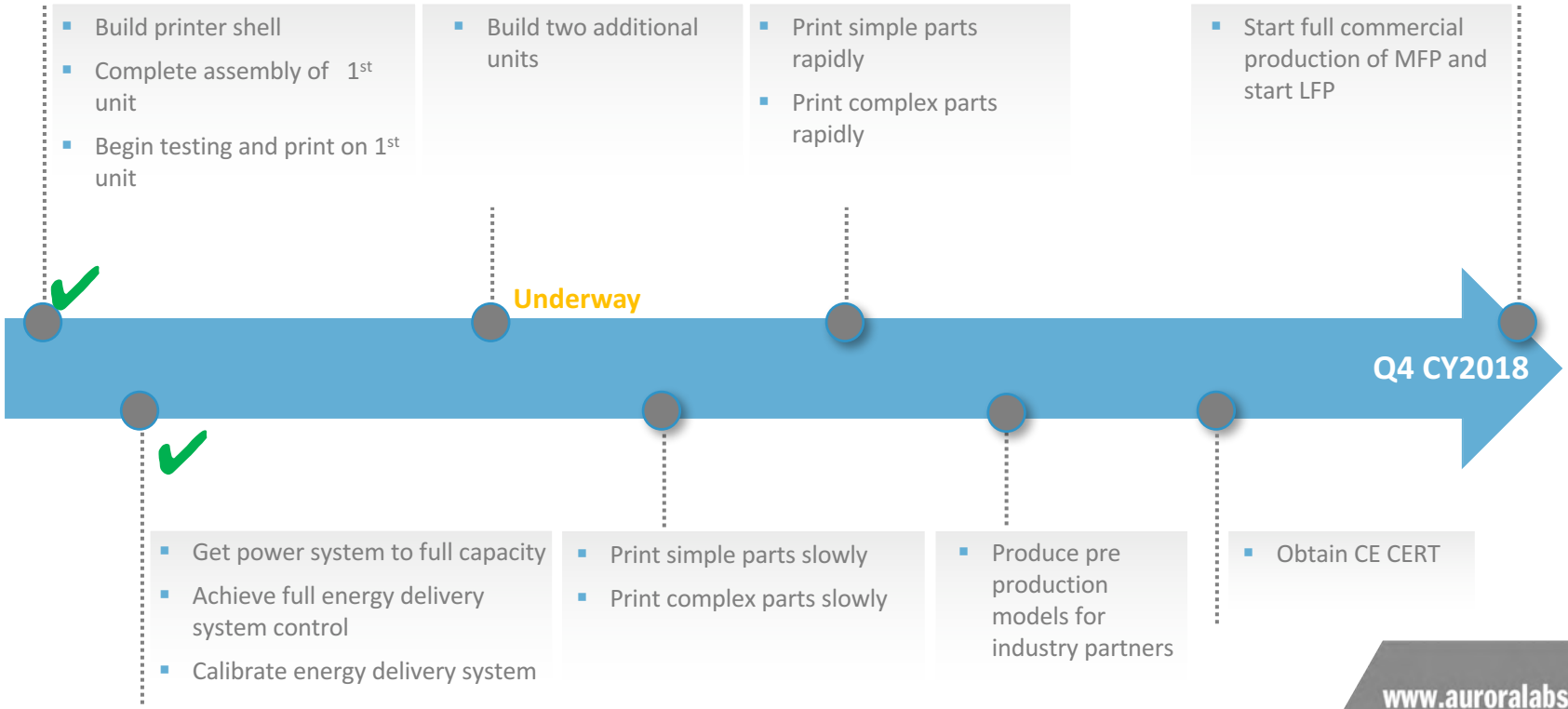
1. A3D company research - illustrative only.
2. The Aurora MFP / LFP is expected to produce fully dense parts in one stage, in excess of 150 times the size of the Desktop Metal build area.
3. https://www.bloomberg.com/news/articles/2017-10-03/how-3-d-printers-could-erase-a-quarter-of-global-trade-by-2060

Source: Respective Company Estimates.

LARGE FORMAT TECHNOLOGY DEVELOPMENT TIMELINE

- Aurora's indicative timeline for the development of its Large Format Technology is set out below. These printers use new revolutionary technologies beyond the SFP
- Steps below are envisaged to be completed over the next 10-14 months, but are subject to inherent risks factors associated with design and development
- While this timeline is an indication of progress, investors need to be made aware that this type of Research & Development work will have periods of rapid progress and periods of slower progress

LARGE FORMAT TECHNOLOGY TIMELINE



Source: Company Estimates.

INDUSTRY PARTNER PROGRAM

Aurora has launched an Industry Partner Program to identify and collaborate with potential partners in relevant sectors and drive the adoption of the MFP and LFP


Titanium Valve Body printed by Aurora

Industry partners will be given the opportunity to obtain:

- Early access to Aurora's Large Format Technology, which will include:
  - Opportunity to evaluate Aurora technology and assess fit with partners business
  - Ability to print parts on early stage machines to begin qualification of printed materials
  - Invitation to the first viewing of the Large Format Technology in operation
- Be part of the Company's beta testing program and purchase of a pre-production model machine - allowing companies to commence their own printing program
- Tailored R&D Programs - with the goal of delivering a complete production process for the manufacture of parts

Aurora is in discussions with a number of potential industry partners and will provide regular updates on the development of the Program over the coming months. Throughout this verification process, the Company aims to develop a clear understanding with industry partners of the timelines and pathways to market associated with the development, testing and commercial release of Aurora's ground-breaking 3D printing technology. This program matches many of the same opportunities underway with WorleyParsons, as previously announced

BINDING TERM SHEET WITH WORLEYPARSONS

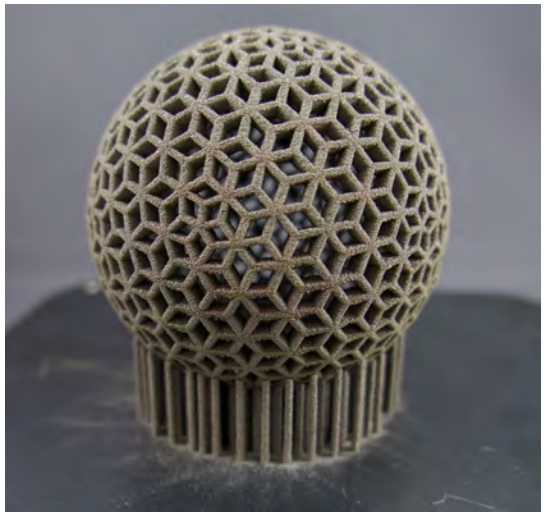
Aurora has signed a binding term sheet to establish an Additive Manufacturing Solution Centre with WorleyParsons


316L Pump Impeller printed by Aurora

The Solution Centre will focus specifically on:

- Licensing and distribution of Aurora's 3D metal parts printers
- Design and certification
- Creation of a Print Bureau using Aurora Labs' technology
- Explore option for bulk powder production

The Solution Centre plans to introduce 3D printing to major infrastructure, mining and other resource companies globally and to provide those companies with a competitive advantage over the general market through expert use of key technologies



RELATIVE MARKET VALUATIONS

- Aurora is currently valued at a fraction of competing 3D printing companies
- Strong recent activity in the sector such as Desktop Metal raising US$115m in venture funding from investors such as Google Ventures and GE Ventures at an estimated valuation of >US$1 billion (Jul 2017)
- No equivalent competitor with similar technical specifications to Aurora's LFP technology (under development)

Company	Aurora | LABS	TITOMIC	ExOne	SLM	CONCEPTLASER a GE Additive company	ArcamEBM A GE Additive Company	Desktop Metal	3D SYSTEMS	stratasys
Listed or Private	Public	Public	Public	Public	Private	Public	Private	Public	Public
Listing Location	ASX	ASX	NASDAQ	ETR	n/a	Stockholm	n/a	NYSE	NASDAQ
Stock Ticker	A3D	TTT	XONE	AM3D	n/a	ARCM	n/a	DDD	SSYS
Market Capitalisation (A$m)	70	91	214	991	998[1]	1,142[2]	>1,250[3]	1,313	1,458
Stage of Development	▪ Small commercial production (SFP) ▪ Development stage (MFP/LFP)	▪ R&D ▪ Pre-revenue ▪ Commercial development	▪ Medium size commercial production	▪ Medium size commercial production	▪ Commercial production	▪ Commercial production	▪ Pre commercial production	▪ Large scale commercial production	▪ Large scale commercial production

Notes:
1. Based on GE's acquisition of 75% of company for US$599m.
2. Based on GE's acquisition of 75% of company for US$685m.
3. Based on private valuation as per Pitchbook website.

Source: Based on company data as at 9 November 2017.

INVESTMENT HIGHLIGHTS

1. Metal manufacturing is a multi trillion global market[1]
2. Clear commercialisation and growth strategy
   - A. Medium and Large Format Printers under development
   - B. Targeting cooperation with Industry Partners
   - C. International distributors in place for the commercialisation of the SFP
3. Strong cash position to support growth and development

Notes:

1. The Business Research Company, Metal Manufacturing Global Market Briefing 2016.

APPENDIX

GLOBAL 3D PRINTING TECHNOLOGIES

- Our SFP machine prints in three modes: Selective Laser Sintering ("SLS"), Selective Laser Melting ("SLM") and Directed Energy Deposition ("DED")
- Large format technology uses a completely new technology that allows our system to print at much higher speeds

3D Printing Technology	Description	Example Competition 3D Printers
Selective Laser Melting (SLM)	▪ Powder is deposited layer by layer onto a build bed and selectively melted with a laser, fusing the loose powder to the layer below to create a solid part	▪ Concept Laser X-Line ▪ EOS M400
Electron Beam Melting (EBM)	▪ Powder is deposited layer by layer onto a build bed and selectively melted with an electron beam, fusing the loose powder to the layer below to create a solid part	▪ Arcam Q20+
Directed Energy Deposition (DED)	▪ Powder or wire feedstock is extruded through a print nozzle and melted by a laser or electron beam, with both print nozzle and print bed moving to create a three dimension part	▪ Sciaky EBAM
Binder Jetting	▪ Powder is deposited onto a build bed then selectively sprayed with binding agent to form a solid part ▪ The 'green' part is then sintered in a furnace to remove the binding agent	▪ ExOne M-Flex ▪ Desktop Metal Production
Nano Particle Jetting	▪ Metal is reduced to nano-particles and blended with a liquid jetting agent ▪ Liquid metal-agent blend is jetted on to the build platform in a heated chamber, which evaporates the jetting agent, leaving sold metal	▪ XJet
Cold Spray Printing	▪ Metal powder is accelerated and fired at a build plate at extremely high velocity ▪ High velocity impact binds metal particles to build plate, with object being made up of multiple layers	▪ LightSPEE3D ▪ Titomic

Source: Company Research.

Aurora | LABS™

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WHAT DO YOU WANT TO BUILD TODAY?

THANK YOU FOR YOUR INTEREST

CONTACT US:

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