

ASX ANNOUNCEMENT

ASX: RBO | 28 April 2017

Operational Update and March 2017 Quarterly Report

Robo 3D Limited (“**Robo**” or the “**Company**”), the emerging company delivering award-winning products for the desktop segment of the 3D printing industry, is pleased to provide the following operational and performance highlights to accompany its Appendix 4C for the three months ending March 2017.

OPERATIONAL HIGHLIGHTS

- Milestone manufacturing agreement with Foxconn, the world’s leading contract manufacturer for consumer electronics (including Apple), to manufacture Robo R2
- Presented with multiple awards, including *CES 2017 Best of Innovation* for 3D printing category at the Consumer Electronics Show, attended by over 170,000 people
- Expansion of sales distribution footprint in the USA, with WYNIT distribution agreement providing large reach, with particular strength in the education segment
- Recognised as having top 3 market share in USA in desktop segment
- International expansion into Canada with signing of major distributor, SYNEX
- Further expansion into Canada with agreement to sell to retailers including Best Buy, Staples, NCIX, and The Source
- Partnership with Promevo, one of the largest sellers of Chromebooks into education sector in the USA, to sell Robo products into education segment
- New re-seller agreement with Simplify3D, one of the leading providers of 3D printing slicing software, allowing Robo to sell their software solution to its customers
- Significant new hires across the entire business including key roles in sales, marketing, and finance
- Strong momentum heading into expected delivery of Robo R2 during May, with operational infrastructure leveraged for scale

FINANCIAL HIGHLIGHTS

- Unaudited quarterly revenue of A\$1.3 million, up 65% from the prior quarter
- Increase in revenue driven by the release of the new Robo C2 in late December 2016
- Strong emphasis on working capital management reflected by A\$1.0 million improvement in working capital position (mostly reduction in long dated payables)
- Additional non-recurring cash payments of A\$1.1 million
- A\$2.2 million cash at bank
- Strong revenue growth contribution from Robo R2 sales expected in June quarter

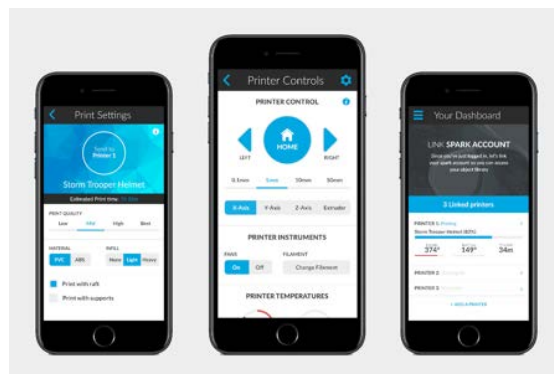
Operational Update:

Following on from the successful launch of the new Robo C2 and the listing of Robo in December 2016, the Company entered the March 2017 quarter buoyant about its prospects.

This was further heightened with the Robo R2 being awarded the ‘CES 2017 Best of Innovation’ for the 3D printing category at the Consumer Electronics Show in Las Vegas in January 2017, the largest and most well-attended trade event for the consumer electronics industry, with over 170,000 attendees.



Robo R2 Smart 3D Printer



Robo iOS App

Shortly thereafter, and following extensive negotiations, Robo announced that it had selected Hon Hai Precision Industry Co., Ltd., trading as Foxconn Technology Group (“**Foxconn**”), as its production partner for the Company’s award-winning ‘Robo R2’ smart 3D printer. Foxconn is a major multinational electronics manufacturing company headquartered in New Taipei City, Taiwan with clients including major international electronics and information technology companies. Foxconn has manufactured some of the most iconic products in the world, including Apple’s iPhone and iPad, Amazon’s Kindle, and various Sony, Microsoft and Nintendo product ranges.

The design and development of Robo C2 and Robo R2 has been driven by Robo’s desire to provide its customers with the very best user experience in the industry. With that focus in mind, the Company continually seeks opportunities to drive this philosophy deeper, evidenced by its agreement with Simplify3D, LLC (“**Simplify3D**”) for Robo to re-sell its leading slicing software for 3D printing. Strategic partnerships such as this are important for the Company as it builds out its product ecosystem, expanding its offering to customers, and in doing so, providing some diversification to its revenue base.

As part of a concerted effort to optimise Robo’s online presence and sales experience on Robo3D.com, the Company has engaged Digital Operative to partner in the redevelopment of its website and ecommerce platform. Digital Operative has deep experience in the development of successful sites for a myriad of consumer brands, including; Lego, Volcom, LifeProof, and Sony Music.

An integral part of the redevelopment will be an expanded online presence in all international markets.

Throughout the quarter, Robo continued to add to its full-time workforce, with the hiring of key resources across Sales, Marketing, Finance, and Engineering, along with the engagement of Havas Formula (part of Havas Group, one of the largest global advertising and communications groups in the world) as the Company's PR partner to drive the launch of Robo's new products and greater brand awareness efforts.

The benefit of these new hires was immediately felt in the March quarter, with significant improvements made in Finance and Supply Chain (i.e. working capital efficiency), Engineering (i.e. iOS App updates), and most importantly, Sales, with significant expansion of the sales and distribution footprint achieved:

- Expansion of sales footprint in the USA with a major distribution agreement signed with WYNIT Distribution, LLC ("**WYNIT**"). WYNIT is a leading North American wholesale distributor of emerging technology and products that includes entry-level as well as professional-calibre 3D printers, making it one of the largest wholesale distributors of 3D printers, filaments, and accessories in the United States. Significantly, WYNIT has also a large distribution reach in the education space, specifically with CDW LLC, Camcor Inc, and numerous other education-focused resellers.
- International expansion into Canada with the signing of new major distributor, SYNEX. SYNEX is a leading North American wholesale distributor of emerging technology and products including for household names in the consumer electronics industry such as HP, Microsoft, Asus, Dell, and Logitech. It has a deep presence in the 3D printing industry distributing printers ranging from entry-level through to professional, and is one of the largest wholesale distributors of 3D printers, filament, and accessories in North America.
- Subsequent to the quarter end, further expansion into Canada was announced when Robo reached agreement with major Canadian retailers Best Buy, Staples, Amazon Canada, The Source, and NCIX to supply its new Robo C2 and Robo R2 3D printers as well as its complementary products, including filament and 3D project kits such as Robo's 'build-it-yourself' drone. These sales partners represent some of the most well-known and respected brands in consumer electronics in Canada collectively covering around 1,000 physical locations as well as each having a strong and growing online presence.
- Additional international expansions into Europe included a new partnership in Italy through 3D Print Store, and entry into Turkey with 4bmuhendislik.com.tr.
- Shortly after the end of the quarter, Robo announced its partnership with large education technology provider Promevo LLC ("**Promevo**"), one of the largest sellers of Chromebooks into the estimated US\$8 billion per annum education technology sector in the USA, to sell Robo 3D printers, filaments, and project kits into the education segment.

At the end of the March quarter, Robo was recognised as having a top three market share in North America, according to 3D Hubs (<https://www.3dhubs.com/trends>), highlighting the significant footprint Robo has already established in the key North American markets even before the benefit of the new agreements described above.

Robo is executing a clearly defined and strategic approach to developing, evolving and commercialising its 3D printing technology and products. The launch of Robo C2 and the Robo App for iOS in December 2016, and the imminent delivery of the Robo R2, provide the first step towards

fulfilling this vision, with the printers expected to accelerate revenue growth in the second half of 2017. The Company continues to accelerate discussions with various strategic partners and sales partners, particularly in the education segment.

The following is a summary of the key operational highlights for the March 2017 quarter:

Corporate:

- The Company hosted a Question and Answer Investor webinar session with Managing Director Ryan Legudi, Executive Director & Co-Founder, Braydon Moreno and Chief Operating Officer & Vice President of Sales, Randall Waynick. The webinar allowed the management team to discuss the Company's progress and address questions from shareholders.
- Ryan Legudi presented at the 2017 TechKnow Invest Roadshow in Sydney and in Melbourne to over 500 investors.

Sales & Marketing:

- USA distribution agreement signed with WYNIT, a leading North American wholesale distributor of emerging technology, to expand Robo's educational presence.
- Sales and distribution opened into Canada with major distributor SYNEX.
- Further expansion into Canada with agreement to sell to retailers including Best Buy, Staples, NCIX, and The Source.
- Successful showcase at the Consumer Electronics Show ("CES") with the Robo R2 and Robo App for iOS awarded 'Best of Innovation' for the 3D printing category.
- Robo C2 was awarded the 'TWICE Picks Awards' for 3D printing at CES 2017 by *TWICE Magazine*, the premier consumer electronics news source for retailers and the industry
- Key strategic partners engaged for public relations and media services with *Havas Formula*, and *Digital Operative* for web and ecommerce development.

Product:

- Milestone manufacturing partnership signed with Foxconn, manufacturer of the Apple iPhone amongst many other iconic products, to produce Robo R2, with initial production capacity of 10,000 Robo R2 printers per annum.
- Retail launch of Robo C2 with "sell-in" and "re-fill" sales to key partners.
- Execution of partnership agreement to re-sell Simplify3D software, a leading provider of slicing software for 3D printing.

People:

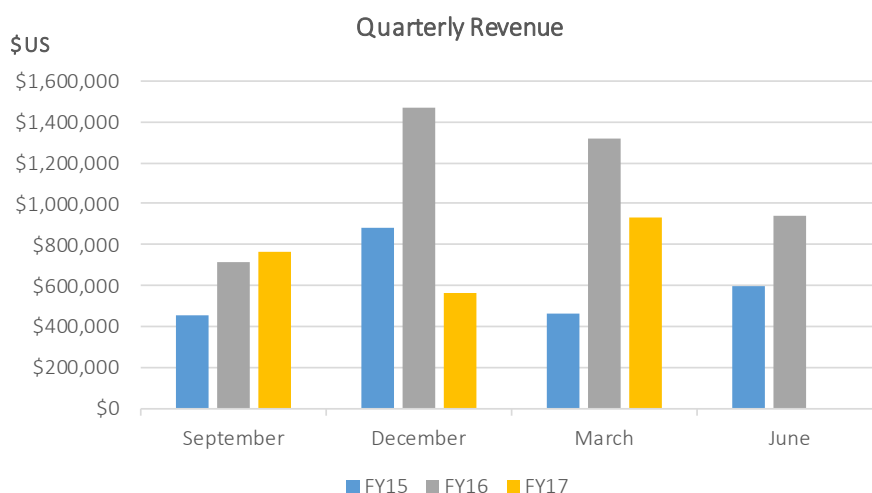
- Robo's two Co-Founders, Coby Kabili and Braydon Moreno, were featured in Forbes '30 under 30' awards list under the Manufacturing & Industry sector.
- Expansion of organisational structure, with new hires across the business:
 - *Sales:* Director of Sales – North America, Director of Sales – Europe, Sales Co-ordinator
 - *Finance:* Financial Controller, Staff Accountant
 - *Engineering:* Mechanical Engineer, Systems Engineer, Software Lead
 - *Marketing:* Marketing Manager, Social Media Manager
 - *Operations:* Director of Supply Chain, Fulfillment Specialist, Warehouse Manager, Customer Service Rep x 3, Office Manager

FINANCIAL HIGHLIGHTS

Robo is pleased to provide additional commentary on its financial performance for the quarter ended 31 March 2017 to assist with understanding of its underlying business ahead of the release of its full year financial statements due at the end of August 2017.

As outlined previously, Robo took a very conservative approach to managing the inventory cycle of its existing Robo R1+ 3D printer through the last three months of 2016 ahead of the anticipated delivery of the new models — Robo C2 and Robo R2. In an effort to refine the product offering and enhance the consumer experience prior to initial consumer release, delivery of Robo C2 was postponed from November 2016 to December 2016, with production reaching full capacity in February 2017 after an initial ramp up period. Similarly, the launch of Robo R2 has been postponed initially following protracted efforts to select the right manufacturing partner, which culminated in the agreement with Foxconn. The Company currently expects to deliver Robo R2 to customers during May 2017.

As a result, revenue for the March 2017 quarter does not reflect the full quarterly benefit of Robo C2, and includes no revenue from the sale of Robo R2. The Company expects revenue from Robo R2 will be recognised during the June 2017 quarter.



Robo is very pleased to report the following based on its unaudited management accounts:

- Revenue of US\$930k (A\$1.2 million) for the quarter;
- An increase of 66% from the prior December 2016 quarter; and
- Third largest quarterly revenue in the history of Robo 3D Inc.

The delivery of Robo R2 will mark a major milestone for the Company, transforming Robo from a single product business into a multi-product 3D printer business (in addition to its filaments and kits) across two manufacturing partners, which will significantly reduce supply risk and allow for increased production volumes.

Robo is anticipating strong revenue growth from the March 2017 quarter onwards once Robo R2 ships to customers based on the level of pre-orders and enquiries to date. In addition, the Company continues to undertake new and exciting marketing initiatives to grow its brand awareness, with further updates to be provided to the market.

The Consolidated Statement of Cash Flows provided in the Appendix 4C has been prepared on the following basis:

- Three months of trading activity for Robo 3D Limited, comprising 100% of Albion 3D Investments Pty Ltd (as the accounting acquirer) (“**Albion 3D**”), and its 100% subsidiary, Robo 3D Inc (“**Robo 3D Inc**”); and
- For ‘Year to Date’ cash flows, nine months of trading history for Albion 3D but only consolidating the trading activity of Robo 3D Inc for the period from 14 December 2016, being the completion date of the reverse acquisition, to 31 March 2017.

Given the completion of the reverse-listing transaction with Falcon Minerals Limited Inc (“**Falcon**”) occurred on 14 December 2016, this Appendix 4C quarterly cash flow report has been impacted by several items not reflective of the underlying and ongoing nature of the Robo business. As a result, we are pleased to provide the additional explanatory information.

- During the March quarter, the Company received cash receipts from customers of A\$1.0 million. With the introduction of Robo C2 in late December last year and Robo R2 in the June quarter of 2017, the printers are expected to drive accelerated cash receipts from customers in the second half of the 2017 year.
- Operating cash payments made during the quarter included A\$2.2 million of non-recurring or abnormal payments including:
 - Costs related to completion of the reverse acquisition totalling A\$659k;
 - Improvement in working capital position of A\$1.0 million, driven by a significant reduction in long-dated accounts payable; and
 - Investment into production assets including molds and tooling of A\$482k.
- Therefore, cash burn from operations on this adjusted basis \$1.0 million for the quarter.

As a result, the Company ended the March 2017 quarter with a total of \$2.2 million of cash at bank.

Section 9: Estimated Cash Outflows for Next Quarter

It is important to note that this section does not include the benefit of the realisation into cash of existing inventory on the Company’s balance sheet at March 2017, nor the benefit of any cash receipts from customers expected during the next quarter.

Closing Comments:

Robo is continuing to grow its customer base and broaden its distribution and reach, while continuing to explore opportunities with major retailers in the USA and internationally, as well as focusing on driving strategic commercial partnerships in a number of industry verticals, particularly the education sector. Further updates will be provided once commercial agreements are executed.

The Company continues to be extremely encouraged, and is thankful, for the ongoing support it has received from its major shareholders, who share Robo’s vision for the future of the desktop segment of the 3D printing industry.

The Board is excited about the opportunity available to Robo, as the Company continues to focus on its four key strategic goals: growing existing customers, adding new customers, increasing its presence in the education sector, and delivering industry leading product innovation.

— ENDS —

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of Robo, are forward-looking statements. Forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Robo that could cause actual results to differ from the results expressed or anticipated in these statements.

Further information

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About Robo 3D Limited

Robo 3D Limited (**ASX.RBO**) is a company based in California, USA, focused on the design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry (**Robo**).

The company was founded in 2012 by a group of students from San Diego State University and delivered its first model to customers in 2013. Since then, Robo has grown into a leading brand in the desktop segment of the 3D printing industry, gaining significant traction online and through retail partners including Amazon and Best Buy. Robo commenced trading on the ASX on 22 December 2016.

To learn more about Robo 3D, visit: www.robo3D.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ROBO 3D LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months)* \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,026	1,238
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,180)	(1,244)
(c) advertising and marketing	(338)	(429)
(d) leased assets	-	-
(e) staff costs	(1,096)	(1,389)
(f) administration and corporate costs	(1,035)	(1,289)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	13
1.5 Interest and other costs of finance paid	(10)	(18)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,626)	(3,118)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(315)	(319)
(b) businesses (see item 10)	-	(1,123)

+ See chapter 19 for defined terms

1 September 2016

* Year to date only includes financial results from Robo 3D Inc from 14 December 2016 following acquisition of the entity.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months)* \$A'000
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(167)	(368)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (cash acquired in acquisition transaction)	-	82
2.6 Net cash from / (used in) investing activities	(482)	(1,728)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	6,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(22)	(354)
3.5 Proceeds from borrowings <i>(YTD borrowings of \$1.4M for funding working capital were extinguished via the issue of share capital as part of the acquisition transaction completed on 14/12/2016).</i>	-	1,371
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	(60)	12
3.10 Net cash from / (used in) financing activities	(82)	7,029

+ See chapter 19 for defined terms
1 September 2016

* Year to date only includes financial results from Robo 3D Inc from 14 December 2016 following acquisition of the entity.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months)* \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,400	-
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,626)	(3,118)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(482)	(1,728)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(82)	7,029
4.5 Effect of movement in exchange rates on cash held	(28)	(1)
4.6 Cash and cash equivalents at end of quarter	2,182	2,182

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,182	5,400
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,182	5,400

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	293
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to Robo 3D Limited Directors and related entities for the March 2017 quarter.

+ See chapter 19 for defined terms
1 September 2016

* Year to date only includes financial results from Robo 3D Inc from 14 December 2016 following acquisition of the entity.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	153
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Amounts paid to Director related entities with respect to capital raising and corporate advisory activities carried out during the December 2016 and March 2017 quarters.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	150
9.2 Product manufacturing and operating costs	1,509
9.3 Advertising and marketing	104
9.4 Leased assets	-
9.5 Staff costs	790
9.6 Administration and corporate costs	535
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,088*

* The above estimated cash outflows for the next quarter does not take into consideration any cash inflows from the normal course of business.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals – N/A
10.1 Name of entity	Robo 3D Inc.	
10.2 Place of incorporation or registration	USA	
10.3 Consideration for acquisition or disposal	\$1,123K in current year is net of cash acquired. Refer to the Business combinations note in the 2016 half-year financial report (Appendix 4D) for further details.	
10.4 Total net assets	\$530,619	
10.5 Nature of business	USA-based company that designs and markets a range of products for the desktop segment of the 3D printing industry.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date:28 April 2017.....
(Company secretary)

Print name:Justin Mouchacca.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms
1 September 2016

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