

ASX ANNOUNCEMENT

ASX: RBO | 31 July 2017

Operational Update and June 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, provides the following operational and performance highlights to accompany its Appendix 4C for the three months ending June 2017.

OPERATIONAL HIGHLIGHTS

- Transformative quarter for Robo with the release and delivery of the much-awaited Robo R2
- Pre-sales of A\$800k received for the Robo R2 ahead of general release
- Delivery of Robo R2 pre-orders completed through May and June
- Expansion of sales footprint in the USA with the opening of 20 new value-added resellers
- Important strategic expansion of education footprint via partnerships with Best Buy and Promevo, and opened 20 new school districts in USA
- International expansion with major distributor and retailers signed in Canada
- Signing of first major European distributor in France, with new value-added resellers signed in Mexico, Argentina, Italy, Poland, Turkey, and Venezuela
- Products listed with Amazon expanded across major western European countries, including UK
- Accepted a Good Design® Award within the Product Design category for the Robo C2 and Robo R2 3D printers
- Successfully showcased at two leading education trade events attended by over 50,000 people
- Retained top 3 market share in USA in desktop segment
- Capital raising completed via A\$800k placement with an additional A\$1.0 million funding commitment from the largest shareholder
- Strong demand for R2 printers via retail and education channel partners as they gear up for important holiday/Christmas promotions and school buying cycles for 2018

FINANCIAL HIGHLIGHTS

- Unaudited revenue of A\$553k for the month of June, the first full month of having the Robo R2 model available for sale
- Strong revenue growth contribution from Robo R2 in June has continued through July
- Quarterly revenue of A\$1.0 million, in line with prior quarter, despite only having the Robo C2 and refurbished Robo R1+ models available for sale through April and May
- Revenue for the six months ending June 2017 of A\$2.2 million (unaudited)
- Cash receipts of \$803k in June quarter slightly lower than prior quarter due to Robo R2 prepayments in March 2017 quarter
- Continued emphasis on working capital management reflected by reduction in operating expenses, with A\$641k reduction in operating cash burn for the quarter
- A\$1.2 million cash at bank plus A\$750k in undrawn loan facility at 30 June 2017

General Comments:

The Company has been systematically executing its corporate strategy against the four strategic objectives and is pleased with the progress it is making against these, as highlighted in the table below:

Strategic Objective	March 2017 Qtr	June 2017 Qtr
Increase presence in education markets	<ul style="list-style-type: none"> Signed Wynit as USA distributor Best Buy for Education partnership 	<ul style="list-style-type: none"> Signed Chromebook re-seller Promevo for USA education strategy Opened 20 new school districts
New customer growth	<ul style="list-style-type: none"> Opened retail accounts at Target, Microsoft, Office Depot; Re-sellers opened in Turkey, Italy, Poland, Mexico, Venezuela, Argentina 15 new re-sellers opened in USA 	<ul style="list-style-type: none"> Signed Synnex as distributor in Canada Opened retail accounts in Canada with Best Buy, Staples, NCIX, and The Source First European Distributor (France) 20 new re-sellers opened in USA
Existing customer expansion	<ul style="list-style-type: none"> Expanded into Amazon in UK, Spain, Germany, France, Italy 	<ul style="list-style-type: none"> Staples C2 roll-out in retail stores Microsoft in-store demos
Product innovation	<ul style="list-style-type: none"> Launched C2 smart 3D printer Foxconn manufacturing agreement Simplify3D integration Released Robo app for iOS 	<ul style="list-style-type: none"> Launched R2 Good Design Award winner

As the table highlights, Robo has embarked on and is executing on a corporate strategy to actively diversify from being a one-product, USA-centric business, to a company with a diversified product portfolio, global distribution footprint, and a premium brand that has had the benefit of almost five years of exposure.

With the Robo C2 and the Robo R2 now fully available, and with an organisational structure that has all the required personnel assets in place, the Company is now positioned to scale and given the ongoing discussions with a number of new sales and distribution partners, the Company expects to continue to expand its global reach.

Combined with the support of marketing campaigns including advertising, social media, and PR efforts, the Company expects to continue to deliver against these strategic objectives throughout the second half of the 2017 calendar year, which is typically the stronger half of the year on a revenue basis given the influence of the education buying season in the USA, the Thanksgiving weekend in the USA during November, and the Christmas holiday period through December.

Operational Highlights

Robo positively entered the June quarter with the Robo R2 in the final stages of testing ahead of its general release, with positive momentum following the strong level of interest in its new products.

The culmination of this interest was the announcement that the Company had secured over A\$800k in pre-orders for the Robo R2 (see 11 May 2017 announcement “Significant Pre-Orders for Robo R2”). These pre-orders were all delivered to customers throughout May and June.

Unfortunately, unforeseen delays with sourcing some components, and then adjustments required to packaging following final testing, resulted in the delivery of the Robo R2 being delayed by over two months. Despite this, the Company was able to maintain a high degree of interest in the Robo R2.

The Company continues to see really strong growth opportunities in the US market, particularly in the education segment with the support of its strategic partners, and strong demand from 3D printing (and related) specialist distributors and re-sellers. The demand for 3D printers is expected to continue to grow at 50-100% per annum this year, and based on the Company’s experience, we are positive of seeing this trend continuing.

On the retail side in the USA, the industry has seen a softening in demand from traditional bricks and mortar US retailers from the rising influence of online retailers, particularly Amazon, in line with broader retail trends.

Fortunately for Robo, the Company has a long-standing relationship with Amazon that we continue to foster, and which we are particularly enthused about with the Robo R2 now available and selling strongly.

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

Sales:

- Sales and distribution opened into Canada with major distributor **SYNNEX**. SYNNEX is a leading North American wholesale distributor of emerging technologies and products, including major 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.
- Further expansion into Canada with agreement to sell to retailers including **Amazon, Best Buy, Staples, NCIX, and The Source**, who collectively represent around 1,000 physical locations in Canada in addition to their strong and growing online presences.
- Partnership with **Promevo** to sell Robo products into education segment. Promevo is one of the largest Google Apps and Chromebooks (affordable Web-based laptops, now the most prevalent device in education) resellers in the USA, with a deep presence in the estimated US\$8 billion per annum hardware and software market for the education sector.
- Received over **A\$800,000 in pre-orders** for the first shipment of Robo R2 printers ahead of their delivery in May 2017. These deliveries were all completed through May and June 2017.
- Expansion of sales distribution footprint in the USA with the opening of **20 new value-added resellers**.
- Strategically expanded footprint into education segment in USA via partnerships with **Best Buy** and Promevo, and opened **20 new school districts** in USA, including four of the largest STEAM-focused US school districts.
- Signing of **first major European distributor** in France, Sotec3D, for sales and distribution expansion into Europe. Headquartered in Le Mans, France, Sotec3D is one of the largest 3D printer suppliers

in Europe and is the leading distributor of 3D printers, filaments, and accessories in France. Robo has already received and delivered purchase orders to Sotec3D.

- Additional new value-added resellers were signed in **Mexico, Argentina, Italy, Poland, Turkey, and Venezuela.**
- Robo continues to have ongoing discussions with an additional 20+ distributors, many of whom are undertaking testing of the new printers.
- At the end of the June 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.

Marketing:

- Continuing its efforts in the education space, Robo attended the largest education trade show in the USA, ITSE 2017, on 25-28 June 2017 that was attended by an estimated 15,000 education professionals, Robo exhibited at its own booth, as well as showcased its 3D printers on the Best Buy stand.
- In partnership with the San Diego County Library, Robo also attended the American Library Association show in Chicago on 22-27 June 2017, which was attended by 25,000 librarians and library staff, educators, authors, publishers, and exhibitors. Libraries are emerging as a key environment for STEAM teaching and related resources such as 3D printers.
- Promotional activities of the Robo R2 commenced with an in-store event at the Microsoft Store in Fashion Valley, San Diego. At the time, Robo was already selling its Robo C2 printer on the Microsoft online store at Microsoft.com. The event showcased Robo's new printers — Robo R2 and Robo C2 — and demonstrated integrated 3D printing from the Microsoft Surface and Surface Pro products, as well as other activities including designing 3D prints in Microsoft Paint 3D, live 3D printing, and 3D printed giveaways.
- Supporting these initiatives, Robo received increased media interest through June, featuring on morning TV shows and tech blogs in the USA resulting from increased PR activity by the Company.
- The Company's founder, Braydon Moreno, also featured in a live demonstration of the Robo R2 with leading 3D printing influencer Joel Telling of the "3D Printing Nerd", who has a following of over 130,000 people on his YouTube channel.
- The Company continued to expand its social media presence:
 - Facebook: 110,000+ followers
 - Instagram: 15,000+ followers
 - Email: 20,000+ email distribution list
 - YouTube: 1,800 subscribers

Product:

- The major milestone of the Company was the release of the Robo R2 smart 3D printer in May 2017, which is being manufactured by Foxconn, manufacturer of the Apple iPhone amongst many other iconic products, with current production capacity of 10,000 Robo R2 printers per annum.
- The Company is pleased to report that production capacity at Foxconn reached 80 units per day during the first production run, highlighting that there will be no supply constraints in the foreseeable future.
- Robo was featured as one of the Top Printers of 2017 by Pinshape, a leading 3D file online marketplace.

- Continued updates to the Robo App for iOS were released through the quarter, with beta testing of the Android version underway.
- The Company is continuing to pursue a strategy of diversifying its product suite, with new hardware and software product development underway, including some joint venture opportunities.

People:

- Robo's VP of Engineering, Allen McAfee, was featured in Dealerscope's "40 under 40" list (<http://www.dealerscope.com/article/allen-mcafee-40under40-2017>). Dealerscope is a renowned consumer technology publication.
- In early June 2017, Ryan Legudi (Managing Director), Randy Waynick (VP of revenue) and Kenny Fang (VP of Operations) visited the Foxconn production facility to meet with the senior management team of Foxconn, where they presented the vision of the Company and discussed collaborating on the new product development roadmap.
- There were no new roles created through the June 2017 quarter.

Corporate:

- Robo completed a capital raising in June to accelerate sales and production efforts. The funding comprised a placement of 13,333,333 shares to sophisticated investors at an issue price of \$0.06 per share, alongside entering a binding term sheet for a A\$1.0 million trade finance loan facility from Albion Capital Partners, an entity associated with the Company's major shareholder, Mr. Tony Grist. The first drawdown of A\$250,000 was provided immediately. The Company has now requested a drawdown of the next tranche of A\$250,000 and will receive over the coming days. The funds are to be used for:
 - Rollout of the Robo R2 printers;
 - Sales and marketing support for growing international markets;
 - Accelerating joint R&D development initiatives with Foxconn, the Company's major manufacturer; and
 - Development of strategic partnerships and joint venture opportunities
- Following a legal dispute that was ultimately awarded in the Company's favour, the Company finalised the sale of the Collurabbie project to Rox Resources Limited (ASX: RXL) and received consideration of 7,500,000 fully paid shares in RXL.

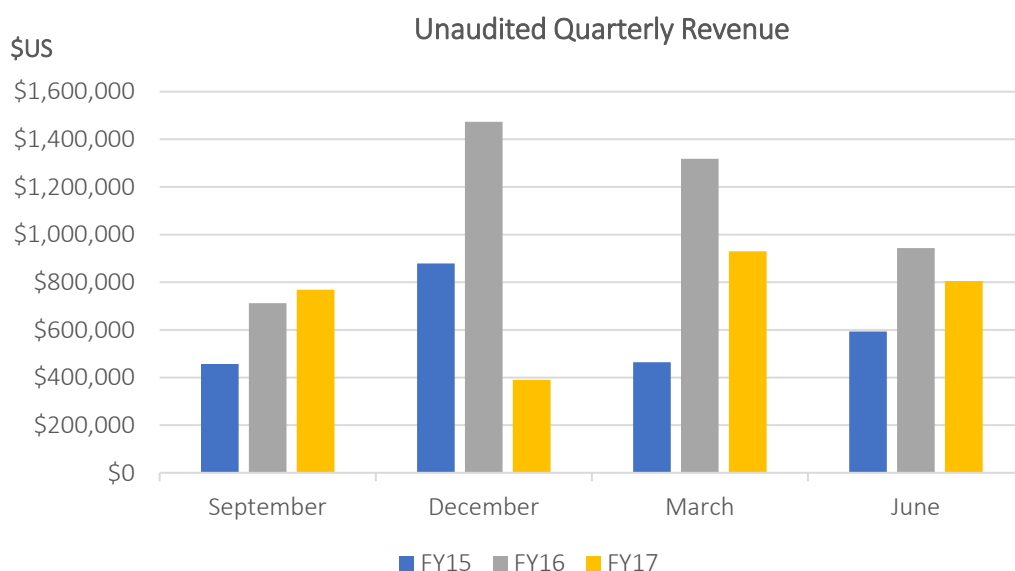
FINANCIAL HIGHLIGHTS

Robo is pleased to provide additional commentary on its financial performance for the quarter ended 30 June 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. Robo C2 was delivered in late December 2016, with production reaching full capacity in February 2017 after an initial ramp up period. Similarly, the delivery of Robo R2 was delayed until late May 2017.

As a result, revenue for the June 2017 quarter does not reflect the full quarterly benefit of Robo having all its new products available for sale, with Robo R2 only becoming available for sale during the

month of June. Pleasingly, the Company can report that it recorded unaudited revenue of A\$553k for the month of June, 48% higher than June 2016, highlighting the impact of the additional products on sale. The Company expects the continuation of this strong revenue growth contribution from Robo R2 sales through the second half of 2017.



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

- Revenue of A\$1 million for the quarter compared to A\$1.2 million for the prior quarter;
- Cash receipts of \$803k for the June 2017 quarter;
- Monthly revenue of A\$553k for June 2017, up 48% compared to June 2016;
- Revenue for the six months ending June 2017 of A\$2.2 million;
- Continued emphasis on working capital management reflected by reduction in operating expenses, with operating cash burn \$641k lower compared to the prior quarter; and
- Cash at bank of A\$1.2 million plus an additional A\$750k of undrawn funding facility

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, 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 30 June March 2017, plus twelve months of trading history for Albion 3D.

Given the completion of the reverse-listing transaction with Falcon Minerals Limited Inc ("**Falcon**") occurred on 14 December 2016, the year financial to date summary in 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 June quarter, the Company received cash receipts from customers of A\$803k. With the introduction of Robo C2 in late December last year and Robo R2 in June 2017, the printers are expected to drive accelerated cash receipts from customers in the second half of the 2017 year.
- Improvement in working capital position of A\$1.0 million, driven by a significant reduction in long-dated accounts payable; and
- Therefore, cash burn from operations improved by \$641k for the quarter.

As a result, the Company ended the June 2017 quarter with a total of A\$1.2 million of cash at bank, plus an additional A\$750k of an undrawn loan facility. The Company notes that its current financing structure is sufficient to meet its working capital requirements according to the current operating budget of the Company, and adds that if subsequent drawdown conditions for the remainder of the undrawn trade finance facility are not met, and further drawdowns are not provided when requested by the Company, or alternative working capital sources cannot be found, there may be a deficiency in working capital.

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 June 2017, nor the benefit of any cash receipts from customers expected during the next quarter.

Closing Comments

Robo is continuing to aggressively expand its customer base and broaden its distribution and reach, while continuing to explore opportunities with major distribution partners in the USA and internationally. In addition, the Company is 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 shareholders, many 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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months)* \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	803	2,041
1.2 Payments for		
(a) research and development	(100)	(100)
(b) product manufacturing and operating costs	(784)	(2,028)
(c) advertising and marketing	(392)	(821)
(d) leased assets	-	-
(e) staff costs	(925)	(2,314)
(f) administration and corporate costs	(581)	(1,870)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	16
1.5 Interest and other costs of finance paid	(9)	(27)
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	(1,985)	(5,103)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(341)
(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 (12 months)* \$A'000
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	(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	25	25
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	3	(1,725)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	800	6,800
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	(33)	(387)
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>	250	1,621
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	12
3.10 Net cash from / (used in) financing activities	1,017	8,046

+ 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 (12 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	2,182	-
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,985)	(5,103)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	3	(1,725)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,017	8,046
4.5 Effect of movement in exchange rates on cash held	(6)	(7)
4.6 Cash and cash equivalents at end of quarter	1,211	1,211

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	1,211	2,182
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)	1,211	2,182

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	158
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 Directors and related entities for Directors fees payable.

+ 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	20
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 corporate advisory activities carried out during the June 2017 quarter.

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	1,000	250
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.		

During the June 2017 quarter, the Company entered into a Trade Finance Facility with Denlin Nominees Pty Ltd in relation to a Trade Finance Facility of up to \$1 million (refer to ASX announcement dated 19 June 2017 for full loan details).


9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	2,116
9.3 Advertising and marketing	219
9.4 Leased assets	2
9.5 Staff costs	833
9.6 Administration and corporate costs	348
9.7 Other (provide details if material)	18
9.8 Total estimated cash outflows	3,536*

* 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	-	
10.2 Place of incorporation or registration	-	
10.3 Consideration for acquisition or disposal	-	
10.4 Total net assets	-	
10.5 Nature of business	-	

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: 
(Company secretary)

Date:31 July 2017.....

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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