

ASX ANNOUNCEMENT

ASX: RBO | 17 October 2017

Capital Raising and Sales Update

HIGHLIGHTS

- Termination of Convertible Note Agreement prior to drawing any convertible notes, therefore no outstanding convertible notes
- Announcement of 1-for-8 pro rata Entitlements Issue to raise up to \$1.5 million from existing shareholders at an issue price of \$0.045 per share
- Firm commitments for the first \$1.0 million of any shortfall under the Entitlements Issue have been received, underpinning the capital raising
- Concurrent placement to new strategic investor for \$200k at \$0.045 per share
- Revenue for September quarter of c. \$1.4 million well ahead of prior year
- With current purchase orders on hand, Robo is on track to surpass the whole of its FY17 revenue of \$3.2 million in the first half of FY18

Robo 3D Limited (“**Robo**” or the “**Company**”), the emerging company delivering award-winning products for the desktop segment of the fast- growing 3D printing industry, is pleased to provide the following funding and revenue update.

Termination of Convertible Note Agreement

On 11 September 2017, Robo announced a capital raising of \$800,000 comprising a placement of \$400,000 at an issue price of A\$0.060 per share (with 6,666,667 attaching options with a two-year exercise period and an exercise price of \$0.060 per share), along with a \$400,000 convertible note, with an agreement to draw a further \$1.0 million convertible note if mutually agreed between Robo and the investor following shareholder approval.

Robo advises that it has not drawn any funds under the convertible note agreement, and has now fully terminated the Convertible Note Agreement. As a result, the Company will not have any outstanding convertible notes under the Convertible Note Agreement. As settlement, the Company will pay a non-material cash amount plus issue 2 million options, at an exercise price of \$0.060 per share with a 2-year exercise period, consistent with the options to be granted from the placement announced on 11 September 2017. This settlement will replace all fees and options that were previously contemplated under the Convertible Note Agreement.

Consequently, the Company will be withdrawing the following resolutions 6, 8-10 from the Company’s upcoming General Meeting of Shareholders on 31 October 2017.

Pro Rata Entitlements Issue to Raise \$1.5 million

As advised on 11 September 2017, Robo had secured around \$2.0 million of purchase orders, signifying a step-change in the revenue profile for the Company, which generated c. \$3.2 million of revenue for the full financial year ending June 2017 (“**FY17**”).

To maintain this strong sales momentum, and following the termination of the Convertible Note Agreement along with the feedback obtained from existing shareholders, the Company advises that it will be undertaking a pro rata Entitlements Issue, to raise up to \$1.5 million via the issuance of new shares at an issue price of \$0.045 per share (the “**Entitlements Issue**”).

In a strong sign of support, Robo is pleased to advise that firm commitments for shortfall for the first \$1.0 million raised under the Entitlements Issue have been received (“**Firm Commitments for Shortfall**”).

As a further show of support, the investors providing the Firm Commitments for Shortfall have also agreed to provide \$1.0 million in loan funds to provide immediate working capital which will be repaid from the proceeds of the Entitlement Issue.

Commenting on the announcement, Managing Director Ryan Legudi said,

“We are buoyed by the continued strong support of our major shareholders, who share our vision for Robo becoming one of the major global players in the fast-growing 3D printing industry. By structuring the capital raising as a pro rata Entitlements Issue, we are pleased to be able provide all our shareholders with a fair and equal opportunity to participate in funding the transformational growth of our Company.”

Further information about the Entitlements Issue including the timetable for completion will be released by the Company as soon as possible.

Placement

Concurrent with the termination of the Convertible Note Agreement and the announcement of the Entitlements Issue, Robo has received a firm commitment for a strategic placement to a family office of \$200,000 at an issue price of \$0.045 per share. The placement will be completed in accordance with the Company’s placement capacity in accordance with ASX Listing Rule 7.1.

Commenting further, Ryan Legudi added:

“We are pleased to welcome a new strategic shareholder to our register. The positive response we received from recent roadshows in the USA has been extremely satisfying. Given our heritage as a San Diego startup and with our deep customer penetration in the USA already, Robo is confident of continued support from USA-based investors and shareholders.”

In addition, the Company intends to issue 4 million ordinary shares under its existing capacity, in accordance with ASX Listing Rule 7.1, to Randall Waynick, Vice President of Sales and Chief Operating Officer, in accordance with the terms of his employment contract.

Working Capital Finance Update

As previously announced, numerous lenders and trade finance specialists have been undertaking due diligence on the Company with a view to providing trade finance facilities to support the working capital requirements of the business. These facilities will provide Robo with non-dilutive capital to fund expanding inventory purchases required to drive the Company’s revenue growth.

The Company advises that it has executed a non-binding term sheet for a US\$650,000 trade finance facility with one provider, and continues to progress others towards final terms before selecting its preferred financing partner.

Revenue Accelerating

Robo is pleased to advise that it generated unaudited revenue for the quarter ending September 2017 of c. \$1.4 million. With a record level of current purchase orders on hand, Robo is pleased to advise that it is on track to surpass the whole of its FY17 revenue of c. \$3.2 million during the first half of FY18.

Commenting on this, Ryan Legudi continued:

“This step-change in revenue for Robo showcases the impact of the Company’s two new products, Robo C2 and Robo R2, and validates our strategic focus on expanding our international distribution and focusing deeper on the education vertical. In particular, we are excited by the potential of our products in international markets, with our products now being sold in 20 countries. We have only scratched the surface in both these segments, which we expect to provide a larger contribution to our total revenue in the second half of this financial year.”

To further drive international growth during the second half of the financial year, Robo is pleased to advise that it has added another sales team member to its international sales team, and is opening an office in Warsaw, Poland to better serve our international customers.

Commercial Partnerships

In line with accelerated purchase orders and significant revenue step-change, Robo is pleased to advise that ongoing discussions are in progress with additional distributors in the USA and internationally, as well as continuing discussions with strategic partners playing the adjacent spaces within 3D printing as well as education. Management looks forward to providing shareholders with updates in the near term during this transformational time for the Company.

— 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

INVESTORS:

Ryan Legudi — Managing Director, Robo 3D Limited
+61 434 528 648 | ryan@robo3d.com

MEDIA — NORTH AMERICA:

Lindsay Anthony — Havas Formula
+1 619 234 0345 | robo@havasformula.com

Or email investors@robo3D.com

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