

ASX ANNOUNCEMENT

ASX: RBO | 4 December 2017

Conversion of Loan and Grant of ASX Waiver

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, provides the following update regarding the trade finance facility entered into with Denlin Nominees Pty Ltd ("**Lender**") as announced to ASX on 19 June 2017, pursuant to which the Lender has loaned \$750,000 to the Company ("**Trade Finance Facility**").

In accordance with the terms of the Trade Finance Facility, the Lender has the right to elect to convert the Trade Finance Facility into a secured term loan ("**Term Loan**"). The Company advises it has signed an agreement with the Lender to convert the Trade Finance Facility to the Term Loan, and has been granted a waiver of Listing Rule 10.1 by the ASX to the extent necessary to permit security to be granted over the assets of the Company and its operations in the US in favour of the Lender, without the Company obtaining shareholder approval ("**Waiver**"). The parties are in the process of finalizing documentation for the security for the Term Loan, which will include security over the assets of the Company, a pledge of the Company's shares in its US subsidiary, Robo 3D Inc (**US Sub**), and security over the assets of US Sub ("**Security**"). Until such documentation has been signed, the Trade Finance Facility will remain repayable in accordance with the terms of the Trade Finance Facility.

At the time of entering into the Trade Finance Facility the Company had a cashflow issue caused by a delay in the launch of its flagship Robo R2 printer. As a result the Company needed immediate working capital which the Lender, the major shareholder of the Company, agreed to provide in order to ensure that the Company had sufficient funds to be able to continue its operations. The Company investigated alternative methods of obtaining immediate funding but no suitable arrangements from a third party other than the Lender were identified. The Company considers that the Term Loan is fair and reasonable to the Company's Shareholders as it considers the terms of the Term Loan to be standard for funding of this nature and, as the Term Loan is not convertible into Shares, it will not dilute existing shareholders of the Company. In addition, given the Trade Finance Facility was repayable "at-call", the Company is satisfied that the conversion into a 12 month Term Loan is in the best interests of the Company.

The Waiver has been granted on the following conditions:

- (a) The Security includes a term that if an event of default occurs and the Lender exercises its rights under the Security, neither the Lender nor any of their associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable Listing Rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person, including without limitation an administrator or liquidator) appointed by the Company or the Lender (or another security holder or secured creditor) exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and

distributing the cash proceeds to the Company and/or the Lender in accordance with their legal entitlements.

- (b) A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.
- (c) Any variations to the terms of the Security which is:
 - (i) not a minor change; or
 - (ii) inconsistent with the terms of the waiver,must be subject to shareholder approval.
- (d) The Company and the Lender must seek to discharge the Security when the funds advanced under the Term Loan are either repaid to the Lender or converted into shares (assuming security holder approval for the issue of shares is subsequently obtained), or if it is not discharged, seek security holder approval for the continuation of the Security for any further period. The Company notes that the Term Loan is not convertible into Shares.
- (e) The Company immediately releases to the market an announcement which:
 - (i) sets out the material terms of the transaction and the Waiver upon finalisation of the Term Loan with the Lender; and
 - (ii) includes a statement of the reasons why the Company has chosen to obtain a financial accommodation from a Listing Rule 10.1 party (ie the Term Loan from the Lender) rather than a lender that is not a related party, and the steps the Company's board has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of holders of the Company's ordinary securities.

Key terms of the Term Loan

- (a) Loan Amount – From the date that the parties sign documentation for the Security (**Condition**), \$750,000 with the ability to draw down a further \$250,000 at least 30 days after the Condition is satisfied.
- (b) Interest – 10% per annum capitalised on the loan amount until repayment.
- (c) Establishment Fee – The Company will grant the Lender 5,000,000 options, each exercisable at \$0.075 on or before 30 June 2021. Shareholder approval for the grant of these options was obtained at the Company's annual general meeting held on 30 November 2017.

- (d) Maturity – The loan will mature and become repayable in cash on the date that is 12 months from the date that the Condition is satisfied.
- (e) Early Repayment – The loan is repayable at any time prior to maturity by the Company giving notice.
- (f) Guarantee – The Company’s subsidiary, Robo 3D Inc (“**US Sub**”) will guarantee the Company's repayment obligations under the loan.
- (g) Security – Subject to satisfaction of the Condition the loan will be secured by:
 - (i) a first ranking general security deed over all the assets of the Company;
 - (ii) a pledge of the Company's shares in US Sub; and
 - (iii) a security interest over all of the assets of US Sub in support of its guarantee (pursuant to a guarantee and security agreement and a UCC-1 Financing Statement).
- (h) Events of default – the Loan Amount will immediately become payable if an event of default occurs including the Company failing to comply with any material term of the loan and security documentation (including making a payment), a warranty by the Company becoming false or misleading, the Company being declared insolvent or a receiver being appointed over the assets of the Company.
- (i) Negative Pledge – the Company will not grant any security over its assets without the Lender's prior consent.

— 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