

1. Company details

Name of entity:	Robo 3D Limited
ABN:	20 009 256 535
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	3158.8% to	4,163,294*
Loss from ordinary activities after tax attributable to the owners of Robo 3D Limited	down	18.7% to	(3,710,129)*
Loss for the half-year attributable to the owners of Robo 3D Limited	down	18.7% to	(3,710,129)*

**Information in relation to previous corresponding period*

The attached Appendix 4D reflects the activities for the consolidated entity for the six-month period to 31 December 2017. It is noted that during the previous corresponding period, being the six-month ended 31 December 2016, Albion 3D Investments Pty Ltd ("Albion") acquired the existing shareholders' interest in the net assets of Robo 3D Limited ("RBO") at acquisition date, 14 December 2016, therefore the consolidated financial statements were accounted for as a continuation of the financial statements of Albion, together with a share-based payment measured in accordance with AASB 2.

Accordingly, the Statement of Profit or Loss and Other Comprehensive Income for the 6 months ended 31 December 2016, comprised the total comprehensive income:

- for the 6 months in relation to Albion; and
- for the period from 14 December 2016 until 31 December 2016 for RBO and Robo 3D Inc.

As such the consolidated entity only accounted for \$127,755 of revenue for the relevant period, compared to the revenue included in this half-year financial report amounting to \$4,163,294.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,710,129 (31 December 2016: \$4,564,162).

Financial Position

The net assets of the consolidated entity increased by \$2,105,216 to \$10,876,926 as at 31 December 2017 (30 June 2017: \$8,771,710). The increase in net assets was mostly due to additional capital raisings completed during the period.

Working capital, being current assets less current liabilities, was \$1,818,489 (30 June 2017: (\$713,078)). The consolidated entity had negative cash flows from operating activities for the period of \$3,896,210 (31 December 2016: \$491,528), largely due to increase in product manufacturing costs as a result of significant acceleration of customer orders.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.56</u>	<u>1.72</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

11. Attachments

Details of attachments (if any):

The Interim Financial Report of Robo 3D Limited for the half-year ended 31 December 2017 is attached.

12. Signed

Signed _____



Date: 28 February 2018

Ryan Legudi
Managing Director



Robo 3D Limited

ABN 20 009 256 535

Interim Financial Report - 31 December 2017

Robo 3D Limited
Contents
31 December 2017



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Directors	Ryan Legudi (Managing Director) Timothy Grice (Executive Director) Braydon Moreno (Executive Director) Patrick Glovac (Non-Executive Director)
Company secretary	Justin Mouchacca
Registered office	Level 4, 100 Albert Road South Melbourne, VIC, 3205 Phone: (03) 9692 7222 Fax: (03) 9077 9233
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC, 3205 Phone: (03) 9692 7222 Fax: (03) 9077 9233
Share registry	Advanced Share Registry Services Ltd 110 Stirling Highway Nedlands, WA, 6009
Auditor	BDO East Coast Partnership Collins Square, Tower Four Level 18, 727 Collins Street Melbourne, VIC 3008 Australia
Stock exchange listing	Robo 3D Limited shares are listed on the Australian Securities Exchange (ASX code: RBO)
Website	www.robo3d.com

Review of Operations:

Robo, the emerging company delivering award-winning products for the desktop segment of the fast-growing 3D printing industry, has announced its financial results for the six months ending December 2017 with the following key highlights:

- Record half yearly revenue of \$4.2 million vs. \$1.8 million for the prior half year completed at June 2017, an increase of 234%.
- Record quarterly revenue of \$2.8 million for December 2017 quarter.
- Highest ever monthly revenue of \$1.3 million recorded in October 2017.
- Continued expansion of sales footprint in international markets, expanding from 12 at end of June 2017 to 37 by year end.
- Gross margin improvement from 21% for FY17 to 34% for H1 FY18 highlighting the operating leverage that exists.
- Significant reduction in operating loss (excluding non-cash items) particularly when excluding c. \$800k of non-recurring costs.
- Record cash receipts of \$2.2 million for December 2017 quarter, a 237% increase over the prior quarter.
- Strong working capital position with \$1.7 million of inventory on hand, strongest inventory position yet.

At the commencement of 2017, management set out to actively diversify the business from being a one-product, USA-centric business, to a business with a diversified product portfolio, global distribution footprint, and a trusted and recognised brand in the global 3D printing industry.

By the end of December 2017, the Company was actively selling three models of 3D printers, a range of 3D printer project kits, and a wide selection of consumables, into a much-expanded distribution footprint across 37 countries, compared to just four only 12 months earlier.

The December 2017 half yearly report reflects the important operational and business development efforts laid down throughout calendar 2017. Revenue of \$4.2m was recorded for the half year ending December 2017, an increase of 234% compared to the prior half year completed at June 2017. Reflecting the acceleration in revenue flowing from a broader product portfolio and a much-expanded international footprint, revenue achieved in the first five months of FY18 surpassed revenue recorded for the entire FY17.

Importantly in December 2017 quarter, the Company also collected over \$2.2 million in cash receipts from its customers, another record, as it seeks to reduce its cash burn and move towards sustainable operations. It is important to note that the Company was selling its three models of 3D printers for only three months of this six-month period.

With this expanded product offering, 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 targeting several industry verticals, particularly the education sector.

The Company is thankful for the ongoing support of its shareholders. Robo's employees, management, and board are highly motivated as we enter 2018, aiming to deliver outstanding products and service to the many thousands of our valued customers around the world. The Robo team is committed to building a company that can very clearly become a leader in 3D printing and STEM-education across the world, and in doing so, sharing in the creation of significant shareholder value.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Robo 3D Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were directors of Robo 3D Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ryan Legudi (Managing Director) (appointed 16 December 2016)
Timothy Grice (Executive Director) (appointed 16 December 2016)
Braydon Moreno (Executive Director) (appointed 16 December 2016)
Patrick Glovac (Non-Executive Director) (appointed 16 December 2016)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,710,129 (31 December 2016: \$4,564,162).

Included within the loss for the half year were share based payments of \$746,501.

Financial Position

The net assets of the consolidated entity increased by \$2,105,216 to \$10,876,926 as at 31 December 2017 (30 June 2017: \$8,771,710). The increase in net assets was mostly due to additional capital raisings completed during the period.

Working capital, being current assets less current liabilities, was \$1,818,489 (30 June 2017: (\$713,078)). The consolidated entity had negative cash flows from operating activities for the period of \$3,896,210 (31 December 2016: \$491,528), largely due to increase in product manufacturing costs as a result of significant acceleration of customer orders.

Refer to the detailed Review of Operations preceding this Directors' report.

Significant changes in the state of affairs

On 8 August 2017, the Company issued 500,000 unquoted options to the Trade Finance Loan Facility lender, exercisable at \$0.10 (10 cents) per option on or before 8 August 2021.

On 24 August 2017, the Company issued 500,000 unquoted options to the Trade Finance Loan Facility lender, exercisable at \$0.10 (10 cents) per option on or before 23 August 2021.

On 11 September 2017, the Company announced a capital raising of \$800,000 comprising a placement of \$400,000 at an issue price of \$0.06 (6 cents) per share (with 6,666,667 attaching options with a two-year exercise period and an exercise price of \$0.06 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 the Company and the investor following shareholder approval. The 6,666,667 shares pertaining to the placement were issued on 15 September 2017.

The Company did not draw down any funds under the Convertible Note Agreement, and fully terminated the Convertible Note Agreement. As settlement on 27 October 2017, the Company paid a non-material cash amount and issued 2,000,000 unquoted option to L1 Capital as an acknowledgement of the termination of the convertible note agreement, exercisable at \$0.06 (6 cents) per option on or before 27 October 2019.

On 11 September 2017, the Company announced that it would undertake a pro rata Entitlement Issue, to raise up to \$1,500,000 via the issuance of new shares at an issue price of \$0.045 (4.5 cents) per share (the "Entitlements Issue").

As announced by the Company on 17 October and 3 November 2017, the Company received firm commitments pursuant to the Firm Commitment Agreements for Shortfall for the first \$1,500,000 raised under the Offer (Firm Commitments for Shortfall). Some of these investors have also provided the Company with \$950,000 in loan funds to provide immediate working capital which was to be repaid from the proceeds of the Offer.

On 14 September 2017, the Company announced that it had agreed to settle a long-standing litigation claim by issuing 500,000 ordinary shares that were subject to escrow until 16 December 2017, and an additional 1,500,000 ordinary shares that will be subject to escrow until 16 December 2018. The shares were issued on 27 October 2017.

On 20 November 2017, the Company issued 1,600,000 unquoted options as consideration for corporate advisory services provided by Hunter Capital Advisors, exercisable at \$0.09 (9 cents) per option on or before 20 November 2020.

On 20 November 2017, the Company issued 6,666,667 free attaching options to the participants of the Placement completed on 15 September 2017 following receipt of shareholder approval at a general meeting of shareholders on 31 October 2017. The options were exercisable at \$0.06 (6 cents) per option on or before 20 November 2019.

On 27 November 2017, the Company announced that it had completed the issue and allotment of fully paid ordinary shares applied for through its non-renounceable pro rata entitlement offer as announced by the Company on 3 November 2017 ("Entitlement Issue") and closed on 21 November 2017. The Company has issued a total of 11,634,684 new fully paid ordinary shares under the Entitlements Issue raising \$523,561, following cheque dishonours.

On 4 December 2017, the Company announced that in accordance with the terms of the Trade Finance Facility, the Lender elected to convert the Trade Finance Facility into a secured term loan ("Term Loan"). The Company advised it signed an agreement with the Lender to convert the Trade Finance Facility to the Term Loan, and was 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").

On 6 December 2017, the Company issued 14,465,767 fully paid ordinary shares pursuant to the firm commitment letters received as part of Rights Issue Shortfall Offer. \$352,000 outstanding funds from the Rights Issue Shortfall Offer has not been received by the Company.

On 6 December 2017, the Company announced that it has received firm commitments to raise \$3.15 million via the placement of 70,088,888 ordinary shares at a price of \$0.045 per share. The 70,088,888 shares were issued on 14 December 2017.

On 12 January 2018, the Company issued 5,000,000 unquoted options to Denlin Nominees as an establishment fee for the Term loan. The options are exercisable at \$0.075 (7.5 cents) per option on or before 30 June 2021. The options issued to Denlin Nominees pursuant to Resolution 7 of the Company's Notice of Annual General Meeting was approved by Shareholders of the Company held on 30 November 2017.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ryan Legudi
Managing Director

28 February 2018

DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF ROBO 3D LIMITED

As lead auditor for the review of Robo 3D Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Robo 3D Limited and the entities it controlled during the period.



Wai Aw
Partner

Melbourne, 28 February 2018

Robo 3D Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017



	Consolidated	
	31 December 2017	31 December 2016
Note	\$	\$
Revenue	4,163,294	127,755
Cost of sales	<u>(2,745,355)</u>	<u>(64,246)</u>
Gross profit	1,417,939	63,509
Other income	36,180	5,752
Expenses		
Marketing & advertising	(616,066)	(90,887)
Finance charges	(457,157)	(8,471)
Administration	(1,344,361)	(210,028)
Employee benefit expenses	(1,588,460)	(293,240)
Depreciation and amortisation expense	(411,703)	-
Share based payments	(746,501)	(768,217)
Listing expense - reverse acquisition	-	(3,025,361)
Listing expense - other transaction costs	<u>-</u>	<u>(237,219)</u>
Loss before income tax expense	(3,710,129)	(4,564,162)
Income tax expense	<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Robo 3D Limited	(3,710,129)	(4,564,162)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	275,477	(111,516)
Revaluation of available for sale investments	<u>15,000</u>	<u>(15,000)</u>
Other comprehensive income for the half-year, net of tax	<u>290,477</u>	<u>(126,516)</u>
Total comprehensive income for the half-year attributable to the owners of Robo 3D Limited	<u>(3,419,652)</u>	<u>(4,690,678)</u>
	Cents	Cents
Basic earnings per share	10 (1.37)	(8.14)
Diluted earnings per share	10 (1.37)	(8.14)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Robo 3D Limited
Statement of financial position
As at 31 December 2017



	Consolidated	
	31 December	
Note	2017	30 June 2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,491,955	1,051,283
Trade and other receivables	819,538	248,152
Inventories	1,671,571	669,337
Available-for-sale financial assets	-	15,000
Other current assets	132,223	87,982
Total current assets	<u>5,115,287</u>	<u>2,071,754</u>
Non-current assets		
Property, plant and equipment	280,717	421,405
Intangibles	4 8,785,652	9,074,492
Total non-current assets	<u>9,066,369</u>	<u>9,495,897</u>
Total assets	<u>14,181,656</u>	<u>11,567,651</u>
Liabilities		
Current liabilities		
Trade and other payables	2,436,691	2,074,806
Borrowings	795,738	257,174
Employee benefits	32,882	16,962
Provisions	-	32,646
Deferred revenue	31,487	403,244
Total current liabilities	<u>3,296,798</u>	<u>2,784,832</u>
Non-current liabilities		
Borrowings	7,932	11,109
Total non-current liabilities	<u>7,932</u>	<u>11,109</u>
Total liabilities	<u>3,304,730</u>	<u>2,795,941</u>
Net assets	<u>10,876,926</u>	<u>8,771,710</u>
Equity		
Issued capital	5 22,417,199	17,355,636
Reserves	6 1,972,864	1,219,082
Accumulated losses	<u>(13,513,137)</u>	<u>(9,803,008)</u>
Total equity	<u>10,876,926</u>	<u>8,771,710</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Robo 3D Limited
Statement of changes in equity
For the half-year ended 31 December 2017



Consolidated	Issued capital \$	Foreign currency reserve \$	Share-based payments reserve \$	Available for sale reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	100	-	-	-	(383,035)	(382,935)
Loss after income tax expense for the half-year	-	-	-	-	(4,564,162)	(4,564,162)
Other comprehensive income for the half-year, net of tax	-	(111,516)	-	(15,000)	-	(126,516)
Total comprehensive income for the half-year	-	(111,516)	-	(15,000)	(4,564,162)	(4,690,678)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	16,577,775	-	-	-	-	16,577,775
Share-based payments	-	-	1,018,112	-	-	1,018,112
Balance at 31 December 2016	<u>16,577,875</u>	<u>(111,516)</u>	<u>1,018,112</u>	<u>(15,000)</u>	<u>(4,947,197)</u>	<u>12,522,274</u>

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payments reserve \$	Available for sale reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	17,355,636	(26,809)	1,260,891	(15,000)	(9,803,008)	8,771,710
Loss after income tax expense for the half-year	-	-	-	-	(3,710,129)	(3,710,129)
Other comprehensive income for the half-year, net of tax	-	275,477	-	15,000	-	290,477
Total comprehensive income for the half-year	-	275,477	-	15,000	(3,710,129)	(3,419,652)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 5)	4,456,343	-	-	-	-	4,456,343
Share-based payments	317,220	-	429,281	-	-	746,501
Shares issued as consideration for corporate advisory services	48,000	-	-	-	-	48,000
Shares issued to Executives in lieu of remuneration owing	240,000	-	-	-	-	240,000
Options issued for loan facility fee	-	-	34,024	-	-	34,024
Balance at 31 December 2017	<u>22,417,199</u>	<u>248,668</u>	<u>1,724,196</u>	<u>-</u>	<u>(13,513,137)</u>	<u>10,876,926</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Robo 3D Limited
Statement of cash flows
For the half-year ended 31 December 2017



	Note	Consolidated	
		31 December 2017	31 December 2016
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,095,391	211,831
Payments to suppliers and employees (inclusive of GST)		(6,590,011)	(700,640)
Interest received		608	5,752
Tax incentives		35,572	-
Interest and other finance costs paid		(437,770)	(8,471)
Net cash used in operating activities		<u>(3,896,210)</u>	<u>(491,528)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(4,368)
Payments for intangibles		-	(201,370)
Net consideration to acquire business, net of cash acquired	8	-	(1,122,500)
Cash acquired from reverse acquisition		-	81,772
Proceeds from disposal of investments		112,500	-
Net cash from/(used in) investing activities		<u>112,500</u>	<u>(1,246,466)</u>
Cash flows from financing activities			
Proceeds from issue of shares	5	4,926,952	6,000,000
Proceeds from convertible debt converted to equity		-	1,370,760
Proceeds from borrowings		1,444,000	72,000
Share issue transaction costs		(219,000)	(332,035)
Repayment of borrowings		(928,000)	-
Net cash from financing activities		<u>5,223,952</u>	<u>7,110,725</u>
Net increase in cash and cash equivalents		1,440,242	5,372,731
Cash and cash equivalents at the beginning of the financial half-year		1,051,283	100
Effects of exchange rate changes on cash and cash equivalents		430	27,002
Cash and cash equivalents at the end of the financial half-year		<u><u>2,491,955</u></u>	<u><u>5,399,833</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Robo 3D Limited as a consolidated entity consisting of Robo 3D Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Robo 3D Limited's functional and presentation currency.

Robo 3D Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Going concern

As at 31 December 2017, the financial position of the consolidated entity as disclosed in the financial statements reflects a net current assets position of \$1,818,489 and a net asset position of \$10,876,926. These balances have been determined after the consolidated net loss from continuing operations for the half year ended 31 December 2017 of \$3,710,129 and a net cash outflow from operating activities of \$3,896,210. The existence of these conditions indicates material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

It is common with entities in the technology sector that operations are subject to an element of risk due to the nature of the development and commercialisation of its product portfolio. A part of this risk relates to funding of the consolidated entity's activities and related issues including the conditions prevailing in the local and international financial markets. In the context of this operating environment, the consolidated entity may need to raise additional capital in order to execute its near short and medium term plans for expansion of its product portfolio in the event that sufficient revenue is not able to be generated in the normal course of business.

With the aim of improving the consolidated entity's performance, the consolidated entity completed a capital raising amounting to \$3.15 million in December 2017 seeking that the consolidated entity trade its way into a positive profit and earnings environment, with sufficient cash flows available to meet working capital requirements and the consolidated entity's obligations and liabilities as they fall due.

Note 2. Significant accounting policies (continued)

Notwithstanding the above the financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the consolidated entity. In adopting this position, the directors have had regard to the following:

- Cash on hand at 31 December 2017 was \$2,491,955;
- Successful capital raisings carried out during the half-year period raising approximately \$4.9 million;
- Agreement reached in relation to trade finance facility to secure the repayment date to November 2018, rather than at call;
- As the consolidated entity has a successful track record in raising capital, the directors believe the consolidated entity has the ability to raise additional capital from existing and new investors should it be required; and
- The directors have prepared forecasts that indicate the consolidated entity will remain a going concern.

The directors plan to continue the consolidated entity's operations on the basis as outlined above, and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

If the consolidated entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. The consolidated entity operates in one business segment, being the conduct of design and distribution of 3D printers and associated products for desktop segment of the 3D printing industry. The Board of Directors assess the operating performance of the group based on Management reports that are prepared on this basis.

Note 4. Non-current assets - intangibles

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Goodwill	8,164,961	8,164,961
Software - at cost	1,108,328	1,123,845
Less: Accumulated amortisation	(487,637)	(214,314)
	620,691	909,531
	8,785,652	9,074,492

Note 4. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$	Software \$	Total \$
Balance at 1 July 2017	8,164,961	909,531	9,074,492
Exchange differences	-	(12,230)	(12,230)
Amortisation expense	-	(276,610)	(276,610)
Balance at 31 December 2017	<u>8,164,961</u>	<u>620,691</u>	<u>8,785,652</u>

Management has performed impairment assessment on goodwill using fair value less cost of disposal method. The Company's market capitalisation of \$16.3 million as at 31 December 2017 was significantly higher than the Company's net assets of \$10.9 million, indicating there was no explicit trigger for impairment recognition. The fair value less costs to sell for the entire business attributed by external sources is indicated by market capitalisation (Level 1 in fair value hierarchy).

Number of shares on issue as at 31 December 2017: 370,352,055
Closing share price as at 31 December 2017: \$0.044
Market Capitalisation as at 31 December 2017: \$16.3 million
Net Assets of the Company as at 31 December 2017: \$10.9 million

Note 5. Equity - issued capital

	31 December 2017 Shares	30 June 2017 Shares	Consolidated 31 December 2017 \$	30 June 2017 \$
Ordinary shares - fully paid	<u>370,352,055</u>	<u>252,286,466</u>	<u>22,417,199</u>	<u>17,355,636</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	252,286,466		17,355,636
Issue of shares - Share Placement	15 September 2017	6,666,667	\$0.060	400,000
Shares issued for settlement of legal matter	27 October 2017	2,000,000	\$0.053	105,740
Issue of shares - Share Placement	27 October 2017	4,409,583	\$0.045	198,431
Shares issued to Chief Operating Officer as part of remuneration package	27 October 2017	4,000,000	\$0.053	211,480
Shares issued as consideration for corporate advisory services	20 November 2017	800,000	\$0.060	48,000
Issue of shares in relation to Entitlement Issue	27 November 2017	11,634,684	\$0.045	523,561
Issue of shortfall shares in relation to Entitlement Issue	6 December 2017	14,465,767	\$0.045	650,960
Issue of shares - Share Placement	14 December 2017	70,088,888	\$0.045	3,154,000
Shares issued to Executives in lieu of remuneration owing	14 December 2017	4,000,000	\$0.060	240,000
Cost of capital raising		-	-	(470,609)
Balance	31 December 2017	<u>370,352,055</u>		<u>22,417,199</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 5. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 6. Equity - reserves

	Consolidated	
	31 December	30 June 2017
	2017	2017
	\$	\$
Available for sale reserve	-	(15,000)
Foreign currency translation reserve	248,668	(26,809)
Share-based payments reserve	1,724,196	1,260,891
	<u>1,972,864</u>	<u>1,219,082</u>

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Business combinations

Albion 3D Investments Pty Ltd acquired 100% of Robo 3D Inc., with effective control on 14 December 2016. The acquisition has been accounted as a Business Combination under AASB 3. Robo 3D Inc., a USA-based company that designs and markets a range of products for the desktop segment of the 3D printing industry. The acquisition was undertaken by the Company to expand its asset base, and create shareholder value.

The final fair values of the identifiable net assets acquired are detailed below:

	Fair value
	\$
Cash and cash equivalents	219,070
Trade receivables	66,490
Inventories	1,386,214
Prepayments	49,653
Other assets	21,941
Plant & equipment	205,561
Intangible - software	947,464
Trade payables	(1,952,267)
Other payables	(561,213)
Provisions	(31,391)
Deferred revenue	(655,693)
	<hr/>
Net liabilities acquired	(304,171)
Goodwill	8,164,961
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>7,860,790</u>
Consideration transferred:	
Acquisition-date fair value of equity transferred	4,493,910
Cash paid in prior financial year	2,025,310
Cash paid in current period	1,341,570
	<hr/>
Net cash used	<u>7,860,790</u>

	Consolidated	
	31 December	31 December
	2017	2016
	\$	\$
Cash paid	-	1,341,570
Cash acquired	-	(219,070)
	<hr/>	<hr/>
Net cash used	<u>-</u>	<u>1,122,500</u>

Note 9. Events after the reporting period

On 12 January 2018, the Company issued 5,000,000 unquoted options to Denlin Nominees as an establishment fee for the Term Loan. The options are exercisable at \$0.075 (7.5 cents) per option on or before 30 June 2021. The options issued to Denlin Nominees pursuant to Resolution 7 of the Company's Notice of Annual General Meeting was approved by Shareholders of the Company held on 30 November 2017.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Earnings per share

Note 10. Earnings per share (continued)

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Loss after income tax attributable to the owners of Robo 3D Limited	<u>(3,710,129)</u>	<u>(4,564,162)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>270,353,210</u>	<u>56,058,183</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>270,353,210</u>	<u>56,058,183</u>
	Cents	Cents
Basic earnings per share	(1.37)	(8.14)
Diluted earnings per share	(1.37)	(8.14)

Note 11. Share-based payments

On 8 August 2017, the Company issued 500,000 unquoted options to Trade Finance Loan Facility lender, exercisable at \$0.10 (10 cents) per option on or before 8 August 2021.

On 24 August 2017, the Company issued 500,000 unquoted options to Trade Finance Loan Facility lender, exercisable at \$0.10 (10 cents) per option on or before 23 August 2021.

On 27 October 2017, the Company issued 2,000,000 unquoted options to L1 Capital as an acknowledgement of the termination of the convertible note agreement, exercisable at \$0.06 (6 cents) per option on or before 27 October 2019.

On 20 November 2017, the Company issued 1,600,000 unquoted options as consideration for corporate advisory services provided by Hunter Capital Advisors, exercisable at \$0.09 (9 cents) per option on or before 20 November 2020.

On 20 November 2017, the Company issued 6,666,667 free attaching options to the participants of the Placement completed on 15 September 2017. The options were exercisable at \$0.06 (6 cents) per option on or before 20 November 2019.

On 12 January 2018, the Company issued 5,000,000 unquoted options to Denlin Nominees as an establishment fee for the Term Loan. The options were exercisable at \$0.075 (7.5 cents) per option on or before 30 June 2021.

Set out below are summaries of options on issue as at 31 December 2017:

31 December
2017

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
14/12/2016	22/12/2019	-	13,999,720	-	-	-	13,999,720
27/06/2017	27/06/2021	\$0.100	500,000	-	-	-	500,000
08/08/2017	08/08/2021	\$0.100	-	500,000	-	-	500,000
24/08/2017	23/08/2021	\$0.100	-	500,000	-	-	500,000
27/10/2017	27/10/2019	\$0.060	-	2,000,000	-	-	2,000,000
20/11/2017	20/11/2020	\$0.090	-	1,600,000	-	-	1,600,000
20/11/2017	20/11/2019	\$0.060	-	6,666,667	-	-	6,666,667
30/11/2017	30/06/2021	\$0.075	-	5,000,000	-	-	5,000,000
			14,499,720	16,266,667	-	-	30,766,387

Note 11. Share-based payments (continued)

31 December
2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
14/12/2016	22/12/2019	\$0.150	-	13,999,720	-	-	13,999,720
			-	13,999,720	-	-	13,999,720

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3 years.

Set out below are summaries of performance rights on issue as at 31 December 2017:

31 December
2017

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
14/12/2016	22/12/2020	-	4,899,902	-	-	-	4,899,902
14/12/2016	22/12/2020	-	5,599,888	-	-	-	5,599,888
14/12/2016	22/12/2020	-	3,499,930	-	-	-	3,499,930
			13,999,720	-	-	-	13,999,720

31 December
2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
14/12/2016	22/12/2020	-	-	4,899,902	-	-	4,899,902
14/12/2016	22/12/2020	-	-	5,599,888	-	-	5,599,888
14/12/2016	22/12/2020	-	-	3,499,930	-	-	3,499,930
			-	13,999,720	-	-	13,999,720

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
31/07/2017	08/08/2021	\$0.057	\$0.100	100.00%	-	2.75%	\$0.030
22/08/2017	23/08/2021	\$0.065	\$0.100	100.00%	-	2.71%	\$0.041
27/10/2017	27/10/2019	\$0.053	\$0.060	100.00%	-	2.24%	\$0.027
20/11/2017	20/11/2020	\$0.049	\$0.090	100.00%	-	2.10%	\$0.025
30/11/2017	30/06/2021	\$0.052	\$0.075	100.00%	-	2.53%	\$0.032

Note 12. Contingent assets and liabilities

The directors are not aware of any contingent assets or contingent liabilities as at 31 December 2017 (2016: Nil).

Robo 3D Limited
Directors' declaration
31 December 2017



The directors of the Company declare that:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Ryan Legudi", written over a horizontal line.

Ryan Legudi
Managing Director

28 February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Robo 3D Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Robo 3D Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE



2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO
A handwritten signature in black ink, appearing to read 'Wai Aw', is written below the printed name.

Wai Aw
Partner

Melbourne, 28 February 2018