

ASX ANNOUNCEMENT

ASX: RBO | 30 April 2018

March 2018 Quarterly Report & Financial Commentary

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 financial performance highlights to accompany its Appendix 4C for the three months ending March 2018.

KEY HIGHLIGHTS

- Revenue of \$1.2 million for the March quarter (unaudited, \$1.4 million on an adjusted basis) compared to \$1.2 million for March 2017 quarter.
- Year to date revenue of \$5.5 million, up 67% compared to same period in FY17.
- International sales network extended to 40 countries.
- Continued education expansion with strategic relationships announced with universities, school districts and government ministries in UK, Canada, and Argentina respectively.
- Negotiations continuing regarding strategic partnerships and joint venture opportunities.
- Advanced discussions with trade finance providers with announcements to be provided imminently.

STRATEGIC HIGHLIGHTS

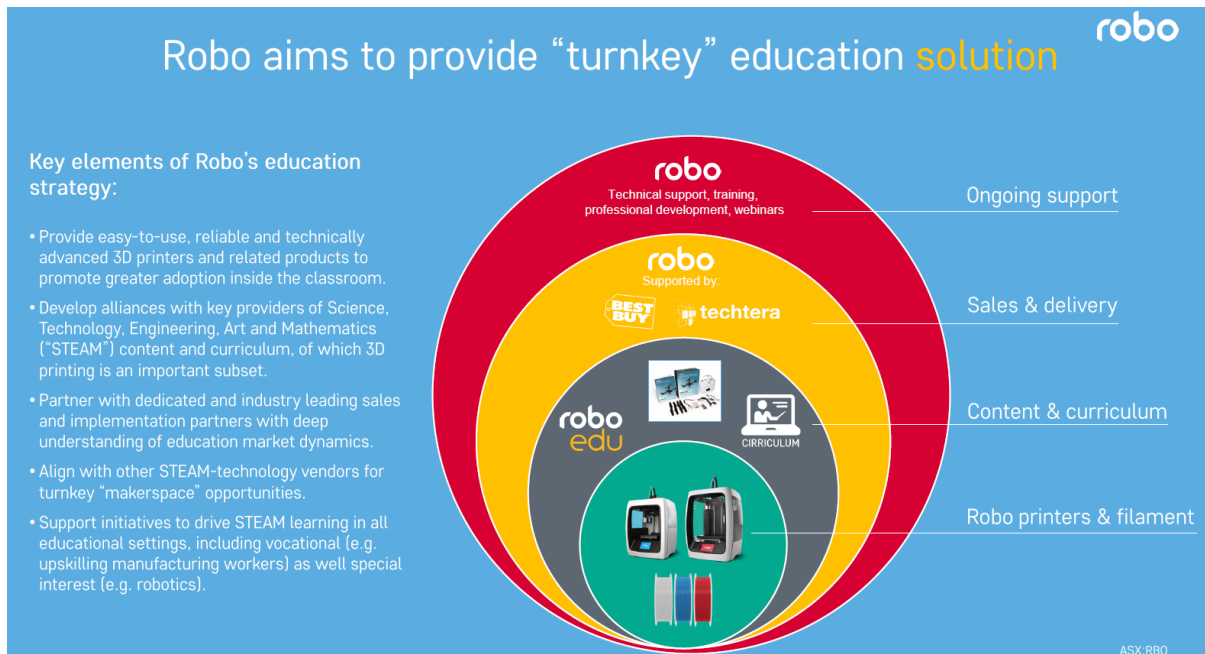
With the rapid change in the nature of jobs driven by automation and digitisation, key stakeholders across government, industry, parents and teachers are driving a dramatic increase in the focus on preparing students for the jobs of tomorrow. This focus is largely centred on Science, Technology, Engineering, Art and Maths (“**STEAM**”) subjects and the importance of these technologies in delivering learning outcomes.

Along with coding, robotics and AR/VR, 3D printing is ideally placed to form an integral part of this infrastructure in schools, training colleges, and universities, in addition to the proliferation of out of school camps for same. Robo believes the opportunity in education has the potential to be significantly larger than the consumer opportunity given its scale. In the USA alone, there are 100,000+ traditional K-12 institutions serving c. 50 million students, plus ancillary education channels such as hobby clubs (e.g. robotics clubs), after-school programs, and church groups (c. 35,000). In addition, there has been a notable increase in tertiary and vocational institutions incorporating 3D design and 3D printing into courses given the “Industry 4.0” thematic.

Not only are the technical elements of STEAM education integral to providing a pathway to future employment opportunities, the soft-skills developed through the delivery of this education (e.g. collaborative skills through project based learning) will better equip students to adapt and participate in an increasingly digitised world.

Given this powerful thematic in education markets globally, Robo has accelerated its efforts in this segment and has continued to broaden its reach through further alignment with education-focused

distribution and strategic partners, including curriculum providers as well as professional development and training companies. To be effective, the integration of our 3D printers needs to also include professional development for the teachers, and additional support via standards-aligned content and curriculum. Based on our experience, providing this as a turnkey solution is imperative to the successful implementation of 3D printing into a school’s STEAM program.



OPERATIONAL HIGHLIGHTS

Following the completion of the Company's record-breaking December quarter, Robo entered the March quarter seeking to expand its presence in the market with the addition of new customers and distribution partners, with a major emphasis on those with an education-focus ahead of the key mid-year buying seasons. Based on our experience, we are confident that the investment in expanding our distribution and reselling network will see a lift in the demand for our products as these channel partners complete their onboarding processes and launch their sales and marketing efforts ahead of the mid-year buying season. The following is a summary of the key operational highlights for the March 2018 quarter:

Sales:

USA

- **Douglas Stewart:** announced agreement with The Douglas Stewart Company (“**Douglas Stewart**”) was established in 1950 and has grown to be a leading distributor and business service provider in the North America, with a specific focus on education markets. Offering a breadth of products ranging from hardware, software, peripherals, consumer electronics, and Apple accessories to school and dorm supplies, Douglas Stewart links more than 250 manufacturers with over 4,000 resellers in the United States and Canada.
- **Fischer Scientific Education:** announced reseller agreement with Fischer Scientific Education, a division of Thermo Fischer Scientific, a large New York Stock Exchange-listed biotechnology product development company. Fischer Scientific Education specifically supplies a broad range of specialist hardware equipment (and supporting software) to educational laboratories and classrooms and has expanded its offering from science-based technology solutions to encompass a broader STEM offering. Robo is currently the only 3D printer brand that will be ranged by Fischer Scientific Education.
- **Troxell:** announced agreement with Troxell, established in 1946 and is the largest privately-held education technology distributor in the United States. Headquartered in Phoenix, Arizona, Troxell has more than 60 offices nationwide with local account executives who are unmatched in product knowledge and personalised customer service. They provide on-site expertise for every area of a school. Troxell has grown to focus on education technology solutions that address today's K-12 and higher education pedagogies—as well as emerging technologies for tomorrow's 21st century classrooms.

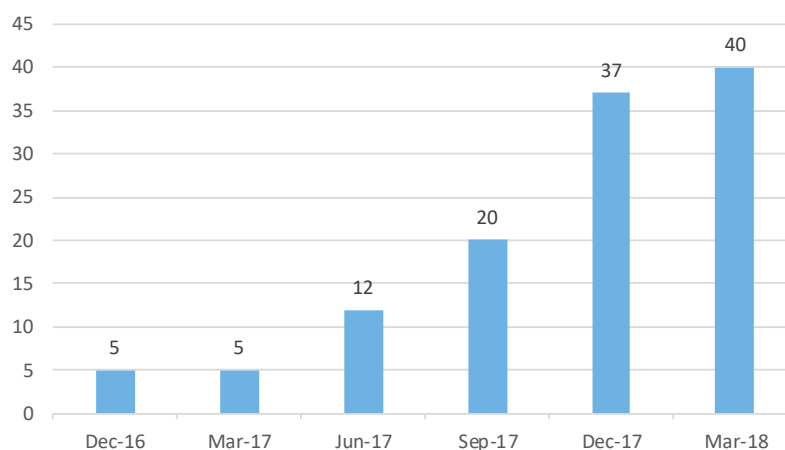
International

- **China:** announced new distribution partnership with Xi'an Elite Robotics Co. Ltd. (“**Xi'an**”), a leading distributor of high-tech products including 3D printers into China. Xi'an Elite Robotics was formed in 2011 and is a leading supplier of a range of 3D printing solutions and services for leading desktop and industrial 3D printer manufacturers including Stratasys SSYS (NASDAQ) and Formlabs. Important to Robo's strategy, Xi'an is deeply embedded in the Chinese education system and has a very strong focus on propagating 3D printer use as part of STEM curriculum initiatives.
- **Hong Kong:** distribution agreement signed for sale of products into Hong Kong with Beets Limited (“**Beets**”), a specialist provider of 3D printing solutions to Hong Kong customers. Beets is primarily focused on delivering STEM-focused solutions to the education sector, with 3D printers forming the core of their offering, and is therefore strategically aligned with Robo's education efforts. Find more at www.beets3d.com/robo-3d-printer

- **Malaysia:** reseller agreement with Pebble3D Sdn Bhd (“**Pebble3D**”), established in 2010 with a focus to become the only “one-stop” solution centre for 3D printing solutions in Malaysia, providing supply and services for fully assembled 3D printers, 3D scanners, and other consumables, with a particular focus on driving 3D printing adoption in schools. Find more at www.pebble3d.com
- **Singapore:** reseller agreement with SEACAD Technologies Pte Ltd (“**SEACAD**”) for sale of its products into Singapore. Founded in 1998, SEACAD is the largest SolidWorks reseller in Singapore, and has expanded its product offering into adjacent segments including 3D mechanical and electrical design, piping, finite element analysis/simulation, CNC manufacturing, and rapid prototyping including 3D printing. Find more at www.seacadtech.com
- **Manchester Metropolitan University, UK:** announced partnership with the PrintCity project at ManMet in Manchester, UK (<http://www2.mmu.ac.uk/news-and-events/news/story/?id=7337>). As highlighted at the launch event in front of 300 people at Print City, Robo and PrintCity agreed to work closely to develop a comprehensive and collaborative program that includes access to Robo’s range of 3D printers, training modules for students and teachers, establishment of Robo print farms to demonstrate small scale Additive Manufacturing and site visits to schools in Greater Manchester.
- **Province of Nova Scotia, Canada:** Nova Scotia’s schools are divided into eight districts that serve around 120,000 students across almost 450 schools. Robo has successfully been incorporated into five school districts, who have placed initial orders for Robo’s 3D printers, filament, and extended warranties, for a total value of c. A\$90,000 (around than 1 printer for every 10 schools).
- **School District in British Columbia:** Robo has also commenced initial delivery of its 3D printers and ancillary products into a 22 school district located in British Columbia for a total value of c. \$30,000.
- **Ministry of Education, Argentina:** through its value-added reseller in Argentina, Robo will be included in the “Infinito por Descubrir” program initially across 16 provinces in Argentina, a non-formal educational program that aims to stimulate and enhance soft skills and vocations in children and young people from 6 to 18 years, through the creation of projects based on disciplines such as robotics, programming, video games, art, design and biotechnology.

The Company continues to actively pursue select new distributors, value-added resellers, and strategic partners to drive the expansion of Robo’s international footprint with key markets in Europe and Asia a major focus for the first half of 2018.

Countries with Robo Sales Presence



Marketing:

- Robo launched a number of case studies highlighting the various uses of its products, which were picked up by major 3D printing blogs and distributed across social media:
 - EDU | Shelley Emslie- <https://3dprint.com/202550/robo-3d-printers-montana-school/>
 - GT Moto | Sofia Tsingos- <https://all3dp.com/gt-moto-3d-prints-prototypes-custom-built-motorcycles/>
 - Guardian Bikes | Brian Riley <https://all3dp.com/robo-3d-young-cyclists-surestop-braking-technology/>
- The Company partnered with a number of social media influencers for expanded reach:
 - HomeMade Modern: 900k YouTube subscribers
 - CarAudioFabrication: 264k YouTube subscribers
 - Hacker Shack: 112k YouTube subscribers
 - Feeling The Net: 83k YouTube subscribers
 - Teacher’s Tech: 62k YouTube subscribers
- Attended NC Ties, CUE, Project Lead the Way.
- Positive product reviews continued to be received:
 - <https://www.3dnatives.com/en/robo-c2-3d-printer-test-291120174/>
 - <https://www.consumerrunner.com/best-3d-printer-under-1000/>
 - <https://mashable.com/2018/03/28/what-to-buy-tax-refund-money-electronics/#ZU4mjw0A6PqO>
 - <https://www.gearhungry.com/robo-r2-smart-3d-printer/>
- The Company continued to expand its social media presence:
 - Facebook: 108k followers
 - Instagram: 18.5k followers
 - Email: 28k email distribution list
 - YouTube: 1.8k subscribers

Product:

- Continued Android development with first public version released in March 2018.
- First major firmware update was released in March, providing more accurate printing, faster setup and printing speed, and enhanced security features.
- Completed integrated with the Olsson Ruby Nozzle, allowing Robo to upsell an engineering grade nozzle to allow users to print with wider range of engineering grade filament.
- Continued improvements to production quality with unit cost reduction achieved across all products, with further pathways examined for further cost-down initiatives.
- Continuing to pursue strategy of diversifying product offering, with new hardware and software product development underway, including some joint venture opportunities.

Corporate:

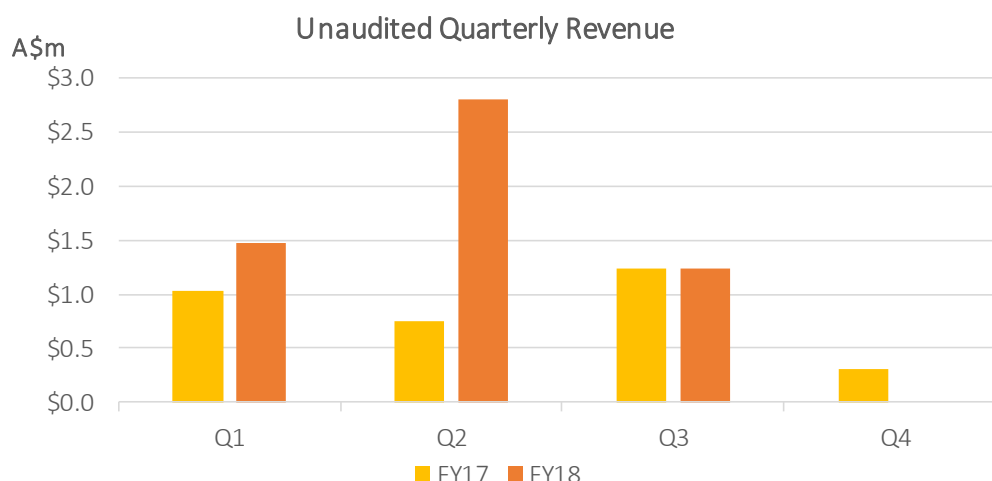
- During the quarter, the Company sold its 20% interest in the Deleta Joint Venture. The project is the last remaining holding in mining and exploration assets prior to the acquisition of Robo 3D Inc and re-quotation in December 2016. The Company will receive \$75,000 from the sale of its interest upon completion of settlement.

FINANCIAL HIGHLIGHTS

Robo is pleased to provide additional commentary on its financial performance for the quarter ended 31 March 2018.

The Company reports that it generated unaudited revenue of \$1.2 million for the March quarter, in line with the corresponding period last year. An additional A\$200,000 of customer orders received in February were not delivered to European customers until after 30 March 2018 due to significant delays in being released from European customs. Adjusting for this delay, quarterly revenue growth of c. 20% compared to the March 2017 quarter.

The March quarter is typically seasonally affected due to the significant demand from consumers over the November and December holiday buying seasons, along with reduced demand from education customers due to their budget cycles. The Company typically expects the March quarter to account for 10-15% of annual revenue.



The Company is pleased to advise that its unaudited year-to-date revenue of A\$5.5 million is 67% above the full year revenue generated in FY17, highlighting the growth trajectory of the Company. Whilst the March quarter is materially behind the record-breaking December quarter, the impact from the many USA-based resellers and international distribution partners announced through the latter part of 2017 and early 2018 will provide a strong contribution to growth in 2018.

The Company ended the March 2018 quarter with \$599k cash at bank, with an additional \$350k to be received. As previously advised, the Company has been exploring a number of options with respect to non-dilutive capital, and has advanced negotiations with several trade finance providers in the USA, with announcements to be provided imminently.

Section 9: Estimated Cash Outflows for Next Quarter

It is important to note that this section does not include the benefit of the realisation into cash of existing inventory on the Company's balance sheet at March 2018 of \$1.0 million, nor the benefit of any cash receipts from customers expected during the next quarter.

Closing Comments

The market opportunity for Robo has never been better. We are operating in a rapidly emerging industry, expected to grow 3-fold over the next four years to reach an estimated 1.9 million units, compared to around an estimated 500,000 units in 2017. Importantly, Robo has broadened its product portfolio to now encompass three highly-regarded and award-winning 3D printers. With this expanded product offering, Robo is well positioned for significant growth for the remainder of 2018 with its range of 3D printers targeted at three fast-growing segments:

- Robo R1+, retail price of US\$499, targeted at entry level users;
- Robo C2, retail price of US\$799, targeted at education and personal users; and
- Robo R2, retail price of US\$1499, targeted at prosumers and professionals.

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. Further updates will be provided once commercial agreements are executed.

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, and in doing so, building a company that can very clearly become a leader in 3D printing and STEAM education across the world, and in doing so, sharing in the creation of significant shareholder value.

— 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
ryan@robo3d.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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

ROBO 3D LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	752	3,833
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,096)	(4,728)
(c) advertising and marketing	(119)	(437)
(d) leased assets	-	-
(e) staff costs	(1,051)	(2,786)
(f) administration and corporate costs	(400)	(1,695)
1.3 Dividends received	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	(40)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	43
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,911)	(5,807)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	113
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received	-	-
2.5 Other (cash acquired in acquisition transaction)	-	-
2.6 Net cash from / (used in) investing activities	-	113

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	4,927
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	(48)	(267)
3.5 Proceeds from borrowings	-	1,444
3.6 Repayment of borrowings	-	(928)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	(48)	5,176

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	2,492	1,051
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,911)	(5,807)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	113

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	5,176
4.5	Effect of movement in exchange rates on cash held	66	66
4.6	Cash and cash equivalents at end of quarter	599	599

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	599*	2,492
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)	599	2,492

* \$352k still to be received from capital raising

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	156
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to Robo 3D Limited Directors and related entities for the March 2018 quarter.

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	-
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	

-

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	750
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.		

Trade Finance Facility with Denlin Nominees (see announcement 19 June 2017 titled "Sales Growth to Accelerate with Completion of A\$1.8m Funding" 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	1,250
9.3 Advertising and marketing	150
9.4 Leased assets	-
9.5 Staff costs	1,000
9.6 Administration and corporate costs	400
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,900*

* 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
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:..... Date:30 April 2018.....
(Company secretary)

Print name:Justin Mouchacca.....

Notes

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