

## 1. Company details

Name of entity:	Robo 3D Limited
ABN:	20 009 256 535
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	210.7% to	5,927,412
Loss from ordinary activities after tax attributable to the owners of Robo 3D Limited	up	53.7% to	(14,475,126)
Loss for the year attributable to the owners of Robo 3D Limited	up	53.7% to	(14,475,126)

### *Dividends*

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

### *Basis of Preparation*

The preliminary consolidated financial statements for the year ended 30 June 2018 consists full year operating results and financial position of Robo 3D Limited, Albion 3D Investments Pty Ltd and Robo 3D Inc.

### 2017 Comparative

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 have been 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 comparative Statement of Profit or Loss and Other Comprehensive Income for the 12 months ended 30 June 2017, comprises the total comprehensive income:

- for the 12 months in relation to Albion and
- for the period from 14 December 2016 until 30 June 2017 for RBO and Robo 3D Inc.

In addition, the Statement of Financial Position as at 30 June 2017 represents the consolidation of Albion as the accounting acquirer, Robo 3D Limited and Robo 3D Inc.

### *Financial Performance*

Below is a reconciliation of the Company's financial performance during the year adjusting for non-cash items:

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Statutory loss after income tax expense for the year	(14,475,126)	(9,419,973)
Add back non-cash items:		
- Impairment of goodwill	6,674,046	-
- Depreciation and amortisation expense	830,403	283,110
- Share based payments	928,008	1,007,762
- Listing expense - reverse acquisition	-	3,025,361
- Impairment of available-for-sale financial assets	-	36,000
Operating loss for the year	<u>(6,042,669)</u>	<u>(5,067,740)</u>

Revenue including other income during the year amounted to \$6,006,264 (2017: \$2,045,868), which included revenue from sales of \$5,927,412, interest of \$3,852 and other income of \$75,000 which relates to the sale of the legacy tenements.

Operating expenses for the financial year were \$16,131,688 (2017: \$9,958,328). The major items included in the operating loss for the current financial year included significant expenses relating to impairment of goodwill (\$6,674,046), administration (\$2,865,227) and employee benefit (\$3,502,450), due to full year operation of the Consolidated Entity.

As a result, the loss for the consolidated entity after providing for income tax amounted to \$14,475,126 (30 June 2017: \$9,419,973).

As announced to ASX on 27 August 2018 in the announcement "MyStemKits Acquisition Completion & Chairman Appointment", to accelerate the pathway to profitability, the Company has implemented significant cost-cutting measures in the operating business with a substantial amount of annual costs to be removed from the business, expected to be fully implemented by September 2018.

Alongside the reduction in headcount, this also includes salary reductions to all executive directors as well as the senior management team members in order to align the cost base of the Company with the revenue profile of the business, as well as the strategic focus on education.

Finally, the employment contract of Randy Waynick, the Company's Vice President of Sales and Chief Operating Officer (as detailed in the Company's prospectus), will not be renewed following its expiration on 1 September 2018.

Following the acquisition of MyStemKits, a leading STEM curriculum and content business, the Company is strongly positioned to benefit from significant tailwinds supporting the accelerating adoption of STEM in education systems across the world.

#### *Financial Position*

The net assets of the consolidated entity decreased by \$8,735,788 to \$35,922 as at 30 June 2018 (30 June 2017: \$8,771,710). The decrease in net assets was largely due to impairment of goodwill and draw down on trade loan facility for business operation.

Working capital, being current assets less current liabilities, was in deficit \$1,971,257 (30 June 2017: deficit \$713,078). The consolidated entity had negative cash flows from operating activities for the period of \$6,313,762 (30 June 2017: \$5,395,908). The cash and cash equivalents as at 30 June 2018 were \$351,083 (30 June 2017: \$1,051,283).

Subsequent to year end, the Company announced that it has completed the capital raising of \$3.25 million (before costs) and issued a total of 130,000,000 ordinary shares at an issue price of \$0.025 per share.

On 27 August 2018, the Company announced that it has completed the acquisition of leading USA education software and content business, MyStemKits (MSK). Under the Acquisition Agreement, Robo via its newly-created wholly-owned subsidiary MyStemKits, Inc., has acquired the business of MSK on a cash free and debt-free basis for a total consideration of US\$2.0 million (A\$2.76 million). Consideration for the Acquisition was agreed as a cash payment of US\$1.2 million (A\$1.65 million), with the balance (US\$0.8 million) to be paid through the issue of ordinary shares that are subject to a voluntary 12-month escrow period from the date of completion. Robo has issued 41.6 million fully paid ordinary shares at an issue price of \$0.02652 (2.652 cents) per share in accordance with shareholder approval received on 13 August 2018.

On the same day, the Company confirmed the appointment of experienced ASX Executive and existing cornerstone shareholder Tony Grist as Chairman of the Company to lead the implementation of the Company's growth strategy.

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### **3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>(0.49)</u>	<u>(0.12)</u>

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#### 4. Control gained over entities

Not applicable.

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#### 5. Loss of control over entities

Not applicable.

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#### 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.

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#### 7. Dividend reinvestment plans

Not applicable.

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#### 8. Details of associates and joint venture entities

Not applicable.

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#### 9. Foreign entities

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

Robo 3D Inc. a company incorporated in the USA and applies International Financial Reporting Standards (IFRS).

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#### 10. Audit qualification or review

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

The report, and accompanying financial statements, are based upon accounts which are in the process of being audited. The accounts are likely to contain an unmodified audit report with an emphasis of matter paragraph relating to the consolidated entity's ability to continue as a going concern.

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#### 11. Attachments

*Details of attachments (if any):*

The preliminary final report of Robo 3D Limited for the year ended 30 June 2018 is attached.

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**12. Signed**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Signed \_\_\_\_\_

Date: 31 August 2018

Ryan Legudi  
Managing Director

Directors	Tony Grist (Non-Executive Chairman) Ryan Legudi (Managing Director) Timothy Grice (Executive Director) Braydon Moreno (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 register	Advanced Share Registry Services Ltd 110 Stirling Highway Nedlands, WA, 6009 Telephone: (08) 9389 8033
Auditor	BDO East Coast Partnership Tower 4, Level 18, 727 Collins Street Melbourne, VIC, 3008
Stock exchange listing	Robo 3D Limited securities are listed on the Australian Securities Exchange (ASX: RBO)
Website	<a href="http://www.robo3d.com">www.robo3d.com</a>

**Robo 3D Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2018**



	Note	Consolidated 2018 \$	2017 \$
Revenue		5,927,412	1,907,754
Cost of sales		(4,349,702)	(1,506,453)
Gross profit		<u>1,577,710</u>	<u>401,301</u>
Other income		75,000	122,500
Interest Income		3,852	15,614
<b>Expenses</b>			
Marketing & advertising		(1,089,534)	(813,134)
Research and development		(27,751)	(249,208)
Finance charges		(191,758)	(155,439)
Consulting fees		-	(900,698)
Operating lease expense		-	(122,645)
Administration		(2,865,227)	(858,489)
Foreign exchange expense		(22,511)	(11,727)
Impairment of goodwill	3	(6,674,046)	-
Employee benefit expenses		(3,502,450)	(2,214,334)
Depreciation and amortisation expense		(830,403)	(283,110)
Share based payments		(928,008)	(1,007,762)
Listing expense - reverse acquisition		-	(3,025,361)
Listing expense - other transaction costs		-	(276,819)
Other expenses		-	(3,602)
Impairment of available-for-sale financial assets		-	(36,000)
<b>Loss before income tax expense</b>		(14,475,126)	(9,418,913)
Income tax expense		-	(1,060)
<b>Loss after income tax expense for the year attributable to the owners of Robo 3D Limited</b>		(14,475,126)	(9,419,973)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		20,429	(26,809)
Revaluation of available for sale investments		15,000	(15,000)
Other comprehensive income for the year, net of tax		<u>35,429</u>	<u>(41,809)</u>
<b>Total comprehensive income for the year attributable to the owners of Robo 3D Limited</b>		<u>(14,439,697)</u>	<u>(9,461,782)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	(4.52)	(7.41)
Diluted earnings per share	9	(4.52)	(7.41)

*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 30 June 2018**



	Note	Consolidated 2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		351,083	1,051,283
Trade and other receivables		193,681	248,152
Inventories	2	1,179,346	669,337
Available-for-sale financial assets		-	15,000
Prepayments		78,290	87,982
<b>Total current assets</b>		<u>1,802,400</u>	<u>2,071,754</u>
<b>Non-current assets</b>			
Property, plant and equipment		158,002	421,405
Intangibles	3	1,854,199	9,074,492
<b>Total non-current assets</b>		<u>2,012,201</u>	<u>9,495,897</u>
<b>Total assets</b>		<u>3,814,601</u>	<u>11,567,651</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,381,061	2,074,806
Borrowings	4	1,169,409	257,174
Employee benefits		39,148	16,962
Provisions		128,199	32,646
Deferred revenue		55,840	403,244
<b>Total current liabilities</b>		<u>3,773,657</u>	<u>2,784,832</u>
<b>Non-current liabilities</b>			
Borrowings		5,022	11,109
<b>Total non-current liabilities</b>		<u>5,022</u>	<u>11,109</u>
<b>Total liabilities</b>		<u>3,778,679</u>	<u>2,795,941</u>
<b>Net assets</b>		<u>35,922</u>	<u>8,771,710</u>
<b>Equity</b>			
Issued capital	5	22,414,733	17,355,636
Reserves	6	1,899,323	1,219,082
Accumulated losses		<u>(24,278,134)</u>	<u>(9,803,008)</u>
<b>Total equity</b>		<u>35,922</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 year ended 30 June 2018**



<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency reserve</b> \$	<b>Share-based payments reserve</b> \$	<b>Available for sale financial assets reserve</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2016	100	-	-	-	(383,035)	(382,935)
Loss after income tax expense for the year	-	-	-	-	(9,419,973)	(9,419,973)
Other comprehensive income for the year, net of tax	-	(26,809)	-	(15,000)	-	(41,809)
Total comprehensive income for the year	-	(26,809)	-	(15,000)	(9,419,973)	(9,461,782)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 5)	17,322,536	-	-	-	-	17,322,536
Share-based payments	33,000	-	1,260,891	-	-	1,293,891
Balance at 30 June 2017	<u>17,355,636</u>	<u>(26,809)</u>	<u>1,260,891</u>	<u>(15,000)</u>	<u>(9,803,008)</u>	<u>8,771,710</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Foreign currency reserve</b> \$	<b>Share-based payments reserve</b> \$	<b>Available for sale financial assets reserve</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
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 year	-	-	-	-	(14,475,126)	(14,475,126)
Other comprehensive income for the year, net of tax	-	20,429	-	15,000	-	35,429
Total comprehensive income for the year	-	20,429	-	15,000	(14,475,126)	(14,439,697)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 5)	4,453,877	-	-	-	-	4,453,877
Share-based payments	317,220	-	610,788	-	-	928,008
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	-	-	34,024	-	-	34,024
Balance at 30 June 2018	<u>22,414,733</u>	<u>(6,380)</u>	<u>1,905,703</u>	<u>-</u>	<u>(24,278,134)</u>	<u>35,922</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 year ended 30 June 2018**



	Note	Consolidated 2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		5,146,572	1,798,356
Payments to suppliers and employees (inclusive of GST)		(11,424,653)	(7,055,160)
Interest received		3,852	15,614
Interest and other finance costs paid		(39,533)	(154,718)
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities		(6,313,762)	(5,395,908)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(386,687)
Payments for intangibles	3	-	(195,985)
Net consideration to acquire business, net of cash acquired		-	(1,122,494)
Cash acquired from reverse acquisition		-	81,772
Proceeds from disposal of tenements		75,000	25,000
Proceeds from disposal of investments		112,500	-
		<u>                    </u>	<u>                    </u>
Net cash from/(used in) investing activities		187,500	(1,598,394)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	5	4,926,952	6,800,000
Proceeds from at call loans		1,694,000	262,000
Proceeds from convertible loans		-	1,370,760
Share issue transaction costs		(266,890)	(387,275)
Repayment of borrowings		(928,000)	-
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		5,426,062	8,045,485
Net (decrease)/increase in cash and cash equivalents		(700,200)	1,051,183
Cash and cash equivalents at the beginning of the financial year		1,051,283	100
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year		<u>351,083</u>	<u>1,051,283</u>

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

**Note 1. General information**

The preliminary 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 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

**Note 2. Current assets - inventories**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Stock on hand	<u>1,179,346</u>	<u>669,337</u>

*Accounting policy for inventories*

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Note 3. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Goodwill	<u>1,490,915</u>	<u>8,164,961</u>
Software - at cost	1,169,485	1,123,845
Less: Accumulated amortisation	<u>(806,201)</u>	<u>(214,314)</u>
	<u>363,284</u>	<u>909,531</u>
	<u><u>1,854,199</u></u>	<u><u>9,074,492</u></u>

**Note 3. Non-current assets - intangibles (continued)**

*Reconciliations*

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

<b>Consolidated</b>	Goodwill \$	Software \$	Patents \$	Total \$
Balance at 1 July 2016	-	3,164	-	3,164
Additions	-	195,985	-	195,985
Additions through business combinations	8,164,961	947,464	6,922	9,119,347
Exchange differences	-	(96,576)	-	(96,576)
Write off of assets	-	-	(6,922)	(6,922)
Amortisation expense	-	(140,506)	-	(140,506)
Balance at 30 June 2017	8,164,961	909,531	-	9,074,492
Exchange differences	-	9,653	-	9,653
Impairment	(6,674,046)	-	-	(6,674,046)
Amortisation expense	-	(555,900)	-	(555,900)
Balance at 30 June 2018	<u>1,490,915</u>	<u>363,284</u>	<u>-</u>	<u>1,854,199</u>

*Accounting policy for intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Management has performed impairment assessment on goodwill using value in use method. As a result, an impairment charge of \$6,674,046 has been applied as the carrying amount of goodwill exceeded its recoverable amount.

**Note 3. Non-current assets - intangibles (continued)**

*Software*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The Company amortises these intangible assets with a limited useful life using the straight-line method over 2 years.

**Note 4. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Lease liability	84,505	6,434
Trade finance loan	1,084,904	250,740
	<u>1,169,409</u>	<u>257,174</u>

During the financial year, the Company had fully drawn down the \$1 million trade finance loan. The balance includes 12% accrued interest up to 30 June 2018. The trade financial loan has been provided to the Company by Denlin Nominees Pty Ltd, an entity associated with the recently appointed Chairman, Mr Tony Grist.

**Note 5. Equity - issued capital**

	<b>Consolidated</b>			
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>370,352,055</u>	<u>252,286,466</u>	<u>22,414,733</u>	<u>17,355,636</u>

**Note 5. Equity - issued capital (continued)**

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2016	100		100
Value of shares deemed to be issued to existing Robo 3D Limited (legal parent) shareholders on acquisition	14 December 2016	36,285,739	\$0.100	3,628,584
Consideration shares issued to Albion 3D Vendors	14 December 2016	97,178,193	\$0.030	3,037,212
Shares issued to acquire Robo 3D Inc.	14 December 2016	44,939,101	\$0.100	4,493,910
Capital Raising	14 December 2016	60,000,000	\$0.100	6,000,000
Placement	22 June 2017	13,333,333	\$0.060	800,000
Share issued in lieu of services provided	22 June 2017	550,000	\$0.060	33,000
Costs of capital raising		-	-	(637,170)
Balance	30 June 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
Costs of capital raising		-	-	(473,075)
Balance	30 June 2018	<u>370,352,055</u>		<u>22,414,733</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.

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.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

#### Note 5. Equity - issued capital (continued)

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

##### *Accounting policy for issued capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Note 6. Equity - reserves

	Consolidated	
	2018	2017
	\$	\$
Available-for-sale financial assets reserve	-	(15,000)
Foreign currency translation reserve	(6,380)	(26,809)
Share-based payments reserve	1,905,703	1,260,891
	1,899,323	1,219,082

##### *Accounting policy for reserves*

##### *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. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting standards:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2018 %	2017 %
Robo 3D Inc.	United States	100%	100%
Albion 3D Investments Pty Ltd	Australia	100%	100%

#### Note 8. Events after the reporting period

On 24 August 2018, the Company announced that it has completed the capital raising of \$3.25 million (before costs) and issued a total of 130,000,000 ordinary shares at an issue price of \$0.025 per share.

**Note 8. Events after the reporting period (continued)**

On 27 August 2018, the Company announced that it has completed the acquisition of leading USA education software and content business, MyStemKits (MSK). Under the Acquisition Agreement, Robo via its newly-created wholly-owned subsidiary MyStemKits, Inc., has acquired the business of MSK on a cash free and debt-free basis for a total consideration of US\$2.0 million (A\$2.76 million). Consideration for the Acquisition was agreed as a cash payment of US\$1.2 million (A\$1.65 million), with the balance (US\$0.8 million) to be paid through the issue of ordinary shares that are subject to a voluntary 12-month escrow period from the date of completion. Robo has issued 41.6 million fully paid ordinary shares at an issue price of \$0.02652 (2.652 cents) per share in accordance with shareholder approval received on 13 August 2018.

On the same day, the Company confirmed the appointment of experienced ASX Executive and existing cornerstone shareholder Tony Grist as Chairman of the Company to lead the implementation of the Company's growth strategy.

No other matter or circumstance has arisen since 30 June 2018 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 9. Earnings per share**

In accordance with the principles of reverse acquisition accounting, the weighted average number of ordinary shares outstanding during the period ended 30 June 2018 has been calculated as the weighted average number of ordinary shares of Robo 3D Limited, outstanding during the period before acquisition multiplied by the exchange ratio established in the acquisition accounting.

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Robo 3D Limited	<u>(14,475,126)</u>	<u>(9,419,973)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>320,257,322</u>	<u>127,040,386</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>320,257,322</u>	<u>127,040,386</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(4.52)	(7.41)
Diluted earnings per share	(4.52)	(7.41)

*Accounting policy for earnings per share*

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Robo 3D Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.