Robo 3D Limited

ABN 20 009 256 535

Annual Report - 30 June 2018

Directors	Anthony 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	www.robo3d.com
Corporate Governance Statement	The Company's 2018 Corporate Governance Statement has been released to ASX on 28 September 2018 and is available on the Company's website.

LETTER TO SHAREHOLDERS FROM MANAGING DIRECTOR

Dear Fellow Shareholders

Our mission

We are so fortunate that our products provide us the opportunity (and privilege) to make an impact: for social good (e.g. 3D-printed prosthetics via organisations such as Enabling the Future) to personal projects (e.g. launching a new business), and increasingly in education settings with the acceleration of adoption of integrated Science, Technology, Maths and Science ("**STEM**") curriculum.

Through our deepening involvement across the full spectrum of the education system, we have also witnessed the many great teachers and administrators going "above-and-beyond" to provide their students with the very best opportunity to make their impact on the world. We are privileged to play a very small part in that. We are truly humbled to do what we do, and as we expand globally, we are excited to see and hear many more of these stories come to life.

Strategic focus on education

At the beginning of 2017, reflecting our ambition to be a major player in the desktop segment of the 3D printing industry, we set out to actively diversify from being a one-product, USA-centric business, to a business with a diversified product portfolio, global distribution footprint, and with a trusted and recognised brand in the global 3D printing industry, of which education is a large and growing segment. We are very pleased with the significant progress that has been made against this objective, notably with the expansion of our USA wholesale customer base to over 40 value-added resellers and distributors specialising in providing technology products and services to educational institutions.

To further accelerate our focus on education, Robo announced on 15 June 2018 that it agreed to acquire the business of MyStemKits, a leading "EdTech" business that develops and markets the world's largest library of Science, Technology, Engineering and Maths ("STEM") curriculums incorporating 3D printed project kits for K-12 schools, all aligned to USA national science ("NGSS") and mathematics ("Common Core") standards. This acquisition is highly strategic to our company for the following reasons:

- Delivers market-leading end-to-end solution for 3D printing in education.
- Tuck-in IP acquisition that accelerates Robo's market expansion.
- Expands the revenue opportunity from Robo's customer base.
- Increases MSK penetration across USA and internationally leveraging Robo's sales infrastructure.
- Improves cash flow and working capital with high margin upfront sales.
- Improves Robo's positioning for large tender and grant funding opportunities.
- Accelerates the pathway to breakeven.

Platform for Growth

Robo has award-winning products that have all received critical acclaim, has expanded its sales distribution into almost 50 countries, and has developed a strong and growing presence in the education industry particularly in the USA. The result of these important foundations are reflected in the financial statements for the financial year ended 30 June 2018.

Looking Forward

With our 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. The Company is focused on driving strategic commercial partnerships targeting 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 FY2019, 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 the delivery of integrated STEM solutions combining the use of 3D printers and MyStemsKits curriculum.

Ryan Legudi
Managing Director

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 'Robo') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

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

Anthony Grist (Non-Executive Chairman) (appointed 27 August 2018)
Ryan Legudi (Managing Director)
Timothy Grice (Executive Director)
Braydon Moreno (Executive Director)
Patrick Glovac (Non-Executive Director) (resigned 27 August 2018)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- The design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry.

Dividends

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

Review of operations

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

	Consolidated 2018 $	Consolidated 2017 $
Revenue	6,006,264	2,045,868
Statutory loss after income tax expense for the year	(15,966,041)	(9,419,973)
Add back non-cash items:		
- Impairment of goodwill	8,164,961	-
- 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	(6,042,669)	(5,067,740)

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 $17,622,603 (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 ($8,164,961), administration ($2,865,227) and employee benefit ($3,502,450), due to full year operation of the Consolidated Entity. Notably, operating costs also increased during the year compared to the prior year with additional headcount added to expand the international sales team, new hires within the USA sales team, and additional customer service and operations support to serve the increasing customer base. As announced on 27 August 2018, a review of Robo’s operations identified cost-cutting measures that will deliver annualised cost savings of $2.0 million per annum, to be fully implemented by the end of September 2018.

As a result, the loss for the consolidated entity after providing for income tax amounted to $15,966,041 (30 June 2017: $9,419,973).

Financial Position

The net assets of the consolidated entity decreased by $10,226,703 to net deficit of $1,454,993 as at 30 June 2018 (30 June 2017: Net assets of $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 $6,163,562 (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).

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").

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.

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 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.

On 11 May 2018, the Company announced that it has secured a AUD$1.3 million (US$1.0 million) revolving working capital facility from a specialist US based finance group. This revolving trade finance facility allows the Company to better match the timing of cash outflows for inventory purchases with cash inflows from product sales, releasing working capital for growth and product development initiatives.

On 15 June 2018, the Company announced it has, through its wholly owned subsidiary, Robo 3D Inc, entered into an agreement to acquire the MyStemKits business ("MSK") from MyStemKits, LLC.

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

Matters subsequent to the end of the financial year

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.

On 27 August 2018, the Company announced that it 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., 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 in accordance with shareholder approval received on 13 August 2018.

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

On 28 August 2018, the Company issued 3,680,000 fully paid ordinary shares to Mr Ryan Legudi in payment of $92,000 of remuneration owed. The Company also issued 1,420,000 fully paid ordinary shares to Mr Tim Grice in payment of $35,500 of remuneration owed. Both issuance was approved by Shareholders pursuant to Resolution 9 and 10 of the Company's Notice of General Meeting dated 6 July 2018.

On 28 August 2018, the Company issued 500,000 fully paid ordinary shares to Mr Braydon Moreno as approved by Shareholders pursuant to Resolution 5A of the Company's Notice of General Meeting dated 6 July 2018.

On 28 August 2018, the Company issued 4,075,000 fully paid ordinary shares to employees of the Company on immediate vesting of Performance Rights pursuant to the Company's Employee Performance Rights Plan.

On 28 August 2018, the Company issued 6,000,000 unquoted options to Aesir Capital Pty Ltd as part fee for advisory services as approved by the Shareholders pursuant to Resolution 3 of the Company's Notice of Meeting dated 6 July 2018.

On 31 August 2018, the Company issued 16,000,000 performance rights to Directors under the Company's Performance Rights Pan as approved by Shareholders pursuant to Resolution 4 and 5B of the Company's Notice of General Meeting dated 6 July 2018. On the same day, the Company issued 5,250,000 performance rights to employees where 4,175,000 will vest in December 2018 and the remaining 1,075,000 will vest in June 2019.

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.

Likely developments and expected results of operations

The consolidated entity will continue to develop its education offering and focus on growing its customer base whilst carrying out its business objectives.

The expected results will be dependent on the consolidated entity's ability to continue to sell and market its 3D printers and curriculum around the world through with a focus on the education sector. The consolidated entity intends to fund its business objectives through sales of its 3D printers and if required, through capital raisings.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Anthony Grist
Title:	Non-Executive Chairman (appointed 27 August 2018)
Qualifications:	B.Com, A.Fin, FAICD
Experience and expertise:	Mr Grist was co-founder and former CEO then Chairman of ASX-Listed Amcom Telecommunications. He led Amcom's merger with Vocus Communications to create a A$5.0bn major Trans-Tasman fibre-optic carrier business. Whilst as Chairman of Amcom, he led the purchase of 19.9% of iiNet at ~A$85m market cap, which became 23.5% after follow-on financing. Subsequently joined the board of iiNet, which made 21 Acquisitions over 6 years before TPG's acquisition at a ~A$1.6bn market cap. Currently he is Principal of Albion Capital Partners, an active VC business which had founding cornerstone positions in US oriented geospatial imagery business, Spookfish, radiotherapy medical device company Oncosil, stem cell regenerative medicine company Cynata Therapeutics, and also led the purchase from Mayne Health and re-listing on the ASX of Mayne Pharma, amongst many other innovative transactions. Mr Grist has had directorships in Canada, United Kingdom and Australia in the healthcare, mining and energy industries.
Other current directorships:	None
Former directorships (last 3 years):	Chairman Amcom Telecommunications Limited until July 2015 Deputy Chairman, Director Vocus Communications Limited - July 2015 -Oct
Interests in shares:	2016 52,364,833 fully paid ordinary shares
Interests in options:	8,500,000 unquoted options

Name:	Ryan Legudi
Title:	Managing Director
Qualifications:	Mr Legudi graduated from the University of Melbourne with a Bachelor of Commerce and a Diploma of Information Systems, and is a member of the Institute of Chartered Accountants of Australia.
Experience and expertise:	Mr Legudi has over 15 years' experience in corporate finance and early stage investments. He commenced his career in the Restructuring Services division at KPMG in Melbourne, where he was involved in formal insolvency and operational restructuring assignments. Following his time at KPMG, Mr Legudi spent three years working within the London office of the Investment Banking Division of Nomura International Plc, a Japanese investment bank, where he was involved in advising, structuring, and arranging finance for private equity buyouts. Upon returning to Australia in 2010, Mr Legudi joined MAP Capital, a boutique investment group that provides investment advisory and funds management services to clients and investors, where he was involved in buy-side and sell-side mergers and acquisitions, due diligence assignments, IPO's, and has extensive experience in assisting start-ups and early stage companies with strategic advice, operational support, and capital raisings, with a particular focus on software and technology. More recently, Mr Legudi has acted as Investment Director of Atlas Capital Group's technology focused "TMT Fund".
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	16,765,891 fully paid ordinary shares
Interests in rights:	17,949,951 performance rights

Name:	Tim Grice
Title:	Executive Director
Experience and expertise:	Mr Grice is an experienced business advisor and capital markets professional with over 30 years' experience. He has held a number of senior advisor positions at national and international stockbroking firms and been involved in raising capital for many emerging companies in technology, biotechnology and resources.
Other current directorships:	None
Former directorships (last 3 years):	4DS Memory Ltd (ASX: 4DS) (appointed 8 May 2015, resigned 7 December 2015)
Interests in shares:	10,619,846 fully paid ordinary shares
Interests in rights:	2,449,951 performance rights

Name:	Braydon Moreno
Title:	Executive Director
Qualifications:	Mr Moreno is a San Diego State University (SDSU) graduate with a Bachelor of Science in Marketing and Entrepreneurship.
Experience and expertise:	He co-founded a watch company called SWAE Watches while at SDSU and was mentored by a number of business leaders in the action sports industry. Following SWAE, he started a service-based cell phone repair business in San Diego which he later sold to his business partner in 2013. Mr Moreno co-founded ROBO 3D in 2012, launching the company via a successful crowdfunding campaign on Kickstarter, raising approximately US$650,000 in pre-orders. He was named in Dealerscope's "40 under 40" for consumer electronics in 2015.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	18,530,462 fully paid ordinary shares
Interests in rights:	3,299,994 performance rights

Name:	Patrick Glovac
Title:	Non-Executive Director (resigned 27 August 2018)
Qualifications:	Mr Glovac holds a Bachelor of Commerce majoring in Finance, Banking, Management and also holds a Diploma of Management.
Experience and expertise:	In 2013 Mr Glovac co-founded GTT Ventures Pty Ltd, a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net worth clients and corporate advisory services.
Other current directorships:	Cirrus Networks Limited (ASX: CNW) and Sovereign Gold Limited (SOC)
Former directorships (last 3 years):	Search Party Groups Limited (ASX: Sp1) (formerly: Applabs Technologies Limited) (ASX: ALA) (appointed 9 December 2013, resigned 2 August 2016) GB Energy Limited (ASX: GBX) (appointed 1 October 2014, resigned 22 April 2016)
Interests in shares:	4,294,569 fully paid ordinary shares (on the date of resignation)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Mr Justin Mouchacca, CA

Mr Mouchacca holds a Bachelor of Business majoring in Accounting. Justin became a Chartered Accountant in 2011 and since July 2013 has been a principal of chartered accounting firm, Leydin Freyer Corp Pty Ltd, specialising in outsourced company secretarial and financial duties. Justin has over 11 years' experience in the accounting profession including 5 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Ryan Legudi	10	10
Tim Grice	10	10
Braydon Moreno	10	10
Patrick Glovac	10	10

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholder value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')
At the 2017 AGM, 78.4% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following executive and Non-executive directors of Robo 3D Limited:
- Anthony Grist - Non-Executive Chairman (appointed 27 August 2018)
- Ryan Legudi - Managing Director
- Tim Grice - Executive Director
- Braydon Moreno - Executive Director
- Patrick Glovac - Non-Executive Director (resigned 27 August 2018)

And other key management personnel:
- Jacob Kabili - Engineering Director, Robo 3D Inc
- Randy Waynick - Chief Operating Officer and Chief Executive Officer, Robo 3D Inc (terminated 1 September 2018)

2018	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary* $	Post-employment benefits: Super-annuation $	Long-term benefits: Annual / Long Service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Patrick Glovac	49,315	-	-	4,685	-	-	54,000
Executive Directors:							
Braydon Moreno	193,834	-	5,381	-	-	78,227	277,442
Ryan Legudi	217,045	-	5,748	10,688	9,552	60,783	303,816
Tim Grice	150,000	-	-	14,250	12,635	60,783	237,668
Other Key Management Personnel:							
Randy Waynick**	387,699	83,968	20,342	-	-	211,480	703,489
Jacob Kabili	193,834	-	5,195	-	-	78,227	277,256
David Weinmann***	58,783	38,392	1,886	-	-	-	99,061
	1,250,510	122,360	38,552	29,623	22,187	489,500	1,952,732

* Non-monetary amounts paid during the period relate to health insurance payments on behalf of the Robo 3D Inc. employees.

** Cash bonus total includes an amount of $33,588 ($USD 26,042) for bonuses which were outstanding as at 30 June 2018.

*** Mr Weinmann resigned from Robo 3D Inc on 17 October 2017.

Post-acquisition of Albion 3D Investments Pty Ltd 15 December 2016 – 30 June 2017

2017	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary** $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Patrick Glovac	49,315	-	-	4,685	-	-	54,000
Braydon Moreno	99,442	99,442	1,090	-	-	42,650	242,624
Executive Directors:							
Ryan Legudi	122,363	-	-	11,624	10,177	33,139	177,303
Tim Grice	81,575	-	-	7,750	6,785	33,139	129,249
Other Key Management Personnel:							
Randy Waynick*	206,840	155,627	13,073	-	-	-	375,540
Jacob Kabili	99,442	99,442	752	-	-	42,650	242,286
David Weinmann	64,255	-	831	-	-	-	65,086
	723,232	354,511	15,746	24,059	16,962	151,578	1,286,088

* Cash bonus total includes an amount of $77,751 ($USD 58,500) for bonuses which were outstanding as at 30 June 2017.

** Non-monetary amounts paid during the period relate to insurance payments on behalf of the employee.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2018	Fixed remuneration 2017	At risk - STI 2018	At risk - STI 2017	At risk - LTI 2018	At risk - LTI 2017
Non-Executive Directors:						
Patrick Glovac	100%	100%	-	-	-	-
Executive Directors:						
Braydon Moreno	72%	41%	-	41%	28%	18%
Ryan Legudi	80%	81%	-	-	20%	19%
Tim Grice	74%	74%	-	-	26%	26%
Other Key Management Personnel:						
Randy Waynick	58%	74%	12%	26%	30%	-
Jacob Kabili	72%	41%	-	41%	28%	18%
David Weinmann	61%	100%	39%	-	-	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2018	Cash bonus paid/payable 2017	Cash bonus forfeited 2018	Cash bonus forfeited 2017
Executive Directors:				
Braydon Moreno*	-	100%	-	-
Other Key Management Personnel:				
Randy Waynick**	100%	100%	-	-
Jacob Kabili***	-	100%	-	-

* Mr Moreno did not receive any cash bonus in 2018 financial year

** Cash bonus payable in accordance with Employment Agreement entered into on 9 November 2016 and subject to the following milestones being achieved.
- Guarantee cash bonus of USD$78,125 (equivalent to AUD$100,762) which shall be payable in two equal half yearly instalments, with the first instalment being due in the first pay period in January 2018 and the second instalment being due in the first pay period of July 2018.
- As at 30 June 2018, USD$26,042 (equivalent to AUD$33,588) was accrued in the financial statement.

*** Mr Kabili did not receive any cash bonus in 2018 financial year.

Details of remuneration
Pre – acquisition of Albion 3D Investments Pty Ltd (1 July 2016 to 14 December 2016)

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following executive and Non-executive directors of Robo 3D Limited:
- Richard Edward Diermajer - Chairman (resigned 16 December 2016)
- Raymond Muskett - Non-Executive Director (resigned 16 December 2016)
- Ronald Smit - Managing Director (resigned 16 December 2016)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2017	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Annual / Long Service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Richard Diermajer	14,167	30,000	-	-	-	-	44,167
Raymond Muskett	11,333	10,000	-	-	-	-	21,333
Executive Director:							
Ronald Smit	77,079	35,000	-	-	-	-	112,079
	102,579	75,000	-	-	-	-	177,579

Bonuses paid during the 2017 financial year

During the financial year, the Board approved a one-off cash bonus in relation to the additional time spent on matters relating to the proposed acquisition of Albion 3D Investments Pty Ltd, which were outside the normal services expected to be carried out by the relevant Directors.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Ryan Legudi
Title:	Managing Director
Agreement commenced:	16 December 2016
Term of agreement:	Ongoing contract
Details:	Base Salary - Robo 3D Limited: annual salary of AUD$225,000 plus statutory superannuation (currently 9.5%) up to 15 November 2017; - Robo 3D Inc: annual salary of USD$150,000 (AUD$193,470) (effective 16 November 2017) Performance-Based Incentives: eligible to partake in the Company's Performance Rights Plan; may be terminated by the Company without cause by giving 6 month's written notice.

Name:	Tim Grice
Title:	Executive Director
Agreement commenced:	16 December 2016
Term of agreement:	Ongoing contract
Details:	Base Salary: annual salary of AUD$150,000 plus statutory superannuation (currently 9.5%); Performance-Based Incentives: eligible to partake in the Company's Performance Rights Plan; and may be terminated by the Company without cause by giving 6 month's written notice.

Name:	Braydon Moreno
Title:	Executive Director
Agreement commenced:	1 September 2016
Term of agreement:	Minimum of 2 years, with automatic renewals of 1 year each
Details:	Base Salary: annual base salary of USD$150,000 (equivalent to AUD$193,470) Bonus: (i) USD$50,000 (AUD$65,240) as recognition of performance during the 12 months to 30 June 2016; (ii) USD$25,000 (AUD$32,620) upon the launch of the C2 model 3D printer; and (iii) USD$25,000 (AUD$32,620) upon the launch of the R2 model 3D printer; subject to termination on 60 days' notice

Name:	Randy Waynick
Title:	Chief Operating Officer and Chief Executive Officer of Robo Inc.
Agreement commenced:	9 November 2016
Term of agreement:	Fixed term of 2 years
Details:	Base Salary: USD$312,000 per annum (equivalent to AUD:$402,425) - Guaranteed cash bonus of USD$117,188 (AUD$152,907) should he remain employed with the company through to July 2017; - Performance bonus to the maximum value of USD$117,188 (AUD$152,907) payable equally in cash and equity and payable immediately following completion of 2017 audited accounts, subject to ASX approval and the successful achievement of key performance indicators to be agreed by Mr Waynick and ROBO 3D; - Guaranteed cash bonus of USD$78,125 (AUD$101,938) should he remain employed with the company through to July 2018; - Agreement to Defer Base Salary: Employer shall pay a minimum of fifty percent (50%) of Employee's base salary for July and August 2018 according to amended agreement on Employer's regularly schedule pay schedule during the months of July and August 2018. The balance of base salary (the "Deferred Salary") shall be accrued and paid out according to the following schedule: • USD$6,500 (AUD$8,382) payable on or before September 15, 2018; • USD$6,500 (AUD$8,382) payable on or before October 15, 2018; • USD$6,500 (AUD$8,382) payable on or before November 15, 2018; • USD$6,500 (AUD$8,382) payable on or before December 15, 2018; - Termination payments: Entitled to receive a minimum of 2 years remuneration (except where Mr Waynick elects to end his own employment during the minimum employment period.)

Name:	Jacob Kabili
Title:	Engineering Director of Robo Inc.
Agreement commenced:	1 September 2016
Term of agreement:	A minimum of 2 years, with automatic renewals of 1 year each,
Details:	Base Salary: USD$150,000 per annum (equivalent to AUD$193,470) USD$50,000 (AUD$65,240) as recognition of performance during the 12 months to 30 June 2016; USD$25,000 (AUD$32,620) upon the launch of the R2 Mini model 3D printer; and USD$25,000 (AUD$32,620) upon the launch of the R2 Creator model 3D printer; and subject to termination on 60 days' notice

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Date	Shares	Issue price	$
Randy Waynick	27 October 2017	4,000,000	$0.053	211,480

Directors and the remaining key management personnel did not receive any ordinary shares as part of compensation during 2018 financial year.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date	Fair value $
Ryan Legudi - ET1	874,983	14/12/2016	22/12/2019	22/12/2020	$0.150	$0.079	69,955
Ryan Legudi - ET2	874,983	14/12/2016	22/12/2020	22/12/2020	$0.200	$0.058	51,283
Ryan Legudi - ET3	262,494	14/12/2016	22/06/2019	22/12/2020	$0.000	$0.100	26,249
Ryan Legudi - ET4	437,491	14/12/2016	22/12/2019	22/12/2020	$0.000	$0.100	43,749
Tim Grice- ET1	874,983	14/12/2016	22/12/2019	22/12/2020	$0.150	$0.079	69,955
Tim Grice- ET2	874,983	14/12/2016	22/12/2020	22/12/2020	$0.200	$0.058	51,283
Tim Grice - ET3	262,494	14/12/2016	22/06/2019	22/12/2020	$0.000	$0.100	26,249
Tim Grice - ET4	437,491	14/12/2016	22/12/2019	22/12/2020	$0.000	$0.100	43,749
Braydon Moreno - FT1	1,049,979	14/12/2016	22/12/2019	22/12/2020	$0.000	$0.100	104,998
Braydon Moreno - FT2	1,749,965	14/12/2016	22/12/2020	22/12/2020	$0.000	$0.100	174,997
Jacob Kabili - FT1	1,049,979	14/12/2016	22/12/2019	22/12/2020	$0.000	$0.100	104,998
Jacob Kabili - FT2	1,749,965	14/12/2016	22/12/2020	22/12/2020	$0.000	$0.100	174,997

Performance rights granted carry no dividend or voting rights.

Vesting conditions for performance rights:

Executive Performance Rights - Tranche (ET1)
Performance Rights shall convert to Shares upon the 10 trading day VWAP for the closing price of the Company's Shares being 150% of the price of the Shares issued under the Public Offer under Prospectus. For the avoidance of doubt, the milestone is $0.15 per Share on a Post-Consolidation basis.

Executive Performance Rights - Tranche 2 (ET2)
Performance Rights shall convert to Shares upon the 10 trading day VWAP for the closing price of the Company's Shares being 200% of the price of the Shares issued under the Public Offer under Prospectus. For the avoidance of doubt, the milestone is $0.20 per Share on a Post-Consolidation basis.

Executive Performance Rights - Tranche 3 (ET3)
Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US$7.5 million.

Executive Performance Rights - Tranche 4 (ET4)
Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US$10.0 million.

Founder Performance Rights - Tranche 1 (FT1)
Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US$10 million.

Founder Performance Rights - Tranche 2 (FT2)
Performance Rights shall convert to Shares upon the achievement of 12 months (rolling cumulative) revenue of Robo 3D of US$15 million.

There were no other performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Additional information
The earnings of the consolidated entity for the two years to 30 June 2018 are summarised below:

	2018 $	2017 $
Sales revenue	5,927,412	1,907,754
Loss after income tax	(15,966,041)	(9,419,973)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017
Share price at financial year end ($)	0.02	0.05
Basic earnings per share (cents per share)	(4.99)	(7.41)
Diluted earnings per share (cents per share)	(4.99)	(7.41)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Acquired through acquisition of Robo Inc.	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Ryan Legudi	10,585,891	-	2,500,000	-	13,085,891
Tim Grice	7,699,846	-	1,500,000	-	9,199,846
Braydon Moreno	18,030,462	-	-	-	18,030,462
Patrick Glovac	3,877,907	-	416,662	-	4,294,569
Jacob Kabili	18,030,462	-	-	-	18,030,462
Randy Waynick	-	-	4,000,000	-	4,000,000
	58,224,568	-	8,416,662	-	66,641,230

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Ryan Legudi	2,449,951	-	-	-	2,449,951
Tim Grice	2,449,951	-	-	-	2,449,951
Braydon Moreno	2,799,944	-	-	-	2,799,944
Jacob Kabili	2,799,944	-	-	-	2,799,944
	10,499,790	-	-	-	10,499,790

Transactions with key management personnel
During the financial year, the Company had fully drawn down on the trade finance loan facility with Denlin Nominees, an entity related to Mr Anthony Grist. As at 30 June 2018, the outstanding borrowing balance was $1,084,904, which consists of $1,000,000 short term loan and accrued interest of $84,904.

Mr Legudi was a full time employee of Robo 3D Limited (the parent entity) from 1 July 2017 to 15 November 2017. He assumed the role of Chief Executive Officer, Robo 3D Inc from 16 November 2017. He did not provide any consulting services to the consolidated entity during 2018 financial year.

During the previous financial years, Mr Legudi provided consulting services to the Company and its subsidiary, Robo 3D Inc, and $92,000 remained outstanding as at 30 June 2018, which was subsequently settled in shares in August 2018.

Mr Grice was a full time employee of Robo 3D Limited for the 2018 financial year. He did not provide any consulting services to the consolidated entity during this period.

During the previous financial years, Mr Grice provided consulting services to the Company and $35,500 remained outstanding as at 30 June 2018, which was subsequently settled in shares in August 2018.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Robo 3D Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
14/12/2016	22/12/2019	$0.150	13,999,720
27/06/2017	27/06/2021	$0.100	500,000
08/08/2017	08/08/2021	$0.100	500,000
24/08/2017	23/08/2021	$0.100	500,000
27/10/2017	27/10/2019	$0.060	2,000,000
20/11/2017	20/11/2019	$0.060	6,666,667
20/11/2017	20/11/2019	$0.090	1,600,000
12/01/2018	30/06/2021	$0.070	5,000,000
28/08/2018	28/08/2021	$0.060	6,000,000
			36,766,387

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of Robo 3D Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price*	Number under rights
14/12/2016	22/12/2020	$0.000	13,999,720
30/08/2018	30/08/2021	$0.000	21,250,000
			35,249,720

* Each Performance Right which has vested and not lapsed or expired entitles the participating employee to one fully paid ordinary share in the Company on exercise.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Robo 3D Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Robo 3D Limited issued on the exercise of performance rights during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO East Coast Partnership
There are no officers of the Company who are former partners of BDO East Coast Partnership.

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.

Auditor
BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Ryan Legudi
Managing Director

28 September 2018

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Melbourne VIC 3008
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Australia

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

As lead auditor of Robo 3D Limited for the year ended 30 June 2018, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Wai Aw
Partner

BDO East Coast Partnership

Melbourne, 28 September 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	5	5,927,412	1,907,754
Cost of sales	7	(4,349,702)	(1,506,453)
Gross profit		1,577,710	401,301
Other income	6	75,000	122,500
Interest Income		3,852	15,614
Expenses			
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		(154,874)	(122,645)
Administration		(2,710,353)	(858,489)
Foreign exchange expense		(22,511)	(11,727)
Impairment of goodwill	16	(8,164,961)	-
Employee benefit expenses		(3,502,450)	(2,214,334)
Depreciation and amortisation expense		(830,403)	(283,110)
Share based payments	39	(928,008)	(1,007,762)
Listing expense - reverse acquisition	8	-	(3,025,361)
Listing expense - other transaction costs		-	(276,819)
Other expenses		-	(3,602)
Impairment of available-for-sale financial assets		-	(36,000)
Loss before income tax expense		(15,966,041)	(9,418,913)
Income tax expense	9	-	(1,060)
Loss after income tax expense for the year attributable to the owners of Robo 3D Limited		(15,966,041)	(9,419,973)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
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		35,429	(41,809)
Total comprehensive income for the year attributable to the owners of Robo 3D Limited		(15,930,612)	(9,461,782)
		Cents	**Cents**
Basic earnings per share	38	(4.99)	(7.41)
Diluted earnings per share	38	(4.99)	(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 $	Consolidated 2017 $
Assets			
Current assets			
Cash and cash equivalents	10	351,083	1,051,283
Trade and other receivables	11	193,681	248,152
Inventories	12	1,179,346	669,337
Available-for-sale financial assets	13	-	15,000
Prepayments	14	78,290	87,982
Total current assets		1,802,400	2,071,754
Non-current assets			
Property, plant and equipment	15	158,002	421,405
Intangibles	16	363,284	9,074,492
Total non-current assets		521,286	9,495,897
Total assets		2,323,686	11,567,651
Liabilities			
Current liabilities			
Trade and other payables	17	2,121,738	1,827,620
Borrowings	18	1,169,409	257,174
Employee benefits	19	298,471	264,148
Provisions	20	128,199	32,646
Deferred revenue	21	55,840	403,244
Total current liabilities		3,773,657	2,784,832
Non-current liabilities			
Borrowings	22	5,022	11,109
Total non-current liabilities		5,022	11,109
Total liabilities		3,778,679	2,795,941
Net (liabilities)/assets		(1,454,993)	8,771,710
Equity			
Issued capital	23	22,414,733	17,355,636
Reserves	24	1,899,323	1,219,082
Accumulated losses		(25,769,049)	(9,803,008)
Total (deficiency)/equity		(1,454,993)	8,771,710

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

Consolidated	Issued capital $	Foreign currency reserve $	Share-based payments reserve $	Available for sale financial assets reserve $	Accumulated losses $	Total equity $
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)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	17,322,536	-	-	-	-	17,322,536
Share-based payments (note 39)	33,000	-	1,260,891	-	-	1,293,891
Balance at 30 June 2017	17,355,636	(26,809)	1,260,891	(15,000)	(9,803,008)	8,771,710

Consolidated	Issued capital $	Foreign currency reserve $	Share-based payments reserve $	Available for sale financial assets reserve $	Accumulated losses $	Total deficiency in 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 year	-	-	-	-	(15,966,041)	(15,966,041)
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	(15,966,041)	(15,930,612)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	4,453,877	-	-	-	-	4,453,877
Share-based payments (note 39)	317,220	-	610,788	-	-	928,008
Shares issued as consideration for corporate advisory services (note 23)	48,000	-	-	-	-	48,000
Shares issued to Executives in lieu of remuneration owing (note 23)	240,000	-	-	-	-	240,000
Options issued for loan facility	-	-	34,024	-	-	34,024
Balance at 30 June 2018	22,414,733	(6,380)	1,905,703	-	(25,769,049)	(1,454,993)

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 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,512,582	1,798,356
Payments to suppliers and employees (inclusive of GST)		(11,640,463)	(7,055,160)
Interest received		3,852	15,614
Interest and other finance costs paid		(39,533)	(154,718)
Net cash used in operating activities	37	(6,163,562)	(5,395,908)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(386,687)
Payments for intangibles		-	(195,985)
Net consideration to acquire business, net of cash acquired	34	-	(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	-
Net cash from/(used in) investing activities		187,500	(1,598,394)
Cash flows from financing activities			
Proceeds from issue of shares	23	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	23	(473,075)	(387,275)
Repayment of borrowings		(872,015)	-
Net cash from financing activities		5,275,862	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
Cash and cash equivalents at the end of the financial year	10	351,083	1,051,283

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 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

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

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Going Concern

As at 30 June 2018, the financial position of the consolidated entity as disclosed in the financial statements reflects a net deficit position of $1,454,993 (30 June 2017: net assets of $8,771,710). This balance has been determined after a consolidated net loss from continuing operations for the year of $15,966,041 (30 June 2017: $9,419,973), and a net cash outflow from operating activities of $6,163,562 (30 June 2017: $5,395,908). The existence of these conditions indicates a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

In common with many entities in the technology sector, the company's operations are subject to an element of risk due to the nature of the development and commercialisation being undertaken. 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 term and medium term plans for expansion of its product portfolio in the event that sufficient revenue is not generated in the normal course of business.

In May 2018, the consolidated entity had secured a $1.3 million (US$1.0 million) revolving working capital facility from a specialist US based finance group. This revolving trade finance facility allows the consolidated entity to better match the timing of cash outflows for inventory purchases with cash inflow from product sales, releasing working capital for growth and product development initiatives.

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 and cash equivalents at 30 June 2018 is $351,083 (30 June 2017: $1,051,283);
- Completion of a $3,250,000 (before costs) placement to sophisticated investors in August 2018.
- Completion of acquisition of leading USA education software and content business, MyStemKits. The acquisition has brought together two leaders in the provision of 3D design and 3D printing in the STEM education space, and significantly strengthens Robo's strategic positioning and operational platform.
- 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 consolidated entity 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.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Robo 3D Limited ('Company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Robo 3D Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Robo 3D Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

The Group identified the following financial instruments: cash and cash equivalents, trade and other receivables, trade and other payables and borrowings. Given the nature of accounts receivable, the Group expects to apply the simplified method. Management has assessed the existing financial assets and liabilities and confirmed that the Group's current accounting treatment is in line with the requirements of AASB 9.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity holds contracts with customers for the sale and service of 3D printers. These contracts do not have complex performance obligations. The consolidated entity has assessed the impact of the application of the standard and expects that there will be immaterial impact on the financial performance.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 January 2019. The standard will affect primarily the accounting for the Group’s operating leases. The consolidated entity has assessed the standard and the expected impacts are as follows:

1. Increase in assets and liabilities amounting to $239,466 and $246,898 respectively.
2. Increase in the loss position on the statement of profit or loss and other comprehensive income amounting to $7,432.
3. It is not expected that there will be a further impact on the statement of cash flows with the adoption.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 16. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Business combinations
As discussed in the notes, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. 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.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	Consolidated	
	2018	2017
	$	$
Revenue		
Revenue from sales of goods and services	5,927,412	1,907,754

Accounting policy on revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Note 6. Other income

	Consolidated	
	2018	2017
	$	$
Net gain on disposal of tenement	75,000	122,500

Accounting policy on other income

Other income is recognised when it is received or when the right to receive payment is established.

Note 7. Cost of sales

	Consolidated	
	2018	2017
	$	$
Cost of sales	(4,349,702)	(1,506,453)

Note 8. Listing expense on reverse acquisition

	Consolidated	
	2018	2017
	$	$
Listing expense	-	3,025,361

Albion 3D Investments Pty Ltd ("Albion") is deemed to make a share-based payment to acquire the existing shareholders' interest in the net assets of Robo 3D Limited ("RBO") at acquisition date, 14 December 2016. The substance of the transaction is such that the existing shareholders of Albion obtained control of RBO. The acquisition is accounted for in the consolidated financial statements as a continuation of the financial statements of Albion, together with a share based payment measured in accordance with AASB 2.

Note 8. Listing expense on reverse acquisition (continued)

Albion 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.

Accordingly, the consolidated financial statements of the consolidated entity have been prepared as a continuation of the business and operations of Albion. The implications of the acquisitions by Albion on the financial statements are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The 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.

Consolidated Statement of Financial Position

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

Consolidated Statement of Changes in Equity

The Statement of Changes in Equity as at 30 June 2017 comprises:
- The equity balance of Albion as at the beginning of the financial year (1 July 2016);
- Albion's total comprehensive income for the 12 months to 30 June 2017 and transactions with equity holders during the same period;
- RBO and Robo 3D Inc.'s total comprehensive income and transactions with equity holders from 14 December 2016 to 30 June 2017;
- The equity balances of the consolidated entity comprising Albion, RBO and Robo 3D Inc. as at 30 June 2017.

Statement of Cash Flows

The Statement of Cash Flows for the 12 months to 30 June 2017 comprises:
- The cash balance of Albion at the beginning of the financial year (1 July 2016);
- Albion's transactions for the 12 months to 30 June 2017;
- RBO and Robo 3D Inc's transactions from 14 December 2016 to 30 June 2017;
- The cash balance of the consolidated entity comprising Albion, RBO and Robo 3D Inc. as at 30 June 2017.

	Consolidated	
	2018	**2017**
Calculation of listing expense on reverse acquisition		
Cash and cash equivalents (cash acquired)	-	81,772
Other assets	-	631,320
Plant and equipment	-	5,222
Trade and other payables	-	(115,091)
Net assets of the company acquired on reverse acquisition	-	603,223

	Consolidated	
	2018	**2017**
Assessed fair value of assets acquired:		
- Post consolidated Company shares on issue	-	36,285,839
- Post-consolidated Company value per share under the Prospectus	-	$0.10
Deemed fair value of share-based payment, assessed in accordance with AASB 2	-	3,628,584
Listing expense recognised on reverse acquisition	**-**	**3,025,361**

Note 9. Income tax

	Consolidated 2018 $	2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(15,966,041)	(9,418,913)
Tax at the statutory tax rate of 27.5% (2017: 27.5%)	(4,390,661)	(2,590,201)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	255,202	277,135
Other non-deductible items - listing expense	-	831,974
Income tax benefits relating to prior year (US operations)	-	1,060
Amounts not brought to account as a DTA in current year: Trans costs in issued shares	-	(175,222)
Amounts not brought to account as a DTA in the current year	(83,226)	346,761
Deductible temporary differences not recognised (Aus)	473,952	138,853
Deductible temporary differences not recognised (US)	1,216,437	915,987
Difference in tax rates	282,932	244,813
Impairment of available for sale financial assets	-	9,900
Impairment of goodwill	2,245,364	-
Income tax expense	-	1,060

	Consolidated 2018 $	2017 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised (Australia) - Current year	20,698,097	18,974,636
Potential tax benefit @ 27.5% (2017: 27.5%)	5,691,977	5,218,025

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 9. Income tax (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 10. Current assets - cash and cash equivalents

	Consolidated 2018 $	Consolidated 2017 $
Cash on hand	100	100
Cash at bank	350,983	1,051,183
	351,083	1,051,283

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 11. Current assets - trade and other receivables

	Consolidated 2018 $	Consolidated 2017 $
Trade receivables	413,684	239,714
Less: Provision for impairment of receivables	(222,867)	(116,322)
	190,817	123,392
Other receivables - sale of tenement	-	97,500
GST receivable	2,864	27,260
	2,864	124,760
	193,681	248,152

Impairment of receivables
The consolidated entity has recognised a loss of $106,545 (2017: $116,322) in profit or loss in respect of impairment of receivables for the year ended 30 June 2018.

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2018 $	Consolidated 2017 $
0 to 2 months overdue	37,542	-
2 to 3 months overdue	89	5,143
Over 3 months overdue	185,236	111,179
	222,867	116,322

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $190,817 as at 30 June 2018 ($123,392 as at 30 June 2017).

Note 11. Current assets - trade and other receivables (continued)

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2018 $	Consolidated 2017 $
0 to 2 months overdue	111,271	24,474
2 to 3 months overdue	4,362	98,918
Over 3 months overdue	75,184	-
	190,817	123,392

Accounting policy for trade and other receivables
Trade receivables and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 12. Current assets - inventories

	Consolidated 2018 $	Consolidated 2017 $
Stock on hand	1,179,346	669,337

All inventory is used on a first in first out basis. The Company has accounted for obsolete stock during the period. Inventory written off during the year amounted to $228,939 (2017: $96,331).

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 13. Current assets - available-for-sale financial assets

	Consolidated 2018 $	Consolidated 2017 $
Investment in Strategic Energy Resources Limited (ASX: SER)	-	15,000

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2018 $	2017 $
Opening fair value	15,000	-
Additions	-	51,000
Disposals	(15,000)	-
Revaluation decrements	-	(36,000)
Closing fair value	-	15,000

Reconciliation of the net profit on disposal of available-for-sale financial assets:		
Proceeds from disposal of investments	15,000	-
Written down value of investments	(15,000)	-
Net profit on disposal	-	-

Refer to note 27 for further information on fair value measurement.

Accounting policy for available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Note 14. Current assets - Prepayments

	Consolidated 2018 $	Consolidated 2017 $
Prepayments	78,290	87,982

Accounting policy for prepayments

Prepayments are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

Note 15. Non-current assets - property, plant and equipment

	Consolidated 2018 $	Consolidated 2017 $
Furniture and equipment	58,290	63,428
Less: Accumulated depreciation	(35,925)	(13,247)
	22,365	50,181
Molds - at cost	523,910	500,581
Less: Accumulated depreciation	(388,273)	(129,357)
	135,637	371,224
	158,002	421,405

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

Consolidated	Molds $	Furniture and equipment $	Total $
Balance at 1 July 2016	-	-	-
Additions	317,239	69,642	386,881
Additions through business combination	202,725	2,836	205,561
Additions through reverse acquisition	-	5,222	5,222
Exchange differences	(9,438)	(1,041)	(10,479)
Write off of assets	(9,945)	(13,231)	(23,176)
Depreciation	(129,357)	(13,247)	(142,604)
Balance at 30 June 2017	371,224	50,181	421,405
Exchange differences	23,329	447	23,776
Write off of assets	-	(12,676)	(12,676)
Depreciation	(258,916)	(15,587)	(274,503)
Balance at 30 June 2018	135,637	22,365	158,002

Accounting policy for property, plant and equipment
Items of Plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Molds	2 years
Furniture and equipment	2-3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 16. Non-current assets - intangibles

	Consolidated 2018 $	Consolidated 2017 $
Goodwill	-	8,164,961
Software - at cost	1,169,485	1,123,845
Less: Accumulated amortisation	(806,201)	(214,314)
	363,284	909,531
	363,284	9,074,492

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

Consolidated	Goodwill $	Software $	Patents $	Total $
Balance at 1 July 2016	-	3,164	-	3,164
Additions	-	195,985	-	195,985
Additions through business combination	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	(8,164,961)	-	-	(8,164,961)
Amortisation expense	-	(555,900)	-	(555,900)
Balance at 30 June 2018	-	363,284	-	363,284

Goodwill impairment testing
The consolidated entity holds goodwill recognised as part of Robo 3D Inc. acquisition. The recoverable amount of goodwill has been determined based on a value in use calculation using cash flows projected for Robo 3D Inc cash generating unit over a five-year period. Cash flows beyond the five year forecast are extrapolated using estimated terminal growth rates.

Key assumptions used for value in use calculations
The following key assumptions were used in the discounted cashflow model for Robo 3D Inc:
(a) 17% pre-tax discount rate;
(b) 18% per annum average projected revenue growth rate;
(c) 26% and 4% decrease in operating costs and overhead projected for 2019 financial year and 2020 financial year respectively. 2.5% per annum increase in operating costs and overheads thereafter;
(d) Terminal growth rate of 17% at the end of the forecast period.

The discount rate of 17% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for Robo 3D Inc, the risk-free rate and the volatility of the share price relative to market movement.

Results of impairment testing
The Directors have concluded an overall review of their Value in Use model at 30 June 2018 and have also taken into consideration the inherent uncertainty in achieving forecast cashflows which is common for many entities in the technology sector, they have determined the goodwill to be fully impaired for the Cash Generating Unit, Robo 3D Inc. An impairment of $8,164,961 has been recognised in the Financial Statements for the full year ended 30 June 2018.

Note 16. Non-current assets - intangibles (continued)

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.

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.

There is adequate headroom in calculation to support Software and Molds, therefore no impairment has been recognised on these assets.

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2018	2017
	$	$
Trade payables	1,624,032	1,452,859
Accrued expenses	282,852	85,561
Other payables	187,647	269,121
Sales tax payable	27,207	20,079
	2,121,738	1,827,620

Refer to note 26 for further information on financial instruments.

Note 17. Current liabilities - trade and other payables (continued)

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Current liabilities - borrowings

	Consolidated	
	2018 $	2017 $
Lease liability	84,505	6,434
Trade finance loan	1,084,904	250,740
	1,169,409	257,174

Refer to note 26 for further information on financial instruments.

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

Accounting policy for finance lease
Leases for which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognised on the consolidated statement of financial position.

The consolidated entity entered into a finance lease of an in-house server on 1 April 2017 with a carrying amount of AUD$17,543 (USD$12,835) expiring within three years. It has been split out between current portion and non-current portion. Please refer to Note 22 for details of non-current portion. The consolidated entity does not have the option to purchase the equipment at the end of the lease.

Note 19. Current liabilities - employee benefits

	Consolidated	
	2018 $	2017 $
Annual leave	39,148	16,962
Employee benefits	259,323	247,186
	298,471	264,148

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 20. Current liabilities - provisions

	Consolidated	
	2018 $	2017 $
Warranties	128,199	32,646

Accounting policy for warranty provisions
Warranty provision is calculated by taking a rolling net 12-month total cost of sales as a percentage of monthly expenses relating to spare parts and supplies. This percentage is calculated and applied to payroll expense to capture the cost of labour required to process the warranty.

Note 21. Current liabilities - deferred revenue

	Consolidated	
	2018 $	2017 $
Deferred revenue	55,840	403,244

Accounting policy of deferred revenue

Deferred revenue is recognised when the consolidated entity received funds from Kickstarter pre-sales, pre-orders, product in transit and service contracts, but yet to provide the goods or deliver the service to its customers.

Note 22. Non-current liabilities - borrowings

	Consolidated	
	2018 $	2017 $
Lease liability	5,022	11,109

Refer to note 26 for further information on financial instruments.

The Company entered into a financed lease of an in house server on 1 April 2017 with a carrying amount of AUD$17,543 (USD$12,835) expiring within three years. It has been split out between current portion and non-current portion. Please refer to Note 18 for further details.

Note 23. Equity - issued capital

	Consolidated			
	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares - fully paid	370,352,055	252,286,466	22,414,733	17,355,636

Note 23. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
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	370,352,055		22,414,733

*The Company raised $4,453,877 from issue of Placement shares, Entitlement Issue and Shortfall shares, net of transaction costs.

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.

Note 23. Equity - issued capital (continued)

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 consolidated entity's share price at the time of the investment.

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 24. 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 25. Equity - dividends

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

Note 26. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange, ageing analysis for credit risk.

Note 26. Financial instruments (continued)

	Consolidated 2018 $	Consolidated 2017 $
Financial assets		
Cash and cash equivalents	351,083	1,051,283
Trade and other receivables	193,681	248,152
Available for sale financial assets	-	15,000
	544,764	1,314,435
Financial liabilities		
Trade and other payables	2,121,738	1,827,620
Borrowings - current portion	1,169,409	257,174
Borrowings - Non - current portion	5,022	11,109
	3,296,169	2,095,903

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (holdings are shown in AUD equivalents):

Consolidated	Assets 2018 $	Assets 2017 $	Liabilities 2018 $	Liabilities 2017 $
AUD equivalent	442,711	148,593	(1,498,049)	(1,286,495)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The percentage change is the expected overall volatility of USD, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The risk is measured using sensitivity analysis:

Consolidated - 2018	AUD strengthened % change	AUD strengthened Effect on profit after tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit after tax	AUD weakened Effect on equity
AUD/USD	5%	22,136	22,136	5%	(22,136)	(22,136)

Consolidated - 2017	AUD strengthened % change	AUD strengthened Effect on profit after tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit after tax	AUD weakened Effect on equity
AUD/USD	5%	7,430	7,430	5%	(7,430)	(7,430)

Price risk
The consolidated entity is not exposed to any significant price risk.

Note 26. Financial instruments (continued)

Interest rate risk
The consolidated entity has no significant exposure with interest rate risk. The borrowings as at 30 June 2018 was composed of $1,084,904 short term trade finance loan facility, $77,809 factor loan and $6,696 finance lease (non-current portion: $5,022). The trade finance loan facility was a short-term loan with total amount of $1,000,000, and it was borrowed from the Company's major shareholder Denlin Nominees Pty Ltd. Total loan facility amount is $1.0 million, unsecured, with fixed annual interest rate of 12%. Interest is calculated on the drawn amount and capitalised on to the total outstanding drawn amount.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Liquidity risk
Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages this risk by preparing forward looking cash flow analysis in relation to its operational, investing and financing activities and monitoring its cash assets and assets readily convertible to cash in the context of its forecast future cash flows.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,121,738	-	-	-	2,121,738
Interest-bearing - fixed rate						
Trade finance Loan	12.00%	1,084,904	-	-	-	1,084,904
Lease liability	-	84,505	5,022	-	-	89,527
Total non-derivatives		3,291,147	5,022	-	-	3,296,169

Note 26. Financial instruments (continued)

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,074,806	-	-	-	2,074,806
Interest-bearing - fixed rate						
Trade finance Loan	12.00%	250,740	-	-	-	250,740
Lease liability	-	6,434	11,109	-	-	17,543
Total non-derivatives		2,331,980	11,109	-	-	2,343,089

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Fair value measurement

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2018 $	Consolidated 2017 $
Short-term employee benefits	1,411,422	1,093,489
Post-employment benefits	29,623	24,059
Long-term benefits	22,187	16,962
Share-based payments	489,500	151,578
	1,952,732	1,286,088

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditor of the Company, and its network firms:

	Consolidated	
	2018 $	2017 $
Audit services - BDO East Coast Partnership		
Audit or review of the financial statements	52,000	76,000
Other services - BDO East Coast Partnership		
Tax advice	-	21,794
Preparation of investigative accountants report	-	56,375
	-	78,169
	52,000	154,169
Audit services - BDO US		
Audit or review of the financial statements	115,439	151,756

Note 30. Contingent assets and liabilities

The consolidated entity had no contingent assets or contingent liabilities as at 30 June 2018 (2017: Nil)

Note 31. Commitments

	Consolidated	
	2018 $	2017 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	156,839	148,440
One to five years	93,844	235,030
	250,683	383,470
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	84,505	6,434
One to five years	5,052	11,109
Net commitment recognised as liabilities	89,557	17,543

Note 32. Related party transactions

Parent entity
Robo 3D Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2018	2017
	$	$
Current payables:		
Director fees payable Patrick Glovac	2,871	-
Consulting fees payable to Tim Grice as individual contractor of Robo 3D Inc	35,500	125,500
Consulting fees payable to RFL Capital Pty Ltd** as individual contractor of Robo 3D Inc	92,000	242,000
Expense reimbursement payable to Ryan Legudi	75,676	-
Expense reimbursement payable to Braydon Moreno	6,033	-

* RFL Capital Pty Ltd, a related party of Ryan Legudi

Loans to/from related parties
During the financial year, the Company had fully drawn down on the trade finance loan facility with Denlin Nominees, an entity associated with the recently appointed Chairman, Mr Anthony Grist. As at 30 June 2018, the outstanding borrowing balance was $1,084,904, which consists of $1,000,000 short term loan and accrued interest of $84,904.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 33. Parent entity information

Robo 3D Limited is the parent entity.

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018	2017
	$	$
Loss after income tax	(13,030,775)	(2,021,562)
Total comprehensive income	(13,030,775)	(2,021,562)

Note 33. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	132,480	993,185
Total assets	137,732	6,624,373
Total current liabilities	1,679,989	600,992
Total liabilities	1,679,989	600,992
Equity		
Issued capital	32,456,573	27,397,476
Share-based payments reserve	1,889,020	1,482,981
Accumulated losses	(35,887,850)	(22,857,076)
Total (deficiency)/equity	(1,542,257)	6,023,381

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Business combinations

Robo 3D Inc.

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., is 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 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)
Net liabilities acquired	(304,171)
Goodwill	8,164,961
Acquisition-date fair value of the total consideration transferred	7,860,790
Consideration transferred:	
Fair value of equity transferred	4,493,910
Cash paid in prior to acquisition	2,025,316
Cash paid in current period	1,341,564
Net cash used	7,860,790

	Consolidated **30 June 2017** **$**
Cash paid in current financial year	1,341,564
Cash acquired	(219,070)
Total consideration paid	1,122,494

i. Consideration transferred
Acquisition-related costs amounting to $85,890 are not included as part of consideration for the acquisition and have been recognised as transaction costs within administration in the profit or loss statement.

ii. Identifiable net assets
The fair value of the trade receivables acquired as part of the business combination amounted to $66,490. As of the acquisition date, the Company's best estimate is that all cash will be collected.

Note 34. Business combinations (continued)

iii. Goodwill
Goodwill of $8,164,961 was primarily related to the Company's growth expectations through the launch of printer models in the USA market.

The consolidated entity operates as one operating segment and goodwill was allocated to a single cash generating unit as at acquisition date. The goodwill that arose from this business combination is not deductible for tax purposes.

As at 30 June 2018, goodwill has been fully impaired following the impairment assessment using value-in-use method.

iv. Contribution to the Consolidated Entity's results

2018 financial year

Robo 3D Inc., contributed revenues of $5,927,412 and net loss of $5,793,520 to the consolidated entity for the year ended 30 June 2018.

2017 financial year

Robo 3D Inc., contributed revenues of $1,907,754 and net loss of $4,217,654 to the consolidated entity from the date of the acquisition to 30 June 2017. Had the results of Robo 3D Inc been considered from 1 July 2016, revenue of the consolidated group would have been $3,294,516 and consolidated losses would have been $6,286,386.

MyStemKits (MSK) acquisition

On 15 June 2018, Robo 3D Limited announced that it has entered into an agreement to acquire the MyStemKits business from MyStemKits, LLC. Completion of the acquisition was subject to shareholders approval which was received on 13 August 2018. On 24 August 2018, Robo 3D Limited completes the acquisition. The acquisition has been assessed to be a Business Combination under AASB 3. MyStemKits is a USA education software and content business, owner of the world's largest library of Science, Technology, Engineering and Maths ("STEM") curriculums incorporating 3D printable kits for K-12 schools. The acquisition has brought together two leaders in the provision of 3D design and 3D printing in the STEM education space, and significantly strengthens Robo's strategic positioning and operational platform.

As of the date of this annual report, the consolidated entity has not finalised the purchase price accounting in relation to MSK acquisition. The consolidated entity will finalise acquisition accounting within 12 months from the date of acquisition, in accordance with AASB 3. The provisional fair values of the identifiable net assets acquired are yet to be determined. These values will be assessed for as part of the half year review.

	Fair value $
Goodwill	2,754,657
Acquisition-date fair value of the total consideration transferred	2,754,657
Representing:	
Cash paid/payable to vendor	1,650,904
Robo 3D Limited shares issued to vendor	1,103,753
	2,754,657

Note 34. Business combinations (continued)

i. Consideration transferred
Cash consideration of AUD$1,650,904 (USD$1,200,000) was paid by a combination of:

· Cash transfer of AUD$1,238,816 (USD$900,000) paid to the vendor on 24 August 2018 ("Acquisition date").
· The remaining cash consideration of AUD$412,088 (USD$300,00) was netted off against a specific receivable from Florida State University (FSU) that was processed by FSU for payment to the vendor to occur after completion of the acquisition.

In addition, 41,619,636 fully paid ordinary shares with deemed value of $0.02652 were also issued to the vendor on the same date.

ii. Identifiable net assets
At the date of this annual report, the fair value of identifiable net assets are yet to be determined.

Under the purchase agreement, the consolidated entity shall pay to the vendor an amount in cash equal to 5% of the revenues that the vendor recognises from the sale or license of the software for 3D printable manipulatives to align with STEM curriculum acquired in connection with the business during five year period following the acquisition. As at the date of this annual report, the fair value of the contingent liability is yet to be determined.

iii. Goodwill
Goodwill of $2,754,657 was primarily related to the Company's growth expectations through leveraging MSK STEM curriculums.

The Company operates as one operating segment and goodwill was allocated to a single cash generating unit as at acquisition date. The goodwill that arose from this business combination is not deductible for tax purposes.

iv. Contribution to the Consolidated Entity's results
MSK did not contribute to the consolidated entity's results for 2018 financial year.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 34. Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 35. 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 %	Ownership interest 2017 %
Robo 3D Inc.	United States	100%	100%
Albion 3D Investments Pty Ltd	Australia	100%	100%

Note 36. 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.

On 27 August 2018, the Company announced that it 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., 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 in accordance with shareholder approval received on 13 August 2018.

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

On 28 August 2018, the Company issued 3,680,000 fully paid ordinary shares to Mr Ryan Legudi in payment of $92,000 of remuneration owed. The Company also issued 1,420,000 fully paid ordinary shares to Mr Tim Grice in payment of $35,500 of remuneration owed. Both issuance was approved by Shareholders pursuant to Resolution 9 and 10 of the Company's Notice of General Meeting dated 6 July 2018.

On 28 August 2018, the Company issued 500,000 fully paid ordinary shares to Mr Braydon Moreno as approved by Shareholders pursuant to Resolution 5A of the Company's Notice of General Meeting dated 6 July 2018.

On 28 August 2018, the Company issued 4,075,000 fully paid ordinary shares to employees of the Company on immediate vesting of Performance Rights pursuant to the Company's Employee Performance Rights Plan.

On 28 August 2018, the Company issued 6,000,000 unquoted options to Aesir Capital Pty Ltd as part fee for advisory services as approved by the Shareholders pursuant to Resolution 3 of the Company's Notice of Meeting dated 6 July 2018.

On 31 August 2018, the Company issued 16,000,000 performance rights to Directors under the Company's Performance Rights Pan as approved by Shareholders pursuant to Resolution 4 and 5B of the Company's Notice of General Meeting dated 6 July 2018. On the same day, the Company issued 5,250,000 performance rights to employees where 4,175,000 will vest in December 2018 and the remaining 1,075,000 will vest in June 2019.

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 37. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2018 $	2017 $
Loss after income tax expense for the year	(15,966,041)	(9,419,973)
Adjustments for:		
Depreciation and amortisation	830,402	283,110
Impairment of goodwill	8,164,961	-
Write off of property, plant and equipment	12,676	23,176
Share-based payments	928,008	1,258,702
Foreign exchange differences	(12,998)	(21,919)
Provision for doubtful debts	106,544	-
Profit on sale of assets	-	(122,500)
Impairment of available-for-sale financial assets	-	36,000
Change in operating assets and liabilities:		
Increase in trade and other receivables	(149,574)	(9,572)
(Increase)/decrease in inventories	(510,010)	716,876
Decrease/(increase) in prepayments	9,692	(39,370)
Increase/(decrease) in provisions	117,739	(14,429)
Increase in trade and other payables	652,443	2,166,440
Decrease in deferred revenue	(347,404)	(252,449)
Net cash used in operating activities	(6,163,562)	(5,395,908)

Note 38. 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.

	Consolidated	
	2018 $	2017 $
Loss after income tax attributable to the owners of Robo 3D Limited	(15,966,041)	(9,419,973)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	320,257,322	127,040,386
Weighted average number of ordinary shares used in calculating diluted earnings per share	320,257,322	127,040,386
	Cents	**Cents**
Basic earnings per share	(4.99)	(7.41)
Diluted earnings per share	(4.99)	(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.

Note 38. Earnings per share (continued)

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.

Note 39. Share-based payments

Options

On 14 December 2016, the Company announced that it had issued a total of 13,999,720 advisor options subject to a 24-month escrow period from date of official quotation being 22 December 2016.

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 between the Company and L1 Capital as announced on the ASX on 11 October 2017. A share based payment of $56,960 was recognised for the year ending 30 June 2018.

On 20 November 2017, the Company issued 1,600,000 unquoted options to Hunter Capital as consideration for corporate advisory services provided. A share based payment of $39,561 was recognised for the year ending 30 June 2018.

On 12 January 2018, the Company issued 5,000,000 lender options to Denlin Nominees each exercisable at $0.075 (7.5 cents) on or before 30 June 2021 as an establishment fee for the term loan. A share based payment of $157,930 was recognised for the year ending 30 June 2018.

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2019	$0.000	13,999,720	-	-	-	13,999,720
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
30/11/2017	20/06/2021	$0.075	-	5,000,000	-	-	5,000,000
			13,999,720	8,600,000	-	-	22,599,720

2017

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

* Advisor options are due to vest on 22 December 2018.

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

Note 39. Share-based payments (continued)

Performance rights

On the 14 December 2016, the Company announced that it had issued a total of 13,999,720 performance rights to directors and employees subject to various restriction and escrow periods. A share based payment of $360,337 was recognised in 2018 financial year in respect to these performance rights. There were no new performance rights issued during 2018 financial year. Set out below are summaries of performance rights granted under the plan:

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2020	$0.000	1,749,966	-	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	1,749,966	-	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	524,988	-	-	-	524,988
14/12/2016	22/12/2020	$0.000	4,287,414	-	-	-	4,287,414
14/12/2016	22/12/2020	$0.000	5,687,386	-	-	-	5,687,386
			13,999,720	-	-	-	13,999,720

(i) Tranche 1 performance rights vest if Robo 3D Limited 10 trading day VWAP being $0.15 per share on a post-consolidation basis.
(ii) Tranche 2 performance rights vest if Robo 3D Limited 10 trading day VWAP being $0.20 per share on a post-consolidation basis.
(iii) Tranche 3 performance rights vest upon the achievement of Robo 3D Limited 12 month (rolling cumulative) revenue reaching US$7.5 million.
(iv) Tranche 4 performance rights vest upon the achievement of Robo 3D Limited 12 month (rolling cumulative) revenue reaching US$10 million.
(v) Tranche 5 performance rights vest upon the achievement of Robo 3D Limited 12 month (rolling cumulative) revenue reaching US$15 million.

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2020	$0.000	-	1,749,966	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	-	1,749,966	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	-	524,988	-	-	524,988
14/12/2016	22/12/2020	$0.000	-	4,287,414	-	-	4,287,414
14/12/2016	22/12/2020	$0.000	-	5,687,386	-	-	5,687,386
			-	13,999,720	-	-	13,999,720

For the options granted during the current financial 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
14/12/2016	22/12/2019	$0.100	$0.150	134.67%	-	1.88%	$0.071
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	20/06/2021	$0.052	$0.075	100.00%	-	2.53%	$0.032

Note 39. Share-based payments (continued)

For the performance rights granted during the current financial 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
14/12/2016	22/12/2020	$0.100	$0.000	134.67%	-	2.02%	$0.079
14/12/2016	22/12/2020	$0.100	$0.000	134.67%	-	2.02%	$0.058
14/12/2016	22/12/2020	$0.100	$0.000	134.67%	-	2.02%	$0.100
14/12/2016	22/12/2020	$0.100	$0.000	134.67%	-	2.02%	$0.100
14/12/2016	22/12/2020	$0.100	$0.000	134.67%	-	2.02%	$0.100

* In determining the measurement of volatility due to the Company sparse trading history. an average daily standard deviation of a peer group of companies was taken as the implied standard deviation of Robo 3D Limited for the purposes of valuation calculation.

Reconciliation of share based payments as at year end:

	Consolidated 2018 $	Consolidated 2017 $
Performance rights payment	360,337	203,844
Advisor options payment	39,561	749,684
Option issued on settlement of convertible note facility	52,960	-
Loan Commitment fees paid by options	157,930	21,234
Share issued in lieu of services provided (refer to Note 23)	211,480	33,000
Share issued for settlement of legal matter (refer to Note 23)	105,740	-
	928,008	1,007,762

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 39. Share-based payments (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 40. Changes to unaudited Preliminary Financial Report - Appendix 4E

On 31 August 2018 the consolidated entity released its unaudited preliminary financial report for the year ended 30 June 2018. Upon finalisation of the audit, a further review of goodwill resulted in an increase in impairment expense of $1,490,915, Net Assets decreased by $1,490,915 (from net assets of $35,922 to net deficit of $1,454,993) and the loss attributable to the consolidated entity for the year increased by $1,490,915 (from $14,475,126 to $15,966,041).

In the directors' opinion:

- the attached financial statements and notes was set out as pages 22 to 59 comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Ryan Legudi
Managing Director

28 September 2018

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Robo 3D Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Robo 3D Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Robo 3D Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of goodwill

Key audit matter	*How the matter was addressed in our audit*
The recognition of goodwill is considered a key audit matter because the impairment assessment involved significant judgements and key estimates regarding the future financial results and cash flows of the operating subsidiary, Robo 3D Inc. Notes 2 and 16 to the financial statements contain the accounting policies. Notes 3 and 16 also disclose the key estimates and judgements relating to the impairment of goodwill.	Our procedures included but were not limited to: • Challenging the methodology and assumptions contained in management's goodwill impairment assessment position paper through inquiry and testing underlying data, • Engaging our internal valuation experts to assess whether management's chosen impairment model was appropriate including the discount rate and terminal value growth rate used, • Reviewed the 5-year cash flow forecast as prepared by management including challenging and scrutinising the underlying assumptions adopted in the forecast, • Reviewing internal and external correspondence for any impairment indicators that need to be considered as part of the impairment assessment, and • Reviewed the disclosures on the impairment assessment in the financial report to ensure compliance with AASB 136 Impairment of Assets.

Component auditors & overseas subsidiaries

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group’s structure comprises significant overseas operations. The existence of such operations heightens the importance of engaging with the component auditor to mitigate the risk associated with delivering an audit in a location and regulatory environment other than Australia.

The accounting policy for consolidation as described in Note 2, ‘Principles of consolidation’, and details on the controlled entities as disclosed in Note 35 of the accompanying financial report are the basis of this key audit matter.</td><td>Our audit strategy to address the risks associated with there being significant overseas operations included, but were not limited to:
• Gaining an understanding of the Group, its components and the environment they operate in to identify the risks of material misstatement to the Group’s financial report
• Engaging the component auditor in the United States of America. As part of this we evaluated:
  • Their understanding of the ethical requirements and their professional competence to ensure they were competent and independent
  • Whether we could be sufficiently involved in the work of the component auditor and determined that a senior staff member from our Australian audit team would undertake a detailed review of their audit working papers
• Discussing with the component auditor:
  • The nature of the business activities of the component that were significant to the Group audit
  • The susceptibility of the component’s financial information to material misstatement from fraud and error
• Reviewing the component auditor’s audit working papers and in particular the areas that were key to the Group audit which included revenue, trade receivables and inventory.</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s Annual report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 18 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Robo 3D Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

BDO East Coast Partnership

BDO

Wai Aw
Partner

Melbourne, 28 September 2018

Robo 3D Limited
Shareholder information
30 June 2018

The shareholder information set out below was applicable as at 25 September 2018.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	851
1,001 to 5,000	815
5,001 to 10,000	279
10,001 to 100,000	851
100,001 and over	373
	3,169
Holding less than a marketable parcel	2,279

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Merrill Lynch (Australia) Nominees Pty Limited	43,068,516	7.71
Sciberus Inc	39,538,654	7.07
Denlin Nominees Pty Ltd	30,665,337	5.49
J P Morgan Nominees Australia Limited	29,821,675	5.34
Oaktone Nominees Pty Ltd	20,099,496	3.60
Jacob Kabili	18,530,462	3.32
Mr Braydon Moreno	18,530,462	3.32
Citicorp Nominees Pty Limited	13,624,810	2.44
Safari Capital Pty Ltd	13,238,708	2.37
JP Morgan Nominees Australia Limited (IFM Investors A/C)	10,000,000	1.79
RFL Capital Pty Ltd (The Ryan Legudi A/C)	9,528,361	1.70
Tim Peter Grice (Grice Family A/C)	9,199,846	1.65
Tribeca Nominees Pty Ltd	8,739,874	1.56
RFL Capital Pty Ltd (The Ryan Legudi A/C)	7,179,999	1.28
UBS Nominees Pty Ltd	7,000,000	1.25
National Australian Bank Ltd (8IP Aus Smll Coy Concentrat)	6,989,637	1.25
The Penrose Corporation	6,232,751	1.12
Lonhro (WA) Pty Ltd (Lonhro A/C)	6,000,000	1.07
Spenceley Management Pty Ltd (Spenceley Family A/C)	5,700,000	1.02
CS Fourth Nominees Pty Limited (HSBC Cust Nom Au Ltd 11 A/C)	5,300,639	0.95
	308,989,227	55.30

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
RFL Capital Pty Ltd (The Ryan Legudi Trust)	Performance rights over ordinary shares issued	17,949,951

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Merrill Lynch (Australia) Nominees Pty Limited	43,068,516	7.71
Sciberus Inc	39,538,654	7.07
Denlin Nominees Pty Ltd	30,665,337	5.49
J P Morgan Nominees Australia Limited	29,821,675	5.34

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.

Restricted Securities

Class	Expiry date	Number of shares
Fully paid ordinary shares	30 August 2019	41,619,636
Fully paid ordinary shares	14 December 2018	90,582,999
Advisor options	14 December 2018	13,999,710
Performance Rights	14 December 2018	10,499,790
		156,702,135