



ASX ANNOUNCEMENT  
ASX: SF1 | 30 April 2019

## March 19 Quarterly Report and Commentary

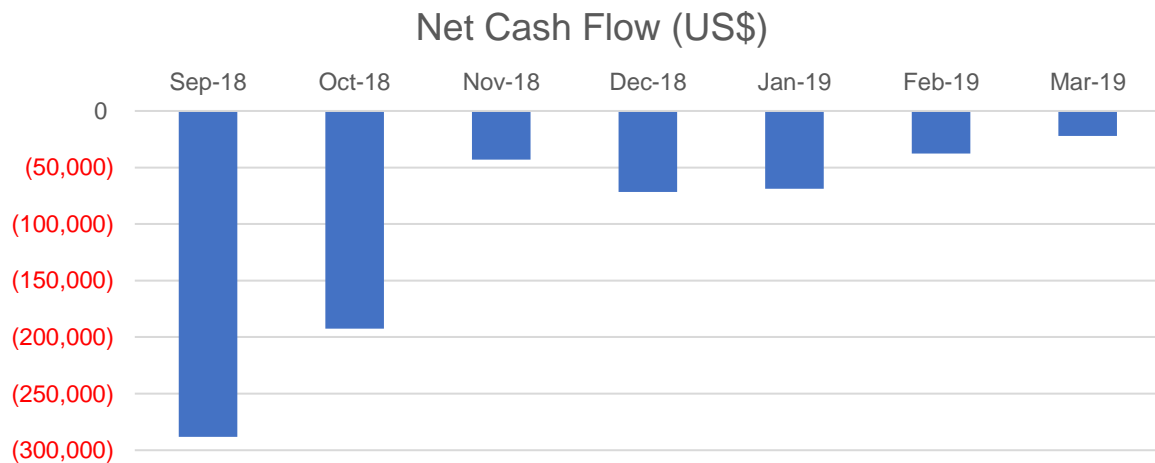
STEMify Limited (“STEMify” or the “Company”), provides the following financial highlights to accompany its quarterly cash flow report for the three months ended 31 March 2019

### MARCH QUARTER CASH FLOW COMMENTARY

#### Quarterly Net Cash Flow

Continuing the sales & marketing initiatives launched in the December quarter, the March quarter had a strong focus on the sell down of inventory resulting in all C2 & R2 3D printers being sold along with much of the filament & spare parts inventory supporting these two models. As part of the strategic pivot to an education software business utilising 3D printing technology in K-12 schools, MSK received delivery of the initial shipment of E3 printers in early February. The E3 printer is a fit for purpose 3D printer offering safety features such as air filters which are more suitable for the education market.

The launch of the E3 printer bundled with MyStemKits curriculum software has delivered early traction with specialist education resellers driving an increase in the sales pipeline to schools and increasingly, school districts. Sales of MyStemKits (MSK) expanded into 31 states versus 2 states at completion of acquisition in August 2018. Combined with the sell down of previous inventory, cash receipts of A\$589k were generated in the March quarter. The monthly net cash flow for the Company's USA operating subsidiaries since completion of the acquisition of MyStemKits is displayed in the graph below.



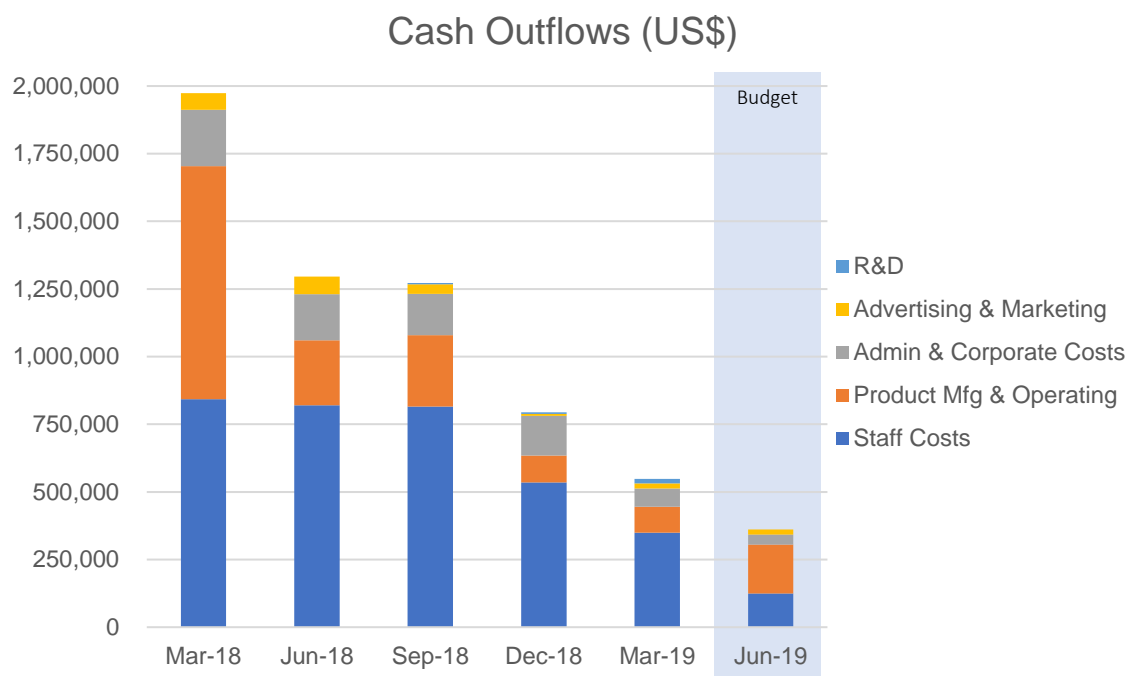
*Note: Financials of USA operating companies only, and excludes all cash outflows for MyStemKits prior to completion of acquisition in August 2018.*

With the launch of an education-focused product offering over the last three months, combined with supporting sales and marketing efforts, the Company is very well positioned to capitalise on large school district-wide rollouts of its products ahead of the key education selling season in the U.S.

#### Cost Reduction Plan Delivering Significant Savings

The Company previously announced a major cost reduction plan to align the cost base of the business to reflect the strategic pivot towards being an integrated STEM education solution company, distributing curriculum and content delivered as software-as-a-service, along with integrated 3D printers.

As shown in the graph below, the fixed cost base of the Company's USA operating subsidiaries has substantially reduced, with the June 2019 quarter (including c. US\$140k of inventory related purchases) expected to be lower again compared to the March 2019 quarter with further potential for cost reductions in the future.



*Note: Financials of USA operating companies only, and excludes all cash outflows for MyStemKits prior to completion of acquisition in August 2018.*

### MyStemKits Revenue Strategy

With the most comprehensive curriculum content STEM software utilising 3D printing technologies, the Company has identified additional potential revenue opportunities to license the MyStemKits curriculum and content including to other 3D printer manufacturers, innovative STEM product vendors, traditional education publishers, and to community & corporate organisations and foundations.

#### *3D printer manufacturers*

A key feature of the MyStemKits software is its interoperability with other manufacturers 3D printers, offering a much broader market opportunity. This interoperability enables MyStemKits to offer curriculum content solutions to leading 3D printer manufacturers such as Makerbot & Dremel who can further leverage their own reseller networks and sales teams.

#### *STEM product vendors*

Several EdTech vendors have approached MyStemKits to explore how their hardware and software solutions can be integrated into the MyStemKits platform. These vendors present an opportunity to leverage the pedagogical framework developed by Florida State University to expand beyond 3D printing applications to also include coding, robotics and AR/VR.

#### *Strategic Partnerships*

The Company has been exploring strategic partnerships with a number of community and corporate enterprises who are using STEM education programs as a core component of their community outreach programs. The Company announced the completion of its first such partnership during the March 2019 quarter, partnering with The Meemic Foundation to deliver the Company's STEM products to 40 selected schools.



The Company believes these initiatives offer the potential to increase the reach of MyStemKits within the STEM education market & leverage our operational resources.

### **Loans**

The Company has been provided with additional funding support from its major shareholder and secured lender, Mr Tony Grist. As at 31 March 2019, the secured loan facility with Denlin Nominees Pty Ltd (**Denlin**), a company associated with Mr Grist, had provided \$783K of funding. A further \$67K of funding was provided in early April 2019 to the Company by Denlin Nominees Pty Ltd under the secured loan facility.

In late April 2019, Denlin also provided the Company an additional \$60k in funding.

### **Release of securities from escrow**

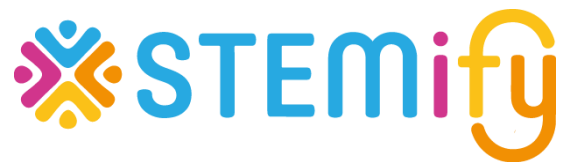
The Company advises that 13,999,720 unlisted options and 10,499,790 unlisted performance rights will be released from escrow in accordance with ASX Listing Rule 3.10A on 14 May 2019.

### **Closing Comments:**

As outlined in previous release to ASX on 26 March 2019, the Company has been working with equity financiers alongside existing lender Denlin to develop a total funding solution that would address the working capital requirements of the business, the secured loan with Denlin which is due to be repaid by 31 July 2019, and various legacy trade creditors. The Company also continues to work through restructuring alternatives in relation to the historical long-term creditors of the Company's manufacturing subsidiary Robo 3D, Inc.

These discussions are ongoing and further details will be announced once these arrangements have been confirmed and the Company intends to remain suspended during this process.

— ENDS —



## FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of STEMify, are forward-looking statements. Forward-looking statements can be identified by words such as ‘anticipate’, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “may”, “opportunity”, “plan”, “potential”, “project”, “seek”, “will” and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Robo that could cause actual results to differ from the results expressed or anticipated in these statements.

## Further information

### INVESTORS:

**Tim Grice** — Executive Director  
STEMify 3D Limited  
tim@robo3d.com

## About STEMify Limited

STEMify Limited is a company listed in Australia focused on developing and marketing STEM education curriculum in various countries, substantially the USA, utilising interactive tools including 3D printing.

The company operates through two subsidiaries:

## MyStemKits

MSK was established in 2013 and has grown into a leading USA “EdTech” business that develops and markets the world’s largest library of Science, Technology, Engineering and Math (**STEM**) curriculums incorporating 3D printed project kits for K-12 schools, all aligned to USA national science and mathematics standards. It was recently recognised as a finalist for the best STEM Solution by EdTech Digest at the 2018 EdTech Awards.

MSK’s lesson plans were developed over five years in conjunction with The Florida Center for Research in Science, Technology, Engineering and Mathematics at the Florida State University (**FCR-STEM**). An estimated US\$20 million was invested into the development and extensive testing in the classroom.

To learn more about MyStemKits, visit: [www.mystemkits.com](http://www.mystemkits.com)

## Robo 3D

Robo 3D is a company based in California, USA, focused on the design, engineering and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry (**Robo**).

The company was founded in 2012 by a group of students from San Diego State University and delivered its first model to customers in 2013.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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

**Name of entity**

STEMIFY LIMITED (Formally Robo 3D Limited)

**ABN**

20 009 256 535

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	589	2,096
1.2 Payments for		
(a) research and development	(23)	(31)
(b) product manufacturing and operating costs	(232)	(647)
(c) advertising and marketing	(27)	(89)
(d) leased assets	-	-
(e) staff costs	(507)	(2,423)
(f) administration and corporate costs	(168)	(1,011)
1.3 Dividends received	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(368)</b>	<b>(2,103)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	(1,239)

+ See chapter 19 for defined terms  
1 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received</b>	-	-
<b>2.5 Other (cash acquired in acquisition transaction)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	<b>(1,239)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	3,250
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(215)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	-	<b>3,035</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	378	351
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(368)	(2,103)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(1,239)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,035
4.5	Effect of movement in exchange rates on cash held	17	(17)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>27</b>	<b>27</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	27	378
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>27</b>	<b>378</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	123
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to Stemify Limited Directors and related entities for the March 2019 quarter.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	783
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Trade Finance Facility provided by Denlin Nominees Pty Ltd (see ASX announcement 19 June 2017 titled "Sales Growth to Accelerate with Completion of A\$1.8m Funding" and ASX announcement dated 15 June 2018 for full loan details).

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(254)
9.3 Advertising and marketing	(26)
9.4 Leased assets	-
9.5 Staff costs	(174)
9.6 Administration and corporate costs	(300)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(754)*</b>

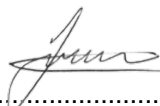
\* The above estimated cash outflows for the next quarter does not take into consideration any cash inflows from the normal course of business.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:                      .....                     Date: .....30 April 2019.....  
                                      (Company secretary)

Print name:         .....Justin Mouchacca.....

**Notes**

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