



ASX ANNOUNCEMENT

ASX: SF1 | 30 October 2020

September 2020 Quarterly Report and Commentary

STEMify Limited (“STEMify” or the “Company”) provides the following quarterly update to accompany its quarterly cash flow report for the three months ended 30 September 2020.

September 2020 Quarterly Cash Flow Commentary

Following the sale of the Company's 3D printing hardware and K-12 software curriculum assets to Boxlight, Inc. on 21 April 2020, operational activities for the US subsidiary MSK, Inc reduced significantly with activities focused on transitioning key channel partner accounts and technical support for customers, and day-to-day accounting and administration tasks to ensure ongoing compliance operational and regulatory compliance for the corporate entity, including the completion of its audited accounts for the financial year ended 30 June 2020.

Corporate Update

Sale to Boxlight

STEMify continues to work with Boxlight, Inc. in order to finalise the outstanding receivable and also still holds an interest in Boxlight, Inc. shares. The Company will provide updates on the outstanding receivable and the shares when available.

The expenditures incurred in the quarter primarily relate to administrative and corporate expenses concerning professional fees for services rendered and listing related costs.

From June qtrly

On 21 April 2020, STEMify advised that it has completed the disposal of the Company's 3D printing hardware and the MyStemKits K-12 curriculum business to Boxlight Corporation for US\$600,000. BOXL is a leading provider of technology solutions for the global learning market, is listed on the NASDAQ (NASDAQ:BOXL) and generated revenue of US\$39.7m for the 12 months ended 30 September 2019.

The transaction has not resulted in any changes to the Board of the Company.

Separately, the Company has also subscribed for 142,857 shares in BOXL in a US\$100,000 placement as announced on 21 April 2020. The shares were issued at US\$0.70 per BOXL share and are subject to escrow for 6 months from the date of issue. As at 24 July, 2020, BOXL shares closed at US\$2.93 per share.

Under the sale and purchase agreement with Boxlight, the Company is also owed US\$350,000 by Boxlight, payable in four (4) separate instalments with the first payment due end of July and quarterly thereafter.

The funds received from the sale will provide capital to the Company which will be used to contribute to the funding required to sourcing and acquiring a suitable new business opportunity including conducting due diligence and ASX re-compliance costs.

At 30 September 2020, the Company had \$854,790 in cash.

Disposal of Main Undertaking

As outlined in ASX release on 6 February 2020, the ASX will continue the Company's quotation for up to six months from the date of the agreement (6 February 2020) to dispose of its main undertaking to



allow the Company time to complete the disposal and to identify, and make an announcement of its intention to acquire, a suitable new business. Accordingly, there was no substantive business activity during the quarter. The acquisition of a suitable new business will require the Company to re-comply with Chapters 1 & 2 of the Listing Rules and include a requirement for shareholder approval under Listing Rule 11.1.2.

Payments made to Related Parties

The Company notes that the payments made to related parties and their associates outlined in Section 6 of the Appendix 4C represent directors' fees paid to directors and their related entities.

— 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.

This announcement is authorised by the Board of Directors of the Company.

Further information

INVESTORS:

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

About STEMify Limited

STEMify Limited has disposed of its main asset and is currently seeking suitable business opportunities.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

STEMIFY LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13	13
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(19)	(19)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(59)	(59)
(f) administration and corporate costs	(174)	(174)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)*	110	110
1.9 Net cash from / (used in) operating activities	(129)	(129)
<p>* Other represents receipts from Strategic Energy Resources (SER) in relation to the Royalty Sale and Purchase Agreement as announced on 25 August 2020.</p>		

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,003	1,003
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(129)	(129)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	Cash and cash equivalents at end of period	870	870

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	870	1,003
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	870	1,003

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(129)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	870
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	870
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.7

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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.

Date: 30 October 2020

Authorised by: The Board of Directors
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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.