

ASX ANNOUNCEMENT

ASX: RBO | 11 September 2017

Capital Raising to fulfil \$2.0m Pipeline

HIGHLIGHTS

- Around \$2.0 million in pre-order pipeline from key channel partners for December quarter
- Immediate capital injection required to support additional production runs required based on accelerating growth in pre-orders for December quarter
- Capital raising of \$800k, with ability for additional \$1.0 million

Robo 3D Limited (“**Robo**” or the “**Company**”), the emerging company delivering award-winning products for the desktop segment of the 3D printing industry, is pleased to announce that it will complete a capital raising of \$800,000 to enable additional production runs for higher than anticipated pre-order pipeline of around \$2.0 million for the December quarter.

Pre-order pipeline of c. \$2.0 million received for December quarter

Robo has seen recently a marked increase in demand for its new products, particularly since the general release of the Robo R2 smart 3D printer in June 2017. Due to this demand for Robo’s products, the Company is pleased to advise that it has secured significantly higher than anticipated pre-orders for delivery during the upcoming December quarter. Currently, the pre-order pipeline totals around \$2.0 million, the Company’s highest ever pipeline level.

This sharp uptake in demand requires additional production runs to deliver these pre-orders, and as a result, has necessitated an immediate capital injection to seize this momentum and accelerate the growth curve of the Company. The Company notes that pre-orders are subject to cancellation by customers, and requires timely delivery of products, therefore revenue generated from the pre-orders may not be fully realised, but notes that based on historical experience it does not expect there to be material change.

Capital Raising of \$800k

Robo has engaged Hunter Capital Advisors as corporate advisors and lead managers for the capital raising, and is pleased to confirm strong support for the capital raising, raising the maximum allowable under the Company’s remaining capacity, \$800,000 before costs. In addition, the Company has also negotiated the right but not the obligation for an additional \$1.0 million subject to certain conditions, including shareholder approval at the Company’s next meeting of shareholders.

The Company is solely focused on seizing its rapidly expanding pipeline of orders, and utilising these funds to fulfil the pre-order pipeline. Additionally, the Company is progressing final negotiations with USA-based lenders with respect to additional, non-dilutionary trade finance, and will provide updates accordingly.

The Company views the upcoming December quarter as transformational for Robo, and looks forward to updating the market with updates on sales and other achievements.

For personal use only

Robo's CEO, Ryan Legudi commented:

"We are delighted with the fast-paced growth and demand for Robo's product line up, as evident in the record pipeline of pre-orders and expected growth over the next quarter. This is validation of the high calibre of Robo's products as well as the Company's strategic approach to key channel partners over the last six months. We are also pleased at the support from existing and new shareholders for this capital raising, which provides funding to enable further growth over the coming months."

Key Terms:

Hunter Capital Advisors acted as Lead Manager for the Placement, with fees to be payable in new Robo shares, subject to shareholder approval. The capital raising comprises:

Placement:

A\$400,000 at an issue price of A\$0.060 per share, which is equal to the last traded price of Robo, resulting in the issuance of 6,666,667 new Robo shares, from the Company's current capacity under ASX Listing Rule 7.1. An additional 6,666,667 options, with a two-year exercise period and an exercise price of \$0.060 per share will also be issued subject to shareholder approval at the Company's next General Meeting.

Convertible Notes:

Robo has entered into a Convertible Note Agreement with L1 Capital Global Opportunities Master Fund, that will allow the Company to receive A\$400,000 from the issuance of a new convertible note (the "**First Convertible Note**") issued under the Company's existing placement capacity.

The First Convertible Note if not redeemed or converted earlier, will have a 12 month term and a 0% interest rate, and be issued at \$1.00 per note with a face value of \$1.10 per note, and will be an unsecured obligation of the Company. The First Convertible Note, if converted by the Note Holder, will convert into a maximum of 11,000,000 ordinary shares, unless otherwise agreed by shareholders. The Company will issue 2,256,410 options with an exercise price of \$0.078 per share representing a 30% premium to the placement issue price. The options equal 40% of the face value of the First Convertible Note divided by the exercise price, and will be issued subject to shareholder approval at the Company's next General Meeting.

To minimise dilution, the Company has the option to repurchase 100% of the outstanding face value of First Convertible Note within 180 days following draw down, at 120% of the outstanding face value, with the Note Holder having the election to exclude up to 50% of the face value of the convertible note from the buyback.

The First Convertible Note will be made within the Company's available placement capacity under ASX Listing rule 7.1, subject to regulatory confirmations from ASX, the lodgment of a compliance prospectus, and other customary conditions, however the agreement contains provisions requiring the approval of the Company's shareholders at a general meeting to be held within 45 days.

The Company also has the option but not the obligation to draw an additional \$1.0 million (the "**Second Convertible Note**") under the Convertible Note Agreement if mutually agreed, subject to its share price remaining above \$0.040 per share and obtaining shareholder approval at the Company's next meeting of shareholders.

For personal use only

The Second Convertible Note will have a 12 month term, 0% interest rate, and be issued at \$1.00 per note with a face value of \$1.10 per note, and will be an unsecured obligation of the Company. The Second Convertible Note, if drawn by the Company and converted by the Note Holder, will convert at the lower of a) 93% of average of the two lowest daily volume-weighted average prices during the 7 trading days prior to the Conversion Notice Date (but subject to a minimum conversion price to be approved of \$0.005) and b) the Placement Price of \$0.060 per share.

In addition, if the Second Convertible Note is drawn, the Company will issue options equal to 40% of the face value of the Second Convertible Note, which will convert at the lower of a) \$0.078 or b) 130% of the daily VWAP on the Trading Day immediately prior to the date of the draw down, subject to shareholder approval at the Company's next General Meeting.

In a further effort to minimise dilution, the Company has the option to repurchase 100% of the outstanding face value of Second Convertible Note within 180 days following draw down, at 120% of the outstanding face value, with the Note Holder having the election to exclude up to 50% of the face value of the convertible note from the buyback.

The Second Convertible Note will be made subject to and following the approval of the Company's shareholders at a general meeting to be held within 45 days.

— ENDS —

For personal use only

FORWARD LOOKING STATEMENTS

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

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

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

Further information

INVESTORS:

Erik Tyler — Head of Investor Relations
investors@robo3d.com

MEDIA — NORTH AMERICA:

Lindsay Anthony — Havas Formula
+1 619 234 0345 | robo@havasformula.com

About Robo 3D Limited

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

The company was founded in 2012 by a group of students from San Diego State University and delivered its first model to customers in 2013. Since then, Robo has grown into a leading brand in the desktop segment of the 3D printing industry, gaining significant traction online and through retail partners including Amazon and Best Buy. Robo commenced trading on the ASX on 22 December 2016.

To learn more about Robo 3D, visit: www.robo3D.com

For personal use only