

ASX ANNOUNCEMENT

ASX: RBO | 31 January 2018

December 2017 Quarterly Report & Financial Commentary

Robo 3D Limited (“**Robo**” or the “**Company**”), the emerging company delivering award-winning products for the desktop segment of the 3D printing industry, provides the following operational and financial performance highlights to accompany its Appendix 4C for the three months ending December 2017.

KEY HIGHLIGHTS

- Revenue (unaudited) for half year of \$4.3 million vs. \$1.8 million in corresponding period last year, up 140%.
- FY18 half year revenue (unaudited) 30% ahead of the full prior year FY17 revenue.
- Record quarterly revenue (unaudited) of \$2.8 million, 275% above corresponding quarter last year, and 90% above previous September 2017 quarter.
- Record quarterly cash receipts of \$2.2 million, 140% above prior quarter.
- Highest ever monthly revenue of \$1.3 million recorded in October 2017.
- \$4.5 million raised from 1-for-8 pro rata entitlements and placement.
- Continued emphasis on working capital management reflected by reduction in fixed operating costs of \$70k per month.
- Launch of the Robo R1+ model at price of US\$499, delivering over A\$750,000 of revenue during the December quarter.
- Continued expansion of sales footprint in international markets, expanding representation from 20 countries at end of September 2017 to 37 by year end.
- Expansion into new regions including key markets of Australia and the Middle East.
- Strong demand for R2 printers via retail and education channel partners as they gear up for important 2017 holiday/Christmas promotions and school buying cycles for first half of 2018.
- Various negotiations continuing regarding strategic partnerships and joint venture opportunities.

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Operational Highlights:

The Company has been executing its corporate strategy against the four strategic objectives and is pleased with the progress it is making, as highlighted in the table below:

Strategic Objective	March 2017 Qtr	June 2017 Qtr	September 2017 Qtr	December 2017 Qtr
Increase presence in education markets	<ul style="list-style-type: none"> Signed Wynit as USA distributor Best Buy for Education partnership 	<ul style="list-style-type: none"> Signed Chromebook re-seller Promevo for USA education strategy Opened 20 new school districts 	<ul style="list-style-type: none"> Signed leading education distributor, CDW Opened 15 new school districts Exclusive education trade events with Best Buy for Education 	<ul style="list-style-type: none"> Signed partnerships with numerous EDU-focused professional development and training companies Reseller agreement signed for leading 3D printing curriculum provider
New customer growth	<ul style="list-style-type: none"> Opened retail accounts at Target, Microsoft, Office Depot; Re-sellers opened in Turkey, Italy, Poland, Mexico, Venezuela, Argentina 15 new re-sellers opened in USA 	<ul style="list-style-type: none"> Signed Synnex as distributor in Canada Opened retail accounts in Canada with Best Buy, Staples, NCIX, and The Source First European Distributor (France) 20 new re-sellers opened in USA 	<ul style="list-style-type: none"> New distributor for Benelux New distributor for India Sales representatives expanded to cover 20 countries 15 new re-sellers opened in USA 	<ul style="list-style-type: none"> New distributor for Australia New distributor for Middle East, serving 14 countries Sales representation expanded to cover 37 countries 5 new value-added EDU re-sellers opened in USA
Existing customer expansion	<ul style="list-style-type: none"> Expanded into Amazon in UK, Spain, Germany, France, Italy 	<ul style="list-style-type: none"> Staples C2 roll-out in retail stores Microsoft in-store demos 	<ul style="list-style-type: none"> Monthly committed re-orders from key international distributors Commencement of R1+ exclusive with Amazon, now selling 3 printer models 	<ul style="list-style-type: none"> Commencement of R1+ selling with Amazon UK Repeat orders from international distributors Record monthly revenue on robo3d.com
Product innovation	<ul style="list-style-type: none"> Launched C2 smart 3D printer Foxconn manufacturing agreement Simplify3D integration Released Robo app for iOS 	<ul style="list-style-type: none"> Launched R2 Good Design Award winner 	<ul style="list-style-type: none"> Integration with Palette+, the multi-colour filament system Amazon Alexa integration Agreement to distribute ColorFabb filament into USA 	<ul style="list-style-type: none"> Android beta testing completed iOS app updates Beta testing of major firmware update Launch of new Drone Print Project

At the commencement of 2017, management set out to actively diversify the business from being a one-product, USA-centric business, to a business with a diversified product portfolio, global distribution footprint, and a trusted and recognized brand in the global 3D printing industry.

By the end of December 2017, the Company was actively selling three models of 3D printers, a range of 3D printer project kits, and a wide selection of consumables, into a much-expanded distribution footprint across 37 countries, compared to just four only 12 months earlier. During the second half of the year, the Company re-focused its marketing efforts with stronger emphasis on user-generated content via social media, internal content creation such as case studies, and an increased presence at trade events.

The result of these important business development foundations laid throughout 2017 came to fruition in the December 2017 quarter figures: record quarterly revenue of \$2.8 million, 275% above the December quarterly revenue in the prior corresponding year, and record cash receipts of \$2.2 million.

Operational Highlights

Robo entered the December quarter with strong momentum achieved from the delivery of pre-orders for the Robo R2 obtained prior to its general release.

The Company continues to see growth opportunities in the US market, particularly in the education segment with the support of its strategic partners, as well as strong demand from 3D printing (and related) specialist distributors and re-sellers. The demand for 3D printers in the personal/desktop segment is expected to continue to grow at c. 50% per annum until 2021, reaching an estimated 1.9 million units.

On the retail side in the USA, the industry has seen a softening in demand from traditional retailers as a result of the rising influence of online retailers, particularly Amazon, in line with broader retail trends. But we did see an uptick in performance at specialty electronics retailers during the quarter.

Fortunately for Robo, the Company continues to expand its long-standing relationship with Amazon, highlighted by the re-launch of the Robo R1+ that was sold via Amazon through the December quarter, and remains a key channel along with www.robo3d.com to target consumers and small businesses both in the USA and in selected international markets.

The following is a summary of the key operational highlights for the September 2017 quarter:

Sales:

- Delivered on the strong pre-orders that were received in September 2017, resulting in record monthly revenue of \$1.3 million for October 2017.
- Launch of the Robo R1+ at US\$499 available via the online channels of both www.robo3d.com and Amazon exceeded expectations, delivering more than \$750k revenue from mid-October. The company will continue to market this product throughout 2018.
- Distribution agreement with Bilby 3D Pty Ltd ("**Bilby**") for sales and distribution expansion into Australia. Headquartered in Sydney with offices in Melbourne and Brisbane, Bilby 3D has grown into a leading distributor of 3D printers and related products in Australia, with an unrivalled sales and support footprint encompassing each of the major cities across the east coast of Australia.
- Distribution agreement announced with GoPrint 3D ("**GoPrint3D**"), the UK's largest 3D printing-focused distributor. GoPrint3D launched in 2013 as part of Express Group, a provider of 2D printer repair and spare parts to the UK for over 26 years. Importantly for Robo's strategic ambitions, GoPrint3D is heavily involved in the UK education sector, regularly providing talks to education providers about the potential applications of 3D printing in the learning environment.
- Robo has entered into a distribution agreement with Raidy Printing Group ("**Raidy**"), for the sale and distribution of Robo's extensive product range of 3D printers and associated products into the following 14 countries: Bahrain, Egypt, Iraq, Iran, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Yemen. Raidy has developed market-leading positions in 3D printing and is the preferred partner to many leading brands in the industry and is considered the most reliable provider for premium additive manufacturing brands across the Middle East.

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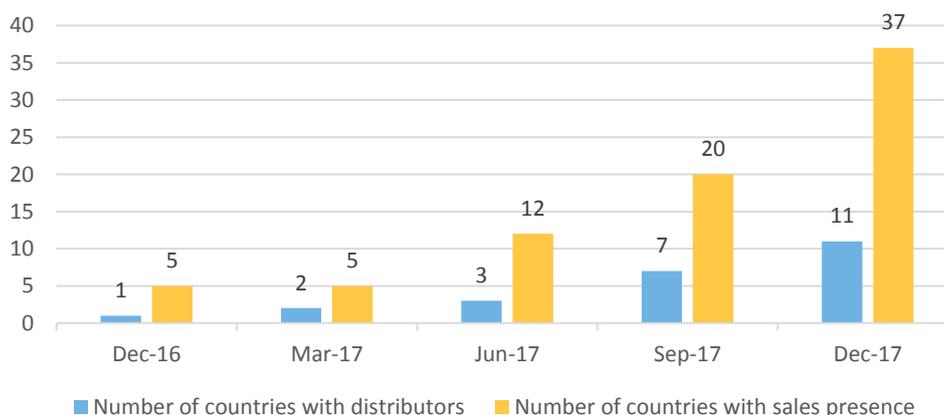
Since the Company's listing in December 2016, Robo has successfully expanded its sales and distribution presence into 37 countries (including our home market of the USA), adding sales channel partners as follows:

New international sales channels added					
Quarter end	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
New sales channel partners added	Australia (R) Canada (R) Mexico (R) Poland (R)	Canada (D) (A) Mexico (R)	Argentina (R) France (A) France (D) Italy (A) Spain (A) Turkey (R) UK (A) Venezuela (R)	Belgium (D) Brazil (R) Croatia (R) Greece (R) India (D) Israel (R) Italy (R) Luxembourg (D) Netherlands (D) Poland (R)	Australia (D) UK (D) Bahrain (D) Egypt (D) Iraq (D) Iran (D) Jordan (D) Kuwait (D) Lebanon (D) Oman (D) Palestine (D) Qatar (D) Saudi Arabia (D) Syria (D) UAE (D) Yemen (D)

Notes

D: Distributor
R: Reseller
A: Amazon

Number of Countries with Robo Sales Presence



The Company continues to actively pursue select new distributors re-sellers, and strategic partners to drive the expansion of Robo's international footprint with key markets in Europe and Asia a major focus for the first half of 2018.

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Marketing:

- Robo released a number of case studies highlighting the various uses of its products, which were picked up by major 3D printing blogs and distributed across social media:
 - “Using 3D printing to accelerate innovation in bike safety” featuring California-based Guardian Bikes: <https://robo3d.com/pages/guardian-bikes-robo3d-com-case-study>
 - “Bringing 3D printing to the fire department” featuring San0-Diego firefighter Andy Stotts: <https://robo3d.com/pages/creating-faster-response-times-with-3d-printing>
- Hosted a webinar “3D printing in the Classroom” on behalf of education partners Best Buy, which was attended by around ~100 US-based educators.
- Product reviews continued to be received, with LifeHacker posting its review titled “Robo R2: This is the 3D Printer You're Looking For” that generated significant interest: <https://gear.lifehacker.com/robo-r2-this-is-the-3d-printer-youre-looking-for-1819270064>
- Braydon Moreno, co-founder, was a guest presented at the Inside 3D Printing in San Diego.
- The Robo C2 was featured on the Christmas edition of “The Gadget Show” on Channel 5 in the UK.
- Launched new robo3d.com website in late October 2017 significantly enhancing the customer experience and shopping cart functionality.
- The Company continued to expand its social media presence:
 - Facebook: 111k followers
 - Instagram: 17k followers
 - Email: 25k email distribution list
 - YouTube: 1.8k subscribers

Product:

- Completion of integration with the “Palette+”, a multi-colour filament add-on from Mosaic Manufacturing that provides the ability to print with up to four colours and materials, which was successfully bundled along with Robo 3D printers.
- Continued improvements to production quality with unit cost reduction achieved across all products, with further pathways examined for further cost-down initiatives.
- Continued updates to the Robo App for iOS were released through the quarter, with beta testing of the Android version completed.
- Signed reseller agreement with education focused resellers for complementary training, professional development, and curriculum support.
- Continuing to pursue strategy of diversifying product offering, with new hardware and software product development underway, including some joint venture opportunities.

Corporate:

- Completed a placement of \$200,000 to USA-based strategic investor at an issue price of \$0.045 per share.
- Announced a 1-for-8 pro rata entitlement issue to raise \$1.5 million at an issue price of \$0.045 per share, that was fully underwritten, and completed on 27 November 2017.
- Completed a \$3.1 million placement to sophisticated investors, including major institutional funds at an issue price of \$0.045 per share.
- Negotiated and announced the extension of the Denlin Trade Finance Facility, converting the at-call loan into a 12-month term loan.

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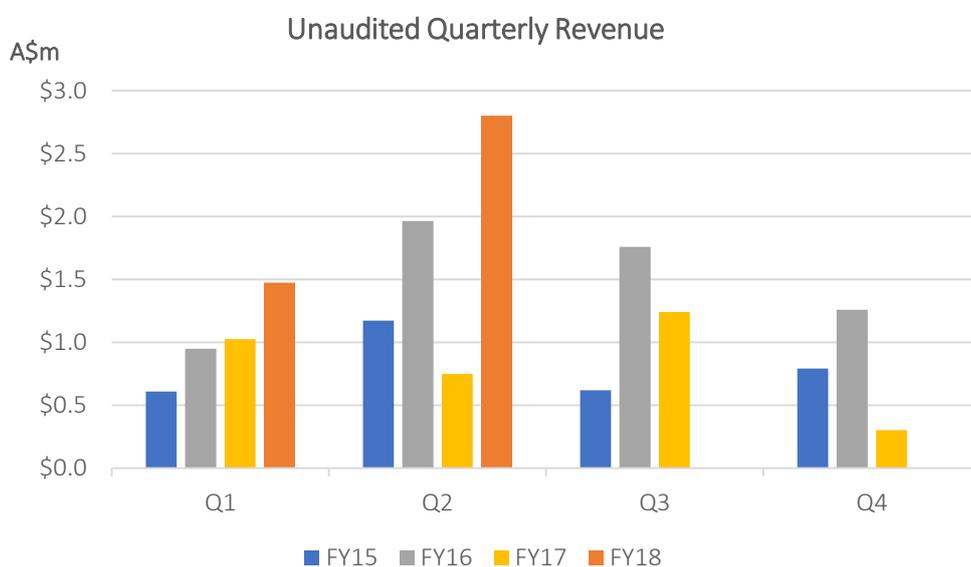
FINANCIAL HIGHLIGHTS

Robo is pleased to provide additional commentary on its financial performance for the quarter ended 31 December 2017.

As described above, the Company has been aggressively expanding its sales and distribution footprint following the release of its new range of 3D printers. The strong momentum in sales is largely attributable to the release of these products across this expanded footprint and the industry leading innovation Robo can offer its customers. Revenue for the December 2017 quarter reflects the first full quarterly benefit of Robo having all three models of its 3D printers available for sale.

As a result, the Company is very pleased to report that it recorded unaudited revenue of \$2.8 million for the December quarter, 275% higher than the December quarter of the previous year, and 90% higher than the prior September 2017 quarter. During the quarter, the Company also recorded its highest ever monthly revenue of \$1.3 million.

As advised on 30 November, the Company surpassed its revenue for all of FY17 within the first five months of the new financial year and is pleased to report that after an outstanding sales period across the major holiday seasons in the USA, it has recorded unaudited revenue of \$4.3 million for the six months ended December 2017, 140% higher than the same period last financial year. Importantly, the Company also collected over \$2.2 million in cash receipts from its customers, another record, as it seeks to reduce its cash burn and move towards sustainable operations.



Whilst the December quarter has historically been the strongest revenue quarter for the company, the impact from the many new international distribution partners announced through the latter part of 2017 accounted for less than 10% of revenue through the December quarter, and remains a good channel for growth in 2018.

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Robo is pleased to provide the following financial highlights on its unaudited management accounts:

- Revenue (unaudited) for half year of \$4.3 million vs. \$1.8 million in corresponding period last year, up 140%.
- FY18 half year revenue (unaudited) 30% ahead of the full prior year FY17 revenue.
- Record quarterly revenue (unaudited) of \$2.8 million, 275% above corresponding quarter last year, and 90% above September 2017 quarter.
- Record quarterly cash receipts of \$2.2 million, 140% above prior quarter.
- Record ever monthly revenue of \$1.3 million recorded in October 2017.
- \$4.5 million raised from 1-for-8 pro rata entitlements and placement.
- Reduction in fixed operating costs of \$70k per month., with further cost savings identified.
- Significant one-off cash outflows during the December quarter of \$800,000 relating to:
 - Non-recurring legal & litigation settlements: \$100k
 - Air-freight costs to meet urgently required sales orders: \$150k
 - Capital Raising costs (including legal and other fees): \$550k

As a result, the Company ended the December 2017 quarter with \$2.4 million cash at bank, with an additional \$350k to be received. The Company is continuing to explore a range of options with respect to non-dilutive capital, including trade finance facilities in both Australia and the USA.

Section 9: Estimated Cash Outflows for Next Quarter

It is important to note that this section does not include the benefit of the realisation into cash of existing inventory on the Company's balance sheet at December 2017 (\$1.3 million), nor the benefit of any cash receipts from customers expected during the next quarter.

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Closing Comments

The opportunity for Robo has never been better. We are operating in a rapidly emerging industry, expected to grow 3-fold over the next four years to reach an estimated 1.9 million units, compared to around an estimated 500,000 units in 2017. Importantly, Robo has broadened its product portfolio to now encompass three highly-regarded and award-winning 3D printers. With this expanded product offering, Robo enters 2018 well positioned for significant growth with its range of 3D printers targeted at three fast-growing segments:

- Robo R1+, retail price of US\$499, targeted at entry level users;
- Robo C2, retail price of US\$799, targeted at education and personal users; and
- Robo R2, retail price of US\$1499, targeted at prosumers and professionals.

With this 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. In addition, the Company is focusing on driving strategic commercial partnerships targeting several industry verticals, particularly the education sector. Further updates will be provided once commercial agreements are executed.

The Company continues to be extremely encouraged, and is thankful, for the ongoing support it has received from its shareholders, many whom participated in our Entitlements Issue in October 2017. Robo's employees, management, and board are highly motivated as we enter 2018, 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 3D printing and STEM-education across the world, and in doing so, sharing in the creation of significant shareholder value.

— ENDS —

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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:

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ryan@robo3d.com

Or email investors@robo3D.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

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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

ROBO 3D LIMITED

ABN

20 009 256 535

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,167	3,081
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,292)	(3,632)
(c) advertising and marketing	(95)	(318)
(d) leased assets	-	-
(e) staff costs	(962)	(1,735)
(f) administration and corporate costs	(673)	(1,295)
1.3 Dividends received	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(40)	(40)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	43
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,895)	(3,896)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

+ See chapter 19 for defined terms
1 September 2016

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	113
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received	-	-
2.5 Other (cash acquired in acquisition transaction)	-	-
2.6 Net cash from / (used in) investing activities	-	113

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,527	4,927
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	(219)	(219)
3.5 Proceeds from borrowings	928	1,444
3.6 Repayment of borrowings	(928)	(928)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	4,308	5,224

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	79	1,051
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,895)	(3,896)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	113

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,308	5,224
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,492	2,492

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	2,492*	79
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)	2,492	79

* \$352k still to be received from capital raising

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	107
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 Robo 3D Limited Directors and related entities for the December 2017 quarter.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

-

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8. Financing facilities available <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	750
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 with Denlin Nominees (see announcement 19 June 2017 titled "Sales Growth to Accelerate with Completion of A\$1.8m Funding" for full loan details)

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	1,500
9.3 Advertising and marketing	150
9.4 Leased assets	-
9.5 Staff costs	800
9.6 Administration and corporate costs	500
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,950*

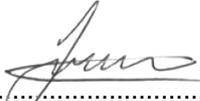
* The above estimated cash outflows for the next quarter does not take into consideration any cash inflows from the normal course of business.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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	-	-

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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:31 January 2018.....
(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.

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