



31 July 2017

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2017

The directors of 333D Ltd (ASX:T3D or Company) provide the following commentary in relation to the Company's operations for the last quarter ended June 30, 2017. The Company released to the ASX a market update on July 10<sup>th</sup> and a corporate presentation on July 19<sup>th</sup>. Both documents gave a detailed analysis into business operations over the last twelve months and provided insight into the Company's strategy for the future.

### Summary of Cash Position

Put simply the Company's cash outflows were substantially greater than cash receipts and that trajectory could not continue. Vast resources were spent creating and marketing our Australian designed and built 3d printers that were tailored for the education sector. We received a great deal of interest from schools and positive feedback from teachers, however the price point was far in excess of what they were prepared to pay. We completely understand the cost pressures schools face and the ever-expanding array of products and devices they require that compete for relatively small financial budgets. Consequently, the Board reviewed all operations and chose to cease manufacturing our school 3d printers. With this decision, and other cost saving initiatives, the Company expects cash outlays to reduce by \$100,000 per month.

On Monday July 17<sup>th</sup>, the Company announced a private placement which raised \$525,000 from sophisticated investors. Shares were allotted on July 21<sup>st</sup>. The capital raising, coupled with expected cash refunds for participation in R&D and export development grant programs in September and October, provides the Company with working capital and allows us to allocate resources to the two divisions we believe will drive revenue: 3d printing as a service and 3d digital capture.

### 3D on Demand

The cash flow statement clearly shows that the Company expended substantial amounts of cash in employee costs and capital equipment (ie: 3d printers) in the last 12 months. We have built the broadest 3d printing-as-a-service offering in Australia, enabling us to meet the diverse needs of customers seeking to 3d print in metal, nylon, resin, sandstone and full range of plastics. We are receiving substantial in-bound consumer requests for our 3d on demand service, and our main priority is to reach new customers and convert existing customers into repeat clients. Our real-time online quoting tool, which went live on July 10<sup>th</sup>, has simplified the ordering process by providing customers with immediate printing quotes 24 hours a day, seven days a week.

The cost of our 3d printing equipment is more than \$1.5 million and hasn't generated the return we expected. We need to do more to acquire customers. The following key factors have been communicated to us by our clients:

1. We are competitively priced
2. Our service turnaround is quick
3. The quality of our prints is exceptional
4. Our in-house design capability is an advantage

Based on this customer input, we know our 3d on demand product ticks all the marketability boxes. The aim now is building greater market awareness that will lead to customer acquisition and service excellence that will convert those new customers into repeat business.



### **3D Digital Capture**

Our 3d digital capture business has been buoyed by strong market responses at each of our Oz Comic Con and Supernova Pop Culture Expo activations. We produced highly detailed figurines that consistently exceeded the expectations of our customers. Part of our R&D efforts focus on making the process more efficient and reducing the cost of production in order to drive down retail price. Even though we are the cheapest in the market, the feedback we have received on the price of the figurines is that they are relatively expensive for most consumers. Leaving activation costs aside, these costs mainly relate to inputs that go into producing the figurine: 1) the creation of the data file, which requires rendering by a 3d artist to 'iron out all the kinks,' and 2) the consumables that go into the printing of the figurine, which are expensive and include powder, binders and glue. We are working on a process to reduce the cost of each of these aspects by substantially automating the data meshing process needed for file creation and by using different methods to build the figurines. If we have a successful outcome, the best-case scenario will reduce the complete cost to manufacture by 70% per unit from current cost. By reducing the cost to manufacture we can ultimately reduce the retail price and in doing so dramatically increase the size of the addressable market.

We currently have the best quality product on the market with the lowest retail price. Our 23cm single person figurine retails for \$249, whilst at Officeworks, a smaller size 22cm figurine retails for \$399. What we have identified is a key perception: everyone loves the product, so the market is huge, however the high price is a deterrence to the majority – and that is our opportunity. Our substantial investment in R&D is to reengineer the figurine creation process so we can price the product so its accessible and affordable to all without compromising our exceptional production quality.

### **AFL Launch**

The AFL player figurines are due to hit the market, with Essendon Captain, Dyson Heppell, being the inaugural figurine to be launched. As this is a new product in a new category, all stakeholders are keen to observe consumer take up of the 3d printed figurines. Product will be sold both online and in-store with prices ranging from \$79 to \$199 depending on size. The marketing of the product will include an email marketing campaign by Essendon and The AFL Store that will reach more than 120,000 unique members and supporters. We are endeavouring to undertake other forms of marketing and promotion that includes print, TV and social media.

### **About 333D Limited**

333D Limited (ASX: T3D) has been established with a clear strategy to become Australia's leading integrated multi-platform 3D technology company. Our goal is to make 3D technology accessible to everyone – which means creating a seamless, more intuitive process for converting ideas, designs, and real-life images into 3D printable objects. Our leading-edge approach unites the latest in next-generation digital and manufacturing technology to make 3D printing frictionless for businesses, industries, and schools. We are proud to offer Australia's broadest range of 3D printers for on-demand contract print services, as well as exclusive access to leading 3D digital technologies that make it easy to capture, enhance, and convert real-life images into touchable 3D objects.

To find out more about 333D visit: [www.333D.com.au](http://www.333D.com.au).



For further enquiries please contact:

John Conidi  
Executive Chairman  
+61 9646 0890  
[john@333d.com.au](mailto:john@333d.com.au)

Frank Pertile  
Managing Director  
+61 3 9646 0890  
[frank@333D.com.au](mailto:frank@333D.com.au)

## Appendix 4C

### Quarterly report under Listing Rule 4.7B

**Name of entity**

333D Limited

**ABN**

26 118 159 881

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

30 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>YTD (12 months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	78	111
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(64)	(360)
(c) advertising and marketing	(100)	(141)
(d) leased assets	-	(1)
(e) staff costs	(167)	(519)
(f) administration and corporate costs	(486)	(1,973)
1.3 Dividends received(see note 3)	-	-
1.4 Interest received	0	3
1.5 Interest and other costs of finance paid	(36)	(45)
1.6 Income taxes paid	-	211
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(9)	(10)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(784)</b>	<b>(2,724)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(14)	(1,242)
(b) businesses (see item 10)	-	-
(c) investments	(51)	(51)
(d) intellectual property	-	-
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>YTD (12 months) \$A</b>
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	18
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(65)</b>	<b>(1,275)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,406
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	-	(169)
3.5	Proceeds from borrowings	700	1,005
3.6	Repayment of borrowings	(28)	(243)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>672</b>	<b>1,999</b>

<b>4.</b>	<b>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	313	2,136
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(784)	(2,724)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(1,275)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	672	1,999
4.5	Effect of movement in exchange rates on cash held	-	
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>136</b>	<b>136</b>

5. <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	Current quarter \$A'000	Previous quarter \$A'000
5.1     Bank balances	136	313
5.2     Call deposits	-	-
5.3     Bank overdrafts	-	-
5.4     Other (provide details)	-	-
<b>5.5     Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>136</b>	<b>313</b>

**6.     Payments to directors of the entity and their associates**

- 6.1     Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

38

-

Amounts paid to directors and their related entities in respect of directors' and consulting fees.

**7.     Payments to related entities of the entity and their associates**

- 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

**Current quarter  
\$A'000**

72

-

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	(1,000)
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.		

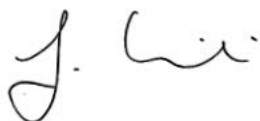
Secured facility provided by Lax Consulting Pte Ltd as announced to the ASX on 31 March 2017. Interest accrues at a rate of 15% per annum.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	20
9.2 Product manufacturing and operating costs	178
9.3 Advertising and marketing	20
9.4 Leased assets	72
9.5 Staff costs	320
9.6 Administration and corporate costs	90
9.7 Other (provide details if material)	170
- includes final payment for 3D printer and photogrammetry system	
<b>9.8 Total estimated cash outflows</b>	<b>870</b>

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



Sign here: .....  
(Director/Company secretary)

Date: 31 July 2017

Print name: John Conidi

**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.