

ASX ANNOUNCEMENT

ASX: RBO | 31 August 2017

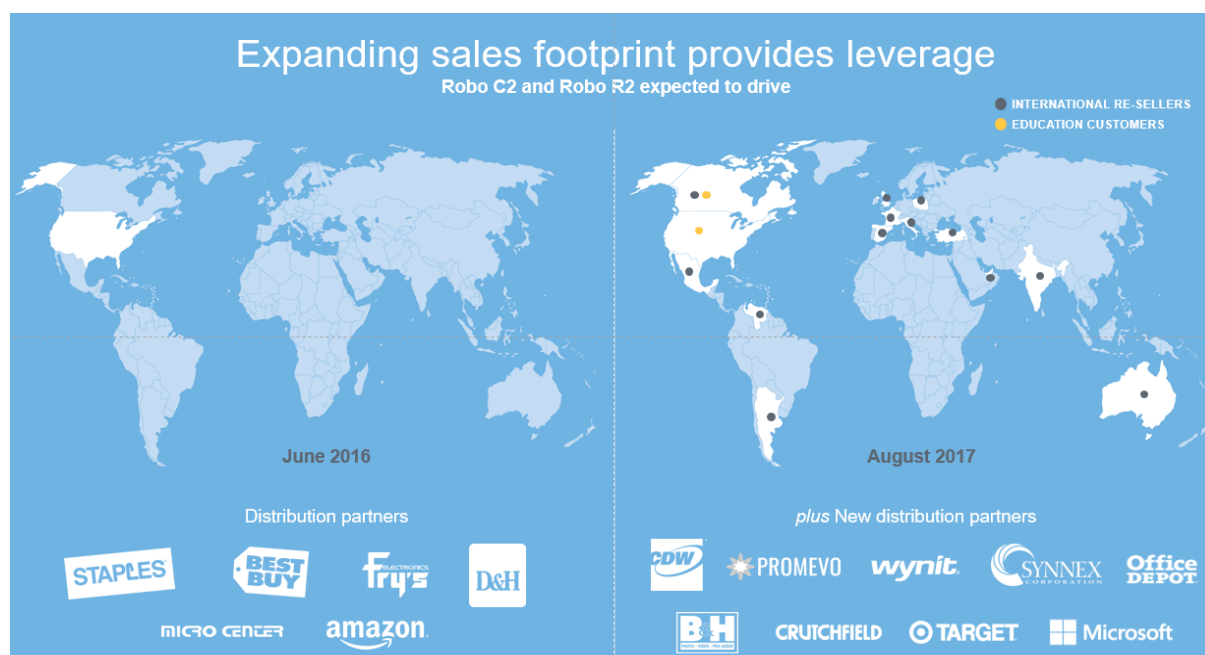
Preliminary Financial Results and Appendix 4E

HIGHLIGHTS

- Launch of new Robo C2 and Robo R2, including pre-sales of A\$800k prior to launch
- Unaudited revenue from Robo 3D’s operations of A\$2.0 million for the six-month period from 14 December 2016 to 30 June 2017
- Monthly revenue of A\$550k for June 2017, with growth continuing into new financial year
- New customer growth in USA with signing of new customers including CDW, Synnex, Office Depot, and Microsoft, and the opening of 20+ new value-added resellers
- International expansion in to 13 countries, with distributors signed in key markets including Canada, France, India, Netherlands along with Amazon in major European countries
- Increasing momentum into key education segment with opening of 30+ new school districts as well as partnership with Best Buy for Education
- Strategic partnerships executed with Simplify3D (software), Promevo (EdTech) and colorFabb (filament) to expand share of wallet, and diversify channel partner footprint
- Production capacity at manufacturing partners sufficient to meet expected demand for remainder of year, with three production runs currently scheduled

Robo 3D Limited (“**Robo**” or the “**Company**”), the emerging company delivering award-winning products for the desktop segment of the 3D printing industry, today provides its preliminary financial report (including commentary) and Appendix 4E.

Since the start of the year, Robo has successfully expanded its presence into the following key distribution channels in the USA, as well as internationally:



The Company continues to expand its international footprint & is actively engaged in discussions with a number of select distributors and resellers in key European & Asian markets.

In addition, the Company has also expanded its distribution network in the USA with the signing of new value-added re-sellers, and has collaborated with leading industry participants in the important \$8 billion per annum EdTech segment in the USA as it drives deeper into that segment.

Robo continues to execute its strategic objectives

The Company has been systematically executing its corporate strategy against the four strategic objectives as highlighted in the table below:

Strategic Objective	March 2017 Qtr	June 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
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
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
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

With the support of marketing campaigns including advertising, social media, and PR efforts, the Company is positioned to continue to deliver against these strategic objectives throughout the second half of the 2017 calendar year, which is typically the stronger half of the year on a revenue basis given the influence of the education buying season in the USA, the Thanksgiving weekend in the USA during November, and the holiday period through December.

Financial highlights

The Company relisted on the ASX and commenced trading on 22 December 2016, raising A\$6.0 million before fees and transaction costs.

The main purpose of the raising was to fund the working capital of the business and complete the development and launch of the Company's new range of smart 3D printers, the Robo C2 and R2. Robo C2 was delivered to its first customers in late December 2016, whilst the release of the Robo R2 was unfortunately delayed for several months due to the shift of manufacturing of this product to Foxconn, and then subsequent supplier issues with the initial production run. As a result, the Company's revenue growth plans were impacted due to having one product, the Robo C2, available for customers.

As a result of the delays in meeting the delivery dates for both models, the Company was forced to undertake an additional production run for the end-of-life Robo R1+ model to ensure continuity of product to meet ongoing demand. The impact of carrying lower inventory levels was compounded by the discounting of the Robo R1+ for several months longer than expected, impacting the revenues that could have been achieved in the half-year results.

Throughout this, the Company maintained a high degree of interest in the Robo R2, ultimately generating pre-sales of over A\$800k prior to the release of the Robo R2 in late May 2017. Pleasingly, demand has continued to be strong for our new products, recording **monthly revenue of A\$550k in June 2017, with growth continuing in the new financial year**. Based on current demand, and the level of purchase orders in hand, the Company expects the recent strong year-on-year revenue growth to continue through the first half of the new financial year. Given the production capacity at the Company's manufacturing partners, and the yields of over 80% that have been achieved in the most recent production runs, the Company does not foresee any capacity constraints with meeting this expected demand.

The Company continues to see strong growth opportunities in the US market, particularly in the education segment with the support of its strategic partners, and strong demand from specialist 3D printing distributors and re-sellers. On the retail side in the USA, the industry has seen a softening in demand from traditional bricks and mortar US retailers from the rising influence of online retailers, particularly Amazon, in line with broader retail trends.

Fortunately for Robo, the Company has a long-standing relationship with **Amazon** that we continue to foster, and which we are particularly enthused about with the Robo R2 now available and selling strongly.

The demand for 3D printers is expected to continue to grow at 50-100% per annum this year, and based on the Company's experience, we are confident of seeing this trend continuing.

The financial year was transformative for Robo with the listing on the ASX, and the release of its two new products: Robo C2 and Robo R2. Robo is pleased to report revenue of A\$2.0 million for the period, which only includes revenue from the operations of Robo 3D, Inc for the approximately six-month period from 14 December 2016 to 30 June 2017.

As described above, the revenue for this financial reporting period ending June 2017 does not reflect the full benefit of Robo having all its new products available for sale, with Robo R2 only becoming available for sale during the month of June.

The Company encountered significant one-off and non-recurring expenses related to the acquisition and subsequent reverse listing, including reverse accounting, transaction and capital raising fees, and share based expenses. The Company maintained a strong focus on cash flow management with management implementing numerous cost saving measures that delivered a reduction in cash burn of \$641k for the June quarter.

As a result, the Company ended June 2017 with a total of A\$1.2 million of cash at bank, plus an additional A\$750k of an undrawn loan facility. Subsequent to year end, the Company has completed two further drawdowns of A\$250k each to fund inventory purchases and working capital. The Company notes that its current financing structure is sufficient to meet its working capital requirements according to the current operating budget of the Company, and adds that if subsequent drawdown conditions for the remainder of the undrawn trade finance facility are not met, and further

drawdowns are not provided when requested by the Company, or alternative working capital sources cannot be found, there may be a deficiency in working capital.

The Company is pleased to inform that it is in advanced stages with a number of USA-based financiers with respect to providing a range of non-dilutionary trade finance and loan facilities to assist the Company with expanding its working capital capacity in order to meet its budgeted revenue growth, and will update the market at the appropriate time.

Corporate highlights

On 14 December 2016, Robo 3D Limited (formerly known as Falcon Minerals Limited), completed the acquisition of 100% of the issued capital of Albion 3D Investments Pty Ltd, which owns 100% of the issued capital of Robo 3D Inc., a San Diego-based company that designs and sells 3D printers and associated products for the emerging desktop 3D printer industry. Completion of the acquisition followed the successful completion of an over-subscribed \$6.0 million capital raising and the issue of all classes of securities pursuant to the Company's Prospectus dated 18 November 2016.

In June 2017, the Company completed a capital raising to accelerate sales and production efforts. The funding comprised a placement of 13,333,333 shares to sophisticated investors at an issue price of \$0.06 per share, alongside entering a binding term sheet for a A\$1.0 million trade finance loan facility from Albion Capital Partners, an entity associated with the Company's major shareholder, Mr. Tony Grist. The first drawdown of A\$250,000 was provided immediately. The Company has subsequently requested two additional drawdowns of A\$250,000 each. The funds are being used to:

- Complete production of Robo R2 printers;
- Sales and marketing support for growing international markets;
- Accelerating joint R&D development initiatives with Foxconn, the Company's major manufacturer; and
- Development of strategic partnerships and joint venture opportunities.

Closing Comments

Robo is continuing to grow its customer base and broaden its distribution and reach, while continuing to explore opportunities with other major retailers in the USA and internationally, as well as focusing on driving strategic commercial partnerships in several industry verticals, particularly the education sector and increasingly, professional and prosumer markets. 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 major shareholders, who share Robo's vision for the future of the desktop segment of the 3D printing industry. And we are buoyed by the enthusiasm of our new shareholders for our prospects.

The Board is excited about the opportunity available to Robo in 2017, as the Company continues to focus on its four key strategic goals: growing existing customers, adding new customers, increasing presence in the education sector, and delivering industry leading product innovation.

— 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 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

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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