



ASX ANNOUNCEMENT
ASX: SF1 | 30 April 2020

March 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 31 March 2020.

KEY HIGHLIGHTS

- Added to several State- and District-wide contracts that will begin to deliver revenue in the new school year.
- Expanding relationships with several foundations focused on providing equitable access to technology and instruction.
- Impact of Covid-19 due to schools closing was significant during the month of April

COVID-19 Impact

During the quarter, the US operating business MSK Inc was impacted by the outbreak of COVID-19 virus, disrupting supply chains for manufactured inventory out of China and sales activity in the domestic US education market. Nonetheless, the US business continued to build the sales pipeline with revenues from prospective customers expected to grow strongly in future quarters when schools and channel partners resume normal trading.

March 2020 Quarterly Cash Flow Commentary

Key Highlights for the quarter include:

Sales:

- Continued to expand relationship with UDT in Florida with several-district level opportunities where Robo 3D and MyStemKits are the preferred 3D printing vendors.
- Continued partnership with Cal Ripkin Snr Foundation rolling out another 40 STEM labs including our 3D printing products.
- In conjunction with Boxlight, presented at a major STEM showcase in China.
- Added to several State contracts in Colorado, Texas and Oklahoma for 3D printing hardware.

Product:

- Release of integrated 3D printing design challenges with Boxlight’s MyBot robot and Labdisc STEM product.
- Further development of MyStemKits website to include student-focused design challenges.

The Company has also undertaken significant community work assisting hospitals and health workers in San Diego by 3D printing face shields. Over 2,000 face shields have been delivered to hospitals using our 3D printers, with local donors also supporting these efforts. In addition, through our MyStemKits platform, we have open-sourced our design files and have students from all over the USA 3D printing these products to deliver to their local communities.

Corporate Update

As announced on 5 February 2020, STEMify advised it had entered into an asset purchase agreement (Agreement) with Boxlight Corporation (BOXL) to dispose of the Company's 3D printing hardware and the MyStemKits K-12 curriculum business for US\$600,000. As the US operating business was the main



undertaking of STEMify, approval was sought at a shareholders meeting on 19 March 2020 with shareholders voting 98.2% in favour of the sale to Boxlight.

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. 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. BOXL provides whole-class learning, small-group collaboration, formative assessment and STEM-based learning solutions to the global K-12 education market. These solutions include software and classroom technology that enable teachers to easily and effectively enhance student outcomes and build essential skills such as critical thinking, collaboration, communication, and creativity.

The transaction will not result 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.

At 31 March 2020, the Company had \$1.05m in cash and expects future quarterly costs to materially decrease. 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 in 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.

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 is a company listed in Australia focused on developing and marketing STEM education curriculum in various countries, substantially the USA, utilising interactive tools including 3D printing.

The Company now operates through its USA subsidiary, MyStemKits, Inc.

About MyStemKits

MSK was established in 2013 and has grown into a leading USA “EdTech” business that develops and markets the world’s largest library of Science, Technology, Engineering and Math (**STEM**) curriculums incorporating 3D printed project kits for K-12 schools, all aligned to USA national science and mathematics standards. It was recently recognised as a finalist for the best STEM Solution by EdTech Digest at the 2018 EdTech Awards.

MSK’s lesson plans were developed over five years in conjunction with The Florida Center for Research in Science, Technology, Engineering and Mathematics at the Florida State University (**FCR-STEM**). An estimated US\$20 million was invested into the development and extensive testing in the classroom.

To learn more about MyStemKits, visit: www.mystemkits.com

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")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	175	1,089
1.2 Payments for		
(a) research and development	-	(3)
(b) product manufacturing and operating costs	(35)	(520)
(c) advertising and marketing	(8)	(25)
(d) leased assets	-	-
(e) staff costs	(211)	(672)
(f) administration and corporate costs	(256)	(1,073)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
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)	-	-
1.9 Net cash from / (used in) operating activities	(334)	(1,201)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(38)	(89)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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	(38)	(89)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,313
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	-	18
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	-	2,331

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,423	12
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(334)	(1,201)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(89)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,331
4.5	Effect of movement in exchange rates on cash held	-	(2)
4.6	Cash and cash equivalents at end of period	1,051	1,051

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	1,051	1,423
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)	1,051	1,423

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

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

104

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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

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

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)

(334)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

1,051

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

1,051

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

3

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.

30 April 2020

Date:

Authorised by: 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.