



COMPANY UPDATE

March 2019

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1. EXECUTIVE SUMMARY



Focus on STEM education

- Acquired MyStemKits, an EdTech business that develops & markets the world's largest library of STEM curriculum with 3D printable kits for K-12 schools
 - Redefined core business from manufacturer of desktop/consumer 3D printers to an integrated STEM education solution company providing software, curriculum and hardware to the rapidly expanding global STEM education sector
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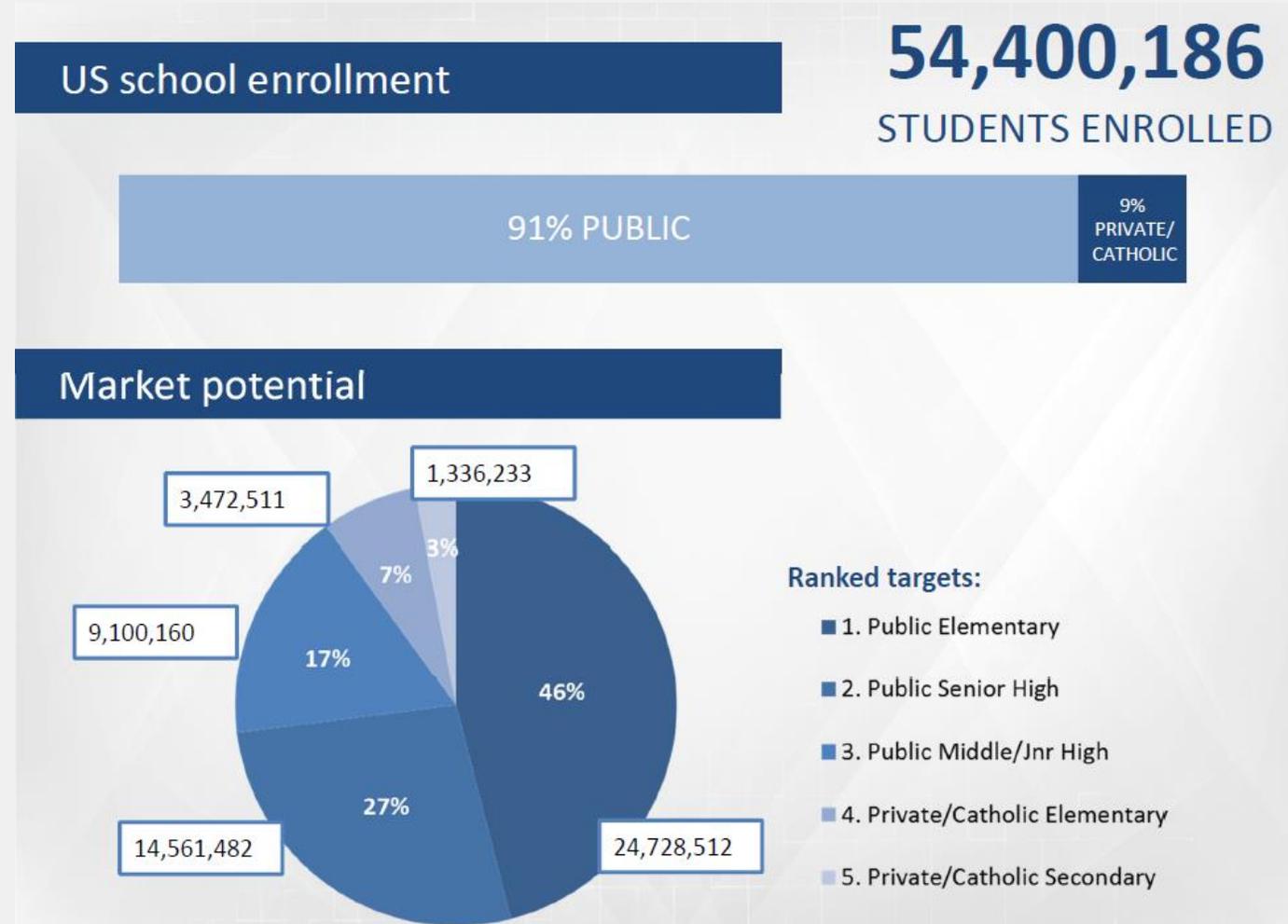
Sales Focused Culture and Expanding Pipeline

- Implementation of focused MSK sales strategy into K-12 schools via US national resellers, several new tier 1 resellers, and several large partnership opportunities
 - Integration with other 3D printer manufacturers to expand addressable market opportunity for MSK and 3D printer bundles
 - Introduced new Sales Commission Plan to drive sales team behaviour.
 - Rapid growth of sales pipeline
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Opex & Corporate Restructure

- Major reductions to senior management team and director wages
- Realised annualised cost savings of US\$2 million by December 2018, total annualised cost reduction of US\$3 million expected by Mar-2019 substantially reducing breakeven
- Headcount reduced from 35 at September 2018 to 15 at December 2018

Significant Opportunity in the USA with 50m+ Students and 100k+ Schools



Rapid Growth in Sales Pipeline

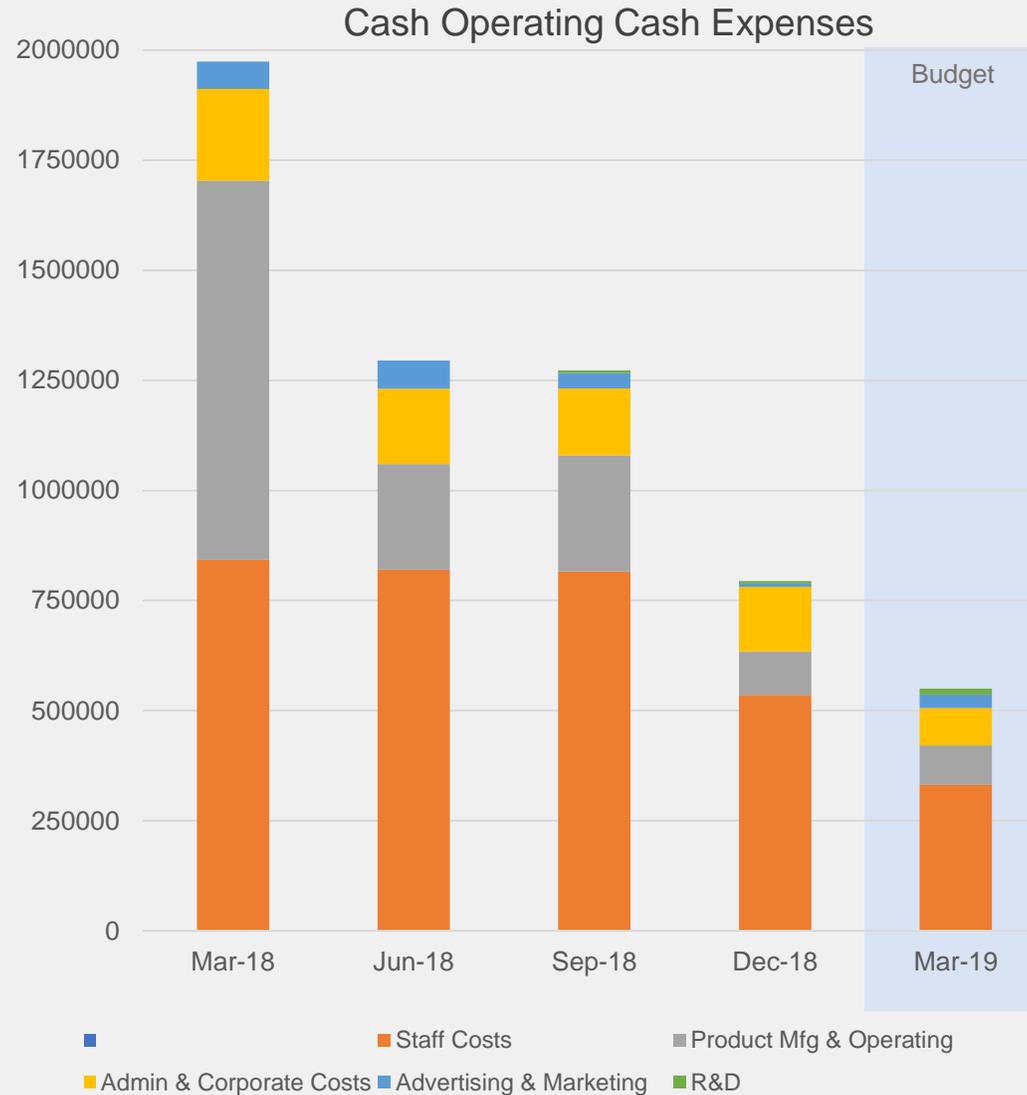
Sales Pipeline Experiencing Rapid Growth, driven by:

- Stronger sales driven culture
 - Focus on key education resellers
 - Increased trade show activity
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Diverse Revenue Opportunities:

- Resellers via deal registration opening up larger school district deals
- Direct leads via expanded trade show attendance
- Direct leads via digital marketing initiatives
- First major corporate partnership completed, with The Meemic Foundation launching Robo and MSK into 40 new schools as a pilot

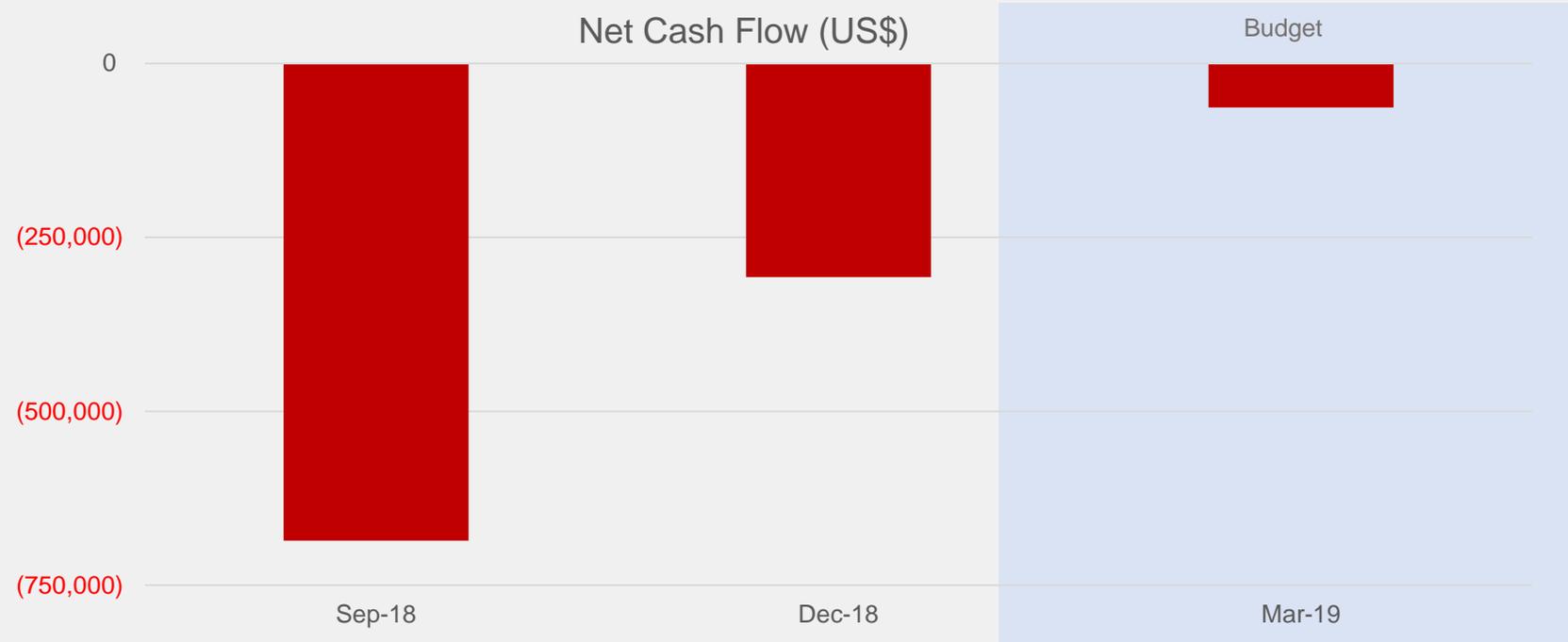
Cost Reduction Plan Delivering Significant Savings, Full Benefit Realised in June 2019 Quarter



- Total cash outflows for Dec-18 reduced by 38% compared to prior quarter.
- Full benefit of cost reductions that occurred in Dec-18 Qtr seen in Mar-19 Qtr reduction.
- Staff costs expected to reduce another 32% from Dec-18 Qtr, resulting in Staff Costs for Mar-19 being 55% lower than Sept-18 qtr.

Excludes listed holding company costs in Australia; budget excludes new inventory purchases

Demonstrable Pathway to Cash Flow Positive



Excludes listed holding company costs in Australia; budget excludes new printer inventory purchases and cash inflows for Mar-19 and Jun-19 quarter equal to Dec-18 actuals.

- Cost reduction plan completed by end of Mar-19 quarter, full benefit shown in Jun-19 quarter
- Assuming cash receipts for Mar-19 remains equal to Dec-18 actual cash receipts of US\$486k, USA operating businesses (excluding new printer purchases) moves towards cash flow positive

Strong Sales Momentum

**c.USD\$360K
Since 1 Jan 19**

Sales Strategy Showing Early Results

- Sell down of old printer inventory almost complete
- Calendar 2019 year to date sales c.USD\$360k in line with budget
- Most comprehensive curriculum solution in the market
- Bundle very price competitive

Multi Channel Revenue

- Resellers 70%
- Direct 30%

Key Products

- E3 Education Series 3D Printer + MyStemKits Starter Licence (US\$999)
- MyStemKits Classroom Licence + E3 Education Series 3D Printer (US\$1499)

Key Strategic Milestones to Deliver STEM Education Platform

Objective	December 2018	March 2019	June 2019
Cost Reduction Plan	<ul style="list-style-type: none"> Lower headcount Shut down international warehouses Shut down European office 	<ul style="list-style-type: none"> Move to new office with lower rent Fully outsource 3PL Further headcount reductions 	<ul style="list-style-type: none"> Final headcount reductions
Sales-focused culture	<ul style="list-style-type: none"> New sales commission plan Deal Registration program launched Sales training for key resellers 	<ul style="list-style-type: none"> Attend at 5 major EdTech trade shows School district STEM workshops 	<ul style="list-style-type: none"> Refinement of reseller partners to focus on key account partners School district presentations
MyStemKits Improvements	<ul style="list-style-type: none"> Launched hardware assisted software sale (HASS) strategy 	<ul style="list-style-type: none"> Release of c. 60 new lessons from Florida State University Release new Design Challenges on MyStemKits 	<ul style="list-style-type: none"> Launch upgraded MSK platform with improved UI/UX and data analytics.
Business Process Improvements	<ul style="list-style-type: none"> Beta testing of new ERP completed 	<ul style="list-style-type: none"> New ERP launched Closure of company warehouse and full move to 3rd party logistics 	<ul style="list-style-type: none"> Fully automated ERP fully integrated between sales, finance and third party fulfilment.
New Business Development	<ul style="list-style-type: none"> Strategic opportunities for large scale STEM Lab roll-outs in Detroit and New Orleans Integration with 3D PrinterOS for printer agnostic platform to stream MyStemKits' 3D design files to 75+ printers 	<ul style="list-style-type: none"> Launch new Professional Development offering for teachers focusing on STEM skills Completed first major partnership with charitable foundation, The Meemic Foundation. 	<ul style="list-style-type: none"> Launch of integrated STEM projects with other STEM tech companies



Significant Global Opportunity

Integrated Edtech company providing 21st century solutions to the rapidly growing K-12 STEM education market

Accelerating focus on STEM in Education

- The digital economy is driving governments & educators to redefine what 21st century learning should be
- Schools increasing the focus on developing the “Four Cs”: critical thinking, communication, collaboration, and creativity
- Technologies & skills involving robotics, coding & 3D printers are emerging as fundamental education tool to prepare students for this digital world
- 47% of schools are developing dedicated STEM Labs & Makerspaces, up from 26% in 2016 (Source: Project Tomorrow, 2018 Survey)
- In the U.S public schools system alone, US\$12.8b is spent on instructional materials annually, including textbooks, software, technology and kits
- MyStemKits is the most comprehensive curriculum content focused on math & science that utilises 3D printing technologies as part of student learning pathways

MyStemKits Highlights

- MyStemKits is an EdTech business that develops and markets the world's largest library of STEM focused curriculum with 3D printable kits for K-12 schools
- Five years of research at the Florida Center for Research into STEM at Florida State University (**FCR-STEM**) and estimated US\$20m of investment into development of curriculum and software
- Standards-aligned product suite enables teachers to utilise 3D printers to conduct lessons that comply with US standards
- Ongoing agreement with FCR-STEM for continued new lesson and content development:
 - 60 new lessons to be released in Q1 2019
- Products are readily adaptable for other countries moving towards a STEM-focused education system
- Currently 240 lesson plans and 170+ printable kits

Strong Competitive Positioning, Interoperable with market leaders 3D printers

Company	Number of STEM Lesson Plans	Source of Lesson Plans	Typical # Standards Addressed by Each Plan
Robo 3D/MSK	240+	FCR-STEM	10+
Makerbot	>100	Teacher Submissions	1
Ultimaker	57	Teacher Submissions	3
XYZ Printing	40	Company	1-2
Dremel	10	MSK	10+

- MyStemKits has the most comprehensive curriculum solution for 3D printing technology in K-12 schools.
- MyStemKits is also interoperable with other market leading 3D printers offering revenue opportunities with both resellers & schools who have already purchased other brands (MakerBot already in > 10,000 schools).

240 Lesson Plans

Each curricular lesson plan is accompanied by:

- Ready-to-print 3D model and assembly guide
- Teacher guide that details the Common Core and NGSS standards that each lesson addresses
- Student activities and handouts
- Student assessments



Case Study – Windfarm Kit

- Kit provides 3D printed wind farm blades and instructions for students to design their own
- Tests the efficiency of each design as it lifts a weight
- Students build and test designs to determine the optimal blade which balances cost and efficiency, investigating surface area, renewable energy sources, and the iterative design process

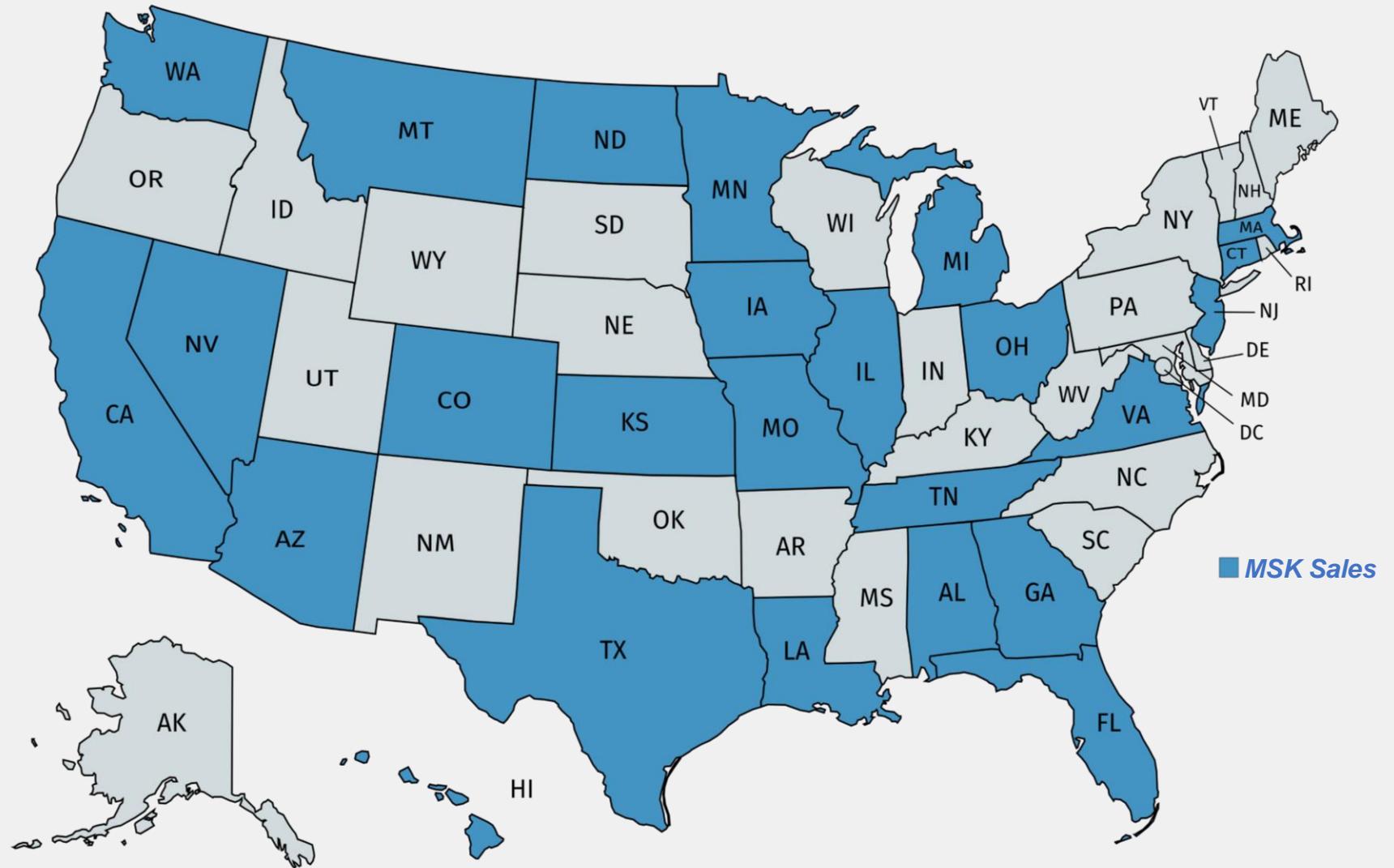
Attractive Cash Flow Profile, Annual Licenses Paid Upfront, Software Delivers Higher Gross Margins

- MyStemKits sells a range of Software-as-a-Service (SAAS) subscription plans that are paid annually upfront, providing an attractive cash flow profile

	Teacher Plan	Classroom Plan	School Plan
	12 months	12 months	12 months
# of Teacher Licenses (up to)	1	1	8
Access	Limited (up to 75 kits)	Unlimited Kits	Unlimited Kits
Online Training	Basic	Full	Full
Price	\$799.99	\$1,499.99	\$3,999.99

- When bundled as an integrated package with the E3 printer, SAAS margins enhance gross margins to 45-60% through wholesale channel (improves to 65-70% when sold direct to school by Robo/MSK)
- MyStemKits can be sold individually achieving gross margins of 80-85%

Early Results Validate Strategic Rationale & Confirm Size of the Opportunity



Established Presence in Top 20 School Districts in USA

STEMify has sold into 12 of the top 20 school districts in the U.S.

Ranking	School District	State	# of Schools	# of Students
1	New York City	New York	1,840	995,192
2	Los Angeles Unified	California	1,017	646,683
3	City Of Chicago Sd 299	Illinois	595	392,558
4	Miami-Dade	Florida	535	356,964
5	Clark County School District	Nevada	376	324,916
6	Broward	Florida	368	266,265
7	Houston Isd	Texas	287	215,225
8	Hillsborough	Florida	315	207,469
9	Orange	Florida	264	191,648
10	Palm Beach	Florida	282	186,605
11	Fairfax Co Pblc Schs	Virginia	222	185,541
12	Hawaii Dept of Education	Hawaii	283	182,384
13	Gwinnett County	Georgia	136	173,246
14	Dallas Isd	Texas	244	160,253
15	Wake County Schools	North Carolina	180	155,820
16	Montgomery Public Schools	Maryland	207	154,434
17	Charlotte-Mecklenburg Schools	North Carolina	169	145,636
18	San Diego Unified	California	228	129,779
19	Duval	Florida	218	128,685
20	Prince George County	Maryland	214	127,576
Top 20			7,980	5.3m
All			98,271	56.6m

Note: the Top 20 School Districts have over 5.3m students, compared to 3.8m in total in Australia

Leveraging Resellers to Provide Geographic Coverage & School District Access

- Resellers have long-standing relationships with school districts including exclusive contracts to supply products and services to schools
- STEMify has added several large specialist education resellers/distributors:
 - CDW: largest education reseller in the U.S
 - UDT: 12 sales people located in Florida (10 of top 50 largest districts in the U.S)
 - TEQ: specialist education reseller for key New York market
- Increasing traction with existing national resellers:
 - Troxell: national reseller c. 80 sales people
 - Best Buy: national reseller c. 80 sales people
 - Staples: national reseller holding significant number of supply contracts
 - Konica Minolta: international reseller of technology products and services
- Attended major education trade shows to support resellers: FETC in Florida, TCEA in Texas, and ESEA National Conference in Kansas City
- Completed district presentations in California, Nevada, Alabama, Michigan and upcoming district presentations in Oregon, New Jersey, Pennsylvania and Oklahoma

Heading into Key Buying Season for U.S Education



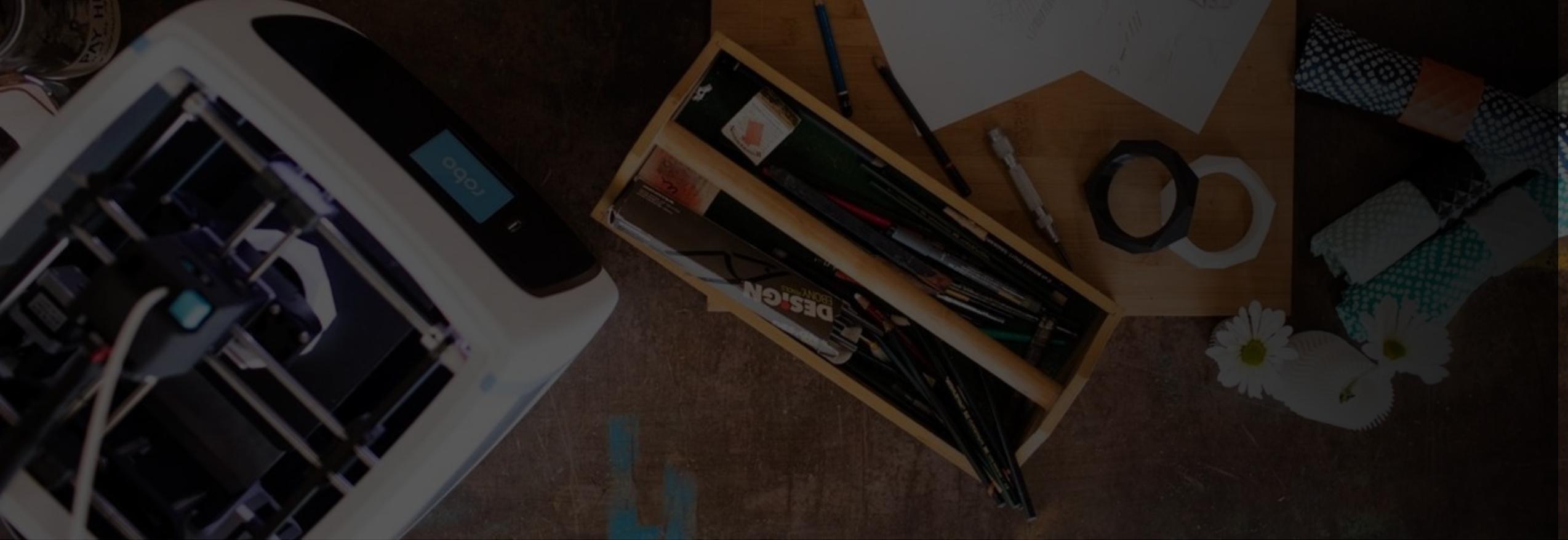
- Schools purchase all year round, however new budget year commences in July with the major purchases (particularly district-wide) occurring in August through to October
- Title 1 funding (c. US\$12bn) which is allocated towards under-served schools and populations is also released towards the end of this key buying season
- The lead-up to the end of school budget year (Feb to June) can also see a spike in purchasing as schools have “use it or lose it” funds or additional budget capacity to complete new spending

Company Data

Number of Shares	558.9M
Options	36.8M
Performance shares/rights	35.2M
Diluted	630.9M
Market Capitalisation – undiluted*	A\$3.4M
Market Capitalisation – diluted*	A\$3.8M
12 Month High/Low	A\$0.005/A\$0.012
Top 40 Shareholders**	380.6M – 68.1%

* Based on share price of \$0.006

** As at 5 February 2019



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