

ASX ANNOUNCEMENT

ASX: SF1 | 16 August 2019

Completion of Capital Raising, Debt Conversions & Board Appointment and Resignation

STEMify Limited (“**STEMify**” or the “**Company**”) provides the following update following completion of the recent placement and debt conversions.

KEY HIGHLIGHTS

- Completion of 45-for-1 consolidation
- Completion of \$2.25 million capital raising at 2 cents per share
- Conversion of all outstanding liabilities to secured lender, Denlin Nominees totaling \$1.4 million into 25m new shares
- Extinguishment and release of all security obligation to Denlin Nominees
- Appointment of Jonathan Pearce to board of directors, and acceptance of resignation of Braydon Moreno
- Sale of Robo 3D Inc assets by Assignee under ABC process completed with formal dissolution proceedings underway

COMPLETION OF PLACEMENT

At the general meeting of shareholders held on 30 July 2019, STEMify shareholders approved the placement of 87,500,000 new shares at 2 cents per share (post Consolidation) to raise a minimum of \$1,750,000 (before costs) with the ability to raise an additional \$500,000 in oversubscriptions (“**Placement**”).

The Company advises that it has completed the Placement. In completing the Placement, oversubscriptions in the amount of \$500,000 have been issued meaning total funds of \$2,250,000 has been raised (before costs) by the issue of 112,500,000 new shares.

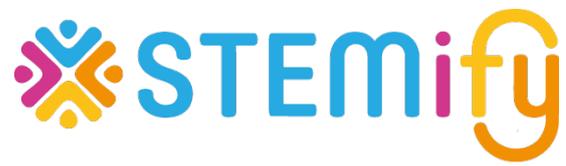
Proceeds from the Placement will be used to fund the development and sale of STEMify’s education-focused products including MyStemKits curriculum and 3D printer hardware, costs of the Placement, settlement of legacy creditors and general working capital purposes.

The Lead Manager to the Placement was Forrest Capital Pty Ltd (“**Forrest Capital**”) who will receive a fee of 6% on funds raised (excluding oversubscriptions placed directly by the Company to existing shareholders) and have been granted 30,000,000 unlisted options (post Consolidation) exercisable at 2.5 cents per option, with each option expiring on 31 December 2022.

Shareholders also approved the conversion of up to \$50,000 owed to various creditors of the Company into new shares at 2 cents per share (post Consolidation) in settlement of historical creditor positions which has resulted in the issue of 2,000,000 new shares (\$40,000 owed to creditors) in the Company (post Consolidation).

It is noted that shareholders approved a resolution to complete a consolidation of all existing securities on issue on a 1-for-45 basis (**Consolidation**). The Consolidation has now completed.

The Company also proposes to raise an additional \$100,000 via a placement to entities related to Mr Jonathon Pearce through the issue of an additional 5,000,000 shares at \$0.02 (the Placement price) on a post Consolidation basis subject to shareholder approval which will be sought at the next



shareholder meeting of the Company. As a proposed director of the Company Mr Pearce was not able to participate in the current Placement without shareholder approval.

CONVERSION OF SECURED LOAN & RELEASE OF SECURITY

The Company confirms that it has converted total debt of \$1,369,719 owing to Denlin Nominees Pty Ltd (“Denlin”) and its related parties comprising \$980,265 in principal, interest and fees under the Company’s Secured Loan facility, an additional \$210,300 in unsecured loans under the Bridge Loan Facility and \$129,203 owed under other unsecured creditor positions to 25,000,000 new shares in the Company (post Consolidation) (that have a value of \$500,000 at the Placement issue price of \$0.02 post consolidation). In addition Denlin has been granted the following unlisted options (post Consolidation):

- 12,500,000 unlisted vested options with an exercise price of 5 cents and expiry on or before 30 June 2023;
- 12,500,000 unlisted options, vesting upon the Company’s share price reaching a 5-day Volume Weighted Average Price (VWAP) of 7.5 cents with an exercise price of 5 cents and expiry on or before 30 June 2023; and
- 12,500,000 unlisted options, vesting upon the Company’s share price reaching a 5-day Volume Weighted Average Price (VWAP) of 10 cents with an exercise price of 5 cents and expiry on or before 30 June 2023.

All security interests held by Denlin and its related parties over the Company are now released.

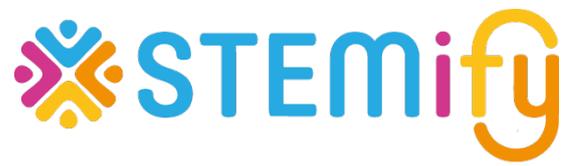
CAPITAL STRUCTURE

The capital structure following completion of the Consolidation, Placement and debt conversions is detailed below.

| Capital Structure ⁽¹⁾ | Shares | Unlisted Options | Performance Rights |
|---|--------------------|---------------------------|--------------------|
| Balance on issue prior to Placement and debt conversions (post Consolidation) | 12,420,960 | 817,042 | 783,350 |
| Placement (post consolidation) | 112,500,000 | 30,000,000 ⁽²⁾ | - |
| Conversion of Denlin debt (post consolidation) | 25,000,000 | 37,500,000 ⁽³⁾ | - |
| Conversion of other historical creditor positions (post consolidation) | 2,000,000 | - | - |
| Balance currently on issue | 151,920,960 | 68,317,042 | 783,350 |

Notes:

- 1) Securities issued on completion of the Placement and debt conversions are set out on a post Consolidation basis.
- 2) Options issued to Forrest Capital exercisable at 2.5 cents and expiring on 31 December 2022.
- 3) Options issued to Denlin comprising:
 - a. 12,500,000 Tranche 1 Conversion Options exercisable at 5 cents and expiring on 30 June 2023;
 - b. 12,500,000 Tranche 2 Conversion Options vesting upon the Company’s share price reaching a 5-day VWAP of 7.5 cents exercisable at 5 cents and expiring on 30 June 2023; and
 - c. 12,500,000 Tranche 3 Conversion Options vesting upon the Company’s share price reaching a 5-day VWAP of 10 cents exercisable at 5 cents and expiring on 30 June 2023.



BOARD CHANGES

The Company is pleased to confirm the appointment of Mr Jonathan Pearce to the Board as a Non-Executive Director with effect from completion of the Placement. Shareholders approved Mr Pearce's appointment as the recent general meeting held on 30 July 2019. Mr Pearce is an experienced corporate finance professional and has held senior roles in boutique investment houses. Mr Pearce is currently a Portfolio Manager of the CVC Emerging Companies Fund.

The Company also announces that Mr Braydon Moreno has resigned as a director of the Company with effect from completion of the Placement. The Company will still be able to avail itself of Mr Moreno's skills as he will continue to provide services to the Company as an independent contractor. The Company and its Board, on behalf of shareholders, would like to thank Mr Moreno for his contribution to the Company.

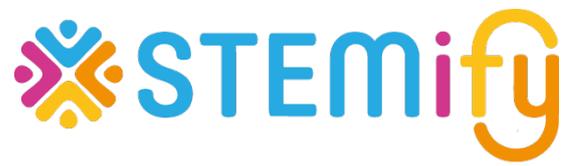
ROBO 3D, INC. UPDATE

On 6 June 2019 the Company announced that the US based, former manufacturing subsidiary Robo 3D, Inc. had appointed Robo 3D (ABC), LLC as Assignee for the Benefit of Creditors (**Assignee**).

Following a formal sale process by the Assignee on behalf of the creditors of Robo 3D, Inc., the Company confirms its US subsidiary MyStemKits, Inc. was the successful purchaser and has entered into a binding agreement with the Assignee to purchase the Robo brand & related assets including intellectual property, patents, trademarks and other agreements for a total of USD\$60k consisting of initial payment of USD\$35k (paid) and USD\$25k on or before 31 January 2020.

The Assignee has distributed the initial amount to creditors. In the coming months, the Assignee will lodge a final tax return for Robo 3D, Inc. and formally dissolve Robo 3D, Inc. thereafter.

— 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.

Further information

INVESTORS:

Tim Grice — Executive Director
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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