
STEMify

robo

MyStemKits.com

# *Robo 3D* Printers

## *MyStemKits* Education Software

## Update

November 2018

## Important Notice & Disclaimer

This presentation has been prepared by Robo 3D Limited (ACN 009 256 535) (Robo or the Company). The information contained in this presentation is current at the date of this presentation. The information is a summary overview of the current activities of the Company and does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment. This presentation is for general information purposes and is not intended to be and does not constitute a prospectus, product disclosure statement, pathfinder document or other disclosure document for the purposes of the Corporations Act 2001 (Cth) (Corporations Act) and has not been, and is not required to be lodged with the Australian Securities & Investments Commission. It is to be read in conjunction with the Company's disclosures lodged with the Australian Securities Exchange, including the Company's financial statements and previously lodged Prospectus.

The material contained in this presentation is not, and should not be considered as, financial product or investment advice. This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate.

This presentation contains information as to past performance of the Company. Such information is given for illustrative purposes only, and is not — and should not be relied upon as — an indication of future performance of the Company. The historical information in this presentation is, or is based upon, information contained in previous announcements made by the Company to the market.

## Forward Looking Statements

This document contains certain “forward-looking statements”, including statements identified by use of words such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘predicts’, ‘intends’, ‘targets’, ‘plans’, ‘goals’, ‘outlook’, ‘aims’, ‘may’, ‘will’, ‘would’, ‘could’ or ‘should’ and other similar words that involve risks and uncertainties.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Robo, which may cause actual results to differ materially from those expressed or implied in such statements.

Except as set out above, the Company and the Directors cannot and do not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Presentation, except where required by law.

These statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These key risk factors are set out in Section 9 of the Company’s Prospectus dated 18 November 2016. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Presentation.

This Presentation, uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors.

# 1. EXECUTIVE SUMMARY

# Completion of Acquisition

# New Chairman

# Focus on STEM Education in the US

# Name Change

- **Completion of acquisition of MyStemKits,** an EdTech business that develops and markets the **world's largest library of STEM curriculum** with 3D printable kits for K-12 schools
- New Interim Chairman – cornerstone investor - Tony Grist
- **Redefined core business** away from manufacturer of desktop consumer 3D printing, sold internationally, to education software sold *with* 3D printers focussed on the rapidly expanding US STEM education sector
- Substantial non-core **cost outs** of approximately US $3M annually
- Implementation of **new MSK centric national US sales strategy** into K-12 schools via national resellers, alignment of the MSK software and education content with other 3D printer vendors
- Onboarding and training of new sales staff
- **Name change** to STEMify Limited to reflect education focus

STEMify robo MyStemKits.com

# Focus on Core

## Opex Reduced

- From  US$5.2M  for FY 2018 to annualised US$1.9M from Dec 2018
- Headcount reduced to 14
- Sales team remains stable at 7

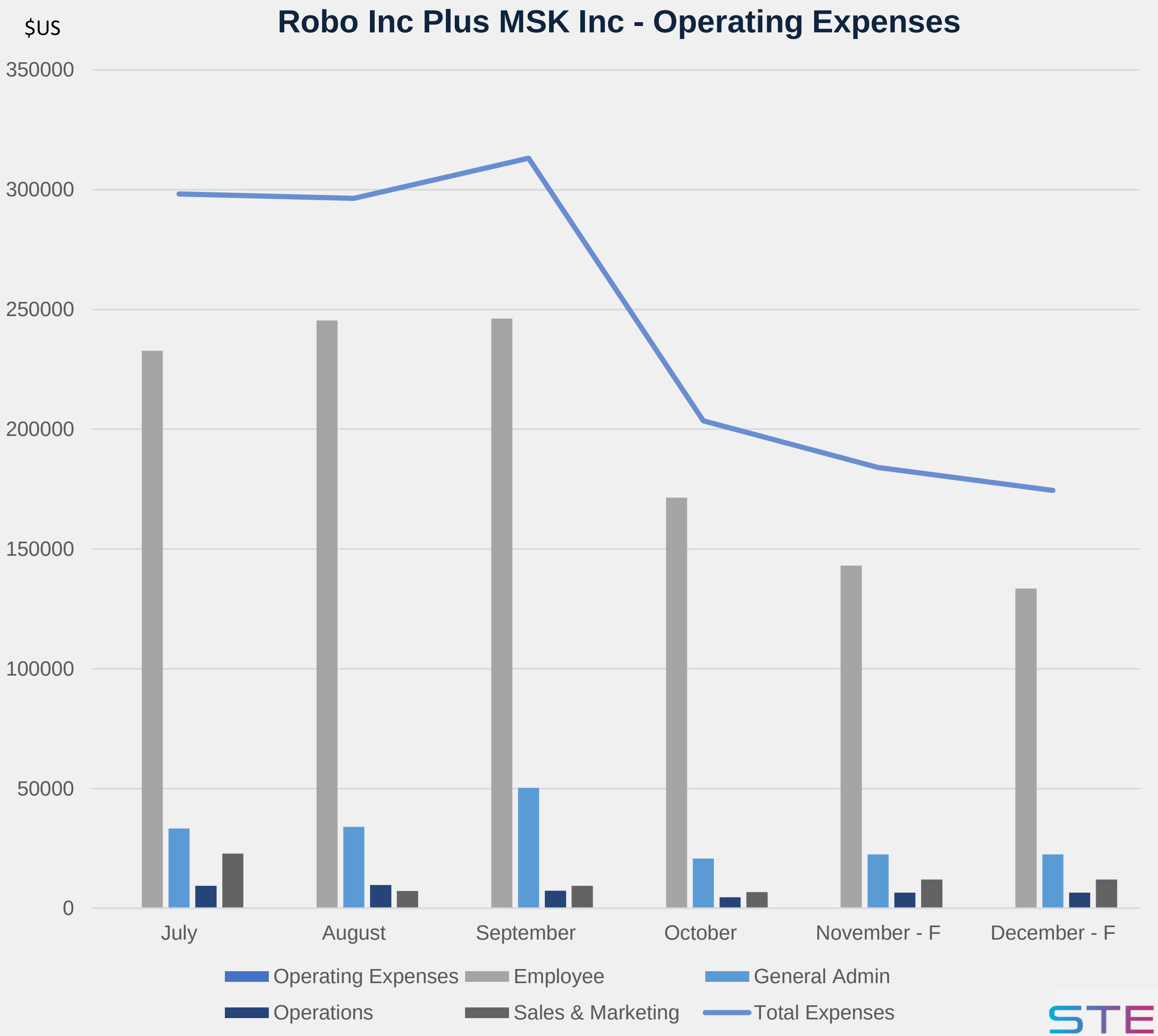
## Implement Systems

- ERP system to complete 1 Jan 2019
- MSK platform & website improvements to complete 1 Jan 2019

## Drive Sales Culture

- Introduced commission structure
- Laser focus on reseller relationships
- Complete update of marketing collateral

# Opex Reduced






# Opportunity

**Acquisition** of a STEM curriculum developer to create an **end-to-end** STEM solution for the **US education market**

# STEM Education Market

- **3D printers** are emerging as critical STEM education tools to prepare students for a digital world.
- **Education market** currently lacks a true end-to-end solution incorporating 3D printing.
- **Robo 3D printers can be bundled** with a curriculum subscription and sold as a turnkey solution for STEM education in K-12 schools.
- **US public schools spend $12.8b on instructional materials annually**, including textbooks, software, technology and kits.
  - **94,742 schools at $10,000 per school is a total addressable market size of ~$950m.**

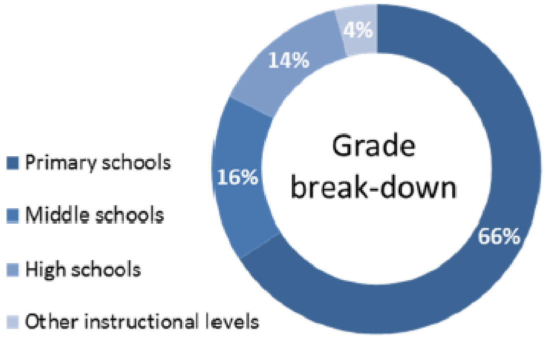
STEMify robo MyStemKits.com

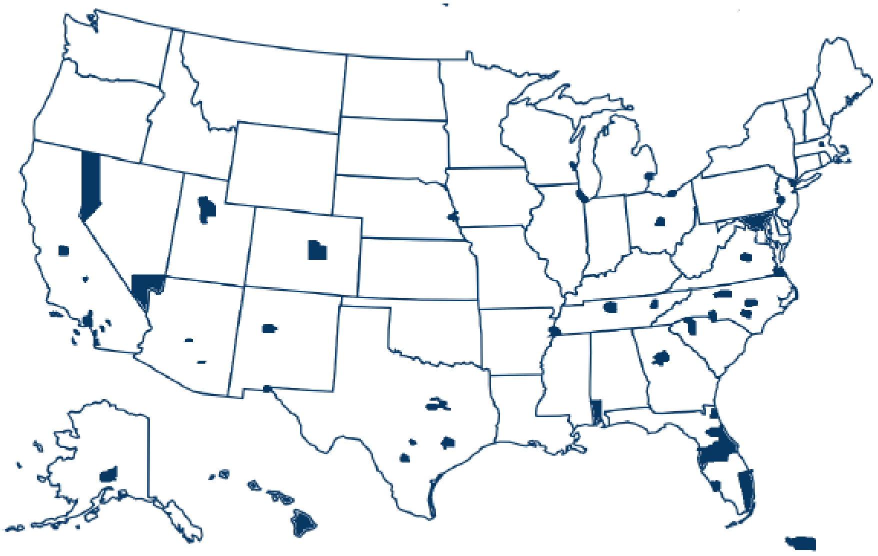
# US Traditional Education

## 100 Largest Public Districts

**1%** of all schools districts

**22%** of all public school students



Top 100 districts each contain
**at least 47,400 students**

**45% of top 100 largest school districts in:**

1. Texas
2. Florida
3. California

**Other top states:**

4. Georgia
5. Marylands
6. Virginia
7. North Carolina
8. Colorado
9. Utah
10. Tennessee

# US Traditional Education



## Top 10 States by Schools

- California - 14,408
- Texas - 11,643
- New York - 7,225
- Florida - 6,757
- Pennsylvania - 6,175
- Illinois - 5,988
- Ohio - 5,337
- Michigan - 4,571
- New Jersey - 3,998
- Georgia - 3,723

## Top 10 Districts by Student Population

| Name of reporting district | State | Total students (fall membership)[1] |
|---|---|---|
| New York City School District | New York | 989,012 |
| Los Angeles Unified School District[3] | California | 653,826 |
| City of Chicago School District 299[3] | Illinois | 396,641 |
| Miami-Dade County Public School District[3] | Florida | 356,233 |
| Clark County School District[3] | Nevada | 320,532 |
| Broward County School District[3] | Florida | 262,666 |
| Houston Independent School District 912[3] | Texas | 211,552 |
| Hillsborough County School District[3] | Florida | 203,439 |
| Orange County Public Schools[3] | Florida | 187,092 |
| Hawaii Department of Education[3] | Hawaii | 186,825 |

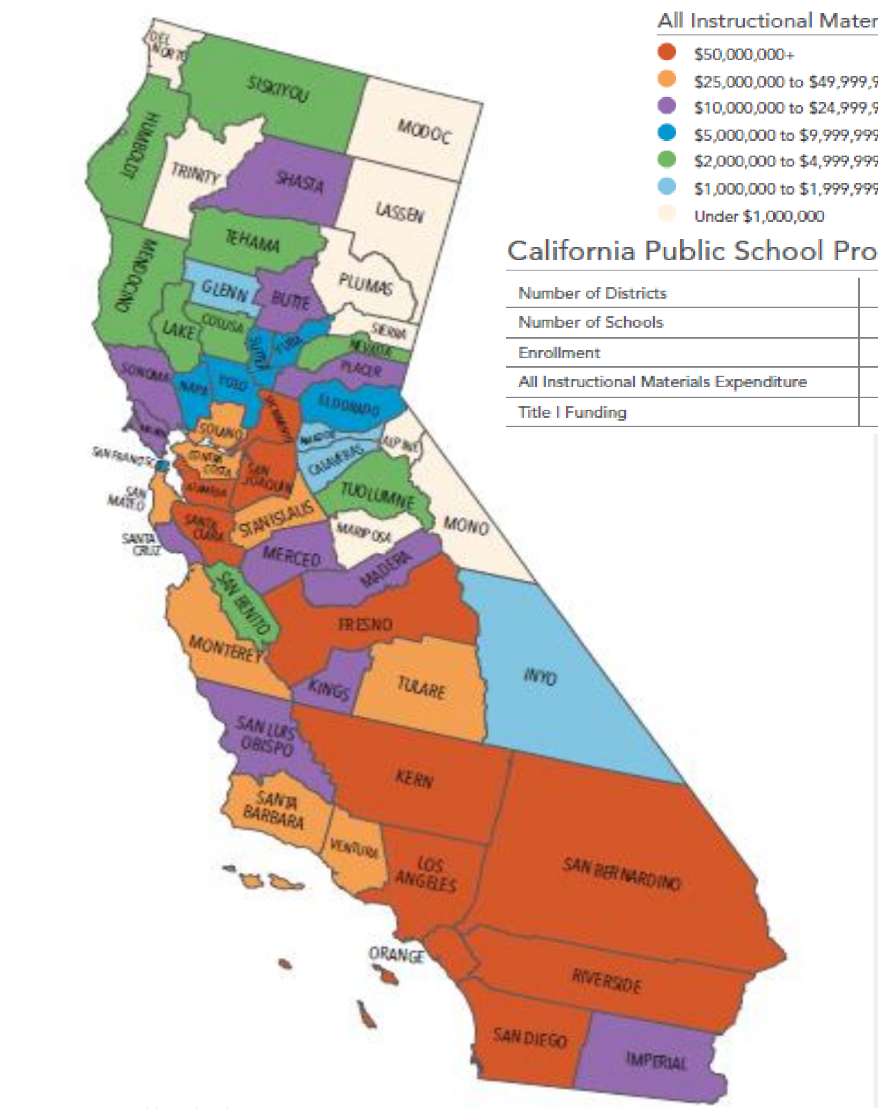
STEMify robo MyStemKits.com

# US Education Market



## Top 10 Market – California

- High school graduation rate: 83.0% (21st lowest)
- Public school spending: $9,417 per pupil (8th lowest)
- 8th grade NAEP proficiency: 27.1% (math) 28.4% (reading)
- Adults with at least a bachelor's degree: 32.9% (14th highest)
- Adults 25-64 with incomes at or above national median: 51.7% (21st highest)
- California has the largest network of public schools in the country — and also one of the worst-performing. Only 29.2% of fourth graders in the state are proficient in math, and only 27.8% are proficient in reading — each the third lowest share of any state. While low, the fourth-grade reading proficiency rate is much improved from only a few years ago.




California Public School Profile

| | |
|---|---|
| Number of Districts | 967 |
| Number of Schools | 10,383 |
| Enrollment | 6,011,718 |
| All Instructional Materials Expenditure | $1,976,180,469 |
| Title I Funding | $1,797,961,301 |

*Source: MDR "Public School Buying Power Maps"*

# Education Buying Cycles

## Typical K – 12 Buying Cycle

| July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|---|---|---|---|---|---|---|---|---|---|---|---|

Fall Conferences

Spring Conferences

| New Funding Released | Back to School Purchasing | Trial/Pilot/Purchasing all year | District and School Budgeting | Use it or lose it funds |
|---|---|---|---|---|

Title 1 funds released

Unspent funds become available

Trials and Pilots continue all year

**Schools** will purchase year round. New funds are released each year in July, with the key purchasing being made in August to October. Spring can also be a secondary buying peak as school finalize budgeting for the year have the use-it or lose-it funds and/or some districts have some allocated funds not spent that become available.

**Title 1 Funding** is released late September / early October.

School building decisions for products and services are often trialed/piloted across the school year and then depending on the funding, purchased the same year and or budgeted for the following year.

Districts will sometimes need to approve building based purchases and or will issue the school PO.

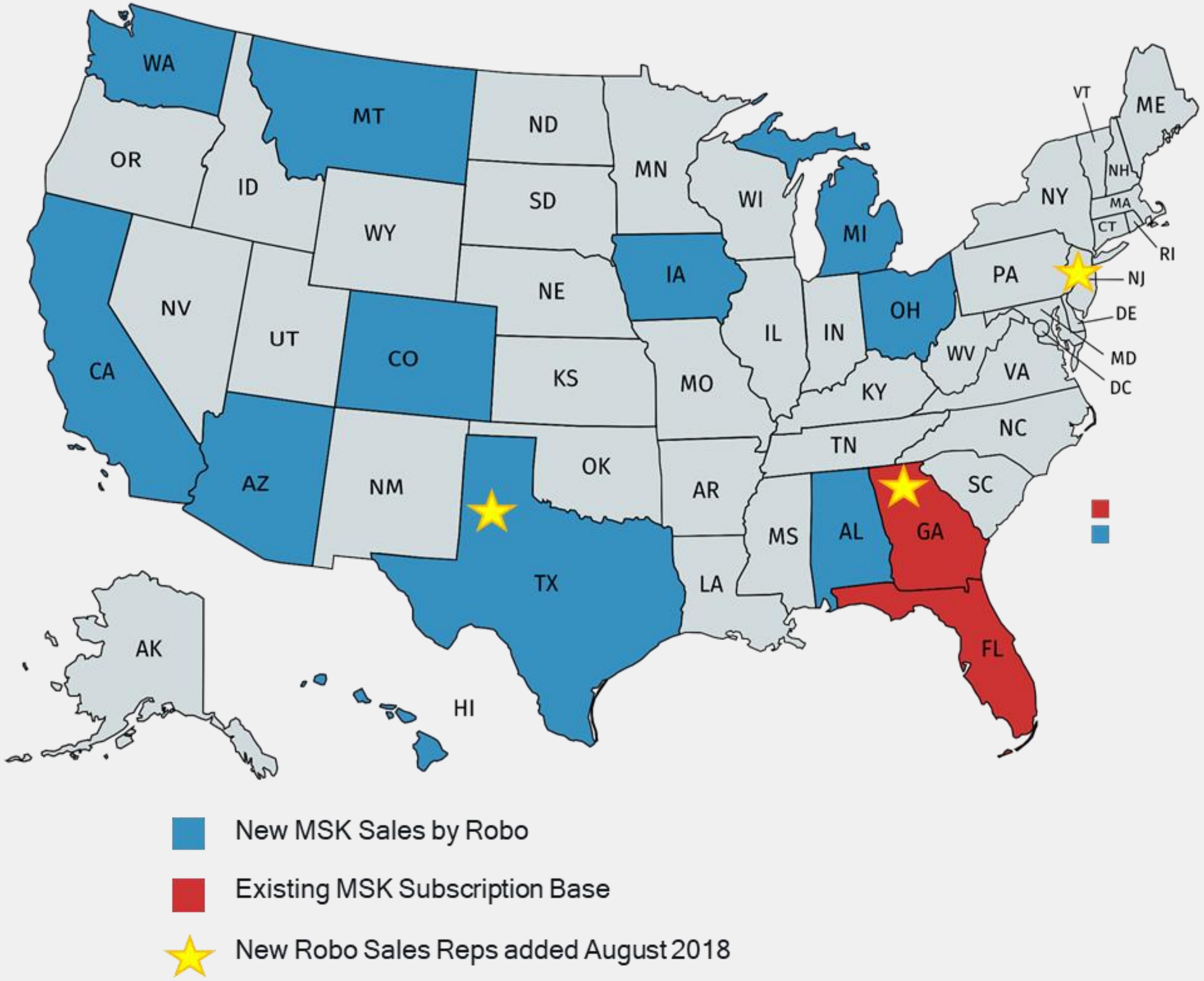
**Multi-school orders** from a District are awarded from successful trials/pilots often when the District has been involved during the trial/pilot and/or when there has been a successful adoption at a school which can serve as a valued reference site.

# MysStemKits Company Highlights

- **MyStemKits (MSK) is an EdTech business** that develops and markets the world's largest library of STEM curriculum with 3D printable kits for K-12 schools.
- **Five years of research at Florida State University 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.
- **Products are readily adaptable** for other countries moving towards a STEM- focused education system.
- **240 lesson plans and 170+ printable kits.**
- 361 existing subscriptions, substantially in Florida.
- **Inter operability with multiple printer brands eg Estimated US$600K Dremel 3D printers sold with MSK subscriptions b4 acquisition by STEMify Ltd.**

# MSK Licenses Sold Into 11 New States Since Acquisition






STEMify robo MyStemKits.com

# MSK Integration Pathway

- **Full suite of new sales and marketing materials have been prepared** to launch MSK across Robo's existing reseller network, with on-boarding and training already completed.
- **Robo 3D is conducting a pre-launch campaign with its tier 1 resellers** involving face-to-face demonstrations of MSK.
- **Direct sales campaign also launched** with webinar attended by 100 educators that has generated significant leads.
- **Based on market and customer research, Robo will launch new subscription pricing plans** to expand the options available to schools and home users.

# Leveraging the Reseller Network

**Focus on specialist education resellers/distributors including**

**Eg large resellers include**

- Troxell
- Best Buy
- CDW

**Eg niche resellers**

- *UDT*

**Introduce "Deal Registration"**

- Prioritises sales leads
- Provides better visibility on sales pipeline
- Resellers motivated by higher commission

**Focus on reseller mindshare**

- Pitching at product demo days
- Attendance at trade shows / events
- MSK research validations via FCR STEM /FSU

STEMify robo MyStemKits.com

# Revenue Model

**Annual MSK subscription**

- Per class - $1500
- Per school - $3990

**Bundled** with 2 x R2 3D printers at $1500 each for $6990 total bundle

MSK **interoperable** a number of manufacturers printers to allow MSK to be sold by itself

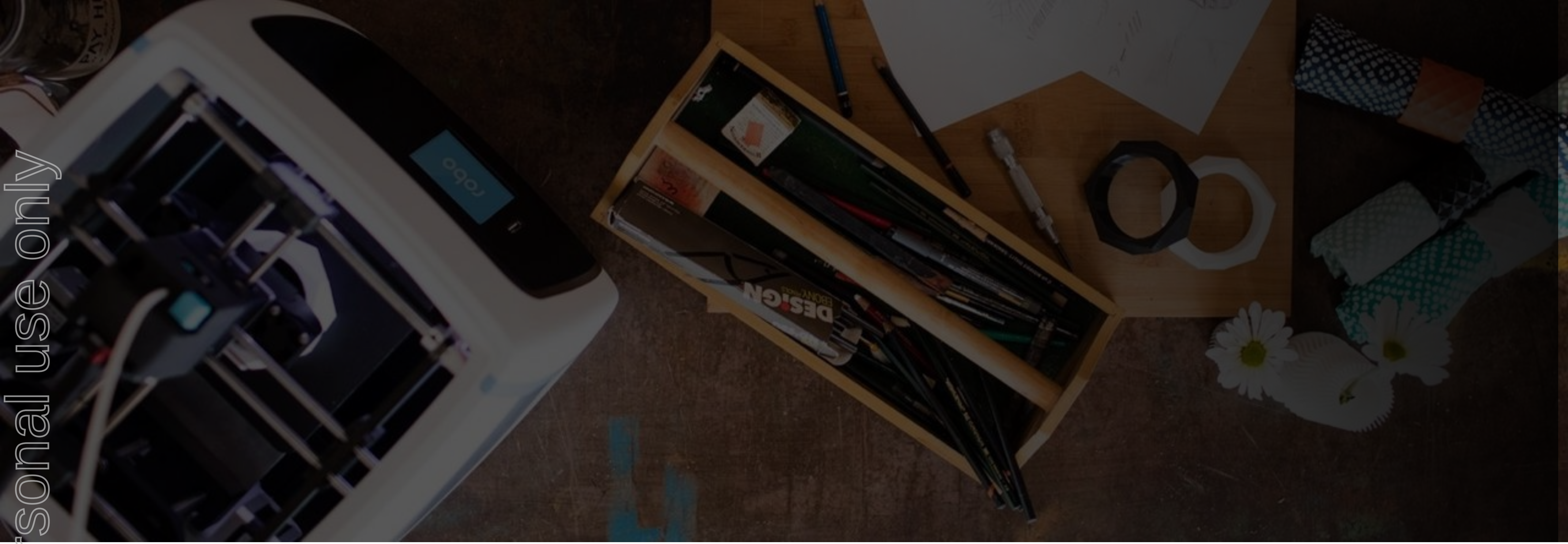
STEMify - MSK favours its own **higher margin brands** – Robo R2 and forthcoming Education specialist printer – Educator 3

# Company Data

| Number of Shares | 558.9M |
|---|---|
| Options | 36.8M |
| Performance shares/rights | 35.2M |
| Diluted | 630.9M |
| Market Capitalisation – undiluted* | A$7.82M |
| Market Capitalisation – diluted* | A$8.83M |
| Net Cash** | A$0.99M |
| Enterprise Value - undiluted | A$6.83M |
| Enterprise Value - diluted | A$7.84M |
| 12 Month High/Low | A$0.06/A$O.OI2 |
| Top 40 Shareholders | 380.6M – 68.11% |

* based on a share price of 1.4 cents
**based on 30 September 2018

STEMify robo MyStemKits.com





**Tony Grist**
Chairman

**Tim Grice**
Executive Director
tim@robo3d.com

+61 8 9327 8927

STEMify

robo

MyStemKits.com