

ROBO 3D LIMITED

ACN 009 256 535

PROSPECTUS

For the offer of up to 1,000 Shares each at an issue price of \$0.045 per Share

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE PLACEMENT SHARES AND EXECUTIVE SHARES

THIS OFFER CLOSSES AT 5.00PM AEDT ON 31 OCTOBER 2017

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT INFORMATION

This Prospectus is dated 27 October 2017. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 4, 100 Albert Road, South Melbourne VIC 3205 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the Offer of Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEDT, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr Ryan Legudi
Mr Tim Grice
Mr Braydon Moreno
Mr Patrick Glovac

Company Secretary

Mr Justin Mouchacca

Registered Office

Level 4, 100 Albert Road
South Melbourne VIC 3205
Telephone: +61 (0)3 9692 7222
Facsimile: +61 (0)3 9077 9233

ASX Code: RBO

Website: www.robo3d.com

Share Registry*

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 (0)8 9389 8033
Facsimile: +61 (0)8 9262 3723

*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

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1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus 1,000 Shares each at an issue price of \$0.045 per Share (**Offer**).

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

On 17 October 2017, the Company announced that it:

- (a) has received a firm commitment for a placement of 4,409,583 Shares, each at an issue price of \$0.045 (**Placement Shares**) to raise approximately \$198,431.24 (before costs) (**Placement**). The Placement Shares are being issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act; and
- (b) is proposing, to issue 4,000,000 Shares (**Executive Shares**) to Randall Waynick, Vice President of Sales and Chief Operating Officer, as part of the his remuneration package.

This Prospectus has been issued to facilitate secondary trading of the Placement Shares and Executive Shares as they will be issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who were issued Shares the subject of this Prospectus to on-sell those Shares within 12 months of their issue. The Company is not issuing the Placement Shares and Executive Shares with the purpose of the persons to whom they are being issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Placement Shares and Executive Shares does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm AEDT on the Closing Date, being 31 October 2017, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Application for Shares

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AEDT on the Closing Date. Cheques must be made payable to "Robo 3D Limited – Application

Funds Account” and crossed “Not Negotiable”. All cheques must be in Australian currency. Application Forms should be mailed or delivered to Robo 3D Limited, Level 4, 100 Albert Road, South Melbourne VIC 3205.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors’ decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.6 Issue of Shares

The Company may issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares offered under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Advanced Share Registry Services Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2017 is in the Annual Report which was lodged with ASX on 29 September 2017 and is available at www.asx.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since 29 September 2017 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)3 9692 7222.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Commercialisation Risk

The Company is now in the process of commercialising its products, and will look to do this by commercialising and integrating its 3D printing technology into wholesale, traditional bricks and mortar retail and online channels. There is a risk that the Company will not be able to successfully commercialise its 3D products by being unable to attract sufficient sales volume via these distribution channels.

(b) Competition and new technologies

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's business. For instance, FDM printing technology underpins the Company's printer models, however competing technologies including but not limited to SLA, DLP and SLS could overtake the advancements made by the Company's products. In that case, the Company's revenues and profitability could be adversely affected. Due to the differences in the capabilities of the different printing technologies, it may be that no single technology will become dominant in the market.

(c) Financing and funding risk

The Company's ability to effectively implement its business and operational plans in the future depends on the Company's ability to raise additional funds in the future and generate revenue from the sale of its products. The Company currently has a low amount of working capital. As announced on 17 October 2017 the Company has received a firm commitment for the Placement which will raise \$200,000 and has executed a non-binding term sheet for a US\$650,000 trade finance facility. In addition, the Company is proposing to undertake an Entitlements Issue to raise up to \$1,500,000 (**Entitlements Issue**) and the Company has received firm commitments for shortfall for the first \$1,000,000 raised under the Entitlements Issue (**Firm Commitments**). The parties that have given the Firm Commitments have provided \$1,000,000 in short term loans to provide immediate working capital to the Company (**Short Term Loan**) which will be repaid on completion of the Entitlements Issue. During the period until completion of the Entitlements Issue, the Company expects to spend the majority of the Short Term Loan amounts provided on its working capital requirements.

There is a risk that the Entitlements Issue may not be completed. There is also a risk that the parties that have given the Firm Commitments may default in their performance of the Firm Commitments. If either of these scenarios occur there is a risk that the

Company will be unable to repay the Short Term Loan. In addition, if only \$1,000,000 is raised under the Entitlements Issue (whether from take-up under the Entitlements issue or the Firm Commitments), then the amount raised under the Entitlements Issue will be used to primarily repay the Short Term Loan meaning the Company will immediately need to raise further working capital.

The working capital position of the Company following completion of the Entitlements Issue will be such that the Company will need to raise funds in the short term following completion of the Entitlements Issue. The Company is also currently working on several other funding solutions. Further, the Company expects to continue receiving revenue from the sales of its products which will assist the Company with working capital management. Failure to receive revenue consistent with the Company's expectations may also cause a working capital deficiency for the Company. There can be no guarantees that the Company will remain adequately funded through revenue generation and future raisings.

Failure to obtain sufficient financing for the Company's activities, including to fulfil orders received for the Company's products to date, may result in lost business and business opportunities and the Company's ability to continue as a going concern. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. Loan agreements and other debt financing agreements entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default could also result in the loss of assets.

The Company currently has in place an unsecured trade finance facility with Denlin Nominees Pty Ltd (**Denlin**) pursuant to which Denlin has loaned \$750,000 to the Company. Under the terms of the trade finance facility, Denlin has the right to elect to convert the trade finance facility into a secured term loan. The Company is currently in discussions with Denlin regards conversion of this facility to a secured facility. If the facility is converted to a secured facility, then Denlin will have security over the assets of the Company and its operations in the US and if the Company is unable to raise sufficient funds to repay Denlin, or is otherwise in breach of the facility, then Denlin may be able to exercise its security and enforce against the assets of the Company and/or its US subsidiary.

(d) Scalability of 3D printer production

3D printing is limited in its scalability, which limits its application in some industries and it is a limitation inherent to the technology. Speed of production will only come from improvements in printing materials and increases in the speed of printers.

(e) Competitive marketplace

Competition in the 3D printing desktop segment space is dominated by several large businesses, with a growing number of newer market entrants. Newer entrants seek to gain market share via crowd funding campaigns, aggressive pricing strategies and focused digital marketing strategies.

(f) Research and collaboration agreements

The Company is likely to require the use of both internal and external expertise to improve, upgrade and refine the user experience for 3D printer users. The Company will need to carefully manage the issue of background intellectual property rights and any sharing of intellectual property as a result of R&D collaborations.

(g) Specific reputational risks

The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about the Company may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

(h) Reliance on key personnel

The recent development of the business of the Company has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of the Company's senior management. Although the Company has entered into service contracts with its key employees Messrs Ryan Legudi, Braydon Moreno, Jacob Kabili and Randall Waynick there is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term. If such contracts were terminated or breached, or if the relevant employees were no longer to continue in their current roles, the Company would need to employ alternative staff, and the Company's operations and business could be adversely affected.

(i) Customer service risk

Customers may need to engage with the Company's customer service personnel in certain circumstances. For instance, if a customer has a question about the services or products provided by the Company, or if there is a dispute between a customer and the Company. The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Company loses key customer service personnel, or fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on the Company's revenue.

(j) Risks associated with the regulatory environment

The Company's operating entities are based in the USA and are subject to the laws and regulations of the USA. The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance, could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to the Company and a consequent impact upon its revenue.

(k) Liquidity and dilution risk

Upon completion of the Acquisition and re-compliance, a significant portion of the Shares on issue were subject to escrow restrictions imposed by the Listing Rules. Some investors may consider there to be an increased liquidity risk if a large portion of the issued capital of the Company is unable to be traded freely for a period of up to 24 months.

(l) Supplier Risk

The Company currently utilises two contract manufacturers in China for the assembly of its R1+PLUS, Robo C2 and Robo R2 3D printers, operating under a non-exclusive manufacturing agreement. If our relationship with these manufacturers were to terminate or our manufacturing arrangements were to be disrupted, our business could be adversely affected. We purchase components and other consumables that are used in our production from third-party suppliers. We currently use only a limited number of suppliers, therefore our reliance on a limited number of vendors involves a number of risks, including:

- potential shortages of some key components or consumables;
- printed material performance or quality shortfalls, if traceable to particular consumables or other components, since the supplier of the faulty consumable or component cannot readily be replaced;
- discontinuation of a consumable or other components on which we rely;
- potential insolvency of these vendors; and
- reduced control over delivery schedules, manufacturing capabilities, quality and costs.

If certain suppliers were to decide to discontinue production, or the supply to us, of a consumable or other component that we use, the unanticipated change in the availability of supplies, or unanticipated supply limitations, could cause delays in, or loss of, sales, increased production or related costs and, consequently, reduced margins, and damage to our reputation. In addition, because we use a limited number of suppliers, increases in the prices charged by our suppliers may have an adverse effect on our results of operations, as we may be unable to find a supplier who can supply us at a lower price. As a result, the loss of a limited source supplier could adversely affect our relationships with our customers and our results of operations and financial condition.

(m) Outsourcing Risk

The Company outsources to consultants for expert advice and contractors for research and development, marketing support, customer service support, quality control services, manufacturing, engineering and design and other services. There is no guarantee that such experts or organisations will be available as required or will meet expectations.

(n) Liability claims

The Company may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend such claims. If a successful claim is made against the Company, it may be fined or sanctioned and its reputation and brand may be negatively impacted, which could adversely affect its business prospects, financial condition and results of operation.

(o) Insurance coverage

The Company faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company maintains insurance coverage for its employees (as required by law in the USA), and general liability insurance up to US\$5,000,000. However, the Company may still incur substantial losses or liabilities if its insurance coverage is unavailable or inadequate to cover such losses or liabilities, which may adversely affect its financial position.

(p) Acquisition and integration risks

We may engage in acquisitions or investments that could disrupt our business, cause dilution to our shareholders and harm our financial condition and results of operations. In connection with these acquisitions or investments, we may:

- issue forms of equity that would dilute our existing shareholders' percentage of ownership;
- incur debt and assume liabilities; and/or
- incur amortisation expenses related to intangible assets or incur large and immediate write-offs. If we complete an acquisition or investment, we cannot assure you that it will ultimately strengthen our competitive position or that it will be viewed positively by customers, suppliers, employees, financial markets or investors. Furthermore, future acquisitions or investments could pose numerous additional risks to our operations, including:
- problems integrating the purchased business, products, services or technologies;
- challenges in achieving strategic objectives, cost savings and other anticipated benefits;
- increases to our expenses;
- the assumption of significant liabilities that exceed the limitations of any applicable indemnification provisions or the financial resources of any indemnifying party;
- inability to maintain relationships with key customers, vendors and other business partners of our current or acquired businesses;
- diversion of management's attention from their day-to-day responsibilities;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- entrance into marketplaces where we have no or limited prior experience and where competitors have stronger marketplace positions;
- potential loss of key employees; and
- historical financial information may no longer be representative or indicative of our results as a combined company.

Alternatively, while certain acquisitions or investments may be of strategic importance for the execution of our business plan, we may not ultimately be able to complete such acquisitions or investments on favourable terms, or at all, which may in turn materially affect our ability to grow or even cause us to lose market share, and could have a material adverse effect on our business, financial condition and results of operations.

(q) Technology Rights and Protection of Rights

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of technology research and development, together with the protection and maintenance of existing rights and patents. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. Because the patent position of technology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in technology patents nor their enforceability can be predicted. There

can be no assurance that any patents that the Company may own or control now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications.

Although the Company is not aware of any material third party interest in relation to the rights to the Company's technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been, or will be sufficient. Furthermore, the Company has a patent pending (i.e. an application for a patent has been made but the patent has not yet been granted). There is no guarantee that the applications for the patent will be successful, not any future applications for patents.

2.2 General Risks

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and Securities price may be affected by these factors, which are beyond the Company's control.

(b) Future Capital Needs and Additional Funding

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance.

(c) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(e) Exchange rate risk

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since the Company's financial statements are prepared in Australian dollars, this may impact its performance and position.

(f) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

(g) Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlines in this Section could affect the performance valuation, financial performance and prospects of the Company.

(h) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(i) Sharemarket conditions

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Effect of the Offer

3.1 Capital Structure on completion of the Offer

	Number of Shares	Number of Options	Number of Performance Rights
Balance at the date of this Prospectus	258,953,133	15,499,720 ⁽¹⁾	13,999,720 ⁽²⁾
Placement Shares	4,409,583	-	-
Executive Shares	4,000,000	-	-
To be issued under the Offer	1,000	-	-
To be issued pursuant to the Entitlements Issue	33,333,333 ⁽³⁾	-	-
Settlement Shares	2,000,000 ⁽⁴⁾		
Options to L1 Capital		2,000,000 ⁽⁵⁾	
Balance after the Offer (if fully subscribed)	302,697,049⁽⁶⁾	17,499,720	13,999,720

Notes:

1. Comprises the following:

- 13,999,720 unlisted Options exercisable at \$0.15 on or before 22 December 2019;
- 500,000 unlisted Options exercisable at \$0.10 on or before 27 June 2021;
- 500,000 unlisted Options exercisable at \$0.10 on or before 8 August 2021; and
- 500,000 unlisted Options exercisable at \$0.10 on or before 23 August 2021.

2. Comprises the following:

- 4,899,902 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Executive Performance Rights**).
- 5,599,888 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Founder Performance Rights**).
- 3,499,930 Performance Rights which convert into Shares on a one for one basis upon satisfaction of vesting conditions by 22 December 2020 (**Employee Performance Rights**).

- As announced on the ASX on 17 October 2017 the Company intends to undertake a pro rata entitlements issue to raise up to \$1,500,000 (before costs) through the issue of Shares at an issue price of \$0.045 per Share.

4. To be issued to Dr Alexander Nawrocki as part of the Settlement Agreement announced on the ASX on 14 September 2017. 500,000 of these Shares will be escrowed until 16 December 2017 and the remaining 1,500,000 Shares will be escrowed until 16 December 2018.
5. To be issued to L1 Capital Global Opportunities Master Fund as an acknowledgement of the termination of the convertible note agreement between the Company and L1 Capital as announced on the ASX on 11 October 2017. The Options comprise unlisted Options exercisable at \$0.06 on or before the date that is two years from the date of issue.
6. The Company is proposing, subject to Shareholder approval, to issue 4,000,000 Shares to Directors Ryan Legudi and Tim Grice in payment of remuneration owing. Refer to Section 4.6(c) for further details.

3.2 Pro forma statement of financial position

	Audited 30-Jun-17	Unaudited Proforma 30-Jun-17
Current Assets		
Cash at Bank	1,051,283	4,549,746
Trade and Other Receivables	248,152	248,152
Other assets	102,982	102,982
Inventory	669,337	669,337
Total Current Assets	2,071,754	5,570,217
Non-Current Assets		
Intangibles	9,074,492	9,074,492
Plant & Equipment	421,405	421,405
Other	-	-
Total Non-Current Assets	9,495,897	9,495,897
Total Assets	11,567,651	15,066,114
Current Liabilities		
Trade and other payables	2,074,806	1,834,806
Deferred Revenue	403,244	403,244
Provisions	49,608	49,608
Borrowings	257,174	1,757,174
Total Current Liabilities	2,784,832	4,044,832
Non-Current Liabilities		
Provisions	11,109	11,109
Total Non-Current Liabilities	11,109	11,109
Total Liabilities	2,795,941	4,055,941
Net Assets	8,771,710	11,010,173
Equity		
Issued Capital	17,355,636	19,704,099
Share Based Payments Reserve	1,219,082	1,288,783
Retained Earnings	(9,803,008)	(9,982,709)
Net Equity	8,771,710	11,010,173

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing non-IFRS Financial Information (issued December 2011).

The pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position has been prepared using accounts which are in the process of being audited. The audited financial report is likely to contain an unmodified audit report with a material uncertainty paragraph relating to the consolidated entity's ability to continue as a going concern.

The pro forma statement of financial position is based on the unaudited statement of financial position as at 30 June 2017 and has then been adjusted to reflect the following material transactions:

Pro-forma Adjustments

1. Issue of 1,000 Shares at \$0.045 each to raise \$45 (before costs of the Offer).
2. Issue of 4,409,583 Placement Shares at \$0.045 each to raise \$198,431.24 less costs of the Placement of \$6,250.
3. Issue of 4,000,000 Executive Shares for nil cash consideration as part of the remuneration package of the Company's Vice President of Sales and Chief Operating Officer, Randy Warwick.
4. Issue of 2,000,000 Shares at a deemed issue price of \$0.055 to Dr Alexander Nawrocki in relation to a legal settlement, as announced to ASX on 14 September 2017, amounting to \$110,000.
5. Issue of 2,000,000 unlisted options to L1 Capital Global Opportunities Master Fund as an acknowledgment of the termination of the convertible note agreement between the Company and L1 Capital (as announced on the ASX on 11 October 2017) with an exercise price of \$0.06 (6 cents) per option and expiring 2 years from the date of issue. A Black-Scholes valuation has been carried out and an expense amounting to \$69,701.
6. Entitlements Issue of 33,333,333 Shares at \$0.045 each to raise \$1,500,000 less costs of the Entitlements Issue of \$90,350.
7. Provision of Short Term Loans of \$1,000,000 to be repaid from the funds raised pursuant to the Entitlements Issue.

3.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.072 per Share on 21 August 2017.

Lowest: \$0.045 per Share on 3 October 2017.

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.055 per Share on 26 October 2017.

3.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that

one-third of Directors must retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

4.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2017, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and

- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
24/10/2017	TechKnowInvest Conference Presentation – October 2017
23/10/2017	Robo Signs Major Distributor for Australia
17/10/2017	Capital Raising and Sales Update
13/10/2017	Trading Halt

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 4, 100 Albert Road, South Melbourne VIC 3205.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

- (b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	No. of Shares Held	No. of Options Held	No. of Performance Rights Held
Braydon Moreno	18,030,462 ⁽¹⁾	Nil	2,799,944 ⁽⁵⁾
Ryan Legudi	10,585,891 ⁽²⁾⁽⁸⁾	Nil	2,449,951 ⁽⁶⁾
Tim Grice	7,699,846 ⁽³⁾⁽⁹⁾	Nil	2,449,951 ⁽⁷⁾
Patrick Glovac	3,877,907 ⁽⁴⁾	Nil	Nil

Notes:

1. Braydon Moreno was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Moreno received 18,030,462 Shares as consideration for this sale.
2. Ryan Legudi was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Legudi received 10,528,360 Shares as consideration for this sale.
3. Tim Grice was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Grice received 7,699,846 Shares as consideration for this sale.
4. Patrick Glovac was one of the vendors who sold their interest in Robo 3D Inc to the Company in December 2016. Mr Glovac received 3,877,907 Shares as consideration for this sale.
5. Comprises 1,049,979 Tranche 1 Founder Performance Rights and 1,749,965 Tranche 2 Founder Performance Rights.
6. Comprises 874,983 Tranche 1 Executive Performance Rights, 874,983 Tranche 2 Executive Performance Rights, 262,494 Tranche 3 Executive Performance Rights and 437,491 Tranche 4 Executive Performance Rights.
7. Comprises 874,983 Tranche 1 Executive Performance Rights, 874,983 Tranche 2 Executive Performance Rights, 262,494 Tranche 3 Executive Performance Rights and 437,491 Tranche 4 Executive Performance Rights.
8. It is proposed subject to Shareholder approval, that Ryan Legudi will be issued 2,500,000 Shares in payment of \$150,000 of remuneration owing to Ryan Legudi. Refer to Section 4.6(c) for further details.
9. It is proposed subject to Shareholder approval, that Tim Grice will be issued 1,500,000 Shares in payment of \$90,000 of remuneration owing to Tim Grice. Refer to Section 4.6(c) for further details.

(c) **Remuneration of Directors**

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$100,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that each non-executive Director is entitled to receive fees of \$54,000 per annum (inclusive of superannuation). Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Mr Ryan Legudi currently receives an annual salary of \$225,000 (exclusive of superannuation) for his role as Managing Director of the Company. Mr Legudi is owed and entitled to receive remuneration of \$242,000. As noted above, the Company is proposing, subject to Shareholder approval, to issue 2,500,000 Shares (at a deemed issue price of \$0.06) to Mr Legudi in payment of \$150,000 of remuneration owed.

Mr Tim Grice currently receives an annual salary of \$150,000 (exclusive of superannuation) for his role as Director of Corporate Development of the Company. Mr Grice is owed and entitled to receive remuneration of \$125,500. As noted above, the Company is proposing, subject to Shareholder approval, to issue 1,500,000 Shares (at a deemed issue price of \$0.06) to Mr Grice in payment of \$90,000 of remuneration owed.

Mr Braydon Moreno currently receives an annual salary of USD\$150,000 (plus bonuses) for his role as Director of Marketing of the Company. For the purposes of the below listed remuneration table his salary has been converted to AUD\$ at the average FX rate from 1 January 2017 to 30 September 2017.

All of the current Directors were appointed to the Board of the Company on 16 December 2016. The Directors have received, or are entitled to receive, the following remuneration for the period from their appointment until the date of this Prospectus.

Director	Salary & Fees \$	Superannuation \$	Share Based Payments \$	Total
Braydon Moreno	257,912	1,611	67,296	326,819
Ryan Legudi	194,153	18,445	52,290	264,888
Tim Grice	129,435	12,296	52,290	194,021
Patrick Glovac	67,500	-	-	67,500

4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.8 Expenses of the Offer

The estimated expenses of the issue are as follows:

	Offer
	\$
ASIC lodgement fee	2,400
ASX quotation fee	1,850
Legal expenses	<u>2,000</u>
Total	<u>6,250</u>

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Timothy Grice
Executive Director

Dated: 27 October 2017

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acquisition has the meaning given in Section 1.12.

AEDT means Australian Eastern Daylight Time.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2017 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 31 October 2017 or such later date as the Directors may determine.

Company means Robo 3D Limited ACN 009 256 535.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Executive Shares has the meaning in Section 1.2

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means an option to acquire one Share.

Performance Right means performance rights which convert on a one for one basis to Shares upon achievement of certain performance milestones prior to the relevant expiry date.

Placement has the meaning in Section 1.2.

Placement Shares has the meaning in Section 1.2.

Prospectus means this prospectus dated 27 October 2017.

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Rights.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.