

FBR Limited Quarterly Report | December 2019

Friday, 31 January 2020 – Robotic technology company **FBR Limited (ASX:FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the three months ending 31 December 2019.

Building Pilot Agreement with Summit Homes Group

On 11 October 2019, FBR announced that Fastbrick Australia, the Wall as a Service® ('WaaS®') joint venture established with Brickworks, entered into a Building Pilot Program Agreement with Summit Homes Group, one of WA's most well-known builders.

The Building Pilot Program Agreement with Summit consists of three stages. The first stage is a Demonstration Stage under which Fastbrick Australia will supply WaaS® for three house structures on FBR premises using a range of designs supplied by Summit. Each of these structures will be subject to inspection, assessment and reporting by both Summit and independent consultants to ensure they meet the relevant building standards.

The Demonstration Stage of the Building Pilot Program Agreement with Summit has commenced, with one of the three demonstration structures completed and paid for by Summit.

The second stage of the Agreement is the Display Home Stage, in which Summit will engage Fastbrick Australia to supply WaaS® for a single storey residential structure, to be purchased by FBR to demonstrate to the public and international partners the benefits and quality of its robotic construction technology. Summit and FBR are working together to agree an appropriate site for the demonstration home. If the parties do not enter into this agreement within three months, the remainder of the Building Pilot Program Agreement may be terminated.

The third stage of the Agreement is the Builder's Project Stage, in which Summit will engage Fastbrick Australia to supply WaaS® for a single storey residential structure for a Summit customer/homebuyer within six months of issuance of a certificate for the final house structure in the Demonstration Stage.

Building Approval and Milestone Completion

On 11 November 2019, FBR announced that Fastbrick Australia had completed the Demonstration Stage of the Building Pilot Program with Archistruct Builders & Designers ('Archistruct'). The next stage of the Building Pilot Program with Archistruct is the Display Home Stage, which contemplates Archistruct building a display home using WaaS® to construct the structural and partition walls ('**Display Home**'), with the finished home to be owned by FBR.

In preparation for the commencement of the Display Home Stage, a building contract for the construction of the Display Home was signed by FBR and Archistruct, and FBR entered into a contract to purchase the block of land on which the Display Home will be built. In addition, Archistruct applied to the applicable Local Government for a Building Permit (a process which included obtaining confirmation from a structural engineer that the adhesive and block wall system comprising WaaS® complied with the relevant requirements of the National Construction Code), which has been successfully issued.

Fastbrick Australia plans to commence delivery of WaaS® for the Display Home in the coming months.



The independent directors of FBR'S Board determined that the performance condition attached to 166,666,666 Class B Performance Shares issued as part of the deferred consideration for the acquisition of FBR (formerly Fastbrick Robotics) contemplated in the Prospectus was met and, as a result, the Class B Performance Shares were converted to Ordinary Shares on a one for one basis. The performance condition was triggered by the receipt of the completion payment for the tenth (10th) Full Home Structure constructed under a commercial arm's length contract using FBR's robotic home building technology.

Changes to Board of Directors

During the December quarter it was announced that Mr Grant Anderson had been appointed to the Board as a Non-Executive Director to replace the retiring Mr Andrew Bloore.

Mr Anderson brings over 40 years of experience in the design and manufacturing sectors and has extensive Board experience across multiple industries and countries in both ASX-listed and private companies.

Mr Anderson is currently an Executive Director of the Industry Capability Network Victoria, a Non-Executive Director of Sutton Tools Pty Ltd, and a Fellow of the Australian Institute of Company Directors.

Subsequent to the end of the period, Ms Nancy Milne announced her resignation from the Board. A search for a suitable replacement for Ms Milne has commenced.

Capital Raising Completed

During the quarter, FBR completed a Placement to institutional and sophisticated investors to raise \$5.5 million at 4.5 cents, as well as a Share Purchase Plan to existing shareholders to raise \$3.0 million at the same price. The new shares were quoted on the ASX subsequent to the end of the period.

Ends

For more information please contact:

FBR Limited

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About FBR

FBR Limited (ASX:FBR) designs, develops and builds dynamically stabilised robots to address global needs. These robots are designed to work outdoors using the company's core Dynamic Stabilisation Technology (DST™). FBR is commercialising products for the construction sector together with DST™-enabled solutions for other industries.

To learn more please visit www.fbr.com.au



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

FBR Limited

ABN

58 090 000 276

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising, marketing and business development	(304)	(466)
(d) leased assets	-	-
(e) staff costs – Administration	(1,299)	(2,251)
(f) administration and corporate costs	(345)	(820)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	80
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,915)	(3,458)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(927)	(1,727)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(165)	(165)
2.4	Dividends received (see note 3)	-	-
2.5	Other		
	- Hadrian Development costs	(2,559)	(3,875)
	- staff costs – Hadrian Development	(2,988)	(6,394)
	- R & D rebate	-	9,450
	- Intellectual Property, Patents and Trademarks	(92)	(379)
2.6	Net cash from / (used in) investing activities	(6,731)	(3,090)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	8,495	8,495
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	34	34
3.4	Transaction costs related to issues of shares, convertible notes or options	(365)	(365)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(12)	(17)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	8,152	8,147

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	16,519	14,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,915)	(3,458)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,731)	(3,090)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,152	8,147
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	16,025	16,025

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,332	1,014
5.2	Call deposits	5,857	6,672
5.3	Bank overdrafts	-	-
5.4	Other		
	- Guarantee facilities	833	833
	- Term deposits	8,003	8,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,025	16,519

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

323

165

\$323k Directors including fees, salary and superannuation
\$165k Loan to Director

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

N/A

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (corporate credit cards)	200	31
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9.	Estimated cash outflows for next quarter	\$A'000	
9.1	Research and development	4,707	
9.2	Product manufacturing and operating costs	-	
9.3	Advertising, marketing and business development	72	
9.4	Leased assets	-	
9.5	Staff costs - Administration	1,240	
9.6	Administration and corporate costs	546	
9.7	Other (Patents, property, plant & equipment)	865	
9.8	Total estimated cash outflows	7,430	
10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Rachelle Brunet, Company Secretary

31 January 2020

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.