ASX Announcement
FBR Limited

FBR Limited Quarterly Report | September 2023

Monday, 30 October 2023 – Robotic technology company **FBR Limited (ASX: FBR)** ('**FBR**' or '**the Company**') is pleased to provide its quarterly update for the period ended 30 September 2023.

Highlights

- The flagship next-generation Hadrian X® successfully builds first compliant structure outdoors with large U.S. format concrete masonry blocks and surpasses previous peak lay speed record
- FBR makes the strategic decision to reprioritise delivery of United States-spec Hadrian X® construction robots to the U.S. as soon as possible, due to significant demand for Hadrian X® technology
- H02 re-deploys to Willagee Project to continue construction activities at northern end of site, following pouring of second storey slabs
- Early works commence at site of eight townhouse project in St. James
- A$10 million cash balance at the end of September quarter before FBR successfully completed A$6.2 million capital raise in October.

Business Activities Update

Next-generation Hadrian X® Testing Update

During the quarter, FBR advised that its flagship next-generation Hadrian X® had successfully built its first structure outdoors with large U.S. format concrete masonry blocks at an average lay rate of over 240 blocks per hour across the entire structure.

During the build, a new peak sustained outdoor lay speed record was achieved, reaching 326 blocks per hour, surpassing the previous peak set during indoor testing, with further improvements in lay speed expected to be achieved as outdoor testing work continues.

Next-generation Hadrian X® commences first outdoor test build and live demonstration

Deployment of United States-spec Hadrian X® prioritised

Subsequent to the end of the quarter, the Company announced that, due to significant demand for its technology, it had made the strategic decision to re-prioritise the delivery of United States-spec Hadrian X® construction robots to the U.S. as soon as possible. The Company's second next-generation Hadrian X® currently in production, originally intended to be fitted to an Australian certified truck chassis, will now instead be fitted to a U.S. certified truck chassis as soon as the first of three on order is delivered, allowing it to begin commercial operation in the U.S. as soon as possible thereafter, where it will be positioned into FBR's United States Wall as a Service® operating entity in Florida. Following its designation as a United States-spec machine, A$2.5 million of the funds raised from M&G Investment

Management (refer ASX announcement 13 March 2023) has been allocated against the second next-generation Hadrian X®, which will be deployed for operation in the U.S. as soon as the U.S.-spec truck chassis has been received. The transaction with M&G Investment Management raised a total of A$9.14 million, with funding allocated for the manufacture of Hadrian X® robots destined for the United States market.

The Company's first next-generation Hadrian X®, currently undergoing outdoor testing and optimisation, will be deployed to the U.S. for demonstration work as soon as its testing and optimisation is complete. A third next-generation Hadrian X® has commenced production, and procurement for a fourth, fifth and sixth next-generation Hadrian X® is underway. Upon completion, these additional Hadrian X® units will be assigned to Wall as a Service® entities in line with the Company's global commercialisation strategy, which will see it establishing partnerships in key target markets such as the United States, Europe, Australia, the GCC region and the United Kingdom.

Construction Activities

During the quarter, H02 re-deployed to the Willagee site to continue second storey construction activities at the northern end of the development, following the pouring of the second storey slabs on four of the eight townhouses. FBR is waiting for the pouring of the second storey slabs for the final four townhouses before re-deploying to finalise construction at the project.

H02 constructing the second storey walls at Willagee

Early works at the St. James Project commenced following the end of the quarter, with the first two slabs being poured. The Project comprises eight two-storey townhouses in the Perth Suburb of St. James.

St. James – Early works and slab pouring under way

R&D Drawdown and Increase to Facility

During the quarter, the Company advised that it had drawn down a further A$2.7 million from its revolving R&D tax loan facility provided by FC Capital. Following the lodgement of its R&D tax return, FBR is expecting a cash refund of A$8.8 million for the year ended 30 June 2023. On this basis FC Capital has agreed to temporarily increase its loan facility, from the previously announced A$6.0 million to A$8.7 million. Additional fees incurred are a $5,500 establishment fee for the expanded facility and an increase in interest rate of 3.0% p.a. for the A$1.8 million Hadrian lease finance facility (see ASX release 13 May 2022).

Corporate and Finance

There were no customer receipts during the September quarter (June Quarter: A$1.2 million) due to customer payment timings, as well as the prioritisation of the next-generation Hadrian X® development program ahead of FBR's U.S. expansion.

During the quarter, FBR spent A$3.7 million on payroll, overheads and corporate costs, a decrease from the previous quarter. FBR spent A$3.9 million directly developing and manufacturing the Hadrian X ® technology, consistent with the previous quarter. FBR spent approximately A$0.3 million developing its house and land properties in Western Australia.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A$334,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

Events subsequent to the end of the quarter

On 9 October 2023, the Company announced the successful completion of an oversubscribed Institutional Placement to raise A$6.2 million through the issuance of 248 million shares at an issue price of A$0.025 per share. The equity raising will provide general working capital for the Company, enabling it to progress the commercialisation strategy for a Wall as a Service (WaaS) partnership in the United States, and to continue procurement and manufacture of additional next generation Hadrian X® robots. The Placement Price of A$0.025 represented an 11% discount to the 15-day VWAP of A$0.028 per share. MST Financial Services Pty Ltd (MST) acted as Sole Lead Manager to the placement. Allotment of the new shares occurred on Monday, 16 October 2023 with trading commencing on the same date.

This announcement has been authorised for release to the ASX by the FBR Board of Directors.

Ends

For more information please contact:

FBR Limited
Andrew Edge
Investor Relations Manager
T: +61 8 9380 0240
andrew.edge@fbr.com.au

For media:
Peter Klinger
Cannings Purple
T: +61 (0)411 251 540
pklinger@canningspurple.com.au

About FBR Limited
FBR Limited (ASX: FBR) designs, develops and builds dynamically stabilised robots to address global needs in a safer, more efficient and more sustainable way. These robots are designed to work outdoors using the company's core Dynamic Stabilisation Technology® (DST®).

The first application of DST® is the Hadrian X®, a bricklaying robot that builds structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X® provides Wall as a Service®, FBR's unique commercial offering, to builders on demand.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FBR Limited

ABN	Quarter ended ("current quarter")
58 090 000 276	30 September 2023

Consolidated statement of cash flows			Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	Hadrian Development costs	(917)	(917)
	(b)	product manufacturing and operating costs	(275)	(275)
	(c)	advertising and marketing and business development	(219)	(219)
	(d)	leased assets	-	-
	(e)	staff costs	(2,674)	(2,674)
	(f)	administration and corporate costs	(850)	(850)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		68	68
1.5	Interest and other costs of finance paid		(235)	(235)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		73	73
1.8	Other (provide details if material) - R & D rebate		-	-
1.9	**Net cash from / (used in) operating activities**		**(5,029)**	**(5,029)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(2,467)	(2,467)
	(d)	investments	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Shuttle Development costs	(238)	(238)
	- R & D rebate		-
	- Intellectual Property, Patents and Trademarks	(332)	(332)
2.6	**Net cash from / (used in) investing activities**	**(3,037)**	**(3,037)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(8)
3.5	Proceeds from borrowings	5,002	5,002
3.6	Repayment of borrowings	(117)	(117)
3.7	Transaction costs related to loans and borrowings	(45)	(45)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**4,832**	**4,832**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	13,402	13,402
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,029)	(5,029)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,037)	(3,037)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,832	4,832
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,168**	**10,168**

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	7,218	4,539
5.2	Call deposits	2,058	2,058
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	892	1,005
	- Term deposits	-	8,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,168**	**7,601**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(334)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	12,209	11,900
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	**Total financing facilities**	12,409	11,900

7.5	**Unused financing facilities available at quarter end**	509

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

A secured revolving corporate credit card facility with the Commonwealth Bank of Australia at an interest rate of 17.99% p.a.

A senior secured revolving residential construction finance facility with FC Capital at an interest rate of 9.00% p.a., maturing on 31 August 2024

A senior secured revolving R&D tax finance facility with FC Capital at an interest rate of 16.34% p.a., maturing on 31 December 2024.

A senior secured Hadrian construction robot lease finance facility with FC Capital at an interest rate of 15.00% p.a., maturing on 13 May 2025

A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 5.50% p.a., maturing on 30 November 2026.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,029)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(570)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,168
8.3	Unused finance facilities available at quarter end (item 7.5)	509
8.4	Total available funding (item 8.2 + item 8.3)	10,677
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.91

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The entity announced a successful capital raise of $6.2 million, nine days after the end of the quarter.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on the recently completed capital raise.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 30 October 2023...

Authorised by: Aidan Flynn, CFO and Company Secretary...
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.