

## FBR Limited Quarterly Report | December 2023

**Monday, 29 January 2024** – Robotic technology company **FBR Limited (ASX: FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the period ended 31 December 2023.

### Highlights

- FBR executes binding U.S. agreement with CRH Ventures Americas, Inc. to demonstrate capability of its Hadrian X® technology in the U.S. market through Demonstration Program of up to 10 houses
  - CRH Ventures to pay FBR US\$2.0m for Joint Venture Option, tranches of which are paid upon completion of milestones (US\$200k received on execution)
  - Upon exercise of Joint Venture Option, CRH Americas, an affiliate of CRH Ventures, will provide US\$40m rolling loan facility to the Joint Venture to fund purchase of Hadrian X® robots from FBR
- Construction at St. James project advances with completion of ground-floors of first two townhouses
- Final stage of construction at Willagee development underway following pouring of slabs
- Period of Wall as a Service exclusivity with GP Vivienda in Mexico concluded
- Intellectual Property portfolio strengthened through filing of nine International PCT patent applications
- FBR undertakes Institutional Placement to raise A\$12.6m following announcement of execution of binding agreements with CRH Ventures
- A\$6.1 million cash balance at the end of December quarter, excluding A\$12.6m capital raise in January

### Construction Activities

During the quarter, FBR's Construction Team mobilised to the St. James Project following the pouring of the first two slabs. The first four stages of the St. James Project have been completed. The Project comprises eight two-storey townhouses in the Perth Suburb of St. James, with FBR being contracted by developer Riculallo Pty Ltd (refer ASX announcement 5 October 2021).



H02 constructing the walls of the first two townhouses at the St James site

## ASX Announcement

### FBR Limited



During the quarter, H02 re-deployed to the Willagee site to complete the final stage of activities at the northern end of the development.



H02 completing the second storey common-party walls of the final stage at Willagee

#### **Period of Wall as a Service® exclusivity in Mexico concluded**

During the quarter, FBR advised that the period of exclusivity granted to GP Vivienda under a non-binding Term Sheet in November 2021 for the negotiation of an agreement relating to the delivery of Wall as a Service® in Mexico had concluded. FBR's strategic focus on the high-margin market of the United States and associated preparations for its first international deployment there has taken precedence over some milestones under the Term Sheet with GP Vivienda, namely the completion of a pilot building program of 20 homes in Mexico with the Hadrian X® which has not been completed within the originally planned timeframe. FBR now anticipates the first walls built by Hadrian X in an international market will be in Florida in the 2024 calendar year, as previously indicated to the market. The non-binding Term Sheet between FBR and GP Vivienda remains in place except that the binding exclusive dealing obligations have expired, which means that FBR is free to negotiate and enter into binding agreements for the provision of Wall as a Service® in Mexico with other entities if it wishes to. Similarly, GP Vivienda is free to enter into arrangements with any other robotic bricklaying providers in Mexico.

FBR and GP Vivienda maintain a working relationship, having completed a number of the other milestones under the term sheet together, and will consider on an ongoing basis the commercial benefit of establishing a Wall as a Service® operating entity in Mexico after FBR has commenced operations in Florida.

#### **FBR strengthens Intellectual Property portfolio**

On 2 November 2023, the Company advised that it had filed nine new International PCT patent applications covering a range of technologies involved in the next-generation Hadrian X®, bringing the total number of patent families covering the Hadrian X®, DST®, the Fastbrick Wall System® and adjacent outdoor robotics applications utilising FBR's core technology to over 40. The filing of these applications further strengthened FBR's leading position within the construction robotics space, and is in line with the Company's strategy of securing the commercial opportunity for dynamically stabilised placement of product in outdoor, uncontrolled environments through long-term patent protection.



## ASX Announcement

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The filings capture a number of FBR's research and development efforts relating to the next-generation Hadrian X®, including the protection of the new modular design and distributed control architecture, and the shuttle-based block delivery system that transports blocks from the base of the machine to the laying head, enabling faster block delivery, eliminating block handovers between different modules and opening up avenues to lay or place other materials such as roof tiles. The next-generation Hadrian X® is far more advanced than its predecessor, with improved lay speed, boom reach, reliability, and versatility. The first next-generation Hadrian X® is planned to be shipped to the United States to commence a Demonstration Program with CRH Ventures.

#### Corporate and Finance

Receipts from customers for the December quarter was A\$641k, up from nil in the previous quarter due to the sale of one of the Wellard properties in FBR's portfolio and progress payments on work completed.

During the quarter, FBR spent A\$5.3 million on payroll, overheads and corporate costs, an increase 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\$388,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

Subsequent to the end of the quarter, FBR appointed Mr Rowan Caren as Chief Financial Officer to replace Mr Aidan Flynn who will move into a non executive strategic advisory position while continuing as FBR's Company Secretary from 28 January 2024. Mr Caren is a Chartered Accountant and has extensive experience as a Company Secretary and Chief Financial Officer of ASX-listed companies predominantly in the mining and industrial sectors with operations in Australia and overseas.

#### Events subsequent to the end of the quarter

##### FBR Executes Binding United States Agreement with CRH Ventures Americas, Inc.

On 18 January 2024, the Company advised that it had executed a binding suite of agreements with CRH Ventures Americas, Inc. ('CRH Ventures'), a subsidiary of CRH plc ('CRH'), one of the largest concrete block suppliers in the United States. Affiliates of CRH Ventures and FBR have executed a Demonstration Program agreement to jointly construct up to 10 houses in the United States with FBR's Hadrian X® construction robot, while FBR has granted CRH Ventures an exclusive Option to enter into an exclusive joint venture for the supply of Wall as a Service® in the United States following the successful achievement of the milestones of the Demonstration Program. This venture is the result of significant collaboration between industry leaders, driving innovation in construction for a better-built future. Robotics is seen as playing a key part in re-shaping construction sites to create safer, more efficient and sustainable environments.

##### Demonstration Program and Option Agreements

Affiliates of CRH Ventures and FBR have executed a Demonstration Program agreement to test and evaluate the use of the Hadrian X® to supply Wall as a Service® in the United States. FBR will provide one Hadrian X® built to Australian specifications to complete the test builds. Under the Option agreement, CRH Ventures has purchased an Option for further collaboration with FBR pending the success of the Demonstration Program aimed at constructing up to 10 houses in Florida. Upon execution of the Demonstration Program and Option Agreements, 10% of the US\$2.0 million Option fee was paid; 40% will be payable upon completion of a Factory Acceptance Test; 30% will be payable upon completion of a Site Acceptance Test in the United States; and the remaining 20% will be payable immediately upon the completion of the Demonstration Program. Milestone payments are non-refundable.

Once the Option is exercised, the joint venture will immediately place an order for a further 20 Hadrian X® construction robots, to be funded through a US\$40 million loan facility provided to the joint venture by CRH Americas.



## ASX Announcement

### FBR Limited



For further details on the joint venture and the path to 300 Hadrian X® robots in the United States, please refer to ASX announcement released 18 January 2024.

#### **Institutional equity raising following signing of transformational U.S. Wall as a Service® opportunity**

On 22 January 2024, the Company announced that it had completed an institutional Placement to raise approximately A\$12.6 million, comprising the issue of approximately 466.4 million shares at an issue price of A\$0.027 per share. Following the execution of a suite of binding agreements relating to a Demonstration Program in Florida and Joint Venture Option with CRH Ventures, the venture capital arm of CRH plc (NYSE:CRH), the equity raising will be used to fund FBR's general working capital requirements as the Company undertakes its market entry into the United States.

The Placement Price of A\$0.027 is equal to the last closing price per share on 17th January 2024 before the Company entered a trading halt to conduct the capital raise. New Shares issued under the Placement will be issued utilising FBR's existing capacity under Listing Rule 7.1 and will rank pari passu with existing ordinary shares from the date of issue. Allotment of the New Shares under the Placement is expected to occur on Monday, 29 January 2024 with trading of the New Shares commencing on the ASX on the same date.

The Placement received strong interest and support from Australian and international investors including FBR's largest shareholders such as Brickworks Limited.

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](mailto:andrew.edge@fbr.com.au)

##### **For media:**

Peter Klinger  
Cannings Purple  
T: +61 (0)411 251 540  
[pklinger@canningspurple.com.au](mailto: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](http://www.fbr.com.au)

