

FBR Limited

Appendix 4D

Half year report

1. Company details

FBR Limited

ABN	Current period	Prior period
58 090 000 276	31 Dec 2023	31 Dec 2022

2. Results for announcement to the market

	% Change	\$
2.1 Revenues from ordinary activities	Up 5%	683,113
2.2 Loss from ordinary activities after tax attributable to members	Up 51%	19,782,321
2.3 Loss for period attributable to members	Up 51%	19,782,321
2.4 & 2.5 No dividends were proposed or paid in the current or prior period		
2.6 Explanations of any of the figures in 2.1 to 2.4 above necessary to enable the figure to be understood. Revenue for the period was \$683,113 (2023: \$653,475) including Wall as a Service, Construction Services and Residential housing sales. The loss for the period was \$19,782,321 (2023: \$13,064,117) including professional services, corporate administration, director and employee remuneration of \$11,156,880, Development costs of \$929,446 and non-cash share-based payments, depreciation, amortisation and impairment of \$9,737,872.		

3. Net tangible assets per security

Dec 2023: \$0.01	Dec 2022: \$0.01
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Net Tangible Assets excludes right-of-use assets with a carrying value of \$1,950,919 as at 31 December 2023.

4.1 Control over gained entities

Name of entity	Fastbrick Americas Engineering LLC
The date of the gain of control	27 December 2023
Where material, the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities	n/a

during the whole of the previous corresponding period	
Where material, the profit or loss of such entities during the whole of the previous corresponding period	n/a

4.2 Control loss over entities

Name of entity	n/a
The date of the loss of control	n/a
Where material, the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	n/a
Where material, the profit or loss of such entities during the whole of the previous corresponding period	n/a

5. Dividends

No dividends were proposed or paid in the current period or prior period. No dividend reinvestment plans were in effect in the current or prior period.

6. Associates and joint ventures

The group has not entered any new joint venture arrangements.

7. Foreign entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

8. Audit qualification

Do the accounts contain an independent audit report or review that is subject to a modified opinion, or emphasis of matter or other matter paragraph?

Yes/ ~~No~~

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$19,782,321 during the half year ended 31 December 2023, and for that period, the Group's cash outflows from operating and investing activities were \$17,104,351. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



FBR Limited

Interim financial statements

**For the half-year ended
31 December 2023**

Directors' Report

The Directors of FBR Limited ("the Company") present their report together with the financial statements of the Consolidated Entity, being FBR ('the Company') and its controlled entities ('the Group') for the half-year ended 31 December 2023.

Director details

The following persons were Directors of the Company during or since the end of the financial half-year:

Mr Michael Pivac (Chief Executive Officer and Managing Director)

Mr Mark Pivac (Chief Technical Officer and Executive Director)

Mr Richard Grellman AM (Chairman)

Mr Grant Anderson (Non-Executive Director)

Mr Greg Smith (Non-Executive Director)

Ms Nancy Milne (Non-Executive Director)

Review of operations and financial results

In the FY24 half year, the Group generated \$683,000 revenue, up approximately \$30,000 on the previous period, derived largely from the proceeds of residential housing sales.

In September 2023, 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.

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. The Company's first next-generation Hadrian X[®] 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.

Over the course of the half, construction activities at the Willagee project re-commenced following the completion of requisite site work, such as the pouring of second storey concrete slabs, which

enabled FBR's construction team to mobilise to site and continue construction of the walls at the northern end of the development.

Mid-way through the period, site works at the St. James development were completed, including the pouring of the first two slabs, enabling construction of the first four stages of the build. The project comprises eight, two-storey townhouses, located in the Perth suburb of St. James.

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 provided 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. Allotment of the new shares occurred on Monday, 16 October 2023 with trading commencing on the same date.

During the period, 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 took 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.

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.

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.

The loss for the period was \$19,782,321 (2022: \$13,064,117) including an R&D tax rebate of \$1,883,840, professional services, corporate administration, director and employee remuneration of \$11,156,881, Development costs of \$929,446 and non-cash share-based payments, depreciation, amortisation and impairment of \$9,737,872.

Subsequent to the end of the period, on 18 January 2024, the Company advised that it had executed a binding suite of option 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 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.

Under the agreement, FBR will provide one Hadrian X[®] built to Australian specifications to complete the demonstration 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% was subsequently paid upon completion of a Factory Acceptance Test on Tuesday, 20 February 2024; 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.

The Hadrian X[®] unit passed its Factory Acceptance Test by completing a test build at FBR's premises in Perth at an effective lay rate of 330 blocks per hour, more than the required 285 blocks per hour, using only a tablet to control the Hadrian X[®] and a crew of no more than three people. The Hadrian X[®] unit will pass its Site Acceptance Test upon the completion of a test build outdoors with the same requirements as the Factory Acceptance Test at an agreed location in Florida, and confirmation from an independent structural engineer that the constructed walls of the test build are consistent with the design and meet applicable building standards.

Upon the successful completion of the Site Acceptance Test, an affiliate of CRH Ventures, and Fastbrick Americas Engineering LLC ('Fastbrick Americas Engineering'), a subsidiary of FBR, will conduct a Demonstration Program in Florida consisting of the construction of the external walls of between five and ten single storey houses using concrete blocks supplied by an affiliate of CRH Ventures. Fastbrick Americas Engineering is responsible for entering into contracts for five of the houses in the Demonstration Program, while an affiliate of CRH Ventures is responsible for entering into contracts for up to five houses in the Demonstration Program, subject to timing requirements. The Demonstration Program will be deemed complete when FBR completes construction of its five houses and any houses contracted by an affiliate of CRH Ventures.

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.

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

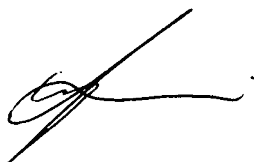
the Placement will be issued utilising FBR's existing capacity under Listing Rule 7.1 and will rank pari passu with existing ordinary shares from the date of issue. Allotment of the New Shares under the Placement is expected to occur on Monday, 29 January 2024 with trading of the New Shares commencing 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, M&G and FIL.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on the following page of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'Michael Pivac', with a long horizontal stroke extending to the right.

Michael Pivac

Chief Executive Officer and Managing Director

27th February 2024

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Auditor's Independence Declaration

To the Directors of FBR Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of FBR Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 27 February 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Continuing operations			
Revenue	6	683,113	653,475
Cost of sales		(639,901)	(1,142,839)
Gross profit/(loss)		43,212	(489,364)
Interest income		112,419	109,371
R&D tax incentive		1,883,840	2,945,805
Other income		2,407	15,045
Professional services		(1,797,469)	(513,689)
Directors' and employees' benefits		(6,332,895)	(6,609,955)
Other expenses		(3,026,517)	(2,424,488)
Development costs		(929,446)	(895,939)
Share-based payments		(2,280,396)	(2,523,039)
Depreciation	10, 11	(1,026,468)	(892,272)
Amortisation of development costs	13	(1,663,560)	(1,565,198)
Impairment expense	10	(4,833,777)	-
Inventory reversal/(impairment)	9	66,329	(220,394)
Loss before tax		(19,782,321)	(13,064,117)
Income tax expense		-	-
Loss for the period		(19,782,321)	(13,064,117)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		-	-
Total comprehensive loss for the period		(19,782,321)	(13,064,117)
Basic loss per share in cents per share	15	(0.52)	(0.44)
Diluted loss per share in cents per share	15	(0.52)	(0.44)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
Assets			
Current			
Cash and cash equivalents	7	5,243,391	12,397,405
Trade and other receivables	8	11,478,092	9,566,644
Inventories	9	813,339	1,154,236
Other current assets		1,414,932	1,592,509
Current assets		18,949,754	24,710,794
Non-current			
Property, plant and equipment	10	16,098,165	15,092,258
Right-of-use assets	11	1,950,919	2,248,201
Development costs	13	43,674,320	44,544,728
Non-current assets		61,723,404	61,885,187
Total assets		80,673,158	86,595,981
Liabilities			
Current			
Trade and other payables		4,959,126	2,953,631
Provisions		2,284,774	2,539,926
Lease liabilities	12	1,343,289	1,397,658
Borrowings	14	9,872,056	5,227,093
Current liabilities		18,459,245	12,118,308
Non-current			
Provisions		375,187	278,833
Lease liabilities	12	613,487	869,942
Borrowings	14	1,467,970	1,820,302
Non-current liabilities		2,456,644	2,969,077
Total liabilities		20,915,889	15,087,385
Net assets		59,757,269	71,508,596
Equity			
<i>Equity attributable to owners of the parent:</i>			
Share capital	16	156,794,382	148,845,254
Reserves	18	5,309,435	5,802,820
Accumulated losses		(102,346,548)	(83,139,478)
Total equity		59,757,269	71,508,596

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Share capital	Performance right reserve	Share option reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2023	148,845,254	3,536,801	2,266,019	(83,139,478)	71,508,596
Loss for the period	-	-	-	(19,782,321)	(19,782,321)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(19,782,321)	(19,782,321)
<i>Transactions with owners:</i>					
Shares issued - Capital raising (refer to Note 16)	6,200,000	-	-	-	6,200,000
Capital raising costs (refer to Note 16)	(449,402)	-	-	-	(449,402)
Performance rights converted to shares (refer to Note 16)	2,198,530	(2,198,530)	-	-	-
Performance rights forfeited (refer to Note 18)	-	(48,625)	-	48,625	-
Performance rights expired (refer to Note 18)	-	(526,626)	-	526,626	-
Performance rights issued to employees and directors (refer to Note 18)	-	893,429	-	-	893,429
Options and loan funded shares issued to employees and directors (refer to Note 18)	-	-	1,386,967	-	1,386,967
Balance at 31 December 2023	156,794,382	1,656,449	3,652,986	(102,346,548)	59,757,269

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Share capital	Performance right reserve	Share option reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	116,567,987	1,998,671	1,497,925	(61,799,181)	58,265,402
Prior period adjustments	-	-	-	-	-
Loss for the period	-	-	-	(13,064,117)	(13,064,117)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(13,064,117)	(13,064,117)
<i>Transactions with owners:</i>					
Shares issued - Capital raising (refer to Note 16)	23,189,628	-	-	-	23,189,628
Capital raising costs (refer to Note 16)	(1,349,177)	-	-	-	(1,349,177)
Performance rights converted to shares (refer to Note 16)	998,135	(998,135)	-	-	-
Performance rights forfeited (refer to Note 18)	-	(35,071)	-	35,071	-
Performance rights expired (refer to Note 18)	-	(103,815)	-	103,815	-
Performance rights issued to employees and directors (refer to Note 18)	-	1,011,773	-	-	1,011,773
Options & loan funded shares issued to employees and directors (refer to Note 18)	-	-	1,511,266	-	1,511,266
Options and loan funded shares expired (refer to Note 18)	-	-	(1,150,000)	1,150,000	-
Options and loan funded shares extended during the period (refer to Note 18)	-	-	(356,720)	356,720	-
Balance at 31 December 2022	139,406,573	1,873,423	1,502,471	(73,217,692)	69,564,775

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
Operating activities		
Interest received	94,656	19,781
Receipts from customers	640,958	724,269
Payments to suppliers and employees	(11,024,809)	(11,195,752)
Interest paid	(582,412)	(369,130)
Government grants	73,200	73,200
Net cash used in operating activities	(10,798,407)	(10,747,632)
Investing activities		
Purchase of property, plant and equipment	(5,460,246)	(4,875,149)
Development costs	(959,008)	(992,004)
Proceeds from the settlement of other financial asset	113,310	-
Net cash used in investing activities	(6,305,944)	(5,867,153)
Financing activities		
Proceeds from issue of share capital	6,200,000	23,189,628
Capital raising costs	(449,402)	(1,366,905)
Proceeds from borrowings	5,001,715	292,752
Repayment of borrowings	(671,034)	(578,434)
Transaction costs related to loans and borrowings	(130,942)	(90,740)
Net cash from financing activities	9,950,337	21,446,301
Net (decrease)/increase in cash and cash equivalents	(7,154,014)	4,831,516
Cash and cash equivalents, beginning of period	12,397,405	10,686,594
Exchange differences on cash and cash equivalents	-	-
Cash and cash equivalents, end of period	5,243,391	15,518,110

The accompanying notes form part of these financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

1 Nature of operations

FBR Limited ("the Company") and its controlled subsidiaries ("the Group") is developing technology to build an automated robotic bricklaying machine capable of completing brickwork at potentially significantly lower cost and higher quality than traditional methods. FBR has secured patents to protect its intellectual property rights in its technology in key markets.

2 General information and basis of preparation

The interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2023 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company.

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial report for the year ended 30 June 2023 as well as any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2024.

3 Going Concern

The Consolidated Financial Report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$19,782,321 during the six months ended 31 December 2023, and for that period, the Group's net cash outflows from operating and investing activities totalled \$17,104,351. The ability for the Group to continue as a going concern and to fund its ongoing Hadrian X[®] programme is dependent upon the Group successfully raising additional capital and continuing to be eligible for receipt of government R&D tax incentives. Whilst the Directors are confident of the Group's ability to continue as a going concern, due to the factors mentioned above, there is material uncertainty that may cast doubt on the Group's ability to continue as a going concern. If the Group is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The Group held cash and cash equivalents at balance date of \$5,243,391 and was working capital positive. The Group has receivables of \$11,478,092 at balance date. The Group has prepared a cash flow forecast for the next 12 months which demonstrates that with further equity raisings, continued access to the R&D tax incentive program and the existing cash reserves and receivables, there is the necessary working capital for the Group to continue its ongoing Hadrian X programme and to provide the necessary working capital to cover its corporate costs over the next year.

4 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Company.

5 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the last annual financial statements for the year ended 30 June 2023, other than referred to above.

6 Revenue

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Wall as a Service and Construction Services sales	118,749	213,801
Residential housing sales	564,364	439,674
	683,113	653,475

7 Cash and cash equivalents

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Cash at bank and on deposit	2,475,141	12,397,405
Restricted cash ¹	2,768,250	-
	5,243,391	12,397,405

1. Restricted cash represents cash deposited into a separate bank account and designated as collateral for a loan facility in the same amount in accordance with FBR's contractual obligations.

8 Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Research and Development tax refund ¹	10,806,403	8,768,251
Trade debtors	92,155	-
GST receivable	247,646	378,011
Director loans ²	280,123	257,182
Interest receivable	9,555	14,733
Grant receivable	-	73,200
Other receivables	42,210	75,267
	11,478,092	9,566,644

1. R&D tax refund is an accrual based on the receivable of \$8,768,251 for the lodged 30 June 2023 tax return and an estimated R&D tax refund of \$2,038,152 for the 6 months ended 31 December 2023.
2. Includes \$190,000 loan to Mark Pivac (plus interest of \$90,123) in connection with Performance Rights issued under the Group's Performance Rights Plan. The loan has a maturity date of 30 June 2024 and an interest rate at the higher of 4.52% per annum and the highest interest rate payable by the Company to any financier of the company at the relevant time.

9 Inventories

Inventories include the following components:

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Cost	747,010	1,353,883
Inventory impairment	66,329	(199,647)
	813,339	1,154,236

10 Property, plant and equipment

The following tables show the movements in property, plant and equipment:

	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	HADRIAN WIP	TOTAL
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2023	4,340,070	1,081,542	2,284,534	11,952,489	19,658,635
Additions	200,397	1,144	16,029	5,930,293	6,147,863
Disposals	(5,500)	(1,144)	-	-	(6,644)
Balance at 31 December 2023	4,534,967	1,081,542	2,300,563	17,882,782	25,799,854
Depreciation and impairment					
Balance at 1 July 2023	(1,436,427)	(966,976)	(2,162,974)	-	(4,566,377)
Disposals	5,500	-	-	-	5,500
Depreciation	(264,032)	(16,333)	(26,670)	-	(307,035)
Impairment	-	-	-	(4,833,777)	(4,833,777)
Balance at 31 December 2023	(1,694,959)	(983,309)	(2,189,644)	(4,833,777)	(9,701,689)
Carrying amount at 31 December 2023	2,840,008	98,233	110,919	13,049,005	16,098,165

11 Right-of-use assets

The following table below shows the net carrying amount of the right-of-use assets:

	LAND & BUILDINGS	ICT EQUIPMENT	TOTAL
	\$	\$	\$
Carrying amount at 1 July 2023	2,247,695	506	2,248,201
Additions	-	422,534	422,534
Depreciation	(690,762)	(28,673)	(719,435)
Adjustment from lease modification	(381)	-	(381)
Carrying amount at 31 December 2023	1,556,552	394,367	1,950,919

12 Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	31 December 2023	30 June 2023
	\$	\$
Lease liabilities (current)	1,343,289	1,397,658
Lease liabilities (non-current)	613,487	869,942
	1,956,776	2,267,600

13 Development costs

	Hadrian	
	31 December 2023	30 June 2023
	\$	\$
Gross carrying amount		
Opening Balance	44,094,261	46,331,706
Additions	592,724	1,019,390
R&D Tax incentive	-	(93,284)
Amortisation expense	(1,663,560)	(3,163,551)
Closing Balance	43,023,425	44,094,261
	Shuttle System	
	31 December 2023	30 June 2023
	\$	\$
Gross carrying amount		
Opening Balance	450,467	62,819
Additions	354,740	686,101
R&D Tax Refund	(154,312)	(298,453)
Closing Balance	650,895	450,467
Total Development costs	43,674,320	44,544,728

14 Loans & Borrowings

The carrying amounts and movements in the loans and borrowings account are as follows:

	31 December 2023	30 June 2023
	\$	\$
Current		
Chattel mortgage equipment loan facility	180,827	176,095
Construction loan facility	486,908	583,974
R&D tax refund loan	8,700,000	4,000,000
Hadrian lease finance facility	504,321	467,024
	9,872,056	5,227,093
	31 December 2023	30 June 2023
	\$	\$
Non-current		
Chattel mortgage equipment loan facility	374,567	466,178
Hadrian lease finance facility	1,093,403	1,354,124
	1,467,970	1,820,302

15 Earnings per share

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31 December 2023	31 December 2022
	\$	\$
Weighted average number of shares used in basic earnings per share	3,828,389,958	2,980,214,511
Shares deemed to be issued for no consideration in respect of share - based payments	-	-
Weighted average number of shares used in diluted earnings per share	3,828,389,958	2,980,214,511

16 Share capital

a) Ordinary shares

	31 December 2023		30 June 2023	
	\$	No.	\$	No.
Ordinary shares, fully paid	156,794,382	3,974,928,314	148,845,254	3,668,898,314

The reconciliation is set out as follows:

	\$	No.
<i>Movement in ordinary shares on issue</i>		
Shares on issue at 1 July 2023	148,845,254	3,668,898,314
Capital Raising		
16 October 2023 Placement (at \$0.025 per share)	6,200,000	248,000,000
Capital Raising Costs	(449,402)	-
Performance Rights converted (19 July 2023)	1,394,680	23,080,000
Performance Rights converted (27 July 2023)	666,138	28,962,500
Performance Rights converted (26 October 2023)	137,712	5,987,500
Shares on issue at 31 December 2023	156,794,382	3,974,928,314

On 19 July 2023, the company completed the issue of 23,080,000 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 27 July 2023, the company completed the issue of 28,962,500 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 16 October 2023, the Company completed the issue of 248,000,000 fully paid ordinary shares to a group of new and existing institutional, sophisticated and strategic investors.

On 26 October 2023, the company completed the issue of 5,987,500 fully paid ordinary shares upon the exercise of unquoted performance rights that had previously vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

b) Loan funded shares

On 24 December 2023, 25,000,000 long term loan funded shares related to each Executive Director expired in terms of their right of benefit to the Executive Director. These Loan Funded Shares will now be sold to a third party and the sale proceeds payable solely to the company. The Executive Directors will not receive any proceeds from the sale.

16 Share capital (continued)

On 28 December 2023, the Company extended the life by 12 months of 50,000,000 existing loan funded incentive shares on issues as non cash director loans to the Executive Directors following the approval by the shareholders at the Annual General Meeting on 28 November 2023. The loan funded shares continue to be provided under a limited resource, interest free loan. The following table illustrates the outstanding loan funded shares granted, repaid and forfeited during the year.

	31 December 2023 (6 months) Number	30 June 2023 (12 months) Number
Opening Balance	150,000,000	100,000,000
Granted during the period	-	100,000,000
Converted during the period	-	-
Expired/forfeited during the period	(50,000,000)	(50,000,000)
Closing Balance	100,000,000	150,000,000

Loan funded shares do not have a par value and for all intents and purposes are identical to ordinary shares. Loan funded shares are eligible to receive dividends and repayment of capital. Loan funded shares are entitled to vote at the shareholders' meeting of FBR.

17 Share based payments

a) Performance rights

The following table illustrates the outstanding performance rights granted, converted, expired and forfeited during the period.

	31 December 2023 (6 months) Number	30 June 2023 (12 months) Number
Opening Balance	173,645,000	51,498,200
Granted during the period	-	167,250,000
Converted during the period	(58,030,000)	(27,668,200)
Expired during the period	(10,090,000)	(14,625,000)
Forfeited during the period	(875,000)	(2,810,000)
Closing Balance	104,650,000	173,645,000

During the period, the Company converted 58,030,000 performance rights to ordinary shares to key management personal and employees that had vested on achievement of performance milestones.

No performance rights were issued to Directors, Key Management Personnel or employees during the period.

17 Share based payments (continued)

b) Options

The following table illustrates the outstanding options granted, exercised and expired during the period.

	31 December 2023		30 June 2023	
	Number	Weighted average exercise price (cents)	Number	Weighted average exercise price (cents)
Opening Balance	56,000,000	3.5	-	-
Granted during the period	84,000,000	2.6	112,000,000	2.9
Converted during the period	-	-	(56,000,000)	2.3
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Closing Balance	140,000,000	3.0	56,000,000	3.5

During the period the Company issued 84,000,000 unlisted incentive options to Key Management Personnel with a 14 month term and an exercise price of \$0.026. No options were issued to directors during the period.

18 Reserves

	31 December 2023	30 June 2023
	\$	\$
Performance right reserve	1,656,449	3,536,801
Share option reserve	3,652,986	2,266,019
	5,309,435	5,802,820

Performance rights reserve includes the expensed value of issued performance rights during the period. The reconciliation is set out as follows:

	31 December 2023	30 June 2023
	\$	\$
<i>Movement in performance rights reserve</i>		
Opening Balance	3,536,801	1,998,671
Performance rights converted to shares during the period	(2,198,530)	(1,079,060)
Performance rights issued during the period	893,429	3,013,090
Performance rights expired during the period	(526,626)	(317,622)
Performance rights forfeited during the period	(48,625)	(78,278)
Closing Balance	1,656,449	3,536,801

Share options reserve includes the expensed value of vested options and loan funded shares during the period. The reconciliation is set out as follows:

	31 December 2023	30 June 2023
	\$	\$
<i>Movement in share option reserve</i>		
Opening Balance	2,266,019	1,497,925
Options and loan funded shares vested during the period	1,378,262	2,261,834
Options and loan funded shares exercised during the period	-	(343,740)
Options expired during the period	-	(1,150,000)
Loan funded shares extended during the period	8,705	-
Closing Balance	3,652,986	2,266,019

19 Segment reporting

The Group has identified one operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group operates in Australia (building technology) and prepares reports internally by this location.

Other prospective opportunities outside of this geographical location are also considered from time to time, and if they are secured, will then be attributed to the geographical location where they are located.

All of the Group's non-current assets are held in Australia and all interest revenue is derived from funds invested in short-term money market instruments, all of which are held within Australia.

During the six month period to 31 December 2023 there has been no changes from prior periods in the measurement methods used to determine operating segments and reported segments' profit or loss.

20 Contingent liabilities

At the reporting date the Group had no pending legal claims or other contingent liabilities (2023: nil).

21 Events after the balance date

Subsequent to the end of the period, 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 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. Under the agreement, FBR will provide one Hadrian X[®] built to Australian specifications to complete the test builds.

An Option fee of US\$ 2.0 million was agreed, of which 10% (US\$200,000) was received upon execution of the Demonstration Program and Option Agreements and 40% (US\$800,000) was received upon completion of the Factory Acceptance Test. A further 30% (US\$600,000) will be payable upon completion of a Site Acceptance Test in the United States; and the remaining 20% (US\$400,000) will be payable immediately upon the completion of the Demonstration Program. Milestone payments are non-refundable.

On 22 January 2024, the Company announced that it had completed a 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. The Placement Price of A\$0.027 was equal to the last closing price per share immediately prior to the Placement.

21 Events after the balance date (continued)

New Shares issued under the Placement rank pari passu with existing ordinary shares from the date of issue. Allotment of the New Shares under the Placement occurred on Monday, 29 January 2024

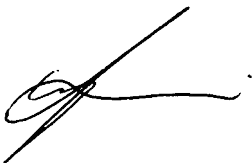
No other matters or circumstances have arisen since the end of the half-year to the date of this report which have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those qualifications or the state of affairs of the consolidated entity.

Directors' Declaration

In the opinion of the Directors of FBR Limited:

- a The consolidated interim financial statements and notes of FBR Limited are in accordance with the *Corporations Act 2001*, including:
 - i Giving a true and fair view of its financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Michael Pivac

Chief Executive Officer and Managing Director

Dated the 27th day of February 2024

Independent Auditor's Review Report

To the Members of FBR Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of FBR Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of FBR Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$19,782,321 during the half year ended 31 December 2023 and, for that period, the Group's net cash outflows from operating and investing activities were \$17,104,351. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The logo for Grant Thornton, featuring the company name in a stylized, handwritten-style font.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink, appearing to read 'L A Stella'.

L A Stella
Partner – Audit & Assurance

Perth, 27 February 2024