# CEO Letter to Shareholders

Extract from Annual Report 2017

**Tuesday 26 September 2017**

Dear Fellow Shareholders,

It is my pleasure to present Fastbrick Robotics' Annual Report for 2017. The year was marked by the achievement of a number of milestones, which have strengthened the Company's foundations as we move into 2018.

The Company is progressing through an accelerated growth phase as we continue to expand and build our operations, staff and management team. With our new Perth facility and global headquarters and our achievements in 2017, the Company is well-positioned to continue advancing its robotics technology into 2018 and beyond.

## Hadrian X Construction Robot

During 2017, Fastbrick progressed the development of its commercial bricklaying construction robot, the Hadrian X following the success of the Hadrian 105 technology demonstrator, which validated the Company's core Dynamic Stabilisation Technology. As Fastbrick moves into 2018, the Hadrian X development programme will continue to accelerate with the completion of the machine assembly, undertaking of associated testing and commencement of demonstration activities. Fastbrick will work together with Caterpillar to strive to have the Hadrian X commercial prototype successfully delivered.

## Global Partnering Strategy – Caterpillar Incorporated (NYSE:CAT)

When the Company listed in late 2015, one of our strategic goals was to create global scalability for the Hadrian X product by partnering with a recognised brand and company with the expertise and capability to manufacture, distribute, sell and service our machines globally. With this vision and goal in mind, I am pleased to report that in July 2017, Fastbrick announced a Memorandum of Understanding (MOU) with Caterpillar Inc. which facilitates collaboration between Caterpillar and Fastbrick in relation to Fastbrick's robotic bricklaying technology. In addition to entering into the MOU, Caterpillar became a shareholder of Fastbrick through a USD$2 million placement and also secured an option to invest a further USD$8 million in the Company. We are delighted to be collaborating and working with Caterpillar in relation to the global commercialisation of Fastbrick's unique robotic bricklaying technology.

## Customer Discover Strategy

During 2017 and following the completion of the Hadrian 105 Technology Demonstrator, Fastbrick initiated its global customer discovery strategy. This involved significant research, international travel, industry consultation and meetings with a broad range of companies and governments to better understand market demand, market definition, potential customers and early adopters of Fastbrick's technology. While as a Board we were convinced of the significant level of global interest and demand for the Hadrian X product, we wanted to ensure that this demand was visible to all our stakeholders. With this in mind, in August this year, we signed an MOU with the Kingdom of Saudi Arabia which contemplates our construction robots building a minimum of 50,000 new home units by 2022. The MOU positions Saudi Arabia as a first adopter of Fastbrick's robotic bricklaying technology and highlights the level of demand for our technology.

## Customer Discover Strategy (continued……)

Our review of the current global landscape has highlighted a significant level of demand-pull for the Hadrian X product, and as a result, we now have inbound enquiries about our technology coming in on a daily basis and from all corners of the globe. Fastbrick intends to accelerate its business development strategy in order to meet this level of interest and demand as it continues to build its pre-launch order book. We are continuing to establish strategic relationships with potential global customers and early adopters of our technology with a view to eventually progressing pilot programmes in a number of countries.

## Capital Markets

During 2017, the Company's achievements and milestones were rewarded by the capital markets which translated into a rising share price and a valuation that exceeded AUD$200 million. This increase in value and confidence from the capital markets allowed the Company to raise AUD$8 million in late 2016. As a start-up company on a rapid growth path, there will be a requirement for the Company to continue to invest in its Intellectual Property and organisation and with the support of key shareholders, the board will ensure we astutely manage the Company's working capital requirements and capital markets' strategy.

## Building an Organisation

Preparing for and laying the foundations for the Company's future growth was a priority for Fastbrick in 2017 and we announced our relocation to a new facility and the addition of key appointments to our engineering and executive teams.

Our new facility is tailored to meet Fastbrick's growth requirements and includes a two-story office area connected to a large engineering workshop which can accommodate up to five assembly bays. The move to the new facility has resulted in increased productivity, research & development and the ongoing investment into Fastbrick's Intellectual Property portfolio.

## Outlook

Heading into 2018, Fastbrick is well-positioned as we continue to invest in the Company's global partnering strategy, its customer discovery process and the Hadrian X programme and associated Intellectual Property. Fastbrick remains committed to improving the safety, speed, accuracy, cost and waste management in the construction industry. The combination of the Caterpillar and Kingdom of Saudi Arabia MOUs demonstrates Fastbrick's potential global scalability and the level of strong customer demand for our technology. During 2018, we will be focusing on the completion and demonstration of Hadrian X and on executing our commercialisation strategy.

I would like to personally thank our shareholders, the board, and management and our engineering team for the support we have received throughout 2017. In 2018, we look forward to being able to showcase and demonstrate the Hadrian X.

Yours faithfully,

Mike Pivac
Chief Executive Officer

*Footnote:*
*Fastbrick Robotics' 2017 Annual Report will be lodged with the ASX week ending 29 September 2017. This letter from the CEO is an extract from the Annual Report that has been released ahead of the Annual Report release and as a separate announcement.*

**Ends**

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**About Fastbrick Robotics**
Fastbrick Robotics Limited (ASX:FBR) is an Australian robotic technology company developing and commercialising digital construction technology solutions. Fastbrick Robotics' revolutionary bricklaying machine Hadrian X represents the first application of the Company's underlying intellectual property portfolio. Hadrian X is a globally patented 3D robotic bricklaying system and marks the transition to dynamically stabilised robots (DSR) operating outdoors in uncontrolled environments.

Fastbrick is currently advancing its robotics technology through a Memorandum of Understanding (MOU) with Caterpillar Inc. (NYSE:CAT) demonstrating global scalability and a MOU with the Kingdom of Saudi Arabia highlighting customer demand for Fastbrick's technology. Fastbrick is committed to improving the safety, speed, accuracy, cost and waste management in the global construction industry through utilising the world's latest innovations in mobile robotic technology.

To learn more please visit: www.fbr.com.au and to watch Hadrian X in motion please visit http://tinyurl.com/y7yrgz82