Fastbrick Robotics Ltd
Appendix 4D

Half year report

1. Company Details

Fastbrick Robotics Ltd

ABN		Current period		Prior period
58 090 000 276		31 Dec 2017		31 Dec 2016

2. Results for announcement to the market

2.1 Revenues from ordinary activities	Down 24% to $96,826
2.2 Loss from ordinary activities after tax attributable to members	Up 273% to $3,016,130
2.3 Loss for the period attributable to members	Up 273% to $3,016,130
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. The loss for the period was $3,016,130 (prior period $809,029) comprising government grant and interest revenue totalling $96,826 offset by cash costs associated with professional services, corporate administration, director and employee remuneration, Hadrian patents totalling $2,094,579 and a non-cash share based payment and depreciation charge totalling $1,020,045.	

3. Net tangible assets per security

Dec 2017:	$0.05		Dec 2016: $0.01

4.1 Control gained over entities

Name of entity	n/a
The date of the gain 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

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 or prior period. No dividend reinvestment plans were in effect in the current of prior period.

6. Associates and joint ventures

The Group does not have any associates nor has it entered into joint venture arrangements.

7. Foreign entities

Neither the parent nor its subsidiaries are foreign entities.

8. Audit qualification

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

~~Yes/~~ No

Description of the modified opinion, emphasis of matter or other matter paragraph: N/A

Fastbrick Robotics Limited

Interim financial statements

For the half-year ended 31 December 2017

Directors' Report

The Directors of Fastbrick Robotics Limited ("the Company") present their report together with the financial statements of the Consolidated Entity, being Fastbrick ('the Company') and its controlled entities ('the Group') for the half-year ended 31 December 2017.

Director details

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

- Mr Gabriel Chiappini
- Mr Mark Pivac
- Mr Mike Pivac
- Ms Shannon Robinson

Review of operations and financial results

During the period the Group continued its investment and development of the Hadrian X programme with the Group signing key Memorandum of Understandings ("MOU") with Caterpillar Incorporated and the Kingdom of Saudi Arabia. The Caterpillar MOU has the potential to develop into a global manufacturing and distribution agreement for the Hadrian X construction robot. The Group anticipates that Saudi Arabia MOU will be progressed into an early adopter agreement with discussions ongoing to develop this market.

During the period the group significantly de-risked its capital requirements by raising $35 million via a capital raise which was secured through a share placement at 19 cents per share with Fidelity International as a cornerstone investor.

The Group also strengthened its management team by adding key executives to the team including the appointment of a General Manager of Operations and Chief Financial Officer. The Group also invested in expanding its operations team to meet the upcoming milestones associated with the construction and demonstration of the Hadrian X.

As part of the Hadrian X programme, the Group has invested in a 2nd Hadrian X prototype with both Hadrian X prototypes being assembled in parallel. During the period the Group has moved from the design phase into procurement with an expectation that assembly will commence in early 2018 with a view to demonstrating the Hadrian X in the 2nd half of 2018. The Group has continued to invest in developing and protecting its Intellectual Property. Fastbrick now has a global Intellectual Property portfolio comprising 18 patent cases, 2 design cases and a number of granted trademarks and trademark applications.

The loss for the period was $3,016,131 (2016: $809,029) comprising government grant revenue totalling $62,553 (2016: $108,957) offset by total expenditure $3,114,624 (2016: $936,894).

Events subsequent to balance date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

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:



Mike Pivac
Director

26 February 2018

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Auditor's Independence Declaration to the Directors of Fastbrick Robotics Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Fastbrick Robotics Ltd for the half-year ended 31 December 2017. 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

P W Warr
Partner - Audit & Assurance

Perth, 26 February 2018

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2017

	Notes	31 December 2017 $	31 December 2016 Restated (refer note 16) $
Other Income	6	98,493	127,865
Expenses			
Professional services		654,431	191,868
Administration expenses		771,015	305,717
Directors' and employees benefits		384,371	215,845
Patent costs		212,798	106,272
Hadrian research costs		71,964	-
Depreciation	9	65,044	7,396
Share based payments	14	955,001	109,796
Loss before tax		**3,016,131**	**809,029**
Income tax expense		-	-
Loss for the period		**3,016,131**	**809,029**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**-**	**-**
Total comprehensive loss for the period		**3,016,131**	**809,029**
Basic loss per share in cents per share	12	(0.35)	(0.10)
Diluted loss per share in cents per share	12	(0.35)	(0.10)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	31 December 2017	30 June 2017 Restated (refer note 16)
		$	$
Assets			
Current			
Cash and cash equivalents	7	40,040,722	8,650,755
Trade and other receivables		1,937,941	757,345
Other current assets		126,288	105,917
Current assets		**42,104,951**	9,514,017
Non-current			
Property, plant and equipment	9	718,427	207,775
Development costs	10	4,370,946	1,345,329
Non-current assets		**5,089,373**	1,553,104
Total assets		**47,194,324**	11,067,121
Liabilities			
Current			
Trade and other payables	11	1,434,475	502,534
Provisions		223,737	101,310
Finance lease		13,598	13,235
Current liabilities		**1,671,810**	617,079
Non-current			
Finance lease		33,632	40,552
Non-current liabilities		**33,632**	40,552
Total liabilities		**1,705,442**	657,631
Net assets		**45,488,882**	10,409,490
Equity			
Equity attributable to owners of the parent:			
Share capital	13	57,528,772	19,303,138
Reserves	15	1,995,396	2,125,507
Accumulated losses		(14,035,286)	(11,019,155)
Total equity		**45,488,882**	**10,409,490**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	Share capital	Performance right reserve	Share option reserve	Accumulated Losses	Total equity
	$	$	$	$	$
Balance at 1 July 2017	19,303,138	914,071	1,211,436	(11,019,155)	10,409,490
Loss for the period	-	-	-	(3,016,131)	(3,016,131)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	-	-	(3,016,131)	(3,016,131)
Transactions with owners:					
Shares issued – capital raising	37,646,600	-	-	-	37,646,600
Capital raising costs	(1,768,782)	-	-	-	(1,768,782)
Performance rights issued to employees and directors (refer to Note 14)	-	965,245	66,310	-	1,031,555
Shares issued upon conversion of performance rights (Note 14)	1,161,666	(1,161,666)	-	-	-
Shares issued upon exercise of options (refer to Note 13)	1,186,150	-	-	-	1,186,150
Balance at 31 December 2017	**57,528,772**	**717,650**	**1,277,746**	**(14,035,286)**	**45,488,882**
Balance at 1 July 2016	11,094,038	-	1,126,800	(8,452,048)	3,768,790
Loss for the period restated (refer note 16)	-	-	-	(809,029)	(809,029)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(809,029)**	**(809,029)**
Transactions with owners:					
Performance rights issued to directors	-	-	-	-	-
Shares issued to consultants	20,000	-	89,796	-	109,796
Shares to corner stone investor	8,000,000	-	-	-	8,000,000
Shares issued upon exercise of options	155,801	-	-	-	155,801
Balance at 31 December 2016	**19,269,839**	**-**	**1,216,596**	**(9,261,077)**	**11,225,358**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	Notes	31 December 2017	31 December 2016
		$	$
Operating activities			
Interest received	6	34,273	18,908
Payments to suppliers and employees		(1,411,563)	(793,925)
Government grants		62,553	108,957
Interest paid – finance lease		(714)	-
Net cash from / (used in) operating activities		**(1,315,451)**	**(666,060)**
Investing activities			
Purchase of property, plant and equipment	9	(575,696)	(26,821)
Hadrian development costs		(4,755,476)	(940,032)
R&D tax credit		972,623	121,834
Net cash used in investing activities		**(4,358,549)**	**(845,019)**
Financing activities			
Exercise of options	13	1,186,150	155,801
Proceeds from issue of share capital	13	37,646,600	8,000,000
Capital raising costs	13	(1,768,783)	-
Net cash from financing activities		**37,063,967**	**8,155,801**
Net change in cash and cash equivalents		**31,389,967**	**6,644,722**
Cash and cash equivalents, beginning of period		8,650,755	3,821,407
Exchange differences on cash and cash equivalents		-	-
Cash and cash equivalents, end of period	**7**	**40,040,722**	**10,466,129**

The accompanying notes form part of these financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

1 Nature of operations

Fastbrick Robotics Limited ("the Company") and its controlled subsidiaries ("the Group") is developing technology to build an automated robotic machine with the aim of it being capable of completing the brickwork of a Full Home Structure in approximately 3 days at potentially significantly lower cost and higher quality than traditional methods. Fastbrick Robotics 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 2017 and are presented in Australian Dollars ($AUD), which is the functional currency of the Parent Company. The interim financial statements are "unaudited".

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 2017 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 26 February 2018.

3 Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2017.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements, except as stated below:

a) Research and development

Research costs are expensed in the period in which they are incurred. Patents costs that relate to projects that are in the research phase are expensed.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised over the period of their expected useful life. Patents costs that relate to projects that are in the development phase are capitalised.

Research and development grants receivable are matched to their classification of expenditure. In the periods where research costs are expensed, the related research and development grant is reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as other income. In periods where the Group incurs Development Costs, the related Research and Development grant is

recognised as a credit to capitalised development costs, reported in the Consolidated Statement of Financial Position (refer note 16).

b) Adoption of New and Revised Accounting Standards

In the half year ended 31 December 2017, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. These include:

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

The adoption of all these new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods. The Directors consider that these new and revised Standards and Interpretations has not had a material impact and therefore it has not resulted in changes to the Company's presentation of, or disclosure in, its half year financial statements.

c) Share-based payments

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

d) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

	Method	Useful Lives
Plant and equipment	Straight Line	3 years
Office fitout and equipment	Straight Line	2-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

e) Basis of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and

liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4 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 2017.

Additional significant estimates and judgements include:

Key estimate – Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued during the reporting period has been determined by using the Binomial formula. Details of the estimates used to determine the fair value are detailed in Note 15.

5 Significant events and transactions

On 4 July 2017, the Company completed the issue of 26,466,000 fully paid ordinary shares in the capital of the Company. These shares were allotted at $0.10 per share and raised a net total of $2,646,600.

On 22 November 2017, the Company completed the issue of 184,210,526 fully paid ordinary shares in the capital of the Company. These shares were allotted at $0.19 per share and raised a net total of $33,231,218.

During the period the Group continued its investment and development of the Hadrian X programme with the Group signing key Memorandum of Understandings ("MOU") with Caterpillar Incorporated and the Kingdom of Saudi Arabia. The Caterpillar MOU has the potential to develop into a global manufacturing and distribution agreement for the Hadrian X construction robot. We anticipate the Saudi Arabia MOU will be progressed into an early adopter agreement with discussions ongoing to develop this market.

The Group also strengthened its management team by adding key executives to the team including the appointment of a General Manager of Operations and Chief Financial Officer. The Group also invested in expanding its operations team to meet the upcoming milestones associated with the construction and demonstration of the Hadrian X.

As part of the Hadrian X programme, the Group has invested in a 2nd Hadrian X prototype with both Hadrian X prototypes being assembled in parallel. During the period the Group has moved from the design phase into procurement with an expectation that assembly will commence early 2018 with a view to demonstrating the Hadrian X in the 2nd half of 2018. The Group has continued to invest in developing and protecting its Intellectual Property. Fastbrick now has an Intellectual Property portfolio comprising 18 patent cases, 2 design cases and a number of granted trademarks and trademark applications.

6 Other Income

	Consolidated	
	31 December 2017 $	31 December 2016 Restated (refer note 16) $
Interest received	34,273	18,908
Profit on sale of assets	1,667	-
Commercial grants and other	62,553	108,957
	98,493	**127,865**

7 Cash and cash equivalents

	Consolidated	
	31 December 2017 $	30 June 2017 $
Cash at bank and on hand	**40,040,722**	**8,650,755**

8 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.

9 Property, plant and equipment

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

	Workshop equipment	Office fit out	Leased plant & equipment	Total
	$	$	$	$
Gross carrying amount				
Balance at 1 July 2017	34,394	174,423	52,235	261,052
Additions	92,656	483,040	-	575,696
Disposals	-	-	-	-
Balance at 31 December 2017	**127,050**	**657,463**	**52,235**	**836,748**
Depreciation and impairment				
Balance at 1 July 2017	(8,065)	(41,948)	(3,264)	(53,277)
Disposals	-	-	-	-
Depreciation	(6,688)	(51,828)	(6,528)	(65,044)
Balance at 31 December 2017	**(14,753)**	**(93,776)**	**(9,792)**	**(118,321)**
Carrying amount at 31 December 2017	**112,297**	**563,687**	**42,443**	**718,427**

10 Development costs

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised over the period of their expected useful life. Patents costs that relate to projects that are in the development phase are capitalised.

The following tables shows the 6 month movements in development costs associated with the Hadrian 109:

	31 December 2017	30 June 2017 Restated (refer note 16)
	$	$
Gross carrying amount		
Opening Balance	1,345,329	940,032
Additions	4,832,030	1,592,759
R&D tax credit	(1,806,413)	(1,187,462)
Closing Balance	**4,370,946**	**1,345,329**

11 Trade and other payables

	Consolidated	
	31 December 2017	30 June 2017
	$	$
Trade creditors	859,208	267,773
Accrued expenses	145,710	22,638
Other payables	429,557	212,123
	1,434,475	**502,534**

12 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 2017	31 December 2016
	$	$
Weighted average number of shares used in basic earnings per share	854,699,066	672,931,171
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	**854,699,066**	**770,541,768**

13 Share capital

Ordinary shares

	31 December 2017		30 June 2017	
	$	**No.**	**$**	**No.**
Ordinary shares, fully paid	**56,367,106**	**1,042,348,827**	**19,303,138**	**764,590,215**

The reconciliation is set out as follows:

	$	**No.**
Movement in ordinary shares on issue		
Shares on issue at 1 July 2017	19,303,138	764,590,215
Capital raising		
4 July 2017 (at $0.10 per share)	2,646,600	26,466,000
22 November 2017 ($0.19 per share)	35,000,000	184,210,526
Capital raising costs – options issued	(1,750,000)	-
Capital raising costs	(18,782)	-
Option conversion		
31 July 2017 (at $0.02 cents per option)	100,000	5,000,000
31 July 2017 (at $0.08 cents per option)	4,900	61,250
7 August 2017 (at $0.08 per option)	20,000	250,000
25 August 2017 (at $0.08 per option)	15,000	187,500
8 September 2017 (at $0.08 per option)	50,000	625,000
20 October 2017 (at $0.02 per option)	256,741	12,837,055
3 November 2017 (at $0.02 per option)	75,000	3,750,000
22 November 2017 (at $0.02 per option)	384,509	19,225,445
5 December 2017 (at $0.02 per option)	275,000	13,750,000
5 December 2017 (at $0.08 per option)	5,000	62,500
Performance right conversion(10 October 2017)	1,161,666	11,333,336
Shares on issue at 31 December 2017	**57,528,772**	**1,042,348,827**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

126,975,702 ordinary shares were released from escrow on 12 November 2017.

13 Share capital (continued)

Performance shares

	31 December 2017		30 June 2017	
	$	No.	$	No.
Performance shares	1,126,800	499,999,998	1,126,800	499,999,998

	$	No.
Movement in ordinary performance shares on issue		
Performance shares on issue at 1 July 2017	**1,126,800**	**499,999,998**
Performance shares on issue at 31 December 2017	**1,126,800**	**499,999,998**

Performance shares do not have a par value. Performance shares are not eligible to receive dividends or repayment of capital. Performance shares are not entitled to vote at the shareholders' meeting of Fastbrick Robotics Ltd.

Each performance share converts to 1 ordinary share for nil consideration upon satisfaction of the vesting conditions detailed below.

Under the Goldwing Offer and pursuant to the prospectus dated 23 September 2015, Fastbrick Robotics allotted 499,999,998 unquoted performance shares to the shareholders of Fastbrick Robotics. These Performance Shares have the following escrow period and are split in the following categories classes:

a) 76,747,668 – released from escrow on 18 November 2016

b) 423,252,330 – escrowed until 18 November 2017

(i) **166,666,666 Performance Shares Class A**
Vesting condition for Class A; Upon successful demonstration of the Company's robotic building technology as proven by the construction of a 3 bedroom, 2 bathroom home structure within 3 days from commencement of construction by the Company's robotic home building technology on the site. If unconverted, Class A Performance Shares will expire after 36 months from the date of issue;

(ii) **166,666,666 Performance Shares Class B**
Vesting condition for Class B; Upon successful completion, being payment for service, of the Company's tenth home structure constructed under a commercial arm's length contract. If unconverted, Class B Performance Shares will expire after 48 months from the date of issue; and

(iii) **166,666,666 Performance Shares Class C**
Vesting condition for Class C; Upon achievement by the Company of reported annual operating revenue in a financial year attributable to the Fastbrick Robotics technology (excluding grant receipts and R&D rebates received from the ATO) of at least $10,000,000. If unconverted, Class C Performance Shares will expire after 60 months from the date of issue.

14 Share based payments

Ordinary shares

There were no ordinary shares granted as share based payments during the current period. During the prior period, on 24 November 2016, 800,000 ordinary shares were granted as consideration for services provided to the Company. The fair value of these ordinary shares were $20,000. The weighted average fair value of the ordinary shares granted during the current year was $0.025 being the market value of the shares at date of grant being 13 April 2016.

Options

On 21 April 2017, 10,000,000 options were granted, subject to shareholder approval, to the Chief Operating Officer of the Company.

Number Issued	Grant Date	Expiry Date	Exercise Price (cents)	Fair Value at Grant Date (cents)
1,000,000	21 April 2017	30 June 2021	20 cents	5.83
3,000,000	21 April 2017	30 June 2021	20 cents	5.86
3,000,000	21 April 2017	30 June 2021	20 cents	5.85
3,000,000	21 April 2017	30 June 2021	20 cents	5.82

The Hull-White option pricing model was used to value these options. Inputs into the valuation model were as stated in the table above, and as follows:

- Spot price: The spot price of the Company's shares was $0.0105 per share at the close of trade on 30 June 2017, the closing price immediately prior to Valuation Date.
- Expected future volatility: The share price volatility of the Company at 94.66% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a ten-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A ten-year bond yielded 2.58% on 30 June 2017 as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 10,000,000 options granted was $574,082. The accounting expense recognised for the current period is $66,310 based on the number of options vested during the current period.

14 Share based payments (continued)

The following table illustrates the outstanding options granted, exercised and forfeited during the year.

	31 December 2017		30 June 2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Opening Outstanding	87,636,250	4 cents	80,000,000	3 cents
Granted during the period	-	-	-	-
Exercised during the period	(55,748,750)	2 cents	(1,947,500)	2 cents
Closing Outstanding	**31,887,500**	**8 cents**	**78,052,500**	**3 cents**

No options were forfeited or granted during the period (2016: nil).

75,000,000 options with an exercise price of $0.02 expiring on 12 November 2019 came out of escrow on 12 November 2017. 54,562,500 of these options were exercised during the current period.

The weighted average remaining contractual life for the share-based payment options outstanding as at 31 December 2017 was 2.33 years (2016: 2.82).

The range of exercise prices for share-based payment options outstanding as at the end of the period year was $0.02 to $0.35 (2016: $0.02 to $0.08).

No options were issued to directors or other key management personnel during the current year.

Performance rights

The following table illustrates the outstanding performance rights granted, exercised and forfeited during the year.

	31 December 2017 Number	30 June 2017 Number
Opening Outstanding	20,700,000	-
Granted during the period	8,450,000	20,700,000
Converted to shares during the period	(11,333,336)	-
Forfeited during the period	-	-
Closing Outstanding	**17,816,664**	**20,700,000**

14 Share based payments (continued)

On 24 November 2016 the shareholders approved the issue of 17,000,000 unlisted performance rights to the directors of Fastbrick Robotics. These Performance Rights have no escrow period and are split in the following classes:

(i) **5,666,668 Performance Rights Class A**
Vesting condition for Class A; Upon the Company shares achieving a 10 day volume weighted average price ('VWAP') of $0.20.
Milestone date is 3 years from the date of grant.
Expiry date is 10 business days from the applicable milestone date.
If unconverted, Class A Performance Rights will expire after 36 months from the date of issue;

(ii) **5,666,668 Performance Rights Class B**
Vesting condition for Class B; Upon the Company shares achieving a 10 day VWAP of $0.25.
Milestone date is 3 years from the date of grant.
Expiry date is 10 business days from the applicable milestone date
If unconverted, Class B Performance Rights will expire after 36 months from the date of issue; and

(iii) **5,666,664 Performance Rights Class C**
Vesting condition for Class C; Upon the Company signing a binding global partnering agreement with a major global partner for the sale, distribution, licensing and/or manufacturing of the Company's IP and/or commercial bricklaying machine.
Milestone date is 3 years from the date of grant.
Expiry date is 10 business days from the applicable milestone date
If unconverted, Class C Performance Rights will expire after 36 months from the date of issue.

The binomial pricing model was used to value these performance rights. Inputs into the valuation model were as stated in points (i) to (iii) above, and as follows:

- Spot price: The spot price of the Company's shares was $0.105 per share at the close of trade on 23 November 2016, the last date the Company's shares traded prior to the Valuation Date.
- Expected future volatility: Assumed volatility of 120% for the securities. This is calculated based on historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using three-year bonds, the period which most closely corresponds to the lives of the Rights. The interest rates are measured as the closing rate on the day prior to the Valuation Date. A three-year bond yielded 1.88% on 23 November 2016 as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed a dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 17,000,000 performance rights granted during the prior period, assuming that 100% of the performance rights will vest, was $1,785,000. The accounting expense recognised for the current period was $861,435, based on the number of performance rights vested during the period (2016: $529,071).

14 Share based payments (continued)

On 24 November 2016, a further 2,700,000 performance rights were awarded to employees of Fastbrick Robotics. These Performance Rights have no escrow period and are split in the following classes:

(i) **1,350,000 Performance rights Class A**
Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X by 31 December 2017. Hadrian X to successfully demonstrate key features as outlined in the Hadrian X launch Video.
Expiry date: 20 March 2020
If unconverted, Class A Performance Rights will expire on 30 September 2018. The expiry date was extended from 31 December 2017 to 30 September 2018 during the current period.

(ii) **1,350,000 Performance rights Class B**
Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure within 3 days from commencement of construction by the Company's robotic home building technology on the site.
Expiry date: 20 March 2020
If unconverted, Class B Performance Rights will expire on 12 November 2018.

The fair value of these 2,700,000 performance rights granted during the prior year was $270,000, based on a closing share price of $0.10 per share on 20 March 2017 (Grant Date). All performance rights vested during the prior period. 2,550,000 performance rights were issued to technical and engineering employees and as such $255,000 was capitalised to development costs. The remaining 150,000 performance rights were issued to corporate staff and as such $15,000 was expensed in the prior period.

On 11 May 2017, a further 1,000,000 performance rights were awarded to the Chief Operating Officer of Fastbrick Robotics under the employee incentive share plan. These Performance Rights have no escrow period and are split into the following classes:

(i) **500,000 Performance rights Class A**
Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X by 31 December 2017. Hadrian X to successfully demonstrate key features as outlined in the Hadrian X launch Video.
Expiry date: 21 April 2020
If unconverted, Class A Performance Rights will expire on 30 September 2018. The expiry date was extended from 31 December 2017 to 30 September 2018 during the current period.

(ii) **500,000 Performance rights Class B**
Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure within 3 days from commencement of construction by the Company's robotic home building technology on the site.
Expiry date: 21 April 2020
If unconverted, Class B Performance Rights will expire on 12 November 2018.

The fair value of these 1,000,000 performance rights granted during the prior year was $115,000, based on a closing share price of $0.12 per share on 21 April 2017 (Grant Date). The accounting expense recognised for the prior year was $115,000, as all performance rights vested during the prior year ended 30 June 2017.

14 Share based payments (continued)

On 27 November 2017 a further 3,500,000 performance rights were awarded to employees of Fastbrick Robotics. These Performance Rights have no escrow period and are split into the following classes:

(i) **1,750,000 Performance rights Class A**
Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X by 31 December 2017. Hadrian X to successfully demonstrate key features as outlined in the Hadrian X launch Video.
If unconverted, Class A Performance Rights will expire on 30 September 2018.

(ii) **1,750,000 Performance rights Class B**
Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure within 3 days from commencement of construction by the Company's robotic home building technology on the site.
If unconverted, Class B Performance Rights will expire on 12 November 2018.

The fair value of these 3,500,000 performance rights granted during the period was $65,000, based on a closing share price of $0.22 per share on 27 November 2017 (Grant Date). All performance rights vested during the current period. 2,850,000 performance rights were issued to technical and engineering employees and as such $57,000 was capitalised to development costs. The remaining 400,000 performance rights were issued to corporate staff and as such $8,000 was expensed in the current period.

On 27 November 2017, a further 5,200,000 Performance Rights were awarded to Directors of Fastbrick Robotics. These Performance Rights have no escrow period and are split into the following classes:

(i) **1,733,334 Performance rights Class A**
Vesting condition for Class A; Upon the Company's share price achieving a 15 day VWAP of $0.325
If unconverted, Class B Performance Rights will expire on 31 December 2018

(ii) **1,733,334 Performance rights Class B**
Vesting condition for Class B; Upon the Company's share price achieving a 15 day VWAP of $0425
If unconverted, Class B Performance Rights will expire on 31 December 2019.

(iii) **1,733,332 Performance rights Class C**
Vesting condition for Class C; Upon the Company's share price achieving a 15 day VWAP of $0.525
If unconverted, Class C Performance Rights will expire on 31 December 2020.

14 Share based payments (continued)

The fair value of these 5,200,000 performance rights granted during the current period is $753,393, based on a closing share price of $0.22 per share on 27 November 2017 (Grant Date). The accounting expense recognised for the current period was $38,810, based on the number of performance rights that vested during the current period.

The weighted average fair value of the performance rights granted during the current period was $0.094.

Performance rights do not have a par value. Performance rights are not eligible to receive dividends or repayment of capital. Performance rights are not entitled to vote at the shareholders' meeting of Fastbrick Robotics Ltd.

15 Reserves

	31 December 2017 $	30 June 2017 $
Share option reserve	1,277,746	1,211,436
Performance right reserve	717,650	914,071
	1,995,396	**2,125,507**

Share options reserve comprises the expense of vested option share based payments. The 6 month reconciliation is set out as follows:

	Note	31 December 2017 $	30 June 2017 $
Movement in share option reserve			
Opening Balance		1,211,436	1,121,640
Options vested during the period	4	66,310	89,796
Closing Balance		**1,277,746**	**1,211,436**

Performance rights reserve comprises the expense of issued performance right share-based payments. The 6 month reconciliation is set out as follows:

	Note	31 December 2017 $	30 June 2017 $
Movement in performance right reserve			
Opening Balance		914,071	-
Performance rights vested during the period	14	965,245	914,071
Performance rights converted to shares		(1,161,666)	-
Closing Balance		**717,650**	**914,071**

16 Restatement of prior period for change in accounting policy

The Group now includes Research and Development Rebates received within capitalised Development Costs. The change in accounting policy has been applied to the prior period by restating the affected financial statement line items as follows:

Statement of financial position (extract)

	30-Jun-17		
	Previous amount	**Adjustment**	**Restated amount**
	$	$	$
Development costs	2,532,791	(1,187,462)	1,345,329
Net assets	11,596,952	(1,187,462)	10,409,490
Accumulated losses	(9,831,693)	(1,187,462)	(11,019,155)
Total equity	**11,596,952**	**(1,187,462)**	**10,409,490**

Statement of profit or loss and other comprehensive income (extract)

	31-Dec-16		
	Previous amount	**Adjustment**	**Restated amount**
	$	**$**	**$**
Other income	663,732	(535,867)	127,865
Loss before tax	**(273,162)**	**(535,867)**	**(809,029)**
Total comprehensive loss for the period	**(273,162)**	**(535,867)**	**(809,029)**
Basic loss per share in cents per share	(0.04)	(0.07)	(0.10)
Diluted loss per share in cents per share	(0.04)	(0.07)	(0.10)

17 Contingent liabilities

At the reporting date the Group had no pending legal claims or other contingent liabilities (2016: nil).

18 Events after the reporting date

No event has arisen since 31 December 2017 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

Directors' Declaration

In the opinion of the Directors of Fastbrick Robotics Ltd:

a The consolidated financial statements and notes of Fastbrick Robotics Ltd are in accordance with the *Corporations Act 2001*, including:

   i Giving a true and fair view of its financial position as at 31 December 2017 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:



Director
Mike Pivac

Dated the 26th day of February 2018

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Independent Auditor's Review Report to the Members of Fastbrick Robotics Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Fastbrick Robotics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Fastbrick Robotics Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

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 2017 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*. As the auditor of Fastbrick Robotics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P W Warr
Partner - Audit & Assurance

Perth, 26 February 2018