

ASX:FBR

Annual Report
2021

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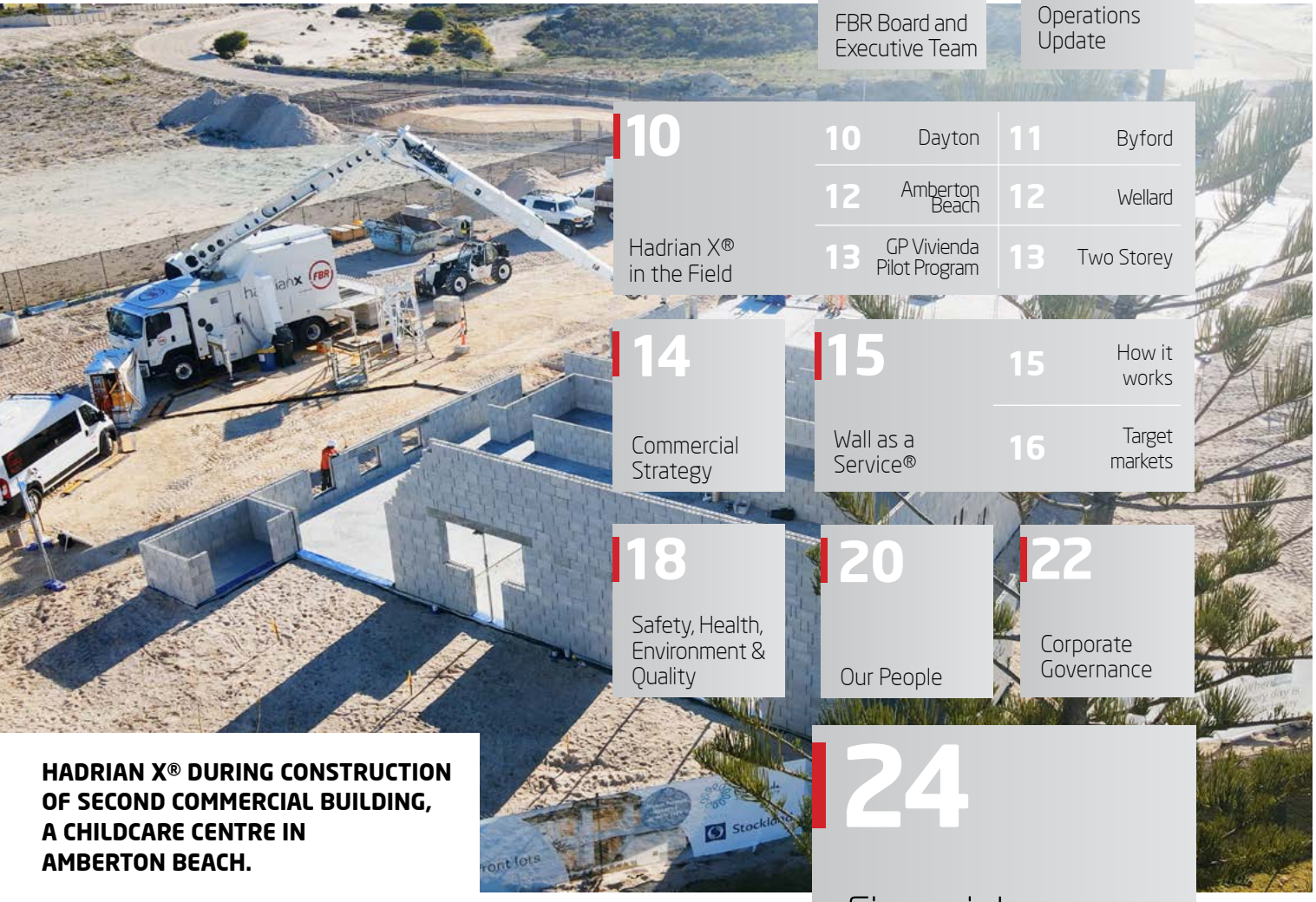
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HADRIAN X® DURING CONSTRUCTION OF SECOND COMMERCIAL BUILDING, A CHILDCARE CENTRE IN AMBERTON BEACH.

ASX:FBR



FBR Limited

Designs, develops and builds dynamically stabilised robots to address global needs.

These robots are designed to work outdoors using the Company's core Dynamic Stabilisation Technology™ (DST™). FBR is commercialising products for the construction sector together with DST™ enabled solutions for other industries.

DST™ reacts to wind, vibration and other environmental factors instantly, enabling precise positioning over large distances outside.

DST™ delivers accuracy previously only achievable in controlled environments, paving the way for robotic construction and automation outdoors.

The Company's first application of DST™ is the Hadrian X®, a revolutionary bricklaying robot capable of building the walls of a house in as little as one day.

FBR is continuing to develop exciting new technologies for robotic automation outdoors.

Year in **Review**



GP Vivienda Pilot Program completed

Building Pilot Program Agreement with **Xella**

First non-residential structure built in Byford, Western Australia



Building Pilot Program Agreement with **Archistruct Builders & Designers** completed

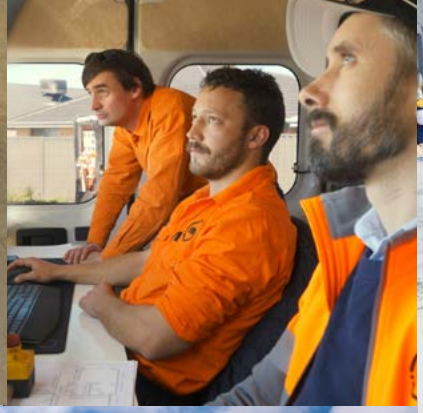
First **Display Home** built in Dayton, Western Australia





Two-Storey Test Structure built, in a style commonly found in key **FBR** markets









Childcare Centre
completed in
Amberton Beach,
Western Australia



Winner of **2021**
Australian Institute
of Health & Safety
– Leadership & Culture
(SME) Award





Two houses
completed in
Wellard, Western
Australia

First **Display Home**
sold to homebuyer

Contract for
eight townhouses
announced



Chairman's **Review**





Dear Shareholders

On behalf of the Board and management, it is my pleasure to present to you FBR's Annual Report for 2021.

The 2021 Financial Year (FY21) was a significant year in FBR's history to date, with the Company's Hadrian X® heading out onto real-world building sites for the first time to construct residential and commercial structures.

We completed our first residential build in Dayton, Western Australia, which is now being lived in by its new owner. We completed our first commercial structure in Byford, Western Australia, which is now tenanted. We completed our largest and most complex structure to date, a childcare centre in Stockland's Amberton Beach development, and since the end of FY21, we've completed two more residential structures in Wellard, Western Australia.

The Company has made exciting progress in the commercialisation of its technology and we are seeing market adoption starting to accelerate and revenue starting to grow.

FBR has also been enhancing its delivery capability by growing the team and attracting top end talent to the Company. During FY21 we welcomed Mr Greg Smith to the Board as a Non-Executive Director. Greg has provided a strong contribution to the Board so far and brings a wealth of skills and knowledge to FBR which are invaluable as the Company continues to execute on its commercialisation strategy.

While the impacts of COVID-19 continue to be felt around the world, FBR's future looks very strong and I thank you, our Shareholders, for your continued support.

Yours faithfully,

Richard Grellman
Non-Executive Chairman





Managing Director & CEO's **Review**

Dear Shareholders

Thank you for your continued support through what has been a significant year in FBR's journey.

We deployed the Hadrian X® into a real-world environment for the first time in what was a truly proud moment for all of us and the culmination of years of effort from our Team. Even more pleasingly, we were able to build on that milestone by completing further projects, each with their own unique challenges and firsts.

The construction of the childcare centre in Stockland's Amberton Beach development was a great test for us, as we were building the largest and most complex structure we had ever attempted in the middle of winter next to the ocean through driving rains and strong winds, and the crew and Hadrian performed admirably.

We also completed our first two storey structure, a critical project in the context of securing our first multi-home contract for two storey townhouses, as well as to demonstrate to international builders and developers that the Hadrian X® not only has the capability to service their markets, but to greatly improve their construction methods.

We are continuing to engage with international parties to strategise our entry to their respective territories in line with our scaling plan, while also ramping up our utilisation in Western Australia to prove out the technology further and generate revenue.

We made significant strides behind the scenes in our R&D facility, greatly boosting our manufacturing capability and advancing a number of exciting R&D projects, including the next iteration Hadrian.

I am confident that we have the most viable technology in robotic construction, and we are starting to see the rest of the world coming to that realisation. Our pipeline of work is growing rapidly as the market has accepted our technology and is now racing to adopt it to gain a competitive advantage.

We are excited for an even more impressive FY22, and I thank again all our Shareholders who have supported us in bringing this revolutionary technology to market.

Yours faithfully,

Mike Pivac
Managing Director &
Chief Executive Officer

FBR Board
and Executive Team

Richard Grellman
Non-Executive Chairman



Richard Grellman AM is a highly experienced leader and a member of the Order of Australia for service to the community and to the finance and insurance sectors. Richard is currently the Non-Executive Chairman of IPH Limited, Non-Executive Director of NYSE-listed F45 and a Director of the National Health and Medical Research Council Institute for Dementia Research. Since 2014, Richard has served as the Tribunal of the NSW Statutory and Other Officers Remuneration Tribunal (SOORT), appointed by the Governor of NSW. He spent 32 years with accounting firm KPMG, where he was a partner from 1982 to 2000, a member of KPMG's National Board from 1995 to 1997 and National Executive from 1997 to 2000, and has since served on a number of other Boards of both listed and unlisted organisations.

Michael Pivac
Managing Director & Chief Executive Officer



Michael Pivac spent 20 years in the aviation sector as an Airborne Mission Coordinator with Australian Border Protection and Search and Rescue, specialising in Electronic Detection Systems and strategic and tactical mission planning, working closely with Australian and International Government and Military Agencies. He has also owned and operated businesses in the retail, hospitality and transport sectors and has been key to developing FBR's technology, business plan and machine development strategy. He has forged relationships with investors, builders, product suppliers and future customers pivotal to bringing the Hadrian X® to life.

Mark Pivac
Executive Director & Chief Technical Officer



Mark Pivac is the primary inventor of FBR's automated bricklaying technology. He is an aeronautical and mechanical engineer with over 30 years' experience working on the development of high technology equipment ranging from lightweight aircraft to heavy off road equipment and construction robotics. Mark has 25 years' experience of Pro/Engineer/Creo 3D CAD software. He also has high level mathematical skills and extensive design, commissioning and fault finding experience on servo controlled motion systems achieving very high dynamic performance. Mark has led the technical development of Hadrian X® for over 15 years.

Grant Anderson
Non-Executive Director



Grant Anderson has over 40 years of experience in the design and manufacturing sectors, at the level of executive, CEO and managing director for a number of public and private best practice international companies. Grant also has extensive Board experience in both ASX-listed and private companies across multiple industries including automation, technology and robotics. He has experience as a Director in multiple countries including joint venture companies. Grant's previous Board experience has included Berklee Limited (Deputy Chairman), Techni Waterjet Pty Ltd. (Chairman) and The ANCA Group Pty Ltd. which included multiple international subsidiaries.

Greg Smith
Non-Executive Director



Greg Smith has 39 years' experience in the building products industry in manufacturing, technical and sales across the clay and concrete products sectors. Greg specialises in operations and project management, safety transformation leadership, lean implementation and contract negotiation. Greg Smith holds a Master of Business Administration (Exec) from the University of Queensland, a Graduate Diploma in Management from the University of Queensland, a Certificate of Applied Science – Industrial Ceramics from the Holmesglen College of TAFE, a Certificate in Quality Control from the School of Mines Ballarat TAFE, and is a graduate of the Company Directors Course run by the Australian Institute of Company Directors.

Aidan Flynn
Chief Financial Officer & Company Secretary



Aidan Flynn has over 20 years of corporate experience including 15 years in CFO roles. His extensive experience in CFO roles in rapidly growing companies has given him expertise across finance, corporate compliance, technology commercialisation, investor relations and capital raising. He has also devised, implemented and managed complex financial structures and managed significant Australian research and development tax refunds over multiple periods.

Aidan is a Certified Practising Accountant (CPA), he has a Bachelor of Commerce (Accounting & Finance) and Science (Physics) from The University of Melbourne, a Post Graduate Diploma in Renewable Energy from Murdoch University and a Graduate Diploma of Applied Corporate Governance, from the Governance Institute of Australia.

Kiel Chivers
Chief Commercial Officer - Appointed October 2021



Kiel Chivers has 13 years' experience in commercial, finance and marketing roles, including on major mining projects both domestically and internationally. Kiel has extensive business and corporate development experience, and has been responsible for financial analysis and planning for new operating entities and international projects. Kiel also has significant experience in marketing, investor relations and communications, and has worked closely with executives and Boards across a wide range of industries.

Kiel holds a Bachelor of Commerce with a double major in Finance and Property from Curtin University, a Bachelor of Laws from Murdoch University and a Diploma of Investor Relations from the Australasian Investor Relations Association. Kiel previously held the role of Manager Corporate Services with FBR and has been working with the Company in various capacities since 2015.

Jonathan Lawe Davies
General Counsel



Jonathan Lawe Davies has been a specialist IP lawyer for over 20 years. He has a rare combination of experience, including senior IP roles in top law firms in Australia and the UK, in-house counsel at a global corporate and board level roles of a commercial patent monetisation business. He has managed numerous successful high value patent litigations in the US, Europe and Australia, international in-licensing and out-licensing projects, IP sales and acquisitions, and created bespoke holistic IP strategies across a broad range of hardware and software-based technologies.

Hadrian X®
Operations Update



The past year has seen FBR make significant progress toward the commercialisation of the Hadrian X® construction robot.

In addition to the many structures built at FBR's premises for Pilot Programs, testing and demonstrations, the Hadrian X® has now completed five projects in a suburban environment – two large commercial structures and three homes – and is contracted to build another eight homes.

Importantly, FBR was able to demonstrate for the first time in the real world the many benefits of the Hadrian X® in residential and commercial construction projects.

FBR expects to progress a number of international relationships in FY22 with demonstration builds and pilot programs to be completed ahead of international deployment.





Hadrian X® Benefits

HEALTH AND SAFETY

- Removes the repetitive work, stress and injury from the industry that many bricklayers suffer from due to years of hard labour.
- Removes all manual labour from construction site during structure build (except FBR quality control interactions).
- No working at elevated heights during blocklaying process. Removes the need for scaffolding, trestles or boards to reach the top courses and second storey.
- Due to the use of construction adhesive, there is no exposure and inhalation of cement and sand dust while mixing mortar. Both contain silica which has been recognised as a serious industry hazard.
- No inhalation of dust through cutting bricks manually (when a brick saw is used).
- Less people required at work site during construction and less trips to site required by workers.
- No hand injuries when laying or cutting bricks with a saw or trowel. Hadrian X® completes all necessary brick cuts.



ENVIRONMENTAL

- A much cleaner site with no materials dispersed across the build zone.
- Reduced waste and exposure to environmental incidents.
- No sand, cement or water required on site, eliminating the impact of extraction, soil screening, removal and management of leftover waste.
- No hazardous dust from the use of cement and sand (both containing silica) with the potential exposure to the local environment, workers and public within vicinity.
- Heavily reduces offcuts and waste from block manipulations due to the machine managing all offcut material, the TAD software delivering virtual inventory, optimisation and the precision of Wall as a Service®, or WaaS®.
- Site cleanliness maintained leading to reduced cost.
- Up to 10% of brick/blocks are wasted in manual bricklaying from:
  - Overordering;
  - Logistics and handling; and
  - Cutting bricks onsite.
- This is equivalent to up to A$15 billion waste in the A$175 billion of global brick/blocks produced and sold per year.
- Hadrian X® could save more than half of this global brick/block waste per year.

OPERATIONAL

- Blocklaying speed significantly faster than manual labour.
- Greater accuracy and repeatability than human bricklaying.
- Total build costs reduced significantly through less time, resource, waste and rework.
- Safety and environmental impacts reduced significantly. Dull, dirty and dangerous activities removed from site.
- Disruptor to the economic modelling and planning of building structures on residential and commercial sites. When considering the total 'time value of money', there is significant opportunity to not only reduce the time to build the structure, but by using the same single source of CAD information, other 'off site' manufacturing can be carried out concurrently without the need for 'as built' site measurement.
- Machine can run 24/7 when required with no onsite human constraints during build cycle.
- Solving genuine global skill shortage that will affect future business growth, while improving working conditions for existing and future bricklayers.





Hadrian X®
in the Field

Dayton

- The first display home built by an end-to-end autonomous bricklaying robot anywhere in the world was completed in Dayton, a residential suburb in Western Australia.
- Site was bordered by seven occupied homes.
- 3 bed x 2 bath – 2,991 Blocks measuring 390mm x 230mm x 90mm (13,759 Standard Brick equivalents [SBE]).
- Average lay speed (during up time) was 146 blocks per hour or 671 SBEs per hour.
- If using FBR's double width external F Blocks, average lay rate would be equivalent to 1,620 SBE/hour, with peak lay speed equivalent to 2,130 SBE/hour.
- Block wastage was less than 1/5 of a house built using traditional bricklaying methods.
- Home completed including fitout in February 2021, house sold with settlement due shortly.
- European-made prefabbed kitchen ordered based on the 3D CAD model and installed without having to measure walls.
- Roof trusses made according to 3D CAD model and installed.
- Bill of materials calculated accurately.
- Site cleanliness significantly improved over traditional building site.







Byford

- Hadrian X®'s first non-residential structure (a commercial and community centre) was built in Byford, Western Australia.
- First time the Hadrian X® had built both the internal and external leaf of a double brick cavity wall with a slab step-down.
- Hadrian X® achieved an average laying speed during uptime of approximately 174 blocks per hour, or approximately 800 SBEs per hour, improving upon the results achieved during the display home build in Dayton, Western Australia.
- A peak laying speed of 228 blocks per hour, or 1,049 SBEs per hour was demonstrated during the build.
- Hadrian X® worked in hail for the first time, as well as high winds and heavy rain.
- The completed structure is 15 courses high including slab step-down, or approximately one and a half storeys, with brick ties manually installed.
- Completion of full structure including fitout in January 2021; currently tenanted by real estate company with café to be established soon.
- Completed entire one and a half storey wall structure before needing to install scaffold for roof – no interruptions to bricklaying.
- Roof trusses made according to 3D CAD model before brickwork started and immediately installed following completion of brickwork.

Amberton Beach

- The largest project completed by Hadrian X® to date.
- Approximately 36,496 SBEs.
- Challenging weather conditions including heavy rain and strong winds created the ideal environment to showcase the ability of the Hadrian X® to operate in a wide range of weather conditions.
- As well as being the largest structure built by the Hadrian X®, it was one of the tallest, with a 4.8m high wall incorporated into the structure.
- Built in five stages, requiring five different positions for the Hadrian X®.
- Completed significantly faster than the speed estimated for manual bricklayers.





Wellard

- A four bedroom, two bathroom home built in Wellard.
- 3,456 CMU blocks (approximately 21,780 SBEs) laid to build the double leaf cavity walls.
- Built with only three people on site – one Hadrian operator and two support crew.
- Entire structure was completed in 29 laying hours.





GP Vivienda

- Pilot Program stage of the Building Pilot Program Agreement between FBR and GP Vivienda completed.
- GP Vivienda is the housing division of Mexican construction giant Grupo GP.
- Four Mexican-style two-bedroom, one-bathroom house structures completed using the Hadrian X® at FBR's premises.
- Each structure took less than one standard shift on average to complete.
- Two of the structures were built simultaneously side by side as they would be in Mexico.
- Block Testing stage commenced.
- Hadrian X® laying blocks commonly used in Mexico in test structures at its facility.
- Works ongoing to achieve certification of the Fastbrick Wall System® in the United States and Mexico, and to establish a Wall as a Service® operating entity in North America.
- Commercial analysis of the Hadrian X® in Mexico is underway.

Two Storey

- Two storey structure built with the Hadrian X® for international clients in a style commonly found around the world in developed and developing markets.
- First time FBR had demonstrated Hadrian X®'s ability to build two storey structures and work with design elements like steel reinforced concrete columns, suspended concrete slabs and rebar.
- Starter bars inserted into the concrete slab, with threaded couplers used to install rebar through the aligned cores of the blocks and concrete manually poured into the cores.
- Steel cages inserted into the block columns built by the Hadrian X®, with a concrete pump used to fill the columns.
- Precast concrete slab crane-lifted onto the structure the day after the first storey was completed.
- Hadrian X® commenced building second storey immediately after the crane left.



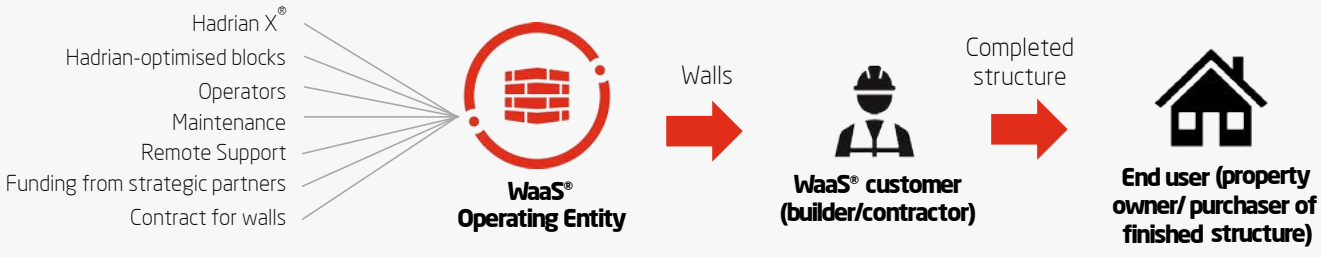


Commercial **Strategy**

Wall as a Service® (WaaS®) is the servitisation and digitalisation of the old way of selling bricks and manual bricklaying labour separately. WaaS® is sold as a fixed price single delivered service to customers. The WaaS® operating entity supplies the blocks and robotically constructs walls onsite to the precise specification of a digital architectural plan. WaaS® allows customers to directly access the benefits of robotic construction such as improvements in speed, accuracy, safety and waste, without having to build robotics capability into their businesses.

Typically, the acquisition of an order would follow this process:

- Customer asks for quote to build walls of house(s);
- Builder sends architectural plans to FBR, including brick specification;
- FBR runs plans through its proprietary architectural software and delivers fixed price lump sum quote for supply and lay of walls to plans specification;
- FBR sends fixed price quote to builder, guaranteeing price for 24 months, and provides total estimated build time;
- Builder agrees to quote and requests date for service;
- FBR orders bricks from local partner and arranges for delivery direct to site on specified day;
- FBR sends Hadrian X® to site on appointed day and builds house; and
- FBR bills for 100% of work.





ADDRESSING THE MARKET

FBR's commercial strategy is to create WaaS® operating entities around the world that deliver erected walls on demand to customers (builders, developers, government bodies etc).

The Hadrian X® improves the commerciality of block structures, helping block manufacturers to sell more blocks and compete against alternative building products.

WaaS® provides a digitalisation and software-driven pathway for house construction and completion, and enables more efficient and certain scheduling for customers, who can organise subsequent trades based on single data source service provision. This data can also be used in other applications.

The end user (e.g. a homebuyer) receives delivery of higher quality structure quicker, as well as other flow-on benefits of digital construction.

Global WaaS® operating entities will be rapidly scaled by allowing strategic partners to buy into the WaaS® operation in that region. Funds from strategic partners will be used to procure more Hadrian X® robots, and in some markets the strategic partner may be a manufacturer of the Hadrian X®.

Maintaining 100% ownership and control of its global intellectual property and the global commercial opportunity gives FBR a monopoly position as the only enabling technology for autonomous brick and block wall construction on the planet.

Hadrian X®
The world's first fully autonomous, end-to-end bricklaying robot

Operators
Trained in operation of the Hadrian X® construction robot

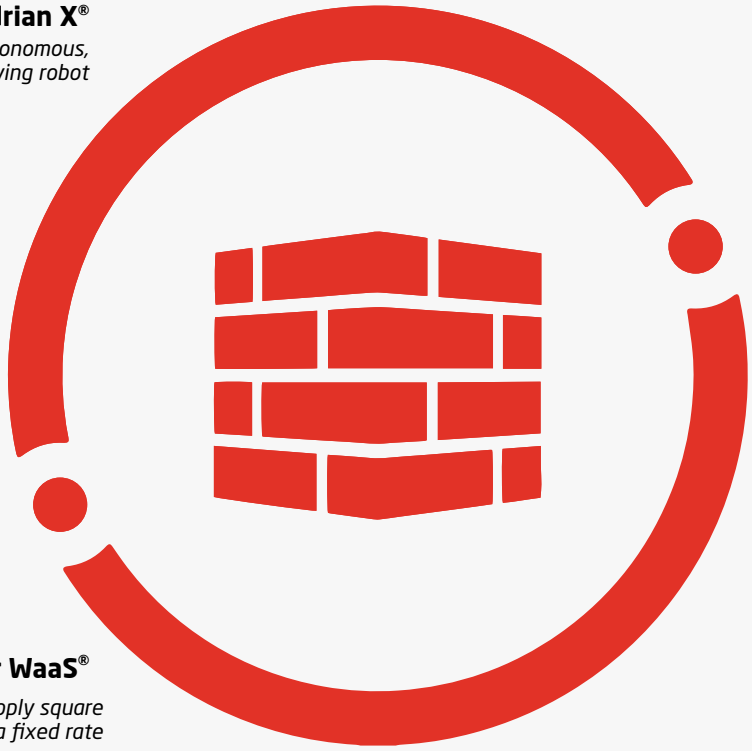
Maintenance
Regular check-ups to ensure Hadrian X® is operating at peak efficiency

Remote Support
Ability to offer support off-site to assist with scalability of global operations

Hadrian-optimised blocks
Provided by brick and block manufacturers, designed to maximise the benefits of Hadrian X®

Funds from Strategic Partners
Funding in regional WaaS® operating entities used to procure Hadrian X® robots

Contract for WaaS®
Agreed with WaaS® customers to supply square metres of wall at a fixed rate

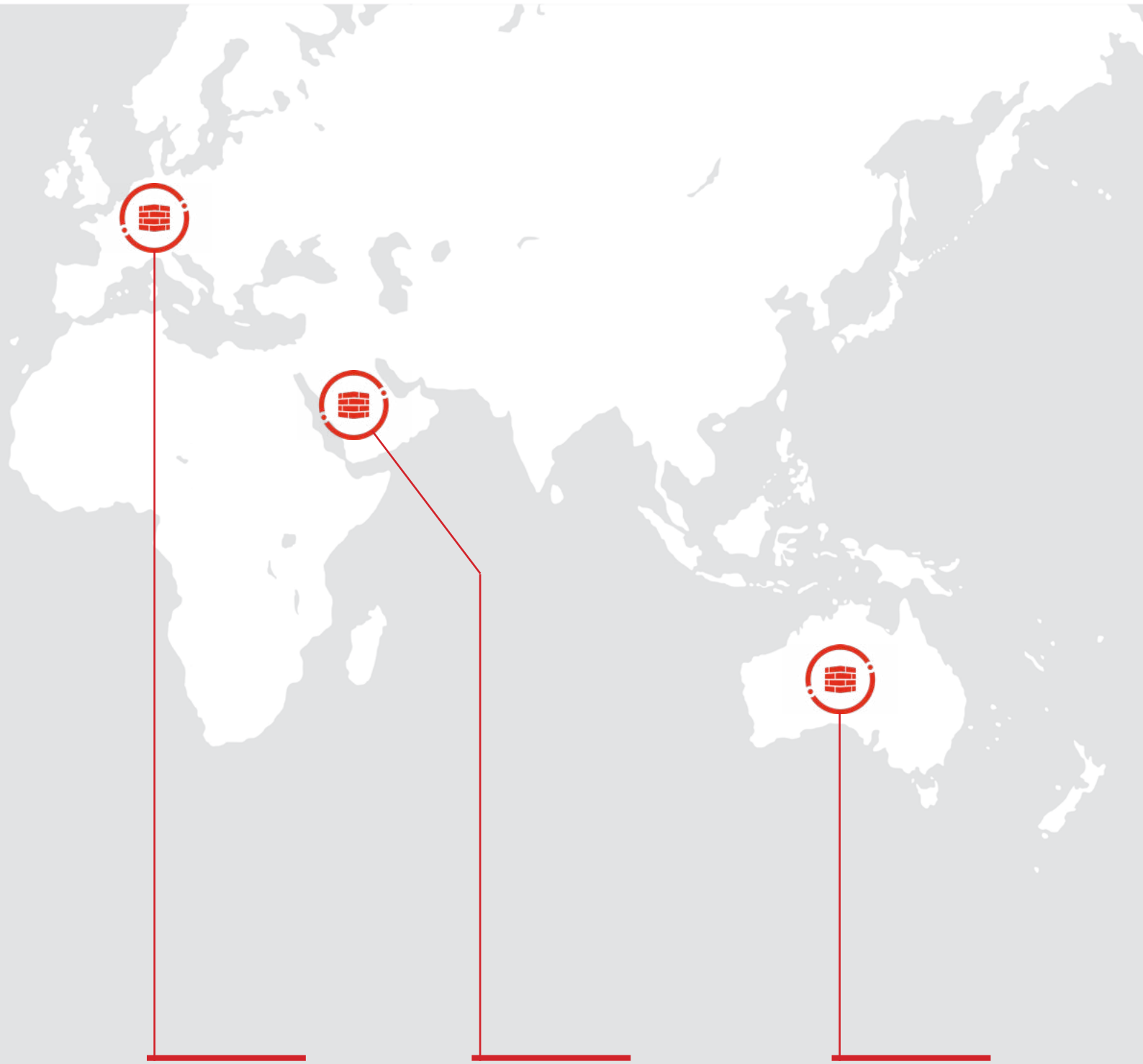




Wall as a Service® target markets

WaaS® Operating Company

NORTH AMERICA
Estimated number of low-rise houses currently built per year: **1,260,000**



WaaS® Operating Company

EUROPE
Estimated number of low-rise houses currently built per year: **693,000**

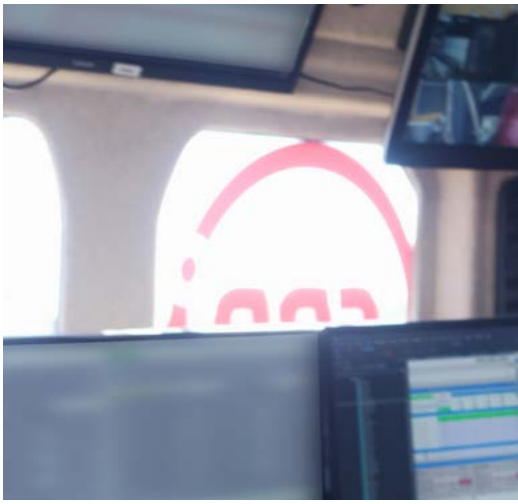
WaaS® Operating Company

United Arab Emirates and Kingdom of Saudi Arabia
Estimated number of low-rise houses currently built per year: **259,000**

WaaS® Operating Company

AUSTRALIA
Estimated number of low-rise houses currently built per year: **161,000**

Safety, Health, Environment and Quality



Reporting

FBR disclose there were no improvement notices, prohibition notices or fines received from any Australian regulatory body in the last 12 months to 30 June 2021. Our commitment to the safety and health of FBR employees, contractors, visitors, and members of the public is unwavering.

FBR performance against targets in FY 20/21 is summarised in Table 1 below:

TARGET	RESULT	
No work-related fatality, permanent injury or disease	**Achieved**	Zero fatality, permanent injury or disease
Develop a Management System to meet requirements of ISO 9001 (Quality), ISO 14001 (Environmental) and ISO 45001 (OHS) management system standards	**Achieved**	Online integrated management system implemented
Better manage work-related psychosocial hazards and factors and prevent psychological harm. Employees invited to complete a psychosocial risk assessment survey tool released by 'People at Work'	**Achieved**	FBR's results indicated our workplace fell into the minimal concern category. Nevertheless, we remain committed to continual improvement in this area.
Achieve industry recognition for leadership and culture in safety and health	**Achieved**	Winner Leadership and Culture award (SME) at 2021 Australian Workplace Health & Safety Awards

Table 1: Health & Safety performance against targets in FY21.

Our Approach

We provide a principles-based approach to guide decisions on disclosures so that the information produced is relevant to investors and other stakeholders. Four key themes underpin our well-functioning management system:

- Leadership;
- Risk Management;
- People Capability; and
- Assurance and Continuous Improvement.

Leadership

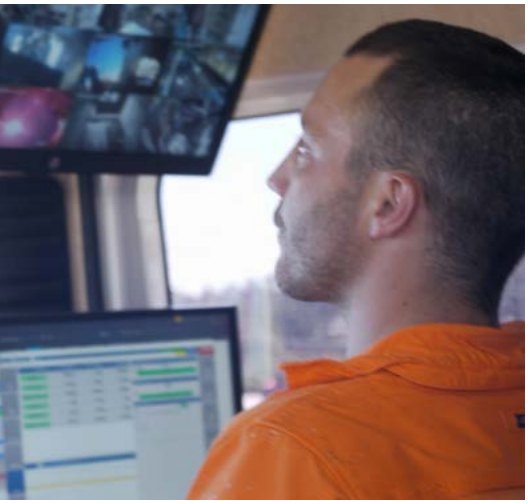
FBR Board and leadership team play a critical role in driving and promoting a strong safety and health culture through commitment, governance and demonstrated authentic and ethical leadership. Proactively driving a health and safety culture based on trust and openness drives lawful, ethical, and responsible behaviours which in turn lead to improved health and safety outcomes. The Board and leadership team has governance and oversight of safety and health performance. In February 2021, the Board endorsed a revised SHEQ Policy reflecting FBR's commitments.

Our leaders set the example, show commitment, and are actively involved. Mike Pivac (Chief Executive Officer) and Mark Pivac (Chief Technology Officer) encourage and value employee participation. FBR is an organisation that is caring, healthy and safe, innovative and productive. Managers and executives hold the critical roles in responsibility and accountability of safety and health at FBR.

Risk Management

FBR has implemented a systematic approach that manages material risks. These reflect FBR's most significant safety and health risks. A level of investment has been made to ensure FBR continue to manage material risks and avoid a fatality, permanent injury or disease to any person at the workplace.

Our risk management approach is based on recognised industry management system standards namely ISO 31000 -





Risk Management, AS4024 series - Safety of Machinery, ISO 45001: OHS Management Systems, ISO 14001: Environment Management Systems and ISO 9001: Quality Management Systems.

FBR employees have a proactive approach, communicating daily. Employees are risk-conscious and united by a desire to feel protected and anticipate change. Our informed culture promotes leading indicators such as hazard and near miss reporting to prevent work-related injuries and ill health.

Material risks reflect the full spectrum of FBR work activities e.g., Hadrian X® (Industrial robot), workplace psychosocial, physical health, environmental, public safety and security. A risk register identifies all foreseeable hazards and reviews actions undertaken to reduce them occurring. The register embraces the risk hierarchy of control. Measures are implemented to mitigate risk of harm to people, property and the environment.

FBR recognise the benefits of a mentally healthy workforce and has started monitoring and managing this as part of our safety and health activities. With an increased awareness of psychosocial risk in the workplace, we included mental health in our safety and health strategy for FY21. In our inaugural employee survey of mental health and well-being, our employees provided valuable feedback on how we can continue to build on the culture that makes FBR a safe and healthy place to work. Employee survey results were incorporated into the safety and health strategy for FY21/22.

People Capability

The capability of our people contributes to better safety, health, environment, and quality outcomes. Through induction and training (worker or contractor), we ensure people have the skills, demonstrated capability and experience to perform their work and make decisions independently, including an understanding of safety, health and environmental impacts and controls.

Key areas for training and competency for current and emerging workforce requirements have been identified. We invest in building worker capability and have a demonstrated commitment to ongoing compliance aligned to FBR's training and competency matrix. Competency-based training is mostly delivered by external Registered Training Organisations.

Assurance and Continuous Improvement

There is a clear framework for assurance that aligns with the material safety and health risks at FBR.

This is done through internal and external verification activities. For internal verification, workplace inspections and internal audits are completed. In addition, monitoring of material safety and health risks are completed against risk registers and safe work method statements applied for high-risk work.

Assurance programs identify control weaknesses before harm occurs. The assurance program aligns with FBR's safety and health risk management priorities.

Monthly reports of safety and health performance are provided to the FBR Audit and Risk Committee.

We are committed to continuous improvement and being an industry leader. We understand that safety and health is clearly linked to the quality of management, our operational performance and culture.

FBR has challenged traditional methods of construction and is delivering improved health and safety outcomes. Hadrian X® robotic bricklaying machine is changing the world by helping humans do things better - it brings new levels of speed, accuracy, waste management and cost efficiency for the benefit of a global community. With an exact bill of materials derived from a 3D CAD model combined with the greater level of accuracy the Hadrian X® builds with, the volume of waste produced at a typical building site is significantly reduced with the use of the Hadrian X®. The use of adhesive rather than mortar in the construction process drastically reduces the water requirements on site and enables a clean worksite. FBR is working with suppliers to use adhesives with low volatile organic compounds.

Our **People**





Purpose & Values

We are one team

- We always make it our number one priority to make sure everyone goes home safely.
- We understand we all have a role to play and as a team we are stronger.
- We are committed and passionate.
- We always look out for each other.

We act with integrity

- We aren't afraid to admit our mistakes and work collaboratively on solutions.
- We are open and candid with each other.
- We are authentic, humble and honest.
- We treat everyone equally.



We are pioneers

- We thrive on pushing the boundaries and achieving the impossible.
- We are innovators and recognise there is no success without failure.
- We are natural explorers.
- We are inquisitive and adventurous – the way things are isn't the way things have to be.



We make it happen

- We are accountable, disciplined and reliable.
- We achieve.
- We pride ourselves on the quality of our work and we execute with precision.
- We move with agility and tenacity to deliver our goals.





Year in Review

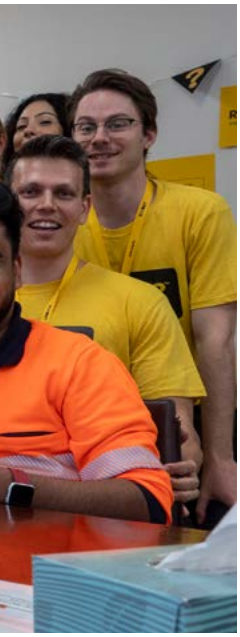
The 2021 Financial Year was a year of growth for FBR's team, as the Company added talent in a number of key areas. FBR's people strategy is continuously reviewed in line with business requirements and changing market conditions.

FBR's employees are highly engaged and motivated by the Company's mission, and FBR is one of the few employers in Australia to administer Australia's only validated and evidence-based psychosocial risk assessment survey tool, People at Work, twice.

FBR will contribute to the Workplace Gender Equality Agency's annual reporting. This mandatory reporting, implemented by the Federal Government, aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.

FBR is continuing to recruit talented people in both operational and corporate roles to progress its commercialisation strategy.

As part of our SHEQ psychosocial risk management action plan, FBR established a focus group of volunteer peer champions ("Mental Health Team") to collaborate strategies to attain positive mental health in the workplace. Brought together across varying disciplines within the Company and each offering different life experiences, the Mental Health Team undertook accredited Mental Health First Aid training to provide informal support, resources and further educate their peers around mental health awareness.



At FBR, a mentally healthy workplace is one that:

- promotes workplace practices that support positive mental health;
- eliminates and minimises psychological health and safety risks through the identification and assessment of psychosocial hazards;
- builds the knowledge, skills and capabilities of workers to be resilient and thrive at work;
- is free of stigma and discrimination; and
- supports the recovery of workers returning after a physical or psychological injury.

In addition to reinforcing the availability of FBR's employee assistance program ("EAP"), the Mental Health Team has organised events to:

- foster a supportive, safe and inclusive environment for the youth of the LGBTQIA+ community;
- improve connection by inspiring all employees to take the time to ask 'are you okay?'; and
- listen and support those at high risk and most disadvantaged within our community.

It is a testament to the mindset of the FBR team that their openness, willingness and generosity towards this initiative has strengthened our workplace culture and, that despite the COVID-19 pandemic, the team has persevered through a period of global uncertainty to not only achieve world-first milestones but to continue to develop our innovative technology of the future for the benefit of humanity.



Corporate **Governance**

Board & Committees

Board

The Board is ultimately responsible for all matters relating to the running of the Company. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Audit & Risk Committee

The Audit & Risk Committee is comprised of the following three Non-Executive Directors:

- Grant Anderson (Chair);
- Richard Grellman (member); and
- Greg Smith (member).

The role of the Audit & Risk Committee is to assist the Board in fulfilling its statutory responsibilities in relation to financial reporting, risk management and internal control including, but not limited to:

- Assess the risk and control environment – reviewing accounting policies, internal controls, practices and disclosures to assist the Board in making informed decisions;
- Monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments. Overseeing the financial reporting to ensure it is appropriate and of a high quality prior to recommending adoption of the financial statements by the board for release to the ASX and shareholders;



Corporate Governance

Good governance is embedded throughout FBR and is the collective responsibility of the Board and all levels of management. Effective corporate governance is a critical element contributing to the longer-term success of FBR.

FBR is committed to meeting the requirements of the ASX Corporate Governance Council Principles and Recommendations 4th Edition (Principles and Recommendations).

A full copy of FBR's Corporate Governance Statement is available on the Company website at www.fbr.com.au/view/corporate-governance

FBR's governance framework is illustrated below:

Governance heirarchy

SHAREHOLDERS

BOARD OF DIRECTORS

Ensures appropriate Corporate Governance Practices are in place.

AUDIT & RISK COMMITTEE

Responsible for all matters related to financial reporting and audit and risk managment.

REMUNERATION & PEOPLE COMMITTEE

Responsible for remuneration policy and practice, and people management.

MANAGING DIRECTOR & CEO

Delegate authority for all matters that are not reserved for the Board or Committees.

EXECUTIVE LEADERSHIP TEAM

- Review the Company's internal financial control system and risk management systems including the Company's Risk Management and Internal Compliance and Control policy;
- Monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- Monitor and review compliance with the Company's Code of Conduct; and
- Perform such other functions as assigned by law or the Company's Constitution.

Remuneration & People Committee

The Remuneration & People Committee is comprised of the following three Non-Executive Directors:

- Richard Grellman (Chair);
- Grant Anderson (member); and
- Greg Smith (member).

The role of the Remuneration & People Committee is to manage remuneration related issues including, but not limited to:

- Remuneration policy & packages (including superannuation arrangements) of Executive Directors, Non-Executive Directors and senior executives;
- Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed; and
- Whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

Financial Report

For the year ended 30 June 2021



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Directors' Report

The Directors present their report together with the financial statements of FBR Limited ('FBR' or the 'Company') and its controlled entities ('the Group') for the year ended 30 June 2021.

Directors' details

The following persons were directors of the Company during or since the end of the financial year:

Mr Richard Grellman AM

Independent Non-Executive Chairman
Appointed: 15 July 2018
Qualifications: FCA

Experience and expertise: Richard Grellman previously worked with accounting firm KPMG for 32 years and was a member of KPMG's National Board from 1995 to 1997 and a member of the National Executive Committee from 1997 to 2000.

In 2007, Richard Grellman was appointed a member of the Order of Australia for service to the community (particularly through leadership roles with Mission Australia and fundraising with Variety, The Children's Charity) and to the finance and insurance sectors.

Other current directorships: Non-Executive Director of NYSE listed F45, Non-Executive Chairman of ASX-listed IPH Limited (ASX: IPH) and Director of the National Health Medical Research Council for Institute for Dementia Research

Former directorships (last 3 years): Chairman of Bisalloy Steel Group Limited (ASX: BIS) and Chairman of the AMP Foundation (2012-2018)

Special responsibilities: Remuneration Committee Chair and Audit Committee member

Interests in shares: Nil
Interests in Performance shares: Nil
Interests in Performance rights: Nil

Mr Michael Pivac

Managing Director & Chief Executive Officer
Appointed: 18 November 2015
Qualifications: Business Management

Experience and expertise: Michael Pivac is the Managing Director and Chief Executive Officer of FBR. He spent 20 years in the aviation sector as an Airborne Mission Coordinator with Australian Border Protection and Search and Rescue, specializing in Electronic Detection Systems and strategic and tactical mission planning, working closely with Australian and International Government and Military Agencies. He has been key to developing FBR's technology, business plan and machine development strategy, and has forged relationships with investors, builders, product suppliers and future customers.

Other current directorships: Nil

Former directorships (last 3 years): Nil

Special responsibilities: Nil

Interests in shares: 127,589,371 (includes 50,000,000 Loan Funded Shares)

Interests in Performance shares: Nil
Interests in Performance rights: Nil

Mr Mark Pivac

Chief Technical Officer, Executive Director and Founder
Appointed: 18 November 2015
Qualifications: B.Eng (Aero) Hons.

Experience and expertise: Mark Pivac is the primary inventor of FBR's automated bricklaying technology. He is an aeronautical and mechanical engineer with over 30 years' experience working on the development of high technology equipment ranging from lightweight aircraft to heavy off road equipment and construction robotics. Mr Pivac has 25 years' experience of Pro/Engineer/Creo 3D CAD software. He also has high level mathematical skills and extensive design, commissioning and fault finding experience on servo controlled motion systems achieving very high dynamic performance. Mr Pivac has led the technical development of HadrianX for over 15 years.

Other current directorships: Nil

Former directorships (last 3 years): Nil

Special responsibilities: Nil

Interests in shares: 333,205,167 (includes 50,000,000 Loan Funded Shares)
Interests in performance shares: Nil
Interests in performance rights: Nil

Mr Grant Anderson

Independent Non-Executive Director
Appointed: 23 October 2019
Qualifications: FAICD, CPM - FAMI

Experience and expertise: Grant Anderson has over 40 years of experience in the design and manufacturing sectors, at the level of executive, CEO and managing director for a number of public and private best practice international companies. Grant also has extensive Board experience in both ASX-listed and private companies across multiple industries including automation, technology and robotics. He has experience as a Director in multiple countries including joint venture companies. Previous Board experience has included Berklee Limited (Deputy Chairman), Techni Waterjet Pty Ltd. (Chairman) and The ANCA Group Pty Ltd. which included multiple international subsidiaries.

Grant is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and a life member of the FAPM.

Other current directorships: Non-Executive Director of Sutton Tools Pty Ltd. and Non-Executive Chairman of Effusiontech Pty Ltd trading as SPEE3D a metal 3D printing company

Former directorships (last 3 years): ANCA Group & Executive Director of the Industry Capability Network Victoria.

Special responsibilities: Audit Committee Chair and Remuneration Committee member

Interests in shares: 716,667
Interests in performance shares: Nil
Interests in performance rights: Nil

Mr Greg Smith

Independent Non-Executive Director
Appointed: 5 August 2020
Qualifications: MBA, Grad Dip Management

Experience and expertise: Greg Smith has 39 years' experience in the building products industry in manufacturing, technical and sales across the clay and concrete products sectors.

Greg specialises in operations and project management, safety transformation leadership, lean implementation and contract negotiation.

Mr Smith holds a Master of Business Administration (Exec) from the University of Queensland, a Graduate Diploma in Management from the University of Queensland, a Certificate of Applied Science – Industrial Ceramics from the Holmesglen College of TAFE, a Certificate in Quality Control from the School of Mines Ballarat TAFE, and is a graduate of the Company Directors Course run by the Australian Institute of Company Directors.

Other current directorships: Nil

Former directorships (last 3 years): Nil

Special responsibilities: Audit Committee member and Remuneration Committee member

Interests in shares:	Nil
Interests in performance shares:	Nil
Interests in performance rights:	Nil

CFO and Company Secretary

Mr Aidan Flynn B Comm, B Sc, CPA, PGrad Dip Energy, Grad Dip Applied Corporate Governance

Ms Rachelle Brunet (ceased 30 June 2021), MBA, Grad Cert Bus, Cert Governance Practice

Mr Aidan Flynn is the Chief Financial Officer of the Company and was appointed as the Company Secretary as of 30 June 2021, replacing Ms Rachelle Brunet who ceased to act as Company Secretary.

Principal activities

FBR is the inventor of the Hadrian X®, the world's first automated end-to-end bricklaying robot. Functioning like a 3D printer, the Hadrian X® builds brick structures in situ, course by course, using adhesive to bond the bricks together. The Hadrian X® is capable of working in outdoor environments thanks to the unique Dynamic Stabilisation Technology®, or DST®, which rapidly measures and adjusts for dynamic interference caused by uncontrolled environmental conditions. The Hadrian X® completed its first suburban builds in mid-2020 and has demonstrated its ability to build brick structures safer, faster, and more accurately than traditional bricklaying methods while producing far less waste.

Significant changes in the state of affairs

FBR completed a placement of 280,701,765 fully paid ordinary shares in the capital of the Company with a small number of international and domestic institutional and sophisticated investors. The shares were allotted in August 2020 at $0.057 per share and raised a total of $16 million. The funds were raised to continue the development and testing program for the Hadrian X® and to provide the working capital necessary to commence ongoing operation of the Hadrian X® in suburban environments.

No other significant changes were made in the state of affairs during the period.

Review of operations and financial results

During the period FBR completed the walls of its first display home in Dayton, Western Australia, with builder Architruct Builders & Designers. In a world first for robotic construction, the Hadrian X® was deployed to Dayton and completed the walls of the structure in three and a half standard shifts. The display home was opened to the public and was sold and occupied subsequent to the end of the period.

In August 2020, FBR completed the Pilot Program stage of the Building Pilot Program Agreement between FBR and GP Vivienda, one of Mexico's largest vertically integrated construction companies. FBR constructed four Mexican-style two-bedroom, one-bathroom house structures using the Hadrian X® at FBR's premises, with each structure taking less than one standard shift on average to complete.

Two of the structures were built indoors at FBR's facility, with the remaining two structures built simultaneously side by side outdoors to emulate the most economical operating process for a Hadrian X® in a residential development in Mexico.

Subsequently, FBR completed its first two storey structure using the Hadrian X® in a style commonly found in Mexico and the Middle East. This was the first time FBR had demonstrated the Hadrian X®'s ability to build two storey structures, as well as working with design elements like steel reinforced concrete columns, suspended concrete slabs and rebar. Starter bars were inserted into the concrete

slab, with couplers used to install rebar through the aligned cores of the blocks and concrete manually poured into the cores. Steel cages were inserted into the block columns built by the Hadrian X®, with a concrete pump used to fill the columns.

This R&D program is important to FBR as this building style employs methodologies commonly found around the world in many developing markets, and in some cases forms part of the construction codes in those regions.

In September 2020 FBR was appointed as a sub-contractor and completed the structural walls of a commercial and community centre in Byford, Western Australia, using the Hadrian X®. This was the first non-residential structure that the Hadrian X® had built, and the first time the Hadrian X® has built both the internal and external leaf of a double brick cavity wall with a slab step-down.

Over the duration of the build, the Hadrian X® achieved an average laying speed during uptime of approximately 174 blocks per hour, or approximately 800 standard brick equivalents per hour, bettering the results achieved during the display home build in Dayton, Western Australia. The completed structure is 15 courses high, including slab step-down, or approximately one and a half storeys, with brick ties manually installed.

The completed building has since been tenanted by a real estate agency and a café.

In June 2021 FBR announced the completion of its second non-residential structure for a customer using the Hadrian X®, this time a childcare centre. FBR was appointed as a sub-contractor for the childcare centre, which will become a centrepiece for the community being established by Stockland at the Amberton Beach coastal community near Eglinton in Perth's north.

Hadrian X® built the double brick cavity walls of the childcare centre, comprising all external as well as some internal walls. The centre was completed on time in 16 build days, and consisted of 8,670 concrete masonry units, the equivalent of approximately 36,500 standard bricks. The work was completed in a significantly shorter time period than the estimate for manual bricklayers, and was charged at the prevailing commercial rate for bricklaying services.

The Hadrian X® was able to operate through challenging weather conditions including heavy rain and strong winds. The childcare centre was built on site in five sections, requiring five different building positions for the Hadrian X®, and as well as being the largest structure ever built by the Hadrian X®, it was also one of the tallest, with a 4.8 metre-high wall incorporated into the structure.

One Board of Directors change was made during the period, with Mr Greg Smith appointed to the position of Non-Executive Director in August 2020 following the retirement of Ms Nancy Milne the previous financial year.

In August 2020, FBR completed a $16 million equity placement to institutional and sophisticated investors. In May 2021 FBR received its R&D tax incentive cash refund of $6.9 million for the year ended 30 June 2020. In June 2021, FBR received an advanced payment of $2.5 million from Radium Capital secured against FBR's research and development tax incentive refund for the year ended 30 June 2021.

The audited loss before tax for the 12 months to 30 June 2021 has reduced to $9,333,023 from the prior period loss of $11,557,056. This was primarily due to a reduction in staff costs.

Dividends

No dividends were proposed or paid during the period or up to the date of signing this report.

Events arising since the end of the reporting period

5 July 2021 – Settlement of the Company's Dayton Display Home was effected. The property sold for $530,000, with net proceeds of $477,105 received following GST withholding, agents fees and other sundry costs.

7 July 2021 – The Company issued 27,414,000 fully paid ordinary shares upon the exercise of unquoted employee performance rights that vested on the achievement of performance milestones in accordance with the Company's Performance Rights Plan.

5 October 2021 – The Company entered into its first multi-home Wall as a Service® contract to supply Wall as a Service® to third-party residential property developer Riculallo Pty Ltd using the Hadrian X® construction robot. The contract pertains to a development site in St James, Western Australia, under which FBR will construct the slab, footings, structural walls, second storey slab and roof trusses for eight two-storey townhouses. The contract value is in excess of $0.5 million.

21 October 2021 – The Company issued 38,620,000 unlisted Performance Rights in accordance with the Company's Employee Securities Incentive Plan.

Likely developments, business strategies and prospects

FBR's commercial strategy is to create Wall as a Service® ('WaaS®') operating entities around the world that deliver erected walls on demand to customers (builders, contractors, government bodies etc). These global WaaS® operating entities will be rapidly scaled by allowing strategic partners to buy in to the WaaS® operation in that region. Funds from strategic partners will be used to procure more Hadrian X® robots.

WaaS® is the servitisation and digitalisation of the old way of selling bricks and bricklaying labour separately. Sold as a fixed price single delivered service to customers, the WaaS® operating entity will supply the blocks and robotically construct walls onsite to the precise specification of a digital architectural plan.

WaaS® allows customers to access the benefits of robotic construction such as improvements in speed, accuracy, safety and waste, without having to build robotics capability into their businesses. The benefits of the Hadrian X® methodology and output improve the commerciality of brick and block structures, helping manufacturers to sell more blocks and compete against alternative building products and methodologies.

WaaS® provides a digitalisation and software driven pathway for house construction and completion, and enables more efficient and certain scheduling for customers, who can organise subsequent trades based on single data source service provision. The end user (e.g. a homebuyer) receives delivery of a higher quality structure quicker, as well as all the other flow-on benefits of digital construction.

FBR currently maintains 100% ownership and control of its global intellectual property and global commercial opportunity, giving the Company a monopoly position as the only enabling technology for autonomous brick and block wall construction.

FBR will have initial control over the Hadrian X® product, supply chain, operation, maintenance and brand reputation during the scaling period. The Company has identified the need to establish WaaS® operating entities in North America, Europe and the GCC region, and has commenced preparatory works to register these subsidiaries.

FBR has commenced the operation of the Hadrian X® in the field, and is now beginning to generate revenue from the operation of its robotic solutions. FBR anticipates its pipeline of Wall as a Service® work will continue to grow now that the market is starting to accept FBR's technology. The upgraded Hadrian X with the potential to be a zero waste machine on site is now doing test work at FBR's facility, and the design of the next iteration of the Hadrian X® is well underway.

Key Relationships – In parallel with the Hadrian X® program, FBR will continue to develop its existing relationships with key partners as well as attracting new partners to help deliver on strategic objectives.

During the period, FBR completed the Pilot Program Stage of its Building Pilot Program Agreement with GP Vivienda, one of Mexico's largest builders. FBR is also progressing its activities with Wienerberger AG, the largest clay block manufacturer in the world, and Xella, a multi-billion dollar international business that specialises in the manufacture and supply of innovative building products, including Ytong autoclaved aerated concrete blocks and Silka calcium silicate blocks.

FBR also has a contract in place to provide Wall as a Service® for eight townhouses in St James, Western Australia, as well as contracts on three more residential structures in Wellard, Western Australia.

Intellectual Property Portfolio – FBR's proprietary combined Hadrian X®, DST® and Fastbrick Wall System® technology is protected by a broad and expanding portfolio of intellectual property rights in key markets including Australia, USA, Europe and the GCC region.

FBR has recently secured grant of patents in Europe covering the Hadrian X® and associated boom delivery system.

FBR Employees – FBR used FY21 to expand its capabilities and build its team to accelerate the commercialisation of the Company's technology. As FBR progresses the commercialisation of the Hadrian X® technology, it anticipates increasing staff numbers, notably in the area of machine operators given the current and expected pipeline of work.

New Applications for FBR's core technology

Subject to successfully executing key components of the Company's Hadrian X® program, FBR intends to seed new Research & Development projects to utilise the Company's core DST®. In the immediate term, FBR remains focussed on delivering on the Hadrian X® program, however at an appropriate time the Company will allocate resources to progress some of the new applications and commercialisation opportunities for DST®.

Directors' meetings

The number of Directors' Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Director	Board Meetings		Audit Committee		Remuneration Committee	
	A	B	A	B	A	B
Mr Richard Grellman	7	7	7	7	5	5
Mr Michael Pivac	7	7	N/A	N/A	N/A	N/A
Mr Mark Pivac	7	7	N/A	N/A	N/A	N/A
Mr Grant Anderson	7	7	7	7	7	7
Mr Greg Smith[1]	6	6	6	6	6	6

1. *Mr Greg Smith was appointed as a Non-Executive Director on 5 August 2020*

The current Audit Committee and Remuneration Committee consists of Richard Grellman (Chair of Remuneration Committee), Grant Anderson (Chair of Audit Committee) and Greg Smith. The executives are invited to the Committee meetings at the discretion of the respective Committee Chair.

Where:

- **column A** is the number of meetings the Director was entitled to attend
- **column B** is the number of meetings the Director attended

Unissued shares under option

Unissued ordinary shares of FBR under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares	Number under option
20 July 2018	20 July 2021	$0.300	4,000,000
13 August 2018	12 August 2021	$0.300	1,500,000
6 September 2018	5 September 2021	$0.325	300,000
			5,800,000

These options do not entitle the holder to participate in any share issue of the Company. Refer to note 22 for key terms of the options.

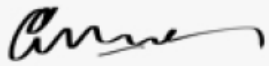
Remuneration Report

On behalf of the Directors of FBR Limited, I am pleased to present the Remuneration Report for the year ended 30 June 2021.

The Board is committed to a Remuneration framework that drives superior performance, attracts and appropriately rewards and retains high performing Executives, delivers shareholder value and encourages decision-making focused on the longer term.

Short and long term incentive targets have been set at challenging levels designed to drive innovation, continual value creation and long term business sustainability and growth. The Board exercises its discretion to recognise outstanding levels of achievement.

The information provided in the Remuneration Report has been prepared in accordance with the requirements under the Corporations Act 2001, ASX Corporate Governance Principles and Recommendations and Accounting Standards.



Richard Grellman

Chair of Remuneration Committee

Remuneration Report - *CONTINUED*

The Directors of FBR Limited ('FBR' or 'the Company') present the Remuneration Report for the year ended 30 June 2021, for the Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration;

b. Details of remuneration;

c. Service agreements;

d. Share-based remuneration;

e. Bonuses included in remuneration; and

f. Other information.

a Principles used to determine the nature and amount of remuneration

Key Management Personal are responsible for the management, planning and execution of the activities of FBR and other executives. The Key Management Personal for FBR, in accordance with S300A of the *Corporations Act 2001*, are outlined on page 39 .

FBR's remuneration strategy has been designed to a build a high performance culture and attract, retain and motivate its employees, encouraging them to meet their full potential. In line with this strategy, FBR provides market competitive fixed remuneration and incentives.

The principles of FBR's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

FBR has a remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The Board, with the assistance and guidance of the Remuneration Committee, who operate in accordance with its Board approved charter, is responsible for determining and reviewing compensation arrangements for the Company.

The Remuneration and Nomination Committee is chaired by Mr Richard Grellman and is comprised of two (2) other Independent Non-Executive Directors. The Remuneration Committee met seven (7) times during the year.

The remuneration structure that has been adopted by the Company consists of the following components:

- Fixed remuneration being annual salary; and
- Employee Loan Facility and Incentive Schemes.

a Principles used to determine the nature and amount of remuneration - *CONTINUED*

The Non-Executive Directors on the Board assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions, with the overall objective of ensuring maximum stakeholder benefit by the retention of a high quality Board, as well as a high retention of overall employees, Key Management Personnel and other Executives.

The payment of bonuses, share options and other incentive payments are to be reviewed by the Non-Executive Directors annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria.

Fixed Remuneration

Fixed Remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds. Fixed Remuneration is reviewed against relevant market benchmarking of comparator companies, in addition to considering the individual contribution and competence levels.

Employee Loan Facility

The Company offered a loan facility to FBR's employees (Employee Loan Facility) for the purpose of assisting the Company's employees and officers with meeting any tax liabilities which may become due and payable as a result of the Company issuing the employee equity-based incentives.

The Board previously engaged external law firm Bellanhouse Lawyers to provide independent written legal advice to ensure the Employee Loan Facility was permissible under Australian law, including the *Corporations Act 2001* (Cth) (the Act) and the ASX Listing Rules.

Loyalty Leave Program

As the Company is committed to providing benefits that encourage both engagement and well-being, it implemented a Loyalty Leave Program that provides employees with an additional type of leave benefit called "Loyalty Leave", which is over and above existing annual leave and carer's leave entitlements.

The Leave Loyalty Program is designed to reward FBR employees' tenure with the Company through the provision of additional leave each year in reflection of the length of time they have been with the Company. For every year of employment an employee will earn one (1) additional day of leave per year, which is awarded on the anniversary of an employee's start date.

Short Term Incentive (STI)

STI awards to Key Management Personnel and executives are made under the performance rights plan and employee securities incentive plan rules and are delivered in the form of Performance Rights (Rights). Each Right entitles the holder (subject to achievement of the specified performance conditions) to one fully paid ordinary share in the Company for nil consideration.

The purpose of the equity-based Short Term Incentive (STI) is to incentivise and reward FBR employees (including Key Management Personnel) for achieving Company and individual performance objectives that drive shareholder value whilst simultaneously conserving the Company's cash.

a **Principles used to determine the nature and amount of remuneration** - *CONTINUED*

The STI is awarded based on an annual assessment of Company and Individual performance linked to the Company's performance and strategic development, focusing on core drivers of shareholder value, to drive both a short and long term perspective on performance, and protect the long term interests of the shareholders.

FBR presently does not have a financial STI objective in place, however it does monitor staff performance to ensure key objectives are being met. The performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

As part of the continued growth of the Company, it will look to introduce financial performance incentives whereby performance measures will be set annually after consultation with the Directors and Executives and will be specifically tailored to the areas where each executive has a level of control. The measures will target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

- **financial** – not applicable for FY21, however it is expected future financial years will have revenues, operating profit and earnings per share; and
- **non-financial** – safety, strategic technical and commercial growth and development and corporate goals set individually based on job descriptions and the attainment of the Company's overall strategic and corporate objectives.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each individual.

The number of performance rights granted in respect to the FY21 STI is determined based on the VWAP at the start of the performance period.

- If the share price at the time of award is higher, KMP and executives will receive higher value per performance right
- If the share price at the time of award is lower, the value to KMP and executives is decreased.

The value of performance rights is therefore aligned with shareholder interests as executives receive value aligned with share price movements. Value is not realised until the vested rights are exercised into shares.

Performance objectives are set by the FBR Board in line with the annual business planning and budgeting process. The weighting for each target is reviewed annually and may vary from year to year to reflect its criticality, effort to achieve and impact on the business.

In FY21, Company objectives account for 50% of the performance objectives with personal objectives accounting for the remaining 50%.

Long Term Incentive (LTI)

LTI awards to KMP and executives are made under the performance right plan and employee securities incentive plan rules and are delivered in the form of Performance Rights (Rights). Each Right entitles the holder (subject to achievement of the specified performance conditions) to one fully paid ordinary share in the Company for nil consideration.

a **Principles used to determine the nature and amount of remuneration** - *CONTINUED*

The LTI has been designed to provide alignment with shareholder outcomes by linking the value of the LTI to share price movement over the performance period.

The performance period for the FY21 LTI is from 1 July 2020 to 30 June 2023. Performance Rights are granted at the commencement of the three (3) year period with awards vesting to shares at the end of the three year performance period, subject to performance against the specified performance conditions.

In the event of a change of control of the Company, the performance period end date will be generally accelerated and brought forward to the date of the change of control and awards will vest over this shortened period, subject to ultimate Board discretion.

Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the Annual General Meeting in November 2016, is not to exceed A$350,000 per annum and is set based on advice from external advisors with reference to the fees paid to other Non-Executive Directors of comparable companies. Non-Executive Directors' fees are presently up to A$319,000 per annum.

Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board and Committee activities.

Executive Directors

Executive Director fees are disclosed in part (b) of the Remuneration Report.

Use of remuneration consultants

Remuneration is compared with the external market by industry salary surveys and during recruitment activities generally. During a previous period, the Board engaged consulting firm The Reward Practice Pty Ltd to provide independent advice in the form of a written report detailing benchmarking of executive remuneration to support a review to ensure the effective alignment with business requirements, market practice and key shareholder group expectations.

During the period or prior period no remuneration recommendations, as defined by the Corporations Act, were provided by The Reward Practice Pty Ltd.

Voting and comments made at the Company's last Annual General Meeting

FBR received 86.25% of 'FOR' votes on its Remuneration Report for the 2020 Annual General Meeting.

a Principles used to determine the nature and amount of remuneration - CONTINUED

Consequences of performance on shareholder wealth

In considering the Company's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous two (2) financial years:

ITEM	2021	2020	2019
EPS loss (cents)	**0.45**	0.68	0.73
Dividends (cents per share)	**-**	-	-
Net loss ('000)	**9,333**	10,997	9,142
Share price	**$0.040**	$0.032	$0.074

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of each entity are shown in the following tables:

b Details of remuneration - CONTINUED

DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION

EMPLOYEE	YEAR	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS		TOTAL ($)	PERFORMANCE BASED PERCENTAGE OF REMUNERATION
		CASH SALARY AND FEES ($)	CASH BONUS ($)	OTHER BENEFITS ($)	SUPERANNUATION ($)	ANNUAL LEAVE & LONG SERVICE LEAVE ($)	TERMINATION ($)	Value of Short-Term Incentives ($)	Value of Long-Term Incentives ($)		
Executive Directors											
Mr Michael Pivac	**2021**	**375,000**	**-**	**-**	**25,000**	**20,650**	**-**	**189,103**	**123,458**	**733,211**	**43%**
Managing Director & CEO - Global	2020	375,000	-	-	25,000	27,893	-	-	81,765	509,658	16%
Mr Mark Pivac	**2021**	**450,000**	**-**	**-**	**25,000**	**21,319**	**-**	**189,103**	**121,766**	**807,188**	**39%**
Executive Director & CTO	2020	450,000	-	857	25,000	33,472	-	-	76,050	585,379	13%
Non-Executive Directors											
Mr Richard Grellman	**2021**	**142,350**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**142,350**	**0%**
Non-Executive Chairman	2020	130,000	-	-	12,350	-	-	-	-	142,350	0%
Mr Grant Anderson	**2021**	**80,000**	**-**	**-**	**7,600**	**-**	**-**	**-**	**-**	**87,600**	**0%**
Non-Executive Director	2020	55,269	-	-	5,251	-	-	-	-	60,519	0%
Mr Greg Smith	**2021**	**72,473**			**6,885**	**-**	**-**	**-**	**-**	**79,358**	**0%**
Executive											
Mr Aidan Flynn	**2021**	**259,050**	**-**	**1,321**	**21,694**	**6,836**	**-**	**169,580**	**140,711**	**599,192**	**52%**
CFO & Company Secretary	2020	247,327	-	1,321	24,914	7,925	-	115,290	66,924	463,701	39%
Mr Jonathan Lawe Davies	**2021**	**205,449**	**-**	**-**	**19,518**		**-**	**169,580**	**122,492**	**517,039**	**56%**
General Counsel	2020	208,300	-	-	19,643	9,986	-	83,265	57,565	378,759	37%
Former Directors											
Mr Andrew Bloore	2020	26,667	-	-	2,533	-	-	-	-	29,200	0%
Ms Nancy Milne	2020	43,441	-	-	4,127	-	-	-	-	47,567	0%
Former Executives											
Mr Simon Amos	**2021**	**113,689**	**-**	**-**	**7,600**	**-**	**-**	**-**	**127,430**	**248,719**	**51%**
CEO of Australia	2020	360,000	-	1,181	25,000	21,365	-	178,425	127,254	713,224	43%
Mr Marcus Gracey	**2021**	**102,248**	**-**	**-**	**7,204**	**-**	**-**	**-**	**142,884**	**252,336**	**57%**
CCDO	2020	343,958	-	649	25,000	15,192	-	169,580	152,241	706,621	46%
Mr Mark Sheridan	**2021**	**115,548**	**-**	**-**	**7,204**	**-**	**-**	**9,503**	**117,512**	**249,767**	**51%**
COO	2020	333,501	-	9,522	25,000	8,752	-	254,580	125,745	757,100	50%
Mr Steve Pierz	**2021**	**-**	**-**	**-**	**-**	**-**	**-**	**45,750**	**13,256**	**59,006**	**100%**
BD – USA	2020	153,014	-	-	-	-	-	-	20,861	173,876	12%
2021 Total	**2021**	**1,915,807**	**-**	**1,321**	**127,705**	**48,805**	**-**	**772,619**	**909,509**	**3,775,766**	**45%**
2020 Total	2020	2,726,477	-	13,530	193,818	124,584	-	801,140	708,405	4,567,954	33%

b **Details of remuneration** - *CONTINUED*

i. *Mr Greg Smith was appointed as Non-Executive Director on 5 August 2020*

ii. *Mr Aidan Flynn, the CFO of the Company was appointed as Company Secretary on 30 June 2021*

iii. *Mr Marcus Gracey, appointed to the position of Chief Corporate Development Officer on 10 August 2018, finished up with the Company on 20 September 2020.*

iv. *Mr Mark Sheridan, appointed to the position of Chief Operations Officer on 10 August 2018, finished up with the Company on 20 September 2020.*

v. *Mr Simon Amos, appointed to the position of Chief Executive Officer - Australia on 3 June 2019, finished up with the Company on 20 September 2020.*

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration	At risk – STI Equity Plan	At risk – LTI Equity Plan
Executive Directors			
Mr Michael Pivac	$375,000 + statutory superannuation	25,000,000 Loan Funded Shares[2]	25,000,000 Loan Funded Shares[2]
Mr Mark Pivac	$450,000 + statutory superannuation	25,000,000 Loan Funded Shares[2]	25,000,000 Loan Funded Shares[2]
Non-Executive Directors			
Mr Richard Grellman	$143,000	Nil	Nil
Mr Grant Anderson	$80,000 + statutory superannuation	Nil	Nil
Mr Greg Smith[1]	$80,000 + statutory superannuation	Nil	Nil

1. *Mr Greg Smith was appointed as Non-Executive Director on 5 August 2020.*

2. *Loan Funded Shares have a loan value of 4.5 cents per share.*

The Company is reviewing its salary mix to ensure the Company's Executives and Non-Executives are benchmarked to its peers and comparable technology companies. The Board acknowledges that the above two Executive Directors have a substantial equity position and are incentivised via their Loan Funded Shares, which were issued following shareholder approval at the Company's 2020 AGM.

C Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in an Executive Service Agreement or employment contract. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base salary	Term of agreement	Notice period
Executive Directors			
Mr Michael Pivac	$375,000	Unspecified	Six months
Mr Mark Pivac	$450,000	Unspecified	Six months
Non-Executive Directors			
Mr Richard Grellman	$143,000	Unspecified	None
Mr Grant Anderson	$80,000	Unspecified	None
Mr Greg Smith	$80,000	Unspecified	None
Executives			
Mr Jonathan Lawe-Davies[1]	$273,973	Unspecified	Three months
Mr Aidan Flynn	$276,432	Unspecified	Three months
Former Executives			
Mr Simon Amos	$360,000	Unspecified	Six months
Mr Mark Sheridan	$341,250	Unspecified	Six months
Mr Marcus Gracey	$341,250	Unspecified	Six months
Mr Steve Pierz	US$120,000	Unspecified	None

1. *Base salary is based on normal full time working hours and is pro rated depending on the hours worked.*

d Share-based remuneration

During the year, the Company issued 500,000 fully paid ordinary shares as a result of the achievement of the vesting condition associated with the retention performance rights issued to the COO of FBR.

During the year, the Company issued 100,000,000 fully paid ordinary shares as loan funded shares to the two Executive Directors.

Loan Funded Shares	NUMBER ISSUED	GRANT DATE	LOAN DUE DATE	LOAN AMOUNT (CENTS PER SHARE)	FAIR VALUE AT GRANT DATE (CENTS PER SHARE)
Mr Michael Pivac	25,000,000	24 December 2020	24 December 2021	4.5	1.5
Mr Mark Pivac	25,000,000	24 December 2020	24 December 2021	4.5	2.5
Mr Michael Pivac	25,000,000	24 December 2020	24 December 2023	4.5	1.5
Mr Mark Pivac	25,000,000	24 December 2020	24 December 2023	4.5	2.5

d **Share-based remuneration** – *CONTINUED*

Options Approved by the Board during the year

There were no options issued or approved by the board during the year.

Performance rights granted during the year

No new performance rights were issued to Directors during the year.

During the year, the Company issued 14,760,000 unlisted performance rights to the Key Management Personnel of FBR. These performance rights have no escrow period and are split in the following classes.

CLASS A	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Aidan Flynn	1,390,000	7 September 2020	28 September 2021	Nil	6
Mr Jonathan Lawe-Davies	1,390,000	7 September 2020	28 September 2021	Nil	6
Mr Steve Pierz[1]	375,000	7 September 2020	28 September 2021	Nil	6

CLASS B	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Aidan Flynn	1,390,000	7 September 2020	28 September 2021	Nil	6
Mr Jonathan Lawe-Davies	1,390,000	7 September 2020	28 September 2021	Nil	6
Mr Steve Pierz[1]	375,000	7 September 2020	28 September 2021	Nil	6

CLASS C	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Aidan Flynn	1,925,000	7 September 2020	28 September 2023	Nil	6
Mr Jonathan Lawe-Davies	1,925,000	7 September 2020	28 September 2023	Nil	6
Mr Steve Pierz[1]	375,000	7 September 2020	28 September 2023	Nil	6

d **Share-based remuneration** - *CONTINUED*

CLASS D	NUMBER ISSUED	GRANT DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Aidan Flynn	1,925,000	7 September 2020	28 September 2023	Nil	6
Mr Jonathan Lawe-Davies	1,925,000	7 September 2020	28 September 2023	Nil	6
Mr Steve Pierz[1]	375,000	7 September 2020	28 September 2023	Nil	6

1. Former Executive

i. 3,155,000 Performance Rights Class A

Vesting condition for Class A; The Company has built the structural walls of a 220 vertical sqm walled house with an average lay speed of 20 vertical sqm per hour or greater.
Milestone date is 30 June 2021. Expiry date is 28 September 2021
If unconverted, Class A Performance Rights will expire on the expiry date;

ii. 3,155,000 Performance Rights Class B

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.
Milestone date is 30 June 2021. Expiry date is 28 September 2021
If unconverted, Class B Performance Rights will expire on the expiry date;

iii. 4,225,000 Performance Rights Class C

Vesting condition for Class C; The walls of one standard house built in two days with two operators and one Hadrian.
Milestone date is 30 June 2023. Expiry date is 28 September 2023.
If unconverted, Class C Performance Rights will expire on the expiry date

iv. 4,225,000 Performance Rights Class D

Vesting condition for Class D; The walls of one standard house built in one day with one operator and one Hadrian.
Milestone date is 30 June 2023. Expiry date is 28 September 2023.
If unconverted, Class D Performance Rights will expire on the expiry date

The performance rights were valued using the spot price on grant date. The spot price was $0.061 per share at the close of trade on 7 September 2020, being the date the acceptance offers were signed and dated by the employees. The fair value of these 14,760,000 performance rights granted during the current year, assuming that 100% of the performance rights will vest, was $900,360. During the year $533,617 was expensed based on the number of performance rights issued to corporate and commercial employees during the current year.

Performance shares granted during the year

No performance shares were granted during the year.

e Bonuses included in remuneration

At present, the Company does not have a cash STI structure in place, as the Company continues to mature, it may review whether a cash STI plan is suitable.

f Other information

Options held by Key Management Personnel

No options were issued during the year by the Company to Key Management Personnel, including their related parties, as set out below:

YEAR ENDED 30 JUNE 2021

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXERCISED	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	-	-	-	-	-
Mr Mark Pivac	-	-	-	-	-
Mr Simon Amos[1]	**2,000,000**	-	-	-	**2,000,000**
Mr Marcus Gracey[1]	**13,000,000**	-	-	**(13,000,000)**	-
Mr Mark Sheridan[1]	**3,000,000**	-	-	**(1,500,000)**	**1,500,000**
Mr Aidan Flynn	**1,500,000**	-	-	**(1,500,000)**	-
Mr Jonathan Lawe Davies	**1,500,000**	-	-	**(1,500,000)**	-
Mr Steve Pierz[1]	**1,500,000**	-	-	**(1,500,000)**	-
Total	**22,500,000**	-	-	**(19,000,000)**	**3,500,000**

1. *Former Executive*

f Other information – *CONTINUED*

Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2021 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2021

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS OR RIGHTS	DISPOSALS	HELD AT THE END OF REPORTING PERIOD
Mr Richard Grellman	-	-	-	-	-
Mr Grant Anderson	**716,667**	-	-	-	**716,667**
Mr Greg Smith	-	-	-	-	-
Mr Michael Pivac	**77,589,370**	**50,000,000**[2]	**1**	-	**127,589,371**
Mr Mark Pivac	**283,205,166**	**50,000,000**[2]	**1**	-	**333,205,167**
Mr Simon Amos[1]	**3,333,692**	-	-	**(2,333,692)**	**1,000,000**
Mr Marcus Gracey[1]	**1,780,000**	-	-	**(1,780,000)**	-
Mr Mark Sheridan[1]	**2,780,000**	-	**500,000**	**(800,000)**	**2,480,000**
Mr Aidan Flynn	**1,940,000**	-	-	-	**1,940,000**
Mr Jonathan Lawe Davies	**1,365,000**	-	-	-	**1,365,000**
Mr Steve Pierz[1]	**176,900**	-	-	-	**176,900**
Total	**372,886,795**	**100,000,000**	**500,002**	**4,913,692**	**468,473,105**

1. *Former Executive*
2. *100,000,000 Loan funded Shares were issued during the period. These have also been included in the table below*

Loan Funded Shares held by Key Management Personnel

On 24 December 2020, the Company issued 100,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020. The Loan Funded incentive shares are provided under a limited recourse, interest free loan. For each Executive Director, half of the loan, which pertains to 25,000,000 shares is repayable within 12 months and half of the loan, which pertains to the other 25,000,000 shares is repayable within 36 months.

The number of Loan Funded Shares held in the Company during the 2021 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

f Other information – CONTINUED

Loan Funded Shares held by Key Management Personnel (continued)

YEAR ENDED 30 JUNE 2021

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXCERCISED DURING THE YEAR	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	-	**50,000,000**	-	-	**50,000,000**
Mr Mark Pivac	-	**50,000,000**	-	-	**50,000,000**
Mr Simon Amos[1]	-	-	-	-	-
Mr Marcus Gracey[1]	-	-	-	-	-
Mr Mark Sheridan[1]	-	-	-	-	-
Mr Aidan Flynn	-	-	-	-	-
Mr Jonathan Lawe Davies	-	-	-	-	-
Mr Steve Pierz[1]	-	-	-	-	-
Total	-	**100,000,000**	-	-	**100,000,000**

1. *Former Executive*

Performance Shares held by Key Management Personnel

The number of Performance Shares held in the Company during the 2021 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2021

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	CONVERTED TO ORDINARY SHARES	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	**25,339,072**	-	**(1)[2]**	**(25,339,071)[2]**	-
Mr Mark Pivac	**92,442,679**	-	**(1)[2]**	**(92,442,678)[2]**	-
Mr Simon Amos[1]					
Mr Marcus Gracey[1]					
Mr Mark Sheridan[1]					
Mr Aidan Flynn	-	-	-	-	-
Mr Jonathan Lawe Davies	-	-	-	-	-
Mr Steve Pierz[1]	-	-	-	-	-
Total	**117,781,751**	-	**(2)**	**(117,781,749)**	-

1. *Former Executive*
2. *During the year the vesting condition for Class C Performance Shares, being annual reported operating revenue of $10,000,000 was not met. Accordingly all Class C Performance Shares were consolidated into one Performance Share for each of the 21 Shareholders who held the performance shares and then converted to fully paid ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus.*

f **Other information** - *CONTINUED*

Performance Rights held by Key Management Personnel

The number of Performance Rights held in the Company during the 2021 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2021

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXCERCISED DURING THE YEAR	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	**666,666**	**-**	**-**	**(666,666)**	**-**
Mr Mark Pivac	**600,000**	**-**	**-**	**(600,000)**	**-**
Mr Simon Amos[1]	**4,050,000**	**-**	**-**	**-**	**4,050,000**
Mr Marcus Gracey[1]	**3,850,000**	**-**	**-**	**-**	**3,850,000**
Mr Mark Sheridan[1]	**4,350,000**	**-**	**(500,000)**	**-**	**3,850,000**
Mr Aidan Flynn	**2,600,000**	**6,630,000**	**-**	**-**	**9,230,000**
Mr Jonathan Lawe Davies	**1,950,000**	**6,630,000**	**-**	**-**	**8,580,000**
Mr Steve Pierz[1]	**-**	**1,500,000**	**-**	**-**	**1,500,000**
Total	**18,066,666**	**14,760,000**	**(500,000)**	**(1,266,666)**	**31,060,000**

1. *Former Executive*

Other transactions with Key Management Personnel

DIRECTOR LOAN AGREEMENT

During the prior period the Company paid $190,000 as an unsecured interest bearing loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount (plus $17,499 interest) remains outstanding at 30 June 2021.

The loan has a maturity date of 31 December 2021 and an interest rate at the higher of 5.20% per annum and the highest rate of interest payable by the Company to any financier of the Company at the relevant time.

GUARANTEES

There have been no guarantees provided or received for any related parties.

End of audited Remuneration Report

Environmental legislation

FBR is required to carry out its activities in accordance with the laws and regulations in the areas in which it undertakes its activities. There have been no known significant breaches of these laws and regulations.

Indemnities given to, and insurance premiums paid for directors and officers

Insurance of officers

During the year, FBR paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, did not perform any other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Company, Grant Thornton Audit Pty Ltd, for audit services provided during the year are set out in Note 26 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 50 of this financial report and forms part of this Directors' Report.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the Directors



Michael Pivac
Managing Director and Chief Executive Officer

27th October 2021

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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 audit of FBR Limited for the year ended 30 June 2021, 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 audit; and
b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M D Dewhurst
Partner – Audit & Assurance

Perth, 27 October 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
Continuing operations			
Revenue		98,517	-
Cost of sales		(318,862)	-
Gross profit		(220,345)	-
Interest income		31,502	115,631
Other income	7	398,252	377,276
Professional services	8.a	(1,119,813)	(1,721,450)
Directors' and employees' benefits	8.b	(3,486,493)	(5,934,490)
Intellectual property expenses		-	(18,727)
Other expenses	8.c	(1,528,733)	(2,062,832)
Share-based payments		(2,434,389)	(1,699,361)
Depreciation	15,16	(688,374)	(613,103)
Inventory impairment	11	(284,630)	-
Loss before tax		**(9,333,023)**	**(11,557,056)**
Income tax (expense)/benefit		-	560,281
Loss for the period		**(9,333,023)**	**(10,996,775)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**-**	**-**
Total comprehensive loss for the period		**(9,333,023)**	**(10,996,775)**
Basic loss per share in cents per share	24	0.45	0.68
Diluted loss per share in cents per share	24	0.45	0.68

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 $	30 June 2020 $
Assets			
Current			
Cash and cash equivalents	10	11,128,151	5,081,787
Trade and other receivables	12	4,545,823	4,518,830
Inventories	11	1,462,536	-
Other current assets	13	858,348	643,103
Current assets		**17,994,858**	**10,243,720**
Non-current			
Property, plant and equipment	15	3,103,599	3,147,263
Right-of-use assets	16	1,094,076	1,228,388
Development costs	17	46,321,925	43,236,917
Non-current assets		**50,519,600**	**47,612,568**
Total assets		**68,514,458**	**57,856,288**
Liabilities			
Current			
Trade and other payables	18	1,869,425	1,047,974
Provisions	19	466,725	453,140
Lease liabilities	20	1,013,852	52,998
Research & development tax refund loan	33	2,474,327	2,807,000
Current liabilities		**5,824,329**	**4,361,112**
Non-current			
Provisions	19	300,815	205,577
Lease liabilities	20	20,858	70,543
Non-current liabilities		**321,673**	**276,120**
Total liabilities		**6,146,002**	**4,637,232**
Net assets		**62,368,456**	**53,219,056**
Equity			
Equity attributable to owners of the parent:			
Share capital	21	101,695,037	86,528,414
Reserves	23	4,481,204	2,834,489
Accumulated losses		(43,807,785)	(36,143,847)
Total equity		**62,368,456**	**53,219,056**

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	SHARE CAPITAL $	PERFORMANCE RIGHT RESERVE $	SHARE OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2020	86,528,414	827,448	2,007,041	(36,143,847)	**53,219,056**
Loss for the period	-	-	-	(9,333,023)	**(9,333,023)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(9,333,023)**	**(9,333,023)**
Transactions with owners:					
Shares issued – capital raising (refer to Note 21)	16,000,000	-	-	-	**16,000,000**
Capital raising costs – (refer to Note 21)	(918,377)	-	-	-	**(918,377)**
Performance rights converted to shares (refer to Note 23)	85,000	(85,000)	-	-	**-**
Performance rights issued to employees (refer to Note 23)	-	3,293,492	-	-	**3,293,492**
Performance rights expired (refer to Note 23)	-	(270,174)		30,287	**(239,887)**
Performance rights forfeited (refer to Note 23)	-	(440,427)	-	516,845	**76,418**
Options issued to employees and directors (refer to Note 23)	-		665,512	-	**665,512**
Options expired (Refer to Note 23)	-	-	(1,516,688)	1,121,953	**(394,735)**
Balance at 30 June 2021	**101,695,037**	**3,325,339**	**1,155,865**	**(43,807,785)**	**62,368,456**

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	SHARE CAPITAL $	PERFORMANCE RIGHT RESERVE $	SHARE OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2019	75,935,722	1,423,168	1,711,347	(25,950,964)	**53,119,273**
Adjustment for adoption of AASB 16 Leases				(12,302)	**(12,302)**
Balance at 1 July 2019 (adjusted)	**75,935,722**	**1,423,168**	**1,711,347**	**(25,963,265)**	**53,106,972**
Loss for the period	-	-	-	(10,996,775)	**(10,996,775)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(10,996,775)**	**(10,996,775)**
Transactions with owners:					
Shares issued – capital raising (refer to Note 21)	8,607,500	-	-	-	**8,607,500**
Capital raising costs – (refer to Note 21)	(438,815)	-	-	-	**(438,815)**
Performance rights converted to shares (refer to Note 23)	2,390,257	(2,390,257)	-	-	**-**
Performance rights issued to employees and directors (refer to Note 23)	-	3,097,136	-	-	**3,097,136**
Performance rights expired (refer to Note 23)	-	(876,989)	-	698,383	**(178,606)**
Performance rights forfeited (refer to Note 23)	-	(425,610)	-	92,458	**(333,152)**
Options issued to employees (refer to Note 23)	-		321,047	-	**321,047**
Shares issued upon exercise of options (refer to Note 23)	33,750	-	(25,353)	25,353	**33,750**
Balance at 30 June 2020	**86,528,414**	**827,448**	**2,007,041**	**(36,143,847)**	**53,219,056**

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		$	$
Operating activities			
Interest received		29,963	118,094
Receipts from customers		12,360	-
Payments to suppliers and employees		(5,643,012)	(9,721,878)
Interest paid		(98,572)	(17,475)
Government grants		504,194	256,500
Net cash used in operating activities	25	**(5,195,067)**	**(9,364,759)**
Investing activities			
Hadrian development costs		(7,310,977)	(18,006,281)
Research and development rebate received		6,937,085	9,449,954
Purchase of property, plant and equipment		(3,135,121)	(2,225,718)
Loan to director		-	(190,000)
Proceeds from disposals of property, plant and equipment		-	20,909
Net cash used in investing activities		**(3,509,013)**	**(10,951,136)**
Financing activities			
Proceeds from exercise of options		-	33,750
Proceeds from loans		2,468,821	2,800,000
Repayment of loans		(2,800,000)	(61,017)
Proceeds from issue of share capital	21	16,000,000	8,494,999
Capital raising costs	21	(918,377)	(296,393)
Net cash provided by financing activities		**14,750,444**	**10,971,339**
Net change in cash and cash equivalents		**6,046,364**	**(9,344,556)**
Cash and cash equivalents, beginning of period		5,081,787	14,426,343
Cash and cash equivalents, end of period	10	**11,128,151**	**5,081,787**

Note: This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1. Nature of operations

FBR Limited (the Company) and its controlled subsidiaries (the Group) designs, develops and builds dynamically stabilised robots to address global needs. These robots are designed to work outdoors using the Company's core Dynamic Stabilisation Technology® (DST®). The first application of DST® is the Hadrian X®, a bricklaying robot that builds structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X® provides Wall as a Service®, FBR's unique commercial offering, to builders on demand. The Company has secured patents to protect its intellectual property in its technology in key markets.

2. General information and statement of compliance

The consolidated general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). FBR is a for-profit entity for the purpose of preparing the financial statements.

FBR is the Group's Ultimate Parent Company. FBR is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 122 Sultana Road West, High Wycombe WA 6057.

The consolidated financial statements for the year ended 30 June 2021 have been approved and authorised for issue by the Board of Directors.

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 $9,333,023 during the year ended 30 June 2021, and as of that date, the Group's net cash outflows from operating and investing activities totalled $8,704,080. 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 $11,128,151 and was working capital positive. The Group has receivables of $4,545,823 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. Changes in accounting policies

A. New and revised standards that are effective for these financial statements

In the financial year ended 30 June 2021, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the IFRS Interpretations Committee (IFRIC) that are relevant to its operations and effective for the current annual reporting period.

IFRIC has published two agenda decisions clarifying how arrangements in respect of a specific part of cloud technology, Software-as-a-Service (SaaS), should be accounted for. The Group has taken the guidance for cloud computing into account for the year ended 30 June 2021 with no significant impact on the current or prior periods.

Adoption of the following standards does not have a significant impact on the amounts reported for the current and prior period.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions

B. Accounting Standards issued but not yet effective and not been adopted early by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the financial year ended 30 June 2021. As a result of this review, the Directors have determined that those Standards and Interpretations will not impact, materially or otherwise, the accounting policies of the Group.

Other Standards and Amendments that are not yet effective and have not been adopted early by the Company include:

- AASB 2020-6 - Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company is in the process of evaluating the impact of the new standards with no material impact expected.

5. Summary of accounting policies

A. Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June and the functional and presentation currency of the Group is Australia Dollars.

All transactions and balances between FBR companies are eliminated on consolidation, including unrealised gains and losses on transactions between FBR companies. Where unrealised losses on intra-Company asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

B. Income

Wall-as-a-Service (WaaS) and Construction Services income

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The transaction price is the fair value of consideration received or receivable net of goods and services tax (GST).

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

Government grants

Government grants are treated as income and are reported on an accrual basis and recognised at the time the right to receive payment is established.

C. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

D. Leased assets

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been disclosed in non-current assets and lease liabilities have been disclosed in current and non-current liabilities.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash within three (3) months or less and which are subject to an insignificant risk of changes in value.

F. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the building process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

G. Property, plant and equipment

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:

Asset Class	Method	Useful Lives
Plant and equipment	Straight Line	2-10 years
Furniture and fittings	Straight Line	2-10 years
ICT equipment	Straight Line	2-5 years
Leasehold improvements	Straight Line	2-4 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.

H. Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units are charged pro rata to the other assets in the cash-generating unit to the extent that the value of the asset exceeds its fair value. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

I. Research and development, intangibles and intellectual property

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, when the asset is determined available for use. 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.

The carrying value of development expenditure, intangible assets and intellectual property is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

An impairment loss is recognised for the amount by which the capitalised development carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the recoverable amount, management have used fair value less costs of disposal.

J. Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI. The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets at amortised cost.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

K. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

FBR and all its wholly owned Australian controlled entities are a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are to be set off in the consolidated financial statements.

L. Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Share options reserve comprises the expense of vested option payments.
- Performance rights reserve comprises the expense of vested performance rights payments.
- Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

M. Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating personal leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

N. 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 or share performance rights is reflected as additional share dilution in the computation of diluted loss per share.

O. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

P. Significant management judgement and estimates in applying accounting policies

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 2021.

Additional significant estimates and judgements include:

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 various models as appropriate. Details of the estimates used to determine the fair value are detailed in Note 19.

Capitalised development costs

Distinguishing the research and development phases of the project and determining whether the recognition requirements phases of the project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After

capitalisation, management monitors whether recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

An asset is impaired when its carrying amount exceeds its recoverable amount, which is the higher its fair value less costs of disposal and value-in-use. Management has subjected the Group's capitalised Development costs (Note 17) to impairment testing. As the Development costs are unable to generate independent cash inflows, the cash-generating unit to which they belong was identified and impairment testing was completed at that level. The cash-generating unit identified was identified as incorporating the entire operations of FBR Limited, and, as a result, the market capitalisation of FBR Limited as at reporting date was identified as being the fair value of the cash-generating unit. Management has utilised this value in determining the fair value less costs of disposal of the CGU, which exceeded the carrying value of the assets of the CGU.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

6. 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.

7. Other Income

	Consolidated	
	30 June 2021	**30 June 2020**
	$	**$**
Government grants	394,444	366,250
Other	3,808	11,026
	398,252	**377,276**

8. Expenses

A. Professional services

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Legal costs	118,881	500,867
Marketing	143,763	23,005
Accountancy, audit and tax	571,783	368,407
Corporate consultants	285,386	829,171
	1,119,813	**1,721,450**

B. Directors' and employees' benefits

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Wages, salaries and directors' fees	7,115,547	14,784,716
Superannuation	615,334	1,209,996
Annual leave entitlements	47,557	(171,214)
Long service leave entitlements	61,266	47,561
Recharge to Hadrian development costs	(4,353,211)	(9,936,569)
	3,486,493	**5,934,490**

C. Other expenses

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Insurance	163,712	150,999
Travel expenses	116,078	458,873
Compliance costs	154,265	257,593
Subscriptions	102,471	145,912
Staff training costs	37,368	49,144
Other administration expenses	928,082	876,526
Recruitment costs	11,537	122,423
Website development costs	15,220	1,362
	1,528,733	**2,062,832**

9. Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of FBR Limited at 26% (2020: 27.5%) and the reported tax expense in profit or loss are as follows:

	30 June 2021	30 June 2020
	$	$
Loss from continuing operations before income tax expense	(9,333,023)	(11,557,057)
- Prima facie tax benefit on loss from ordinary activities before income tax at 26% (2020: 27.5%)	(2,426,586)	(3,178,191)
Add (less) tax effect of:		
- Non-deductible items (permanent) - Entertainment	3,439	7,214
- Non-deductible items (permanent) – Share/Option Based Payments expensed	632,941	467,324
- Non-deductible items (permanent) – Share/Option Based Payments capitalised	251,267	332,457
- Non-assessable income (permanent) - Cashflow boost	(19,500)	(34,375)
- Permanent differences relating to R&D costs	225,798	792,831
- costs recognised in equity	(211,500)	(114,091)
- Change in tax rate	64,611	64,624
- Movement in temporary differences not recognised	1,479,530	1,101,926
Income tax expense	**-**	**(560,281)**

9. Income tax expense (continued)

Deferred tax assets ("DTA") and liabilities ("DTL") recognised relate to the following:

	30 June 2021 $	30 June 2020 $
DTA		
Tax losses & non-refundable offsets (Group) - Note 9b	10,315,459	10,252,559
Other temporary differences (DTA closing balance)		
Patent Costs	50,667	50,667
Domain registrations	884	884
In-house software	184,399	347,741
Blackhole expenditure	2,674	6,867
Lease cancellation costs	9,718	19,435
Accruals & other payables	28,257	14,664
Finance lease liability	269,025	32,121
Provisions	199,560	162,522
Capital Raising Costs through equity	434,878	426,807
DTL		
Other temporary differences (DTL closing balance)		
Cash assets	(13,244)	(343)
Trade receivables	(18)	(1,465)
Prepayments	(161,202)	(165,696)
Investment in Hadrian	(7,967,744)	(9,334,784)
Right of Use assets	(284,460)	(319,381)
Property, plant & equipment	(487,397)	(390,672)
Net deferred tax asset not recognised at 26% - Note 9a & 9b	**2,581,456**	**1,101,926**

Note 9a: The net deferred tax asset in 2021, not recognised is at a 26% tax rate, being FBRs likely tax rate for the 2021 year. The net deferred tax liability in 2020, recognised was at a 26% tax rate, being FBRs likely tax rate for the 2020 year.

FBR is classified as a small business entity and base rate entity for the year ended 30 June 2021. The income tax rate for base rate entities for the year ended 30 June 2021 is 26% (2020: 27.5%).

Note 9b: The deferred tax asset at 26% which is attributable to tax losses carried forward at 30 June 2021 is $10,315,459 (2020: $7,398,353 at 26% rate).

As the deferred tax asset exceeds the deferred tax liability at 30 June 2021, FBR has partially offset the deferred tax asset against the deferred tax liability and not recognised the net deferred tax asset in the consolidated statement of financial position and profit and loss.

10. Cash and cash equivalents

Cash and cash equivalents include the following components:

	Consolidated	
	30 June 2021 $	30 June 2020 $
Cash at bank and on deposit	**11,128,151**	**5,081,787**

Security deposits held by the Group's bank in relation to credit card facilities and rental properties total $832,313 (2020: $832,313).

11. Inventories

Inventories include the following components:

	Consolidated	
	30 June 2021 $	30 June 2020 $
Cost	1,747,166[1]	-
Inventory impairment	(284,630)[2]	-
Carrying Amount at 30 June 2021	**1,462,536**	**-**

1. *The cost of Inventories comprises of the purchase of five blocks of land, as well as all costs incurred in relation to the completion of the FBR owned land and house development at 31 Elderberry Drive, Dayton.*
2. *The cost of 31 Elderberry Drive, Dayton was impaired by $284,630 to net realisable value at FY21 period end*

12. Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	30 June 2021 $	30 June 2020 $
Research and Development tax rebate	3,986,814	4,000,000
Wall as a Service and Construction Services	100,980	-
GST receivable	227,322	191,568
Director loans	207,499	196,674
Other receivables	23,208	130,588
	4,545,823	**4,518,830**

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

The carrying amount of trade and other receivables is considered a reasonable approximation of fair value as this financial asset (which is measured at amortised cost) is expected to be settled within six (6) months.

12. Trade and other receivables (continued)

Director loans includes $190,000 unsecured loan to a director (plus interest of $17,499) in connection with Performance Rights issued under the Group's Performance Rights Plan. The loan has a maturity date of 31 December 2021 and an interest rate at the higher of 5.20% per annum and the highest rate of interest payable by the Company to any financier of the Company at the relevant time.

All of the Group's trade and other receivables have been reviewed for indicators of impairment with none being noted.

13. Other current assets

Other current assets consist of the following:

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Prepayments	858,348	643,103
	858,348	**643,103**

14. Financial assets and liabilities

A. Categories of financial assets and liabilities

Note 5 J) provides a description of each category of financial assets and financial liabilities and the related accounting policies.

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Notes	Financial assets at amortised cost $	Total $
30 June 2021			
Financial assets			
Cash and cash equivalents	10	11,128,151	11,128,151
Trade and other receivables		331,687	331,687
		11,459,838	**11,459,838**
Financial liabilities			
Trade and other payables	18	1,869,425	1,869,425
Lease liabilities	20	1,034,710	1,034,710
Research & development tax refund loan		2,474,327	2,474,327
		5,378,462	**5,378,462**

	Notes	Financial assets at amortised cost $	Total $
30 June 2020			
Financial assets			
Cash and cash equivalents	10	5,081,787	5,081,787
Trade and other receivables		327,262	327,262
		5,409,049	**5,409,049**
Financial liabilities			
Trade and other payables	18	1,047,974	1,047,974
Lease liabilities	20	123,541	123,541
Research & Development Tax Refund Loan		2,807,000	2,807,000
		3,978,515	**3,978,515**

The methods used to measure financial assets and liabilities reported at fair value are described in Note 30.

14. Financial assets and liabilities (continued)

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- lease payables.

15. Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

30 June 2021

	LAND & BUILDINGS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	WORK IN PROGRESS	TOTAL
	$	$	$	$	$	$
Gross carrying amount						
Balance at 1 July 2020	256,962	1,369,244	980,228	2,115,431[3]	112,982	4,834,847
Additions	-	1,117,811	30,823	64,571	-	1,213,205
Transfer from WIP	112,982	-	-	-	(112,982)	-
Transfer to Inventory	(369,944)	-		-		(369,944)
Disposals	-	-	-	(890)	-	(890)
Balance at 30 June 2021	**-**	**2,487,055**	**1,011,051**	**2,179,112**	**-**	**5,677,218**
Depreciation and impairment						
Balance at 1 July 2020	-	(390,153)	(512,112)	(785,319)[3]	-	(1,687,584)
Disposals	-	-	-	446	-	446
Depreciation[1]	-	(225,971)	(321,041)	(339,469)	-	(886,481)
Balance at 30 June 2021	**-**	**(616,124)**	**(833,153)**	**(1,124,342)**	**-**	**(2,573,619)**
Carrying amount at 30 June 2021	**-**	**1,870,931**	**177,898**	**1,054,770**	**-**	**3,103,599**

1. *$359,875 of depreciation charges for the current period in relation to property, plant and equipment have been capitalised to development costs.*

15. Property, plant and equipment (continued)

30 June 2020

	LAND & BUILDINGS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	WORK IN PROGRESS	TOTAL
	$	$	$	$	$	$
Gross carrying amount						
Balance at 1 July 2019	-	1,053,321	556,587	945,981	105,476	2,661,365
Additions	256,962	370,064	423,641	1,063,974	112,982	2,227,623
Transfers	-	-	-	105,476	(105,476)	-
Disposals	-	(54,140)	-	-	-	(54,140)
Balance at 30 June 2020	**256,962**	**1,369,245**	**980,228**	**2,115,431**	**112,982**	**4,834,848**
Depreciation and impairment						
Balance at 1 July 2019	-	(205,970)	(215,342)	(372,602)	-	(793,914)
Disposals	-	42,291	-	656	-	42,947
Depreciation[1]	-	(226,474)	(296,770)	(413,374)	-	(936,618)
Balance at 30 June 2020	**-**	**(390,153)**	**(512,112)**	**(785,320)**	**-**	**(1,687,585)**
Carrying amount at 30 June 2020	**256,962**	**979,092**	**468,116**	**1,330,111**	**112,982**	**3,147,263**

1. *$416,972 of depreciation charges for the prior period in relation to property, plant and equipment have been capitalised to development costs.*

16. Right-of-use assets

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

30 June 2021

	Consolidated		
	Land & Buildings	**ICT Equipment**	**Total**
	$	**$**	**$**
Carrying amount at 1 July 2020	1,102,585	125,803	1,228,388
Depreciation	(1,185,692)	(52,977)	(1,238,669)[1]
Adjustment from lease modification	1,104,357	-	1,104,357
Carrying amount at 30 June 2021	**1,021,250**	**72,826**	**1,094,076**

1. *$1,076,901 of depreciation charges for the current period in relation to the right-of-use assets have been capitalised to development costs.*

30 June 2020

	Consolidated		
	Land & Buildings	**ICT Equipment**	**Total**
	$	**$**	**$**
Carrying amount at 1 July 2019	-	-	-
Adjustment on transition to AASB 116 leases	3,050,756	161,392	3,212,148
Depreciation	(1,948,171)	(35,589)	(1,983,760)[1]
Adjustment from lease modification	-	-	-
Carrying amount at 30 June 2020	**1,102,585**	**125,803**	**1,228,388**

1. *$1,031,590 of depreciation charges for the prior period in relation to the right-of-use assets have been capitalised to development costs.*

As at 30 June 2021, the group operates leases in respect of an office, workshop and ICT equipment.

The lease contract for the head office and workshop has a non-cancellable term of (12) months and expires 30 June 2022.

The lease contract for the second office has a non-cancellable term of (9) months and expires 4 April 2022.

The lease contract for the third workshop has a non-cancellable term of (7) months and expires 31 January 2022.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset.

17. 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 tested for impairment annually as required by AASB 136 Impairment of Assets. The Company has tested this asset for impairment in accordance with the valuation methodology referenced in note 5P Significant management judgement and estimates in applying accounting policies. Capitalised development costs are amortised over the period of their expected life. Patent costs that relate to projects that are in the development phase are capitalised.

The following tables show the movements in development costs associated with the Hadrian X:

	Consolidated	
	30 June 2021	**30 June 2020**
	$	**$**
Gross carrying amount	43,236,917	28,629,465
Additions	10,008,907	18,607,452
R&D tax incentives	(6,923,899)	(4,000,000)
	46,321,925	**43,236,917**
Additions		
Consultants	657,173	412,904
Employee benefits	4,198,434	10,389,893
Equipment hire	41,213	219,163
Materials	1,122,882	2,595,992
Occupancy expense	1,416,358	1,440,201
Share-based payments	966,410	1,207,165
Patents and trademarks	694,359	757,688
Overheads and other	912,078	1,584,446
Total additions	**10,008,907**	**18,607,452**
R&D Tax Incentives		
R&D tax incentives received and accrued	**(6,923,899)**	**(4,000,000)**

18. Trade and other payables

Trade and other payables consist of the following:

	Consolidated	
	30 June 2021	**30 June 2020**
	$	**$**
Trade creditors	1,600,925	813,342
Accrued expenses	108,682	95,029
Other payables	159,818	139,603
	1,869,425	**1,047,974**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

19. Provisions

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

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Current		
Employee entitlements – Annual leave	466,725	453,140
Employee entitlements – Long service leave	-	-
	466,725	**453,140**
Non-current		
Employee entitlements – Annual leave	90,145	56,173
Employee entitlements – Long service leave	210,670	149,404
	300,815	**205,577**

The current portion of these liabilities represents the Group's obligations to its current and former employees that are expected to be settled during the next financial year.

20. Lease Liabilities

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

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Lease liabilities (current)	1,013,852	52,998
Lease liabilities (non-current)	20,858	70,543
	1,034,710	**123,541**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at 30 June 2021 are as follows:

	Within one year	One to five years	After 5 years	Total
	$	$	$	$
30 June 2021				
Lease payments	1,034,972	21,165	-	1,056,137
Finance expenses	(21,120)	(307)	-	(21,427)
Net present values	**1,013,852**	**20,858**	**-**	**1,034,710**

21. Share capital

Ordinary shares

	2021		2020	
	$	No.	$	No.
Ordinary shares, fully paid	**101,695,037**	**2,179,170,092**	**86,528,414**	**1,797,968,316**

Movement in ordinary shares on issue

Movement in ordinary shares on issue	**$**	**No.**
Shares on issue at 1 July 2020	86,528,414	1,797,968,316
Capital raising		
25 August 2020 Placement ($0.057 per share)	16,000,000	280,701,755
Capital Raising Costs	(918,377)	-
Retention Performance rights converted (24 September 2020)	85,000	500,000
Milestone C Performance Shares consolidated then converted	-	21
Loan funded shares issued to Executive Directors	-	100,000,000
Shares on issue at 30 June 2021	**101,695,037**	**2,179,170,092**

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.

The share capital of FBR consists only of fully paid ordinary shares, and the shares do not have a par value. All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of FBR.

Loan Funded shares

On 24 December 2020, the Company issued 100,000,000 Loan Funded incentive shares as a director loan to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020 (refer Note 27).

The following table illustrates the outstanding loan funded shares granted, repaid and forfeited during the year.

21. Share capital (continued)

	2021 Number	2020 Number
Outstanding at 1 July	-	-
Granted during the year	100,000,000	-
Repaid during the year	-	-
Cancelled/forfeited during the year	-	-
Loan Funded Shares at 30 June	**100,000,000**	**-**

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.

Performance shares

On 15 December 2020, 166,666,666 Class C Performance Shares were consolidated into one Performance Share for each of the 21 Shareholders who held the performance shares and then converted to fully paid ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus. The Class C Performance shares were originally issued as deferred consideration for the acquisition of FBR under the prospectus dated 23 September 2015.

There were no performance shares issued during the current year (2020: nil). There were 21 performance shares that converted to ordinary fully paid shares during the current year (2020: 166,666,666).

The following table illustrates the outstanding performance shares granted, converted and forfeited during the year.

	2021 Number	2020 Number
Outstanding at 1 July	166,666,666	333,333,332
Granted during the year	-	-
Converted during the year	(21)	(166,666,666)
Cancelled/forfeited/consolidated during the year	(166,666,645)	-
Performance Shares at 30 June	**-**	**166,666,666**

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 FBR.

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

21. Share capital (continued)

Under the Initial Public Offering and pursuant to the prospectus dated 23 September 2015, the Company allotted 499,999,998 unquoted performance shares to the shareholders of FBR. These Performance Shares were split equally into three category classes. Two of the category classes are:

i. 166,666,666 Performance Shares Class B (fully converted as at 30 June 2021)

   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. During the previous financial year all Class B Performance Shares were converted into ordinary shares; and

ii. 166,666,666 Performance Shares Class C (21 fully converted and 166,666,645 expired as at 30 June 2021)

   Vesting condition for Class C; Upon achievement by the Company of reported annual operating revenue in a financial year attributable to the FBR technology (excluding grant receipts and R&D rebates received from the ATO) of at least $10,000,000. During the year 166,666,666 Class C Performance Shares were consolidated into one Performance Share for each of the 21 Shareholders who held the performance shares and then converted to fully paid ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus.

22. Share based payments

Ordinary shares

There were no ordinary shares granted as consideration for services provided to the Company during the year.

Options

There were no options issued by the Company during the year.

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

	2021		2020	
	Number	Weighted average exercise price (cents)	Number	Weighted average exercise price (cents)
Outstanding at 1 July	26,600,000	26	28,287,500	25
Granted during the year	-	-	-	-
Converted during the year	-	-	(1,687,500)	2
Expired during the year	(20,800,000)	25	-	-
Forfeited during the year	-	-	-	-
Outstanding as at 30 June	**5,800,000**	**30**	**26,600,000**	**26**

Performance rights

On 24 September 2020, the Company issued 500,000 fully paid ordinary shares as a result of vesting of retention performance rights issued to the Chief Operating Officer.

There were 61,220,000 performance rights issued during the current year (2020: 36,746,104).

The weighted average fair value of the performance rights granted during the current year is $0.06 (2020: $0.06).

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 FBR.

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

	2021	2020
	Number	Number
Outstanding at 1 July	27,387,736	39,612,234
Granted during the year	61,220,000	36,746,104
Converted during the year	(500,000)	(34,704,444)
Expired during the year	(1,733,332)	(7,399,998)
Forfeited during the year	(7,404,376)	(6,866,160)
Performance rights at 30 June	**78,970,028**	**27,387,736**

22. Share based payments (continued)

On 7 September 2020, the Company issued 61,220,000 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 14,235,000 Performance Rights Class A (since either converted to ordinary shares on 7 July 2021 or cancelled or forfeited)

Vesting condition for Class A; The Company has built the structural walls of a 220 vertical sqm walled house with an average lay speed of 20 vertical sqm per hour or greater.

Milestone date is 30 June 2021
Expiry date is 28 September 2021
If unconverted, Class A Performance Rights will expire on the expiry date;

ii. 14,235,000 Performance Rights Class B (since either converted to ordinary shares on 7 July 2021 or cancelled or forfeited)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

Milestone date is 30 June 2021
Expiry date is 28 September 2021
If unconverted, Class B Performance Rights will expire on the expiry date;

iii. 16,375,000 Performance Rights Class C

Vesting condition for Class C; The walls of one standard house built in two days with two operators and one Hadrian.

Milestone date is 30 June 2023

Expiry date is 28 September 2023
If unconverted, Class C Performance Rights will expire on the expiry date;

iv. 16,375,000 Performance Rights Class D

Vesting condition for Class D; The walls of one standard house built in one day with one operator and one Hadrian.

Milestone date is 30 June 2023
Expiry date is 28 September 2023
If unconverted, Class D Performance Rights will expire on the expiry date;

The performance rights were valued using the spot price on grant date. The spot price was $0.061 per share at the close of trade on 7 September 2020, being the date the performance rights were issued.

The fair value of these 61,220,000 performance rights granted during the current year, assuming that 100% of the performance rights will vest, was $3,734,420. $1,080,850 was capitalised to development costs, based on the number of performance rights issued to technical and engineering employees and $1,433,986 was expensed based on the number of performance rights issued to corporate and commercial employees during the current year.

22. Share based payments (continued)

In the prior year, the Company issued 36,746,104 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 8,049,867 Performance Rights Class A (since either converted to ordinary shares on 25 March 2020 or cancelled or forfeited)

Vesting condition for Class A; Successful completion of business commercialisation goals

Milestone date is 31 December 2019
Expiry date is 30 March 2020
If unconverted, Class A Performance Rights will expire on the expiry date;

ii. 8,049,867 Performance Rights Class B (since either converted to ordinary shares on 25 March 2020 or cancelled or forfeited)

Vesting condition for Class B; Successful completion of employee individual performance goals

Milestone date is 31 December 2019
Expiry date is 30 March 2020
If unconverted, Class B Performance Rights will expire on the expiry date;

iii. 388,185 Performance Rights Class C

Vesting condition for Class C; Successful completion of long term individual project goals

Milestone date is 31 December 2021
Expiry date is 30 March 2022
If unconverted, Class C Performance Rights will expire on the expiry date;

iv. 20,258,185 Performance Rights Class D

Vesting condition for Class D; Successful completion of long term business commercialisation goals

Milestone date is 31 December 2021
Expiry date is 30 March 2022
If unconverted, Class D Performance Rights will expire on the expiry date;

The performance rights were valued using the spot price on grant date. The spot price was $0.061 per share at the close of trade on 30 October 2019, being the date the performance rights were issued.

The fair value of these 36,746,104 performance rights granted during the prior year, assuming that 100% of the performance rights will vest, was $2,241,512. During the current year $97,623 was capitalised to development costs, based on the number of performance rights issued to technical and engineering employees and $508,115 was expensed based on the number of performance rights issued to corporate and commercial employees during the prior year.

23. Reserves

	30 June 2021	30 June 2020
	$	$
Share option reserve	1,155,865	2,007,041
Performance right reserve	3,325,339	827,448
	4,481,204	**2,834,489**

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

	30 June 2021	30 June 2020
	$	$
Movement in option reserve		
Opening at 1 July	2,007,041	1,711,347
Options vested during the year	665,512	321,047
Options exercised during the year	-	(25,353)
Options expired	(1,516,688)	-
Closing at 30 June	**1,155,865**	**2,007,041**

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

	30 June 2021	30 June 2020
	$	$
Movement in performance right reserve		
Opening at 1 July	827,448	1,423,168
Performance rights converted to shares during the year	(85,000)	(2,390,257)
Performance rights issued during the year	3,293,492	3,097,136
Performance rights expired during the period	(270,174)	(876,989)
Performance rights forfeited during the period	(440,427)	(425,610)
Closing at 30 June	**3,325,339**	**827,448**

24. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Legal Parent Company (FBR Limited) as the numerator, i.e. no adjustments to profits were necessary during the twelve (12) months period to 30 June 2021 and 30 June 2020.

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:

	30 June 2021 $	30 June 2020 $
Weighted average number of shares used in basic earnings per share	2,087,492,553	1,628,240,569
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	**2,087,492,553**	**1,628,240,569**

25. Reconciliation of cash flows from operating activities

Reconciliation of cash flows from operating activities:

	30 June 2021 $	30 June 2020 $
Cash flows from operating activities		
Loss for the period after income tax expense	(9,333,023)	(10,996,775)
Adjustments for:		
• depreciation, amortisation and impairment	1,048,249	613,103
• share-based payments	2,434,389	1,699,361
• interest receivable	5,261	8,676
Net changes in working capital:		
• change in trade and other receivables	421,294	(112,922)
• change in other assets	27,200	25,055
• change in trade and other payables	201,563	(40,976)
• change in deferred tax liabilities	-	(560,281)
Net cash from operating activities	**(5,195,067)**	**(9,364,759)**

26. Auditor remuneration

	30 June 2021	30 June 2020
	$	$
Audit services remuneration paid to Grant Thornton Audit Pty Ltd, the auditor of the Group:		
Audit and review of financial statements	122,832	110,963
Remuneration for audit and review of financial statements	**122,832**	**110,963**

There were no non-audit services provided during the period by the Auditor.

27. Related party transactions

The Group's related parties include its Key Management Personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The consolidated financial statements include the financial statements of FBR Ltd, and the entities listed in the following table. Equity interest is directly held by FBR Ltd.

		% Equity interest	
	Country of incorporation	June 2021	June 2020
Fastbrick IP Pty Ltd	Australia	100%	100%
Fastbrick Engineering Pty Ltd	Australia	100%	100%
The Architectural Designer Pty Ltd	Australia	100%	100%
Fastbrick Operations Pty Ltd	Australia	100%	100%

Key Management Personnel remuneration

Key Management Personnel of the Group are the members of FBR's Board of Directors and members of the Executive Team. Key Management Personnel remuneration includes the following expenses:

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Short-term employee benefits	1,917,128	2,740,006
Post-employment benefits	127,705	193,818
Long-term benefits	48,805	124,585
Share based payments – Short Term Incentive	772,619	801,140
Share based payments – Long Term Incentive	909,509	708,405
	3,775,766	**4,567,954**

27. Related party transactions (continued)

Agreements with Directors or Related Parties

Director Loan Agreement

During the prior period the Company paid $190,000 as an unsecured interest bearing loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount (plus $17,499 interest) remains outstanding at 30 June 2021. The loan has a maturity date of 31 December 2021 and an interest rate at the higher of 5.20% per annum and the highest rate of interest payable by the Company to any financier of the Company at the relevant time.

Loan Funded Shares

On 24 December 2020, the Company issued 100,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020. The Loan Funded incentive shares are provided under a limited recourse, interest free loan. For each Executive Director, half of the loan, which pertains to 25,000,000 shares is repayable within 12 months and half of the loan, which pertains to the other 25,000,000 shares is repayable within 36 months.

Guarantees

There have been no guarantees provided or received for any related parties.

28. Contingent liabilities

At the reporting date the Group had no material contingent liabilities (2020: nil).

29. Financial instrument risk

A. Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities are summarised by category in Note 14. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

B. Market risk analysis

The Group is exposed to market risk, specifically interest rate risk, through the investment of excess working capital into the short term money market.

29. Financial Instrument Risk (continued)

Interest rate sensitivity

The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

	2021		2020	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Cash at bank	0.06%	10,295,838	0.55%	4,249,474
Cash on deposit	0.59%	832,313	1.67%	832,313
		11,128,151		**5,081,787**

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.5% (2020: +/- 0.5%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year		Equity	
	$	$	$	$
	0.50%	**-0.50%**	**0.50%**	**-0.50%**
Cash at bank				
30-Jun-21	51,479	(51,479)	51,479	(51,479)
30-Jun-20	21,247	(21,247)	21,247	(21,247)
Cash on deposit				
30-Jun-21	4,162	(4,162)	4,162	(4,162)
30-Jun-20	4,162	(4,162)	4,162	(4,162)

C. Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investment in bonds etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

29. Financial Instrument Risk (continued)

	2021	2020
	$	$
Classes of financial assets		
Carrying amounts:		
• Cash and cash equivalents	11,128,151	5,081,787
• Trade and other receivables	331,687	327,262
	11,459,838	**5,409,049**

The Group continuously monitors defaults of counterparties, identified either individually or by Group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality.

Trade and other receivables consist of Grants and Interest Receivable, Director Loans and Trade Debtors. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

D. Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30 day projection. Long-term liquidity needs for a 180 day and a 360 day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Statement of Financial Position) significantly exceed the current cash outflow requirements. Cash flows from other receivables are all due within six (6) months.

As at 30 June 2021, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

29. Financial Instrument Risk (continued)

	Current		Non-current	
	Within 6 months $	6 - 12 months $	1 - 5 years $	5+ years $
30 June 2021				
Trade and other payables	1,869,425	-	-	-
Lease liabilities	506,926	506,926	20,858	-
Research & development tax refund loan	2,474,327	-	-	-
Total	**4,850,678**	**506,926**	**20,858**	**-**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Current		Non-current	
	Within 6 months $	6 - 12 months $	1 - 5 years $	5+ years $
30 June 2020				
Trade and other payables	1,047,974	-	-	-
Lease liabilities	26,499	26,499	70,543	-
Research & development tax refund loan	2,807,000	-	-	-
Total	**3,881,473**	**26,499**	**70,543**	**-**

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

30. Fair value measurement

Fair value measurement of financial instruments

The Directors have performed a review of the financial assets and liabilities as at 30 June 2021 and have concluded that the fair value of those assets and liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Cash - The carrying amount is fair value due to the liquid nature of these assets.
- Receivables/payables - Due to the short-term nature of these financial rights and obligations, their carrying values are estimated to represent their fair values and equals the amount to be settled by the contracting party.

31. Events after the reporting date

5 July 2021 – Settlement of the Company's Dayton Display Home was effected. The property sold for $530,000, with net proceeds of $477,104.62 received following GST withholding, agents fees and other sundry costs.

7 July 2021 - The Company issued 27,414,000 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on the achievement of performance milestones in accordance with the Company's Performance Rights Plan.

5 October 2021 – The Company entered into its first multi-home Wall as a Service® contract to supply Wall as a Service® to third-party residential property developer Riculallo Pty Ltd using the Hadrian X® construction robot. The contract pertains to a development site in St James, Western Australia, under which FBR will construct the slab, footings, structural walls, second storey slab and roof trusses for eight two-storey townhouses. The contract value is in excess of $0.5 million.

21 October 2021 – The Company issued 38,620,000 unlisted Performance Rights in accordance with the Company's Employee Securities Incentive Plan.

32. Parent entity information

The following information relates to the legal parent entity of the Company, being FBR Limited ('the Parent Entity'). The information presented has been prepared using consistent accounting policies as presented in Note 5.

	2021 $	2020 $
Statement of financial position		
Current assets	10,617,290	4,370,674
Non-current assets	911,846	1,013,851
Total assets	11,529,136	5,384,525
Current liabilities	3,566,810	3,532,656
Non-current liabilities	177,653	215,372
Total liabilities	3,744,463	3,748,028
Net assets	**7,784,673**	**1,636,498**
Issued capital	124,281,901	109,115,279
Reserves	4,481,204	2,834,489
Retained losses	(120,978,432)	(110,313,270)
Total equity	**7,784,673**	**1,636,498**
Statement of profit or loss and other comprehensive income:		
Loss for the year	10,665,162	20,630,324
Other comprehensive income	-	-
Total comprehensive income	**10,665,162**	**20,630,324**

The Parent Entity has no capital commitments (2020: Nil).

The Parent Entity has not entered into a Deed of Cross Guarantee nor are there any contingent liabilities at the year end.

33. Research & development tax refund loan

During the period, the Company received an advance payment from Radium Capital of $2,469,591 as a secured loan against FBR's research and development tax incentive refund for the year ended 30 June 2021. The loan is due for repayment at the earlier of when the research and development tax incentive refund is received by the Company or 31 December 2021. The loan has an interest rate of 14% per annum.

Directors' Declaration

1 In the opinion of the Directors of FBR Limited:

a. The consolidated 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 30 June 2021, and of its performance for the financial year ended on that date; and

ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. There are reasonable grounds to believe that FBR Limited will be able to pay its debts as and when they become due and payable.

2 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer equivalent for the financial year ended 30 June 2021.

3 Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors



Michael Pivac

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - GLOBAL

Dated the 27th day of October 2021

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Independent Auditor's Report

To the Members of FBR Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of FBR Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 $9,333,023 during the year ended 30 June 2021 and the Group's cash outflows from operating and investing activities totalled $8,704,080. 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.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of development costs asset – Note 17	
The Group has capitalised development costs in relation to the Hadrian X project. There is a risk that costs that have been capitalised may not comply with the recognition requirements relevant to AASB 138 *Intangible Assets*. Management judgement is required to assess the commercial and technical feasibility of the Hadrian X project, including the future economic benefits. This area is a key audit matter due to the subjectivity involved in assessing the recognition criteria for capitalised development costs.	Our procedures included, amongst others: • assessing the appropriateness of management's policy for capitalising development costs pursuant to AASB 138; • assessing management's paper on the current stage of development of the asset, including whether or not the asset is available for use; • testing the mathematical accuracy of management's development costs model; • selecting a sample of capitalised costs and agreeing to third party support to identity whether they have been appropriately capitalised in accordance with accounting policies; • examining existing patents held by the Group that support project activities; • examining agreements in place to support technical and commercial feasibility; and • assessing the appropriateness of financial statement disclosures.
Impairment of development costs asset - Note 17	
The Group holds $46,321,925 of intangible assets on the statement of financial position. This intangible asset is identified by management as not yet available for use. No impairment expense has been recognised during the period. AASB 136 *Impairment of Assets* requires intangible assets not yet available for use to be tested for impairment annually. This area is a key audit matter due to the management judgement involved in assessing the assumptions and inputs required to prepare a fair value less costs of disposal model and to satisfy the impairment testing requirements of AASB 136.	Our procedures included, amongst others: • evaluating the model against the requirements of AASB 136, including engaging an internal technical expert to assess management's impairment methodology; • obtaining evidence to support the key assumptions used by management in the model and challenging those assumptions; • performing sensitivity analysis to stress test the key assumptions used in the fair value less cost of disposal model; and • assessing the appropriateness of financial statement disclosures.

Recognition of R&D tax incentive – Note 12

Under the research and development (R&D) tax incentive scheme, the Group receives a 43.5% refundable tax offset of eligible expenditure if its turnover is less than $20 million per annum, provided it is not controlled by income tax exempt entities.

A R&D plan is filed with AusIndustry in the following financial year and, based on this filing, the Group receives the incentive in cash. Management performed a detailed review of the Group's total R&D expenditure to estimate the refundable tax offset receivable under the R&D tax incentive legislation. As at 30 June 2021, a receivable of $3,986,814 has been recorded.

This area is a key audit matter due to the size of the accrual and the degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.

Our procedures included, amongst others:

- comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim;
- utilising an internal R&D tax specialist to review the expenditure methodology employed by management for consistency with the R&D tax offset rules;
- assessing the nature of the expenditure against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;
- comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger;
- inspecting copies of relevant correspondence with AusIndustry and the ATO related to historic claims; and;
- assessing the appropriateness of financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 25 of the Directors' report for the year ended 30 June 2021.

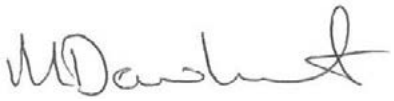
In our opinion, the Remuneration Report of FBR Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M D Dewhurst
Partner – Audit & Assurance

Perth, 27 October 2021

Additional
ASX Information

Additional ASX InformationAdditional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report. The information was prepared on share registry information processed up to 12October 2021.

Range	Total Holders	Units	%Units
1 - 1,000	815	120,712	0.01
1,001 - 5,000	1,723	6,036,980	0.27
5,001 - 10,000	2,102	16,860,451	0.76
10,001 - 100,000	6,115	232,217,885	10.52
100,001 Over	2,087	1,951,348,064	88.43
Rounding			0.01
Total	12,842	2,206,584,092	100.00

Voting Rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights. Performance Rights for ordinary shares do not carry any voting rights.

Substantial Shareholders

Rank	Name	Units	% Units
1	MARK JOSEPH PIVAC	333,205,167	15.10
2	FIL LIMITED	203,737,661	9.23
3	MR MICHAEL JOHN PIVAC	127,589,371	5.78

Top 20 Shareholders

Rank	Name	Shares	% of Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	318,458,117	14.43
2	MR MARK JOSEPH PIVAC	142,442,680	6.46
3	MR MARK JOSEPH PIVAC	104,230,741	4.72
4	MR MARK JOSEPH PIVAC	80,325,496	3.64
5	CITICORP NOMINEES PTY LIMITED	54,261,106	2.46
6	MR MICHAEL JOHN PIVAC	53,333,334	2.42
7	MR MICHAEL JOHN PIVAC	48,144,238	2.18
8	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	38,876,575	1.76
9	HORSLEY PARK HOLDINGS PTY LTD	29,867,212	1.35
10	MR MICHAEL JOHN PIVAC	26,111,799	1.18
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	21,769,838	0.99
12	MR GARY STANLEY PAULL	14,503,752	0.66
13	BNP PARIBAS NOMS PTY LTD <DRP>	13,285,386	0.60
14	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	11,498,234	0.52
15	GOLDFEET PTY LTD <DODGE FAMILY A/C>	10,991,603	0.50
16	SPLENDID STUFF PTY LTD	10,000,000	0.45
17	MR ANTHONY VINCENT RIDOLFO + MRS CAROLINE LISA RIDOLFO	9,500,000	0.43
18	MS SUSANN WIEDEMANN	8,464,948	0.38
19	KIDSKLUBS KARIONG PTY LTD <GUIDING LIGHT SUPERFUND A/C>	8,000,000	0.36
20	MR JOVO CIRKOVIC <THE CIRKOVIC FAMILY A/C>	7,010,000	0.32
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**1,011,075,059**	**45.82**
Total Remaining Holders Balance		**1,195,509,033**	**54.18**

Contact
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