ASX Announcement
FBR Limited

FBR Limited Quarterly Report | September 2021

Highlights

- FBR completes walls of two houses in Wellard, WA
- Growing industry interest in FBR's Hadrian X® and Wall as a Service® offering from increasing variety of building and development companies
- Hadrian X® pipeline of potential contracts filling up
- Customer receipts up to a record $621,000, highlighting initial results from FBR's increased push to commercialise Hadrian X® technology

Friday, 29 October 2021 – Robotic technology company **FBR Limited (ASX: FBR)** ('**FBR**' or '**the Company**') is pleased to provide its quarterly update for the three months ending September 30, 2021.

Business Activities Update

During the quarter, FBR completed the walls of a four-bedroom, two-bathroom home in Wellard, Western Australia with its mobile robotic blocklaying machine and system, Hadrian X®, consisting of 3,456 concrete masonry unit (CMU) blocks or approximately 21,780 standard brick equivalents. This build was completed with only three people on site playing an active role in the building of the structure – one Hadrian operator and two support crew. The entire structure was completed in 29 laying hours.

Subsequent to the end of the quarter, FBR constructed another home in Wellard with the Hadrian X®, which was again a four-bedroom, two-bathroom home with 4,343 CMU blocks laid. This entire structure was again completed in 29 laying hours.

Commercial Update

FBR continued to receive significant inbound interest for the Hadrian X® and has been working closely with a range of builders to plan future work and schedule it in with FBR's continuous improvement program. These potential activities range across residential and commercial developments.

Notwithstanding the continued challenges presented by COVID-19, FBR has been continuing discussions with interested parties in the Middle East and North America about potential applications of Hadrian X®.

In addition, FBR also advanced discussions with project partners including global construction products companies Xella and Wienerberger on extending the range of blocks suitable for laying by Hadrian X® and resultant opportunities.

Subsequent to the end of the period, FBR announced that it had executed a concrete slab and WaaS® contract for eight townhouses in the Perth suburb of St James. FBR will construct the slab, footings, structural walls, second storey slab and roof trusses for the eight two-storey townhouses. Work on the $5 million project will start as soon as practicable after all necessary approvals have been granted, and will be completed at commercial rates with the WaaS® contract value in excess of $500,000. It is planned that FBR's upgraded Hadrian, H01, will be used to complete these townhouses.

Corporate and Finance

FBR's receipts from customers for the quarter totalled a record $621,000, up from $11,000 in the last full financial year, representing a year on year increase already of over 5,000%.

During the quarter, FBR spent $1.8 million on corporate costs, up slightly from the previous quarter due to a small increase in staffing levels. FBR spent $2.1 million developing the Hadrian technology, which was down from the previous quarter in accordance with the transition towards using the Hadrian robots for business activities. FBR spent approximately $280,000 developing its house and land properties at Wellard and approximately $50,000 acquiring plant and equipment for manufacturing Hadrian technology components.

Subsequent to the end of the quarter, FBR undertook a review of its structure and commercial objectives to position the Company for the next phase of its growth. Given the multiple significant commercial opportunities before the Company, FBR is pleased to announce the promotion of Mr Kiel Chivers to the position of Chief Commercial Officer to execute on the Company's commercialisation strategy. Mr Chivers previously held the role of Manager Corporate Services with FBR and has been working with the Company in various capacities since 2015.

FBR has also commenced an executive recruitment process for an additional executive to manage the operations of FBR's Australian entity.

Subsequent to the end of the quarter, FBR advised that the Company had issued 38,620,000 unlisted Performance Rights pursuant to the Company's Employee Securities Incentive Plan approved by Shareholders at the 2020 AGM.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately $263,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

This announcement has been authorised for release to the ASX by FBR's Board of Directors.

Ends

For more information please contact:

FBR Limited
Kiel Chivers
Chief Commercial Officer
T: +61 8 9380 0240
investor@fbr.com.au

For media:
Jean Perkins
Cannings Purple
T: +61 (0)438 886 954
jperkins@canningspurple.com.au

About FBR Limited

FBR Limited (ASX:FBR) 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 designed to build structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X® provides Wall as a Service®, FBR's unique commercial offering, to builders on demand.

To learn more please visit www.fbr.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
FBR Limited	
ABN	**Quarter ended ("current quarter")**
58 090 000 276	30 September 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	621	621
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing and business development	(105)	(105)
	(d) leased assets	-	-
	(e) staff costs - administration	(980)	(980)
	(f) administration and corporate costs	(726)	(726)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,192)**	**(1,192)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(330)	(330)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Hadrian Development costs	(772)	(772)
	- Staff costs – Hadrian Development	(1,161)	(1,161)
	- R & D rebate	-	-
	- Intellectual Property, Patents and Trademarks	(133)	(133)
2.6	**Net cash from / (used in) investing activities**	**(2,396)**	**(2,396)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,128	11,128
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,192)	(1,192)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,396)	(2,396)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**7,540**	**7,540**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	918	707
5.2	Call deposits	5,790	9,589
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7,540**	**11,128**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(263)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,469	2,469
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	**Total financing facilities**	2,669	2,469

7.5	**Unused financing facilities available at quarter end**	200

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As announced to the ASX on 30 June 2021 the Company has a loan at a 14% p.a. interest rate in place from Radium Capital. The loan is an advance on the Company's expected R&D tax refund for the year ended 30 June 2021. The Company will repay the loan upon receipt of its R&D tax refund.

Corporate credit card facility.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,192)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(2,066)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,540
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	7,740
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.38

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29th October 2021.....

Authorised by: Aidan Flynn, CFO and Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.